COLORADO

LEAN Project 2014
Embracing Change with State Collections

Optimization of the Client Account Collections and Reconciliation process

Management Presentation

April 17, 2014

COLORADO
Division of Central Services
Department of Personnel
& Administration

The Collections and Reconciliation Improvement team

Vision

The Office of Central Collection Services (CCS) provides collection services for State Agencies and Political Subdivisions. CCS will strive to provide Customer Service that is fair, consistent, timely and comprehensive, to both client agencies and the consumers who owe past due debts to our clients. CCS will listen to the needs and desires of our client agencies and support them in the endeavors to recover as much of the funds owed to them as possible, while still maintaining integrity and professionalism.

Project Charter

Project Title: Improve the client account collection and reconciliation Processes to efficiently function as a True Centralized Financial Portal for the State of Colorado.	**Project Dates:** **March 17-April 18, 2014**
Problem statement: The DPA accounting and reconciliation processes duplicate efforts and involve time-intensive, manual processes. There are challenges with balancing financial transactions, when other agencies either continue to accept payments and collect on the accounts sent to DPA, or collect through their own offset programs . DPA is often not notified of payments collected by the agencies directly, which should be applied to the collection account within just a few business days. When balances are not synchronized, DPA often collects on the accounts in error and then needs to process refunds.	**Executive Sponsor:** Carol Pfarr **Sponsor:** Greg Mechem **Champion:** Gwen Diaz **Improvement team members:** Anthony Bauman, Cheryl DePriest, Jessie Rodriguez, Theresa Stephens, Stephanie Parsons, Dawn Zarubnicky **Project Leader:** Ralph Seely (Point B)
Project Description and Value Stream Focus Area: The process will focus on the Collections (only the accounting related) and Reconciliation processes. The process boundaries include Receipt of client accounts to End of month Reconciliation (payment). **Out of scope** items include: Write offs, obtaining back-up, accounts payable process, Ecliptics access, Custom reports, Collections (payment collection and scheduling)	**Project Milestones:** • Kick-Off Date: **March 25, 2014** • Project Completion date: **April 18, 2014** • Current State process map completion date: **April 3, 2014** • Future State process map completion date: **April 15, 2014** • Implementation plan/gap analysis completion date: **April 16, 2014** • Management presentation
Project Metrics: % of client accounts that are defect-free on the tax offset report Number of refunds submitted to client agencies per month % of client accounts submitted to DPA Accounting defect-free (end of month reconciliation) % of client accounts received defect-free from agencies	**Project objectives:** • Identify problem areas, improve workflow, and develop LEAN processes from receipt of new collection assignments through reconciliation ▪ Assist employees to embrace change and overcome resistance to change ▪ Change the way we work & establish healthy/work life balance ▪ Create process to facilitate transparency and audit compliance. ▪ Identify and prepare streamlined processes for COFRS to CORE transition ▪ Map current & future states for best accounting practices and resolution of issues with workflow for employees ▪ Work in partnership with client agencies to create successful action plan for sustainability and follow through of LEAN initiatives

Executive Summary

Kaizen Approach / Scope

- Applied a "lean lens" using techniques like Value Stream Mapping to quantify and assess process performance
- Scope: Client Account Collections and Reconciliation by Central Collections Services (CCS)

Kaizen Benefits

- Established a common view of baseline performance and the ability to uncover and "see" process problems
- Engaged Staff in a Workshop Setting
- Identified opportunities for improvement

Project Goal

Implement an **improved, standardized**, and more **effective** Client Account Collections and Reconciliation process.

The Opportunity

We can improve critical processes and learn to use Lean elsewhere

Situation

- The Colorado State Legislature and Governor have chosen Lean Thinking as an important tool to increase quality while reducing costs. The Department of Personnel & Administration (DPA) has selected the Central Collections Services (CCS) Client Account Collections and Reconciliation process to conduct their Lean process improvement event.

- Department of Personnel Administration (DPA) is initiating this project due to the following risks:

  - Current processes cannot consistently meet the quality and timeliness requirements for collections and reconciliation
  - Risk of possibly losing current agencies due to the inability to meet expectations (reduced source of revenue)
  - Eroded morale, stress & anxiety, work/life imbalance

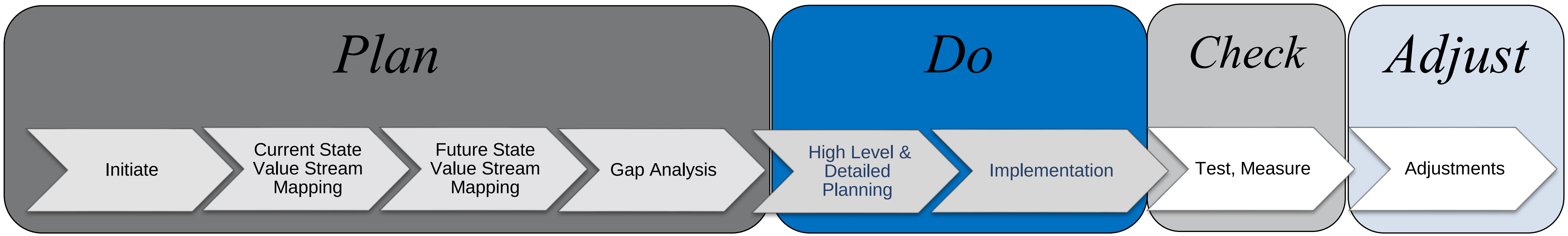
Common Issues

- Manual, undocumented processes make it challenging to meet increased customer demand
- Process inefficiencies exist across CCS and Collection Agencies
- Excessive rework of data and information resulting in process delays, extended working hours, frustration and morale issues

Our Approach

	Mon	Tues	Wed	Thurs	Fri
Week 1 Mar 17-21	Collect Data/Conduct interviews				
Week 2 Mar 24-28	SIPOC/Current state process mapping				
Week 3 Mar 31-Apr 4	Current state process mapping/Stakeholder validation				
Week 4 Apr 7-11	Fishbone diagram/Future state requirements/Future State mapping				
Week 5 Apr 14-18	Impact/Effort matrix/Implementation roadmap			★	Management presentation

