

Staff Report

Report To: Service Review Implementation Ad Hoc Committee

Report From: Michelle Palmer, Senior Manager of Strategic Initiatives and Operational Effectiveness

Meeting Date: July 9, 2025

Report Code: CM-25-017

Subject: Project 1a6 and 2b2 - LEAN Continuous Improvement Implementation

Recommendations:

THAT in consideration of Staff Report CM-25-017 respecting Project 1a6 and 2b2 - LEAN Continuous Improvement Implementation, the Service Review Implementation Ad Hoc Committee recommends that City Council receive the report for information purposes.

Highlights:

- LEAN continuous improvement increases efficiency, effectiveness, and overall service quality.
- Results can include streamlining processes, implementing new technologies, and enhancing communication and collaboration.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: Service Excellence.

Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by strengthening the resiliency of City infrastructure or services.

Previous Report/Authority:

[CM-24-019 1a6 and 2b2 LEAN Continuous Improvement Introduction](#)

[CR-23-104 Service Level Change – Training and Education](#)

[CM-23-012 Service Review Implementation and Next Steps](#)

Background:

LEAN continuous improvement is a toolkit of methodologies to ensure efficient and effective services which provide value for the customer. Savings can be absolute or provide resource capacity (e.g. staff time, which can be reinvested in other activities).

In 2024, the City retained Leading Edge Group, a well-known education and consulting provider to multiple municipalities throughout Canada, to provide training to City staff throughout the implementation. A full-day learning workshop was held for people leaders from across the organization, focusing on understanding how LEAN continuous improvement tools can support the organization in identifying and reducing waste and inefficiencies in all their forms while simultaneously adding more value to the customer, the role of leaders in ensuring a LEAN program is successful as well as to identify potential processes which should be scheduled for review. This resulted in over 100 processes being identified for potential review.

The implementation team used the findings of this workshop and:

- developed potential governance models, including identifying potential measures of success and project closure calculations,
- developed a selection criteria matrix and path to identify future process improvements,
- assessed alignment of the potential 100 processes for review against planned projects to ensure resource allocation, and
- consulted with the Strategic Leadership Team to refine and gather support for two pilot projects to trial various LEAN tools and build capacity with frontline staff across the organization.

The pilot projects selected were a review of the Employee Reimbursement process and a Yard and Space Optimization initiative at three work sites across the organization - Public Works, Water Distribution and Parks.

The implementation team then developed project charters, identified team members, created a training plan for the impacted staff for the two pilot projects, and participated in the improvements as champions.

Analysis:

Undertaking two LEAN projects as pilots was a crucial step in establishing a culture of continuous improvement. It was an opportunity to engage frontline staff in trying various LEAN continuous improvement tools in a safe environment without fear of failure.

Pilot #1 - Employee Reimbursement Process Improvement:

The employee reimbursement process was a manual process that utilized paper-based forms and involved multiple handoffs for approvals. Adding to the complexity was the variance in the process across different teams and a lack of a consistent method for approval.

A cross-functional team from finance, public works, human resources, and purchasing were trained in LEAN at the Yellow Belt level and utilized process mapping to identify process variances, track time, and identify opportunities for improvement.

The revised process included the implementation of a digital form, an electronic approval and the development of a standard, documented procedure to ensure a consistent process.

Lessons learned:

- Positive response to having staff involved in the process improvement trained at the same time
- Importance of scoping the project to a single process (or single component of a process) due to the inter-connectivity of many processes
- Lack of documented processes and the amount of variance within processes across the organization

Measures of Success:

This improvement will result in staff time savings of 89.4 hours per year (a reduction of 24%), which can be reinvested in other activities.

Pilot #2 – Yard and Space Optimization at Public Works, Water Distribution, and Parks

One area at each of the three locations was selected for a 5S (Sort, Set In Order, Shine, Standardize and Sustain) initiative with the goal of reducing the square footage required for storage, reducing the inventory of items that are no longer used, and decreasing the time it takes to access various inventory components. 5S activities are aimed at removing waste from the workplace by means of improved workplace organization and visual communication.

Champions were identified at each location and trained in-depth on 5S. Then, a Mini-White Belt training session was held for all team members in the work areas to ensure understanding.

Kick-off meetings were held with each team, and staff were given red tags to identify inventory as they went about their regular work. Tagged items were then reviewed on a weekly basis for organization and/or disposition.

