



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 21 2016

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM

SUBJECT: Policy Statement on Applying Lean Practices

FROM: A. Stanley Meiburg, Acting Deputy Administrator

A handwritten signature in blue ink, appearing to read "A. Stanley Meiburg".

TO: General Counsel
Assistant Administrators
Inspector General
Chief Financial Officer
Chief of Staff
Associate Administrators
Regional Administrators

We are establishing a new agencywide policy statement that maximizes the application of Lean practices in the U.S. Environmental Protection Agency's processes and projects. The agency has a long history of embracing new practices to improve performance, provide greater value to our customers and successfully deliver on our mission to protect human health and the environment. Lean practices can be highly effective in enhancing the speed, quality and transparency of processes by eliminating activity that does not add value, thereby focusing and aligning efforts on the highest-value work and outcomes.

The attached policy statement reinforces the EPA's larger efforts to modernize the business of environmental protection at the agency through the Lean and E-Enterprise for the Environment Programs. This action also fulfills commitments related to our cross-agency strategies on embracing the EPA as a high-performing organization and launching a new era of state, tribal, local and international partnerships.

I appreciate the investment each of you has made during the past several years to use Lean practices, and I look forward to your future efforts to continuously improve the EPA's programs and to work collaboratively with our state partners.

Attachment

cc: Deputy General Counsel
Deputy Assistant Administrators
Deputy Chiefs of Staff
Deputy Associate Administrators
Deputy Regional Administrators
Lean Action Board
Lean Advocates

**USEPA Policy Statement:
Applying Lean Practices to Modernize the
Business of Environmental Protection at the EPA**

Today the EPA establishes an agency-wide **policy to maximize the application of Lean practices** such as Lean startup, Lean process improvement, and Agile development in the agency's processes and projects to provide greater value to our customers. In challenging ourselves to increase the application of these practices, the EPA seeks to become a leader among government agencies joining public and private enterprises in modernizing business practices to deliver greater results.

To support full implementation of this policy, the EPA has charged a Lean Action Board (LAB), composed of senior federal and state executives with significant Lean expertise, to support the use of Lean practices. The LAB will promote understanding of Lean practices and tools and highlight priority opportunities for success. EPA Senior Executive Service members of the LAB will provide oversight and guidance, utilizing evidence from Lean practices to monitor the success of this policy at the EPA.

BACKGROUND

Since its inception in 1970, the EPA has had a long history of adapting its programs and processes to address the challenges of protecting our human health and the environment. Over the last 20 years, the EPA has utilized innovations under a number of initiatives including, recently, the E-Enterprise for the Environment Program and Next Generation compliance. Successfully delivering on our challenging mission requires the EPA to continually embrace new practices that are producing significant performance improvements at businesses and other enterprises across the country.

Lean refers to a collection of principles and methods that focus on the identification and elimination of non-value added activity (waste) in any process. Many companies and public sector entities have used Lean practices successfully to improve processes, enhance project management, and deploy new technologies. In applying Lean practices, systematic use of evidence will inform decision-making and continuous process improvement efforts.

States began efforts to apply Lean to government processes starting in the early 2000s. By 2010, when the Environmental Council of States (ECOS) conducted an inventory of state Lean activity, more than 40 states had engaged in some type of Lean practice or activity. After witnessing impressive results from states conducting Lean events, the EPA began documenting Lean best practices, raising awareness, and expanding Lean skills and capacity.

Beginning a focused deployment of Lean in 2013, the EPA has eliminated waste from over 100 processes and publishing a series of highly regarded Lean resources (<http://www.epa.gov/lean>). The Office of Environmental Information has also expanded services in order to apply Lean practices, including leading the agency in adopting Agile methodologies to ensure new system projects are far more streamlined, customer-centric, and mission-driven.

This policy builds upon the successes already realized in applying Lean practices and business process improvement (BPI) approaches to business modernization efforts through the E-Enterprise for the Environment Program. Chartered in 2013, E-Enterprise (<http://www.epa.gov/e-enterprise>) represents a new model for collaborative leadership among environmental co-regulators and affected parties to achieve positive environmental, human health, and economic outcomes. The E-Enterprise Leadership Council (EELC) is a joint governance body of the EPA Senior Executives and state commissioners

responsible for identifying and prioritizing E-Enterprise investments and aligning our business modernization efforts.

IMPLEMENTATION

It is the policy of EPA to maximize the application of Lean practices and BPI approaches, supporting the EPA's streamlining