Where We Are



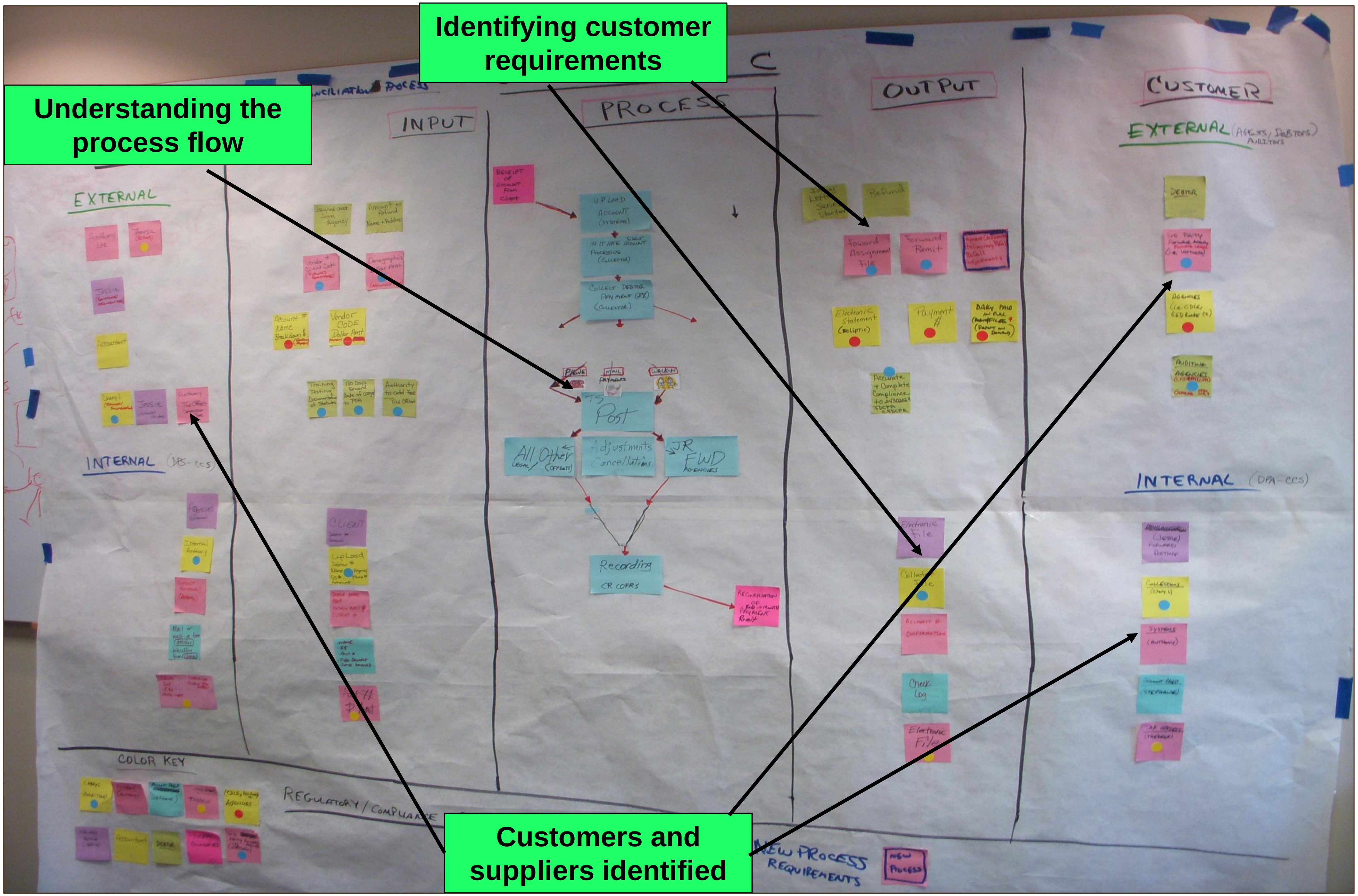
We are Here!

Implementation

Monitoring

Current State

S-I-P-O-C (Supplier-Input-Process-Output-Customer)



Identifying customer requirements

Understanding the process flow

Customers and suppliers identified

S-I-P-O-C Client Account Collections and Reconciliation Process

Current State

Client Account Collections and Reconciliation Process

Suppliers

External

Systems (Anthony)
Tax Offsets (Theresa)

Forward Posting (Jessie)

Accountant (Gwen)

(Training/Docs) (Cheryl)
(Virtuoso-180 days) (Jessie)
(Tax offset/commission fee)
(Anthony)

Agencies (i.e. CDLE)

Internal

Systems (Anthony)

Agencies (i.e. CDLE)

Agencies (i.e. CDLE)
Debtor

Tax Offsets (Theresa)

Inputs

- Assigned account from Agency
- Amount to refund, name and address
- Vendor #, client code (Fwd remittance)
- Demographics, $$ amt, (assignment file)
- Account #, name, breakdown $ (electronic pymt)
- Vendor code, $$ amount
- Training, testing, documentation of statutes
- 180 days forward of assignment to PPA
- Authority to add fee-Tax Offset
- Client (debtor #, amount)
- Upload (debtor #, name, SS#, Amt, Agency phone #)
- Debtor name, ADPR, Owing amt $, Client #
- Name, $$, acct #, type pymt, date rcvd
- Account #, $$ amt

Process

Client Account Collections and Reconciliation

Outputs

- Initial letter series started
- Refund
- Forward assignment file
- Forward remittance
- Payment acknowledgements/recall adjustments
- Electronic statement (Eliptic)
- Payment ($$)/Daily paid in full report
- Accurate and complete compliance to 2430202.4 FDCPA/CFDCPA
- Electronic File
- Collector file
- Account #, confirmation
- Check Log
- Electronic file/Tax Fix/Overpayment rpt

Customers

External

Debtor

3rd party forwarding agency (i.e. Virtuoso)

Agencies (i.e. CDLE)

Auditing agencies (i.e CFDCPA 2430202.4

Internal

Forward Posting (Jessie)

Collections (Cheryl)

Systems (Anthony)

Account prep (Stephanie)

Tax Offsets (Theresa)

Process Boundaries

New Process

Receipt of Client Account → Upload Client Account (Systems) → Initiate Client Account processing (Collections) → Collect Debtor payment ($$) (Collections) → Post Client Account → Forwarding Agencies / Adjustments/ cancellations / All Others (Legal/Offsets)

Adjustments/ cancellations → Recording → Reconciliation of end of month payment (remittance)

	Input Metrics	Process Metrics	Output Metrics
Quality	• % of client accts received defect free from agencies	• % of client accts processed defect free (receipt to posting)	• % of client accts submitted to DPA Acctg defect free (end of month reconciliation)
Cost	• % of client accts submitted to DPA Acctg defect free	• Average rework hours/client account (receipt-posting)	• Cost of lost revenue due to lost agency accounts
Speed	• % of client accts processed within established timeframe	• Lead time (receipt of client account to completion of posting)	• % of refunds submitted to client agencies per month (compared to total rcvd)

