

A story of success from the stimulus



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During the recently completed campaign season, candidates on both sides vigorously debated the merits of two huge government programs:

- The \$700 billion Emergency Economic Stabilization Act of 2008, popularly known as the Bank Bailout, which resulted in the Troubled Asset Relief Program.

- The \$800 billion American Recovery and Reinvestment Act of 2009, also known as the Stimulus Bill.

While I don't want to revisit the politics of these programs (my nightmares caused by the campaign just recently stopped), I'd like to share how a local and popular organization made great use of stimulus funds.

4-H Youth Development is the iconic branch of ISU Extension and Outreach. 4-H's primary focus over the years had been on the content of the materials used for their various learning projects. As a result, it realized that the processes for producing and delivering those materials were lacking.

During the latter half of 2009, 4-H applied for and received \$25,000 funding to explore and implement Lean methods. During 2010, it used the funding to hire an external resource to develop managers on leading a Lean culture and to facilitate three Rapid Improvement Events (kaizens). These activities resulted in significant savings and fundamentally changed how 4-H works.

One of the Rapid Improvement Events addressed an improved process for delivering project materials, the educational resources that 4-H provides to its members to support their learning activities.

4-H's decades-old paradigm was to purchase booklets from National 4-H. Roughly 175 titles, from beginning dairy to advanced robotics, existed to cover the wide range of interests and skill levels required to meet the needs of 4-H members.

A team of nine experts from across the state, representing all levels of the organizational chart, came together to find a better way. Working as equals for three days, they designed a new process that resulted in a significant win-win for members, their families and the 4-H organization.

The team started by identifying what the customers desired from project materials. This activity uncovered the facts that today's youth prefer online learning to books, and that their families expect free, instant access to information that doesn't require a trip into town during regular office hours.

Next, the current process was mapped in detail. Tens of thousands of booklets were printed nationally (based on a forecast) and stored in a warehouse in the Washington, D.C., area. State organizations, such as ISU Extension and Outreach 4-H, placed an annual order for the publications they anticipated needing.

These were stored on campus and delivered to county 4-H offices when ordered. Member families finally made the trip to the local office to pick up booklets.

Waste in the process was noted:

- ISU Extension and Outreach 4-H placed an annual order for roughly 20,000 booklets, costing almost \$100,000, with the majority of this expense recouped as project materials were resold to members.

- Like any forecast, however, there were invariably stock-outs, resulting in members anxiously waiting for materials to start their project.

- Like any forecast, there were also over-stocks. The campus distribution warehouse held more than 90,000 booklets worth almost \$300,000 that had accumulated over the years.

- Enormous resources were required at every level of 4-H to manage the production, distribution and inventory of booklets.

The team designed a new process built around internet access to project materials. Follow-up meetings and projects were required to implement

the necessary changes to the 4-H website and to ensure that all project materials were research-based, as ensured by the ISU Extension and Outreach brand.

The team's dream became reality within several months, and 4-H members and their families began receiving 24/7, instant access to project materials at a fraction of the cost of booklets.

The following year, the team was recognized and asked to tell their story at the 4-H North Central Regional Conference. Today, their solution is becoming the benchmark nationally.

This single project resulted in an annual savings two-three times the one-time \$25,000 ARRA funding. The two other Rapid Improvement Events delivered similar, but smaller benefits. 4-H took advantage of the situation to develop an internal resource to lead future improvement activities.

Better customer service and a great return on investment — that's something any businessperson would be proud of (and any politician would gladly claim personal responsibility for).

RICK THINKS ...

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