Lessons learned:

- Importance of selecting smaller areas to manage scope
- Easy to get overwhelmed with inter-dependencies (e.g. parts that belong to another team)
- Importance of having regular check-ins with supervisors/managers during the initiative
- Setting 1-2 days for specific cleanup/ tagging and then incorporating into daily work
- Positive response to having staff specifically identified as champions and training all impacted staff in the work areas at the same time
- Positive response to the discussions which have been sparked since the initiatives
- Challenge with quantifying improvement
- Importance of using visuals (before and after pictures) to capture change

Measures of Success:

Anecdotally, staff members were engaged in the process and are pleased with the easier access to inventory in the reorganized spaces. A significant number of items which were no longer required were able to be sold on GovDeals or scrapped, resulting in the City receiving approximately \$2500.

Continuous Improvement Journey Moving Forward:

The six pillars of a LEAN organization have been the basis for developing the LEAN program.

Governance

The Senior Manager, Strategic Initiatives and Operational Effectiveness, will continue to lead this work as it operationalizes and provide ongoing support to all staff, including people leaders

Capability

Within the approved budget for 2025, funds have been allocated to ensure the ongoing training of staff. The introductory LEAN White Belt training will continue to be provided by Leading Edge and will be incorporated into the Onboarding program for new staff as well as made available to interested staff. Through the Ontario LEAN Communities of Practice, staff have connected with the City of Barrie which offers in-house LEAN training. Barrie has agreed to have City staff attend their LEAN Yellow Belt training at a substantial savings.

Make It Happen

A top-down and bottom-up approach will be used to identify future improvements with staff and supervisors/managers being empowered to tackle improvements which only impact their division (Just Do It's) and the staff suggestion box being updated to capture process improvement suggestions which impact multiple divisions (resulting in organizational initiatives). These processes will be assessed against the selection matrix (data availability, complexity, employee impact, public impact, potential cost savings, time to complete, and transferability) to be assigned a priority score and built into future work plans.

Tools

Templates have been developed and are in place for process mapping, data collection, and 5S. Going forward additional templates will be developed for visual work, 5 why analysis, and PDCA (plan, do check, act).

Measurement and Monitoring

In order to develop meaningful metrics, measures of success were drafted connecting back to the program goals with annual targets.

LEAN Program Goals		Prioritized Measure of Success	Target: June 2024 - May 2025 (actual)	Target: June 2025 - May 2026 (planned)
Build Capability	Building Capability with more employees trained and engaged in Continuous Improvement (CI)	Number people trained in LEAN the 12-month period	60	35
		Employee Engagement Survey (EES) score every 3 years (specific questions identified within EES)	52.9%	Will be gathered in 2027
Projects Completed	Additional Processes Mapped	Number of processes mapped	2	2
	CI projects completed per year	Number of CI projects completed and tracked	0	2
Quantifiable Benefits	Staff Capacity	Increased capacity (# staff hours) re-invested	89	100
	Stakeholder Impact	Shortened Process Lead time for citizens/residents (# hours)	0	25
	Efficiency and cost effectiveness	Hard cost savings or cost avoidance	0	\$5,000

Continuous Improvement Journey Moving Forward:

For 2025, it is intended that the Pearl/Worktech Upgrade (an initiative planned for Fall 2025) will be the larger organizational LEAN project, with the goal of using process mapping to ensure that the impacted processes are documented. This will enable future process improvement work related to accounts payable, accounts receivable, inventory management, purchase orders, and service requests/work orders.

During the development of 2026 work plans, the selection matrix will be used to identify the larger organizational LEAN project.

Financial Implications:

The 2025 operating budget approved \$20,000 for staff training.

Communication Strategy:

Internally - a communication plan for staff has been developed and will share the success stories from the pilot projects, the overall LEAN program measures of success and next steps – tactics for sharing the key messages throughout the organization will include using the SOUND (the staff intranet) as well as digital screens

Externally - a media release will share information with the community.

Council - annual reports will be brought forward providing updates on the individual LEAN projects as well as on the overall LEAN program measures of success.

Consultation:

The implementation project team consisted of Michelle Palmer – Strategic Initiatives (project lead); Greg Nicol – Administrative Assistant, Fire Services; Carly McArthur – Communications Advisor; Kim Sowerby – Corporate Application Analyst; and Wade Nixon – Equipment Operator. The project sponsors were Kate Allan and Aidan Ware.

Attachments:

None.

Recommended by:

Michelle Palmer, Senior Manager of Strategic Initiatives and Operational Effectiveness

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Michelle Palmer, Senior Manager of Strategic Initiatives and Operational Effectiveness, at mpalmer@owensound.ca or 519-376-4440 ext. 1246.