Current State Process Map

Current State

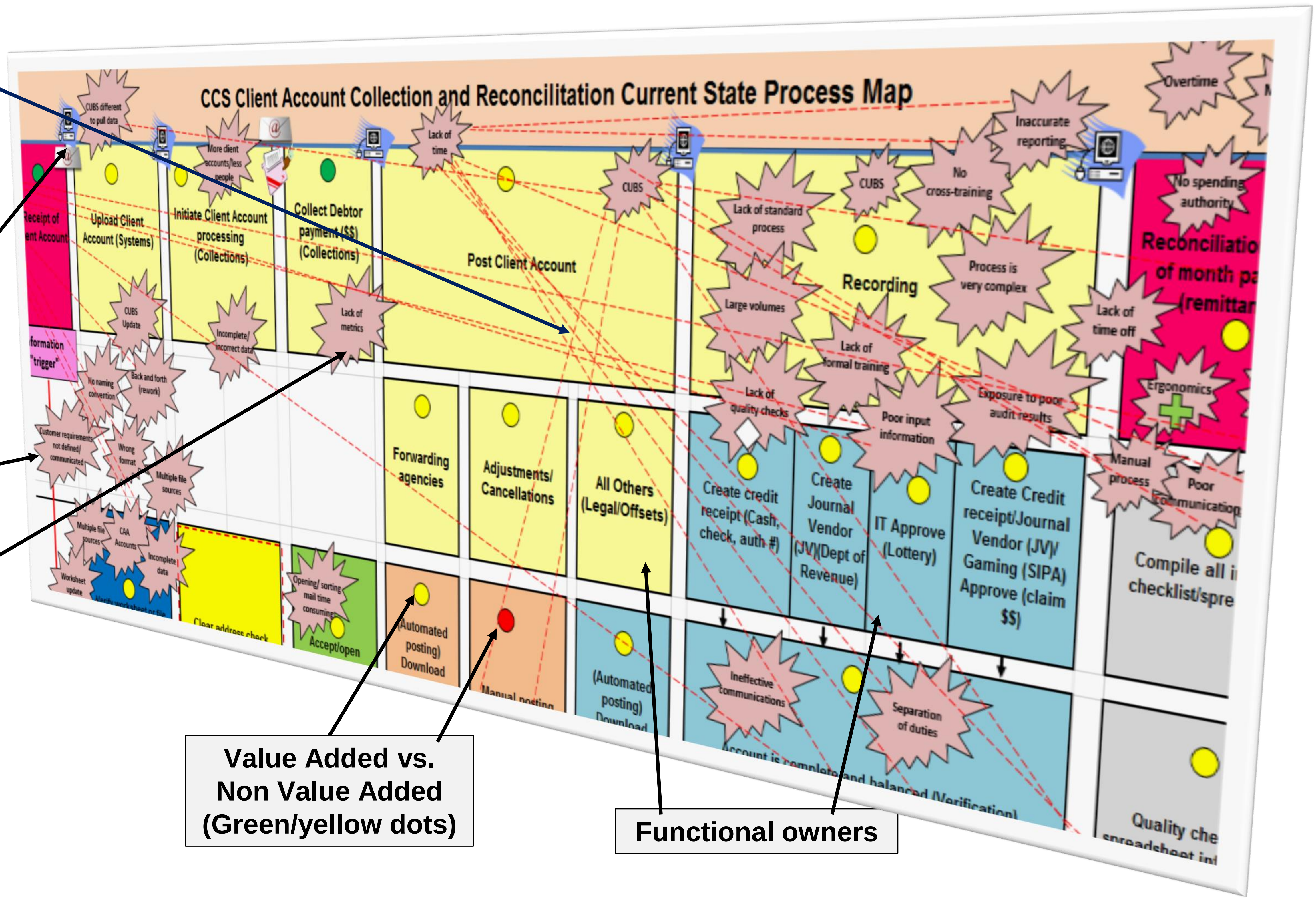
Current State Process Map

Current State

Rework Loops (red yarn)

Information/ material flow

"Pain Points" (bursts)



Value Added vs. Non Value Added (Green/yellow dots)

Functional owners

Current State Summary - People

Current State

- Dedicated workforce with high-level of creativity and adaptability. The CCS team routinely embraces change and works at top output to implement increasing opportunities to serve the state agencies. As a result, we have now outgrown our processes, primarily due to the rapid response time required to implement new processes, while providing comprehensive client solutions and "workarounds" for non-integrated systems, and extensive manual rework that is tedious and unrewarding.
- Roles & responsibilities are often blurred as team members help cover other desks and duties. Without cross training, materials and time to document processes, work activities have become very limited, as to who can or can not perform a given task, leaving a small group of people to carry the largest burden of the work.
- Formal training is limited across Central Collections Services (CCS) – system processes, accounting & end of month reconciliation. Ongoing improvements have been implemented to free up time to resolve these issues; however, the team's overall lack of training, along with a long-standing, culture of "tribal knowledge" has degraded the ability to effectively cross-train new and existing staff.
- Workplace Culture – Daily, "standard work" involves processing large volumes of incorrect and incomplete information received from the state agencies. The volume of rework, along with a shortage of personnel over the last eight months, has become a critical source of stress and anxiety, especially through the busy tax offset season.

Current State Summary - Process

Current State

- CCS is currently in danger of losing or diminishing a centralized role within state government. They are in a unique position to provide the greatest efficiency for the State, model best practices, provide guidance and stability, as well as to bridge the process failure gaps that arise as they seek to rapidly adapt to client needs.
- Lack of standard work has the potential to cause increasing inefficiencies as new private forwarding agencies and new clients are brought on. When CCS becomes unable to provide delivery of services in a useful way, they are essentially forcing the agencies to test out alternative collection options, which come at great financial cost and increased workload, as the agencies must now attempt to manage and reconcile multiple collection accounts with multiple vendors.
- Internal (CCS) and External (Debtor and Agency) customer requirements are easily defined but are not always achievable as CCS works in partnership with over 900 state entities, each with their own system limitations. This causes enormous challenges to maintain synchronized account balances and increases costs for all.
- The lack of visual controls makes it very challenging for the team to quickly identify how well they are operating in relation to targeted outcomes. An overall process map identifying high-level impact issues was created during the Lean event and will be used as a baseline for optimization.
- Non-standardized work processes, lack of training and tools has pushed incorrect or inaccurate information further downstream making it more difficult and costly to correct, resulting in impact issues; client frustration, loss of reputation and trust as well as low morale across the team.

Current State

Current State Summary - Technology

- Lack of Integrated Technology System - CUBS is a robust but limited, green-screen based technology used to process all client accounts. To compensate for the limitations of the programming language and inefficiencies for use in collections, additional or alternative programs and services are needed to fill the information gaps.
- Ultimate Analytics quickly stratifies data, provides data cleansing, identifies good addresses, while another key program, Ecliptics allows clients to effectively review and manage their collection accounts, create custom reports, obtain reports and statements, as well as send encrypted messages and files. This lack of integrated technology causes excessive “workarounds” and increases process “silos”, while supporting the continued dependence on manual processes and rework.
- Multiple databases are used by our client agencies and CCS, which creates massive rework all across the State to correct account imbalances and subsequent refunds due back to the consumer, as well as the risk of not meeting audit requirements. Great challenges and opportunities exist to eliminate these high cost inefficiencies, and to synchronize and integrate shared information. Lack of systems technical knowledge has limited more effective integration of information between agencies that could be made on a case by case basis, using current technology.
- New technology could substantially reduce costs through improved “real time” information flow, automating check transfer (A single check, payment or refund, costs $35.00-$40.00 to produce, regardless of the dollar amount), improving balancing of accounts, payment posting as well as greater compliance for audits.

Current State Summary - Agency Feedback

Current State

Strengths

- State agencies reported seeing significant improvements made to client services over the last three years! – Colorado Department of Public Health & Environment.
- Good overall client support; rapport, inter-agency communication, and Ecliptics training.
- Ecliptics, Reports & Statements: "I like the amount of information, including collector notes available via Ecliptics and the ability to send secure emails." - Colorado Department of Labor & Employment.
- The TOPS program has shown impressive collection results. - Colorado Department of Labor & Employment.

Opportunities

- High-level partnership with key client agencies to synchronize account balances and reduce impact on legal accounts, tax refund monies intercepted in error, and credit balances/refunds.
- More one on one communications with the state agencies! Provide client manual, workshops, and ongoing Ecliptics training opportunities; focus on accounting, reconciliation ,and Lean "Lens" events.
- Work with our vendors to limit variables for adjustments, streamline processes, and provide reports and statements in Excel format. Strive to provide bi-monthly remittance and simplify end of month reconciliations for all.
- Pilot Program aimed at reducing rework and inaccurate information and creating a meaningful and sustainable model that will benefit all State Agencies.

Overview of Current State Data

Current State

Data	Current State
Total Process Steps	32
BNVA Steps NVA Process Steps	27 2 29 (89%)
CVA Process Steps	3
Inventory/backlog (total individual client accounts)	725
Approvals/reviews	24
Process Handoffs	29
Quality: First Pass Yield (Avg of all processes)	55%
Overall Cycle Time (Value Added Time) (includes document upload-payment-Posting (all others-Recording)	94 min
Overall Queue Time (Non Value-Added Time) (includes document upload-payment-Posting (all others-Recording)	342 min
Overall Lead Time (includes document upload-payment-Posting (all others-Recording) per day	436 min or 7.3 hrs
Cycle time (Value-add)/Lead Time ratio	21%

Opportunities for improvement

CVA
- Tasks that shape or form raw data, information, or material to meet the needs of the customer
- Activities the customer is willing to pay for
- Steps that, if left out, would impact customer satisfaction

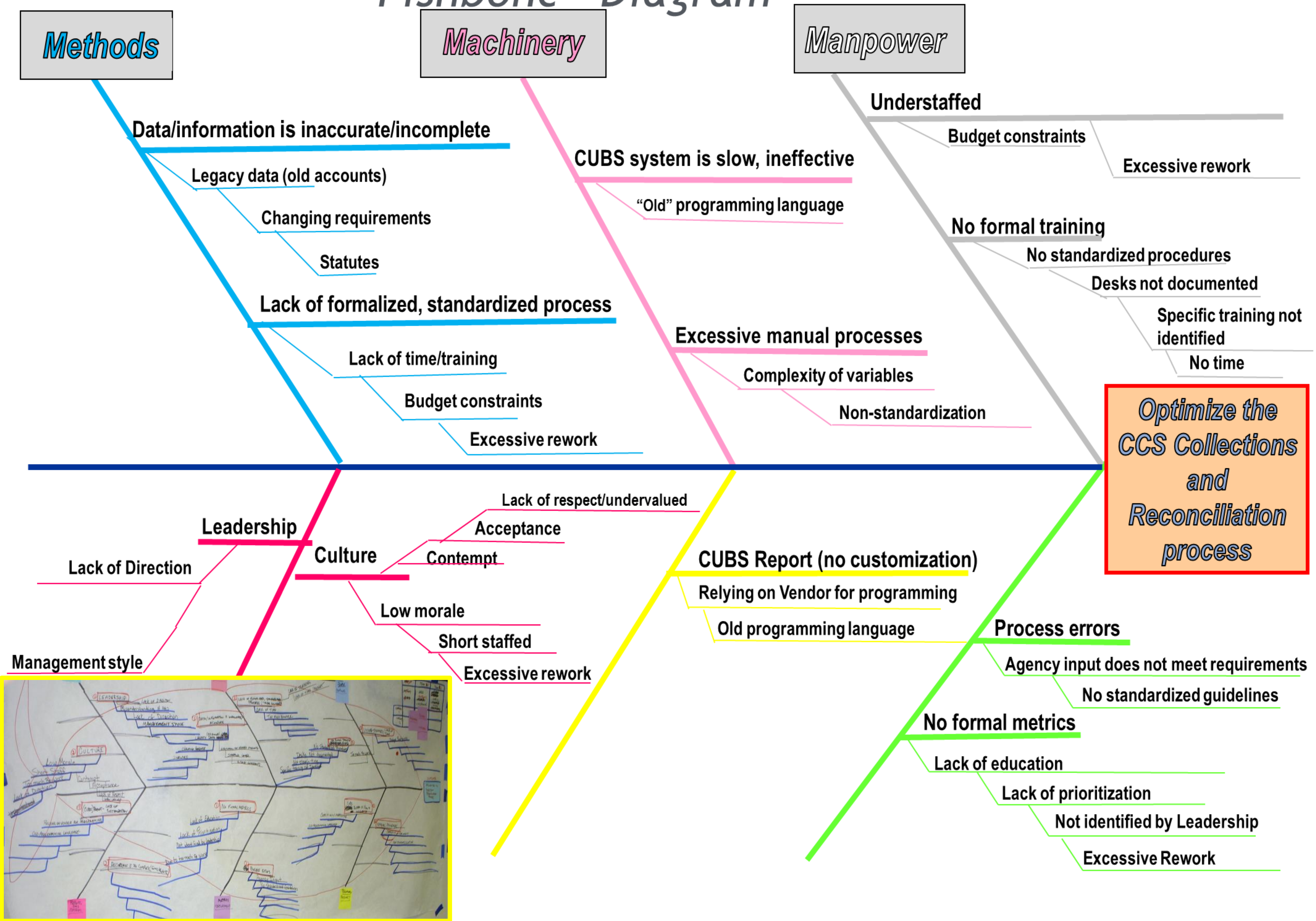
BNVA
- Tasks that do not directly impact the customer
- Activities that the customer will not pay for but are *required* to produce the product or maintain regulatory or legal compliance
- Steps that allow value-adding steps to be done better or faster

NVA
- Tasks non-essential to meeting the customer's requirements
- Activities that take time, money, or resources for which the customer is unwilling to pay
- Steps that, if left out, would not impact customer satisfaction

***Estimate/anecdotal only. No actual data available.**

CCS Client Account Collection and Reconciliation "Fishbone" Diagram

Current State



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Future State

Future State Vision Business Requirements

Future State

Process Requirements

1. 100% audit compliance to Statute 24-30-202.4
2. Reduce rework
3. Integration of standardized process procedures
4. Process metrics
5. Creation of Accounting controls
6. Improve overall delivery to clients (i.e. Agencies)
7. Optimize the Judicial Review process (CDLE)

People Requirements

1. Formalized training procedures (including cross-training)
2. Documented Roles and Responsibilities
3. More and effective quality CCS communications
4. Clear and concise direction, expectations and alignment (individual/group)
5. Career Pathing (opportunities/competencies/skills)

Technology Requirements

1. Upgradable/New "Collections" Management System
2. "Data Cleansing"
3. Limit input variables for "Adjustments"
4. Clear, concise requirements for input variables for "Adjustments"
5. Integration from COFRS to CORE system
6. Automate all "Postings"

Key

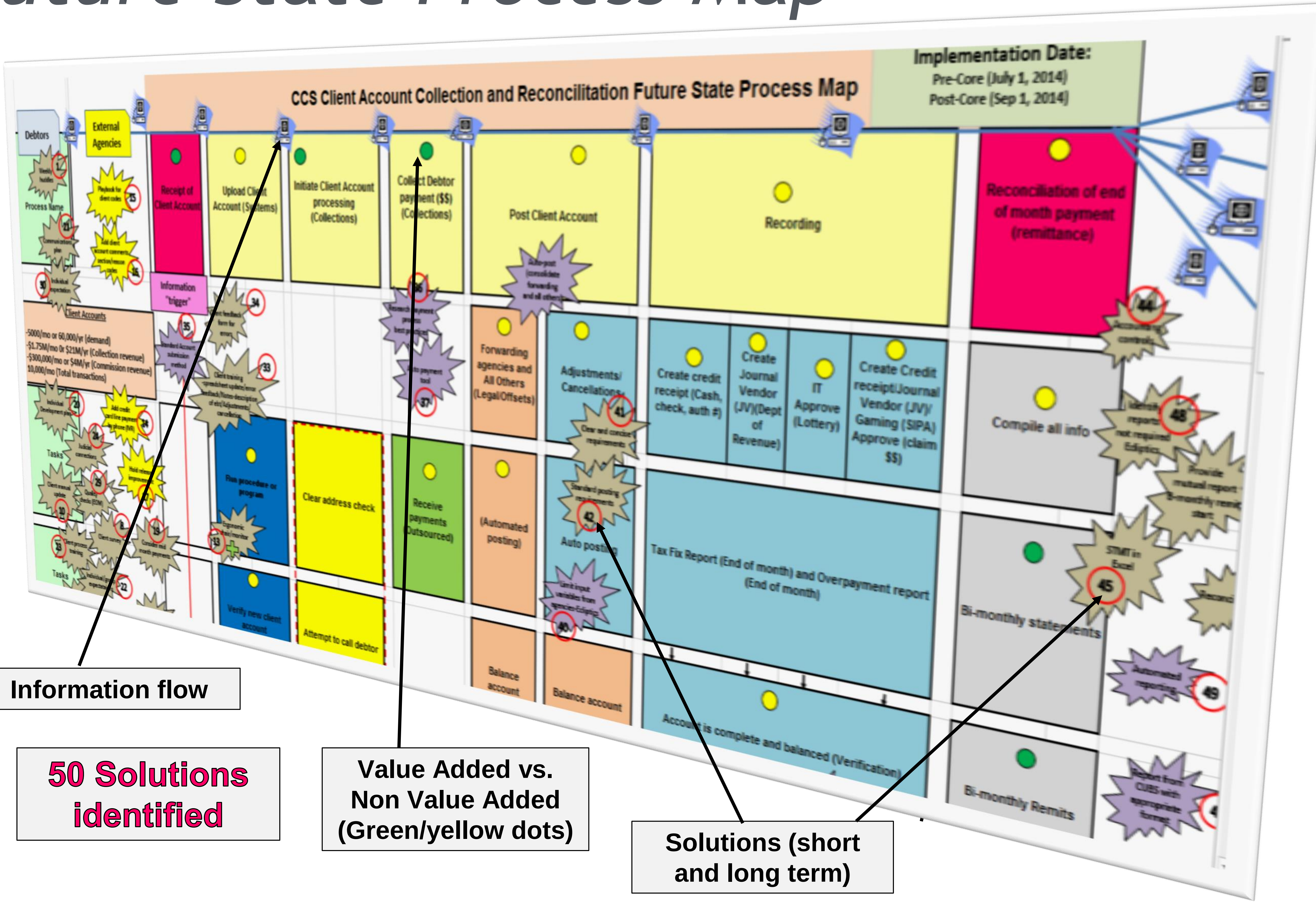
Long term requirements

Future State Process Map

Future State

Future State Process Map

Future State



Information flow

50 Solutions identified

Value Added vs. Non Value Added (Green/yellow dots)

Solutions (short and long term)

Future State Improvement Data

Future State

Data	Current State	Future State	Improvement
Total Process Steps	32	25	(-7)/22% ★
BNVA Steps NVA Process Steps	27 2 29 (89%)	21 0 21 (84%)	(-8)/28% ★
CVA Process Steps	3	4	+1
Inventory/backlog (total individual client accounts)	725	594	(-131)/18%
Approvals/reviews	24	19	(-5)/21%
Process Handoffs	29	16	(-13)/45% ★
Quality: First Pass Yield (Avg of all processes)	55%	71%	+16%
Overall Cycle Time (Value Added Time)	94 min	94 min	No change
Overall Queue Time (Non Value-Added Time)	342 min	239 min	(-103 min)/30% ★
Overall Lead Time	436 min or 7.3 hrs	333 min or 5.5 hrs	(-103 min)/24% ★
Value Added/Lead Time ratio	21.5%	28%	(6.5%)

★ Significant results

***Estimate/anecdotal only. No actual data available.**

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Future State Recommendations

Future State

- Potential exists to consolidate client posting (Forwarding agencies and "others") processes performed by same team member

- "Quick Wins"
  - Standardize and document desk processes and lead cross training program that will allow team to take time off and create work/life balance.
  - Daily/Weekly huddles to enhance communications , improve workplace culture that embraces change and accountability.
  - Standardize submission of Accounts and Transaction requests
  - Implementation of the communications plan and execution of an employee development plan.
  - Roll-out new write-off and client inventory customized reports resulting in reduced client processing times

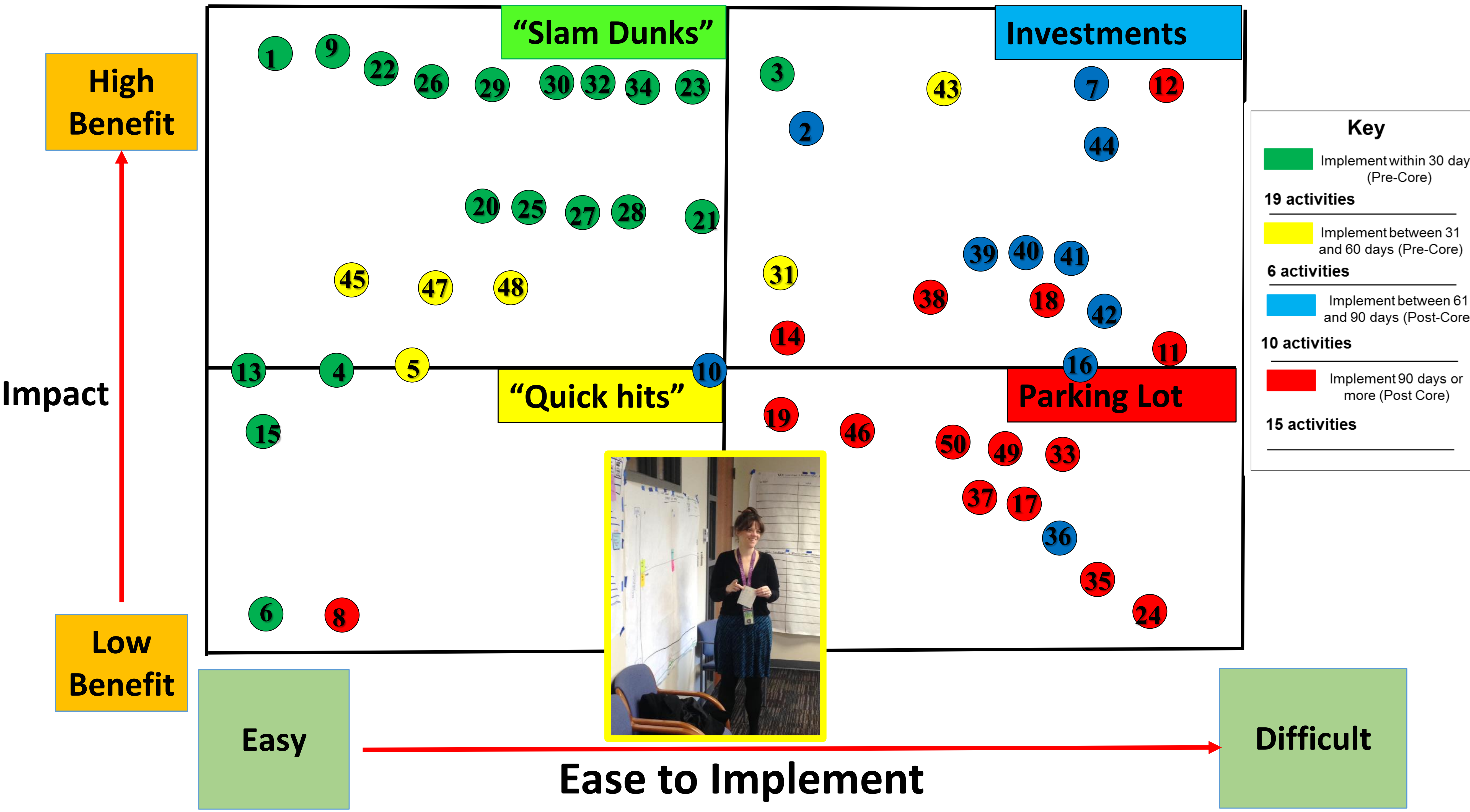
- Auto-post and Core Implementation will help in reducing manual processing time as well as reducing human errors, particularly during account processing (collections)

Impact/Effort Matrix

Gap Analysis

50 "High Level" Solutions

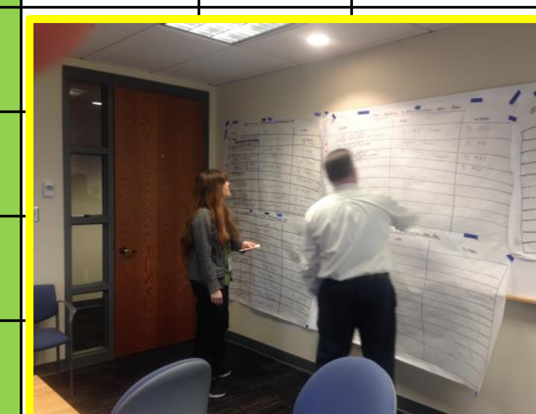
Actions to move from current to future state



Implementation Plan

Gap Analysis

Solutions	*Owner*	May 31	Jun 30	Jul 31	Aug 31
Weekly Huddles-Create agenda, identify participants, location, time	Management team	x			
Cross training-utilize existing template, document desks, schedule time, prioritize training schedule	CCS Mgt staff	x			
Accounting Dept-team meeting-alignment of desired outcomes, onboarding new account, implementation of standard work processes, info to be used by CCS/Accounting team	Admin team	x			
Recognition program-identify preferences, implement program	Management team	x			
Create metrics-sustainability model, benchmark, visual tools	Management team	x			
Ergonomics-conduct ergonomic assessment, implement improvements	Management team	x			
CUBS Coding dictionary-update, share with clients	Supvr. Admin team	x			
Individual development plans-identify components, Mgt staff meets to ensure consistency, meet w/individual staff	Management team	x			
Communications plan-weekly unit huddle, daily team huddle, monthly staff meeting	Management team	x			
Group expectations-determine/communicate direction and alignment,	Management team	x			
Client training-determine needs, develop agenda, coordinate logistics	CS/Mgt team	x			
Career path-meet with individual staff, determine future goals, developmental plan	Management team	x			
Daily Huddle-each team meets daily, discuss issues/focus	CCS team	x			
Visual Controls-Develop Visual (whiteboard) presentations of current CCS issues, display in common area, ability for staff to document rising issues	Mgt team/All staff	x			
Consistent meetings-develop and adhere to schedule	Management team	x			
Quality end of month checks-determine which steps require QC, add to processes	Management team	x			
Individual expectations-meet with individual staff, ensure expectations communicated	Management team	x			
Email updates-turn off Ecliptics auto-notifications, develop daily website update, train clients to view updates	Management team	x			
Update letters to include request for account number on payment checks sent to CCS-reduce number of checks received without account number	Admin team	x			



Implementation Plan

Gap Analysis

Solutions	*Owner*	May 31	Jun 30	Jul 31	Aug 31
Target client metrics-identify specific client input issues, track information, develop training solutions	CS/Mgt team		x		
Formal training plan-new employee training	Management team		x		
Convert COFRS to CORE - identify areas affected, develop changes to processes, develop transition plan	Admin/Mgt team		x		
Statements in Excel-research capabilities and options	Mgt team/ Systems Admin		x		
Provide CUBS report in appropriate format-review often used, easy out reports, modify as necessary	Systems Admin		x		
Identify Ecliptics Reports not required-survey clients to determine reports used/not used	Admin/Mgt team		x		
Document all processes-identify each process, utilize existing templates, archive shared drive	CCS Staff			x	
Update client manual-review and update	Management team			x	
Add client comment/reason codes	Admin team w/Ecliptics vendor			x	
Team client meeting-Agenda, agency participants, location, time, desired outcome	Admin team			x	
Research "best practices"-(payment process)-contact vendors & ask, determine feasibility/resources	Admin team			x	
Ecliptics update-develop limiting/defining data input-Cancellations/Adjust	CS/Mgt team			x	
Limit input variables-determine issues with Ecliptics data input	CS/Mgt team			x	
Clear and concise researching for Cancellations/Adjustments, document all aspects of research necessary to ensure Adjustments are processed accurately	Admin team			x	
Standard Posting processes-Ensure all auto-posts work accurately, develop auto-post for Legal, develop client cheat-sheet about posting and traction codes	Admin team			x	
Accounting controls-determine adherence to GAAP, ensure proper checks and balances/division of duties	Admin team			x	

Implementation Plan

Gap Analysis

Solutions	*Owner*	May 31	Jun 30	Jul 31	Aug 31
Client training-identify issues, develop format, regular conference presentation, newsletter updates, 1:1 client meetings, how-to docs	Management team				x
Customer error feedback form-develop standardized template	Management team				x
Standard submission method-develop standards for submitting new accounts, work with clients to implement	Management team				x
Automated payment tool-research IVR	Management team				x
Data cleansing process-review criteria for matching info	Systems Admin				x
Provide updated Accounting Report-develop criteria used by Dept. Accounting group	Admin team				x
Client survey/feedback form-benchmarking, determine critical success factors, share results, determine solutions	Management team				x
Roles and responsibilities-agenda, review desks, standardized processes, separation of duties	Management team				x
New electronic system-define requirements	Management team				x
IVR-Research options	Management team				x
PIF report improvements-research options	Management team				x
Automated Reporting-determine which month end reports could be automated	Systems Admin				x
Reconcile-update Reconciliation process, reconcile current/past months	Admin team				x

Parking Lot

- Collections (portion pertaining to funds collection and payment scheduling)

- Write-off process (Agency write-offs for tax purposes)
  - Approval to implement new process-4/7
  - Need to develop "how to" docs
  - Training with clients of new process
  - Implementation date April 2014

- Systems back-up process (Client justification documentation)
  - "Collections" module integrated into Core system-July 2014

- Payment of bills
  - Information in COFRS is not always available/accessible (creates rework/research)
  - Need to create standard templates, list of payees, vendor codes, addresses
  - Opportunity for a future Lean project

- Ecliptics Access (Software that allows agencies to access client accounts)
  - Has been improved, however it is still a focus area

- Custom Reports (i.e. Writeoff/Client Inventory report)(Ecliptics)
  - Verbiage could be clearer and needs a link into CUBS system (Too manual)

Communications Plan

Audience and Objective	Message Contents	Method	Owner	Timing
Steering Committee *Awareness and commitment to participate*	• Request to join as steerco member • Notify of vision session and interview	Email	Carol	Completed
Core Team *Awareness and commitment to participate*	• Project purpose • Their role • Expectations • Meeting details (training, event)	Email	Greg/Gwen	March 17 (completed)
Sponsor/Champion *Aware and favorably disposed to piloting the refined process*	• Develop project vision statement • Recap project objectives • Share milestone plan • Solicit potential core team members from which to choose a balanced team	Short presentation (Project start-kick-off)	Greg/Gwen	March 17 (completed)
	• Share event outcomes/deliverables (Plan phase) • Discuss next steps (Implementation phase)	Short presentation (Project completion-Management Presentation)	Greg/Gwen	April 17
	• Conduct 30-60-90 day project follow-up meetings	Meeting	Gwen	May 16
	• Implement communications Board for CCS	Visual/communications tool	Gwen	June
	• Team "huddles"	Meeting (Daily)	Greg/Gwen	May
Executive Director/Sponsor *Keep updated on project progress*	• Participate in 30-60-90 day project follow-ups • Milestone plans and progress • Event progress/results • Risks and issues	Meeting	Carol/Greg	May 16 (30 day follow-up)
	• Lean communications/discussions at Departmental meetings	Meeting (Monthly)	Carol/Greg	May

Next Steps-"Implementation phase"

- Creation of solutions
- Conduct training of new processes with CCS and other Agencies
- Pilot "small scale" implementation
- Full implementation
- Continuous Improvement!

Lessons Learned

What I learned from our Lean project

- “Root causes point to the same few issues”!
- “Amazed at how much time is spent doing non-value added work!”
- “The Lean Process was helpful in identifying “pain points”!
- “The process for the end-of-month closing looks even worse on paper than it does in the actual process. However, there is always hope in improving the process, but not without the commitment and hard work!”
- “The number of Hand-offs and how important they are for all of us” !
- “How each process affects other processes – interdependence” !
- I learned that you cannot even begin to solve big issues until you identify all the small issues. Knowing how problems are linked to each other and cascade into other problems is one of the of the most important steps on the path to tackling those problems.

Lessons Learned

What I learned from our Lean project

- Although we knew what our problems were and where the majority our problems originated, taking the time to map out the team's high-level processes from receipt of the new collection account through end of month reconciliation, VISUALLY, took us on an amazing, super time-intensive, eye-opening, interactive and educational journey!

- As we quantified our challenges and could actually see the flow of our processes, we began to let go of the negative emotions all locked up in current processes. A person just can't hold anxiety, frustration and low morale while actively engaged in the creation of such a positive shared vision of seamless transparency, efficient workflow and improved work/life balance, not when you realize that the vision is actually achievable.

- I learned that with focused creativity and brainstorming we can accomplish great things together . . .we just need a Lean map and a star to steer by. . . to take us where we want to be.

- My takeaways from this project are the Lean visual tools, metrics to identify the source of pain points and the pareto chart.

- I am very impressed and grateful that our team proved to be so resilient! We were skeptical but committed to learn the processes and tools. This project will help us as we move forward with the implementation plans we created as a team.

Thank You's

Governor Hickenlooper: Thank you for sponsoring the DPA Lean Project! Central Collections is in a unique centralized position that allows us to provide guidance and support to all the State agencies we serve. We're so excited to take the lessons we've learned "on the road". ..next stop is CAASLAR conference for the Higher Education Groups next week!

Carol Pfarr: Thank you for your ongoing support of our team and allowing us to commit ourselves to this very time-intensive, Lean Workshop Event. Though the timing of the project really couldn't have been more difficult for us with the busy tax offset season, being down two full-time employees, reviews of the legal RFP's, interviews for the accountant position, the two-day CORE Conference, employee performance reviews, End of Month Issues and CAASLAR. This has been an eye-opening, educational, fabulously interactive and team-building experience that has given us not only clarity of vision but the tools to take the team to the next level, while at the same time reducing stress and creating improved work/life balance.

Ben Neivert: Thank you for joining us for our kick off meeting and helping us find our vision for the project.

Alisha Idrees: Thank you for your kindness, honesty and promise to be here for the team when the hard part truly begins and we start putting the lessons and tools to work for us. It's all about partnership and sustainability! It's always such a gift to unexpected find a new friend. I know we're going to accomplish great things together!

Greg Mechem: Even though I groaned at your jokes, I secretly laughed. Thank you for the gift of perspective. Thank you for always listening and allowing me to "run with it" even when you didn't see where I was going or if what I was doing would prove to be value added in the end. Your trust means the world to me. Thank you for letting me immerse myself in the Lean project - you know how much I love it, right?

Thank You's

Jessie Rodriquez: Thank you for telling us again, even though we didn't listen for a long time, that you needed for our processes to change! When you smile, you light up the room! I can't wait for you to be able to take vacations!

Theresa Stephens: Thank you for opening your heart and mind; daring to hope that things can change for the better. I can't wait for you to see process improvements at your desk.

Stephanie Parsons: Thank you for your kindness, honesty, perceptive insights and observations. Thank you for always being such a positive influence and encouraging others, especially when stress levels for the team are sky high. It's so wonderful to see you learning and growing. . .reaching to take on new and exciting challenges.

Anthony Bauman: Thank you for always being so awesome! Thank you for your skepticism and doubt. Thank you for your sense of humor and the belly laughs.

CCS Staff for holding down the fort while the project team was participating in workshops

Mike Taylor for covering for walk-ins

Debra McDonald – CDPHE, Te**ri Aldretti** -Red Rocks Community College, and **Thao Nguyen** –Arapahoe Community College for their participation and feedback in the current state assessment workshop

Agencies for providing feedback and recommendations to further improve the Collections and Reconciliation process

Thank You's

Lori Segelke Thank you so much for all that you have done in support our administrative efforts over the past eight months and through our very time-intensive, Lean project.
You've really stepped up and out of your comfort zone to learn new processes and have helped to keep us caught up and to make those processes better! We are grateful to you for your help with posting, back up requests, processing checks and payments through authorize.net!
Our Sincere Thanks ~ Gwen, Jessie, Theresa

Collection Team Thanks to each of you for taking a huge number of calls and walk in payments at the front desk all through the busy tax offset season and covering for the core Lean team so that we could find the time to identify and create definable positive changes we can make that will impact the whole CCS team!

Cheryl DePriest I think I would have run from the building screaming with my hair on fire if it wasn't for your radiant smile, kindness and support over the last eight months. You came in early and stayed late to help me, for over a month straight, so that I wouldn't be sitting at my desk alone struggling to identify and document our administrative processes, while huge numbers of emails and calls kept coming in.

You provided friendship, calming support and helped me clarify processes so that I could focus on writing up our End of Month "How To" documents, learn how to pay bills and document those samples for new hires, as well as how to get stubborn transactions processed through COFRS.

You are one wonderful lady!


Questions?
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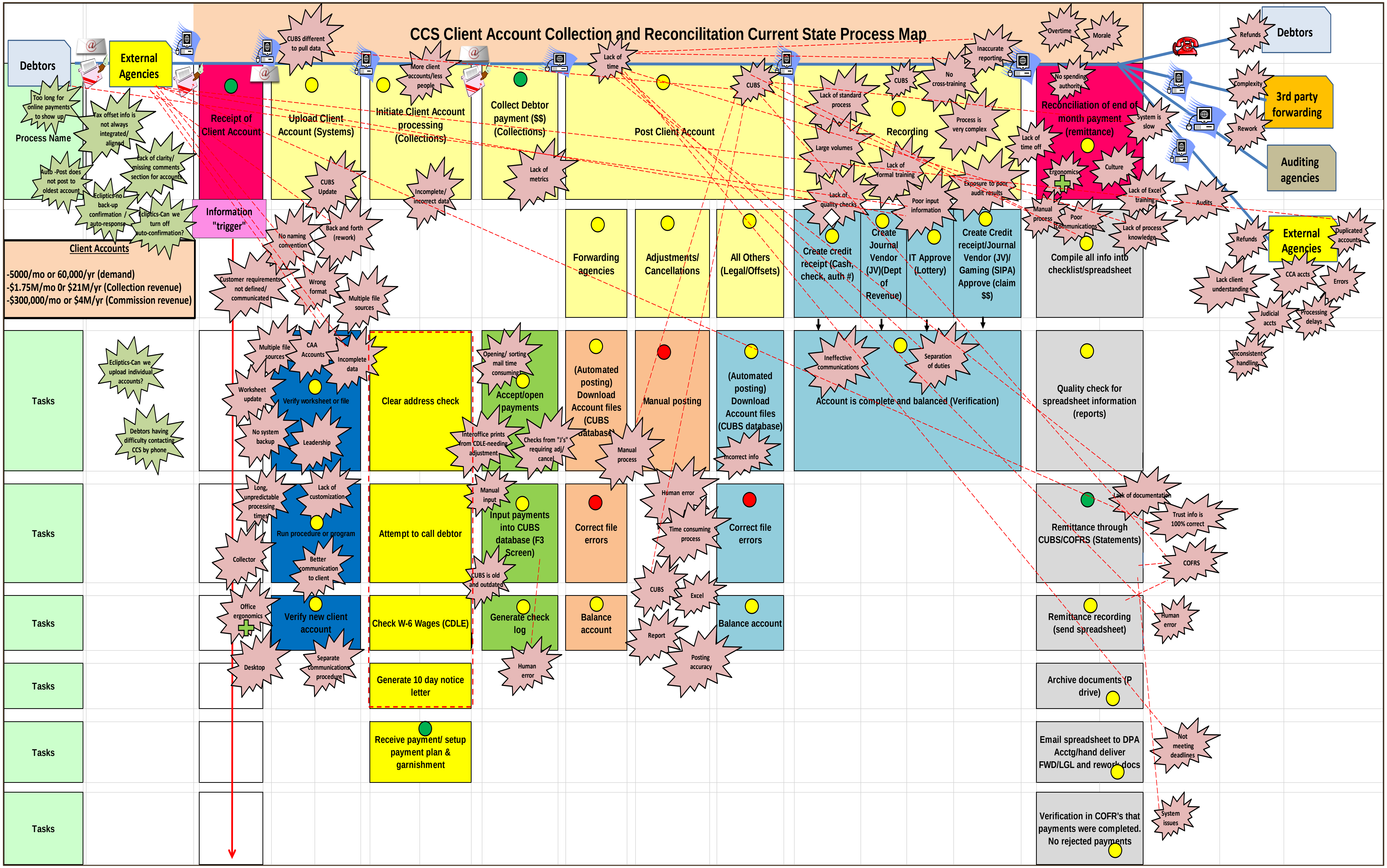
Appendix

Current State and Future State Process Flow Maps

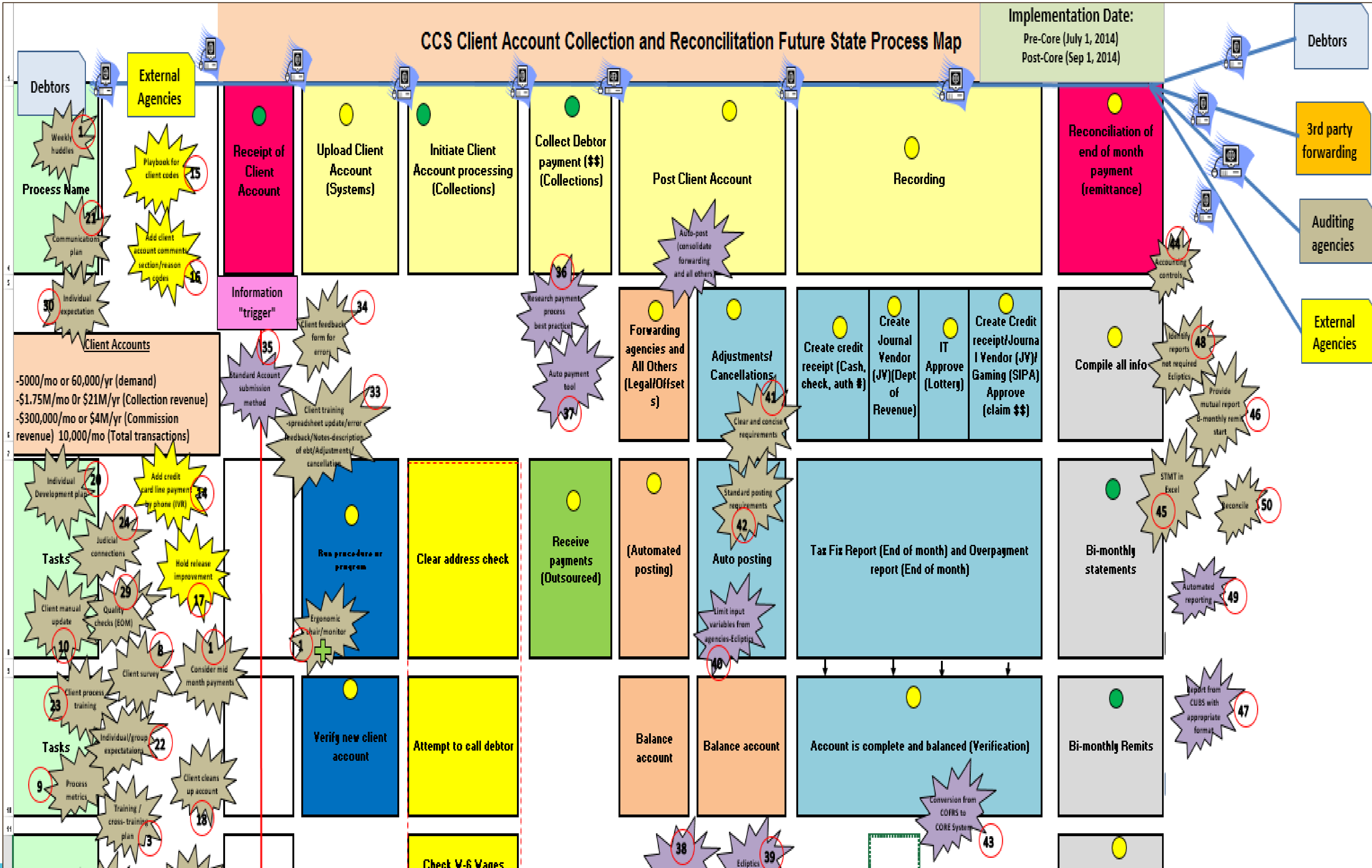
Current state “pain point” summary

Future state “Opportunity” summary

Current State Process Map



Future State Process Map



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Current state “pain point” summary

Current State "Pain Points" Summary								
Client/Agency	**Receipt of client accounts**	**Upload Client account**	**Initiate Client account processing (Collections)**	**Collect debtor payments (Collections)**	**Post Client accounts**	**Recording**	**End of month Reconciliation**	**General**
Too long for online payments to show up	Customer requirements not defined/ communicated	Customer requirements not defined/ communicated	Out of Scope	Incomplete/ incorrect data	Inaccurate/ incomplete input		Risks of process not complying with statute/ audit	Leadership concerns (No clear direction/alignment)
Auto -Post does not post to oldest account	Client accounts lack accurate/complete data	Back and forth (rework)		Opening/ sorting mail time consuming	Low Posting accuracy- Adjustments 10% First Pass Yield)		Lack of process knowledge	Cultural concerns (i.e. morale, long hours)
Tax offset info is not always integrated/aligned		No naming convention (Upload)		Interoffice prints from CDLE-needing adjustment	Time consuming, manual process		Once of month submission of accounts (batching) results in excessive lead time and backlog	Staffing concerns (Perception of being Understaffed)
Lack of clarity/missing comments section for accounts		Multiple file sources		Manual entry of hard copies to electronic			Process delays cause late reconciliation submissions	Lack of process metrics
Ecliptics-no back-up confirmation / auto-response		No system backup						Lack of visual controls
Debtors having difficulty contacting CCS by phone (long wait		Wrong format						Lack of quality checks
Agencies unable to access "real time" client account information within CCS		Incomplete data input						Lack of formal training/cross training
		CUBS system is outdated and does not have capabilities to meet all process requirements						"Tribal knowledge"/lack of standard work procedures
								Office Ergonomics risks
								Inconsistent handling procedures
								Processing delays
								Many of the databases are not synchronized/ integrated

Future state “Opportunity” summary

Future State "Opportunity" Summary								
Client/Agency	**Receipt of client accounts**	**Upload Client account**	**Initiate Client account processing (Collections)**	**Collect debtor payments (Collections)**	**Post Client accounts**	**Recording**	**End of month Reconciliation**	**General**
Playbook for client codes	Standard Account submission method	Ergonomic chair/monitor	Out of Scope	Research payment process best practices	Auto-post (consolidate forwarding and all others)	Conversion from COFRS to CORE System	Accounting controls	Daily huddles
Add client account comments section/reason codes		Client training -spreadsheet update/error feedback/Notes-description of ebt/Adjustments/cancellation		Auto payment tool	Limit input variables from agencies-Ecliptics		Identify reports not required	Communications plan
Add credit card line payment by phone		Client feedback form for errors		Consider outsourcing process	Clear and concise requirements		Provide mutual report (CCS/DPA Accounting)	Individual Development plan
Hold release improvement		Data cleansing			Standard posting requirements		Consider bi-month/weekly reconciliation submissions	Judicial connections
							Automated reporting	Client manual update
							Report from CUBS with appropriate format	Quality checks
								Customer survey (Voice of customer)
								Client process training
								Individual/ group expectations
								Process metrics
								Training/ cross-training
								Roles and responsibilities
								Email updates
								Visual Controls
Long term or automated solutions								Team/Client meetings
								Standard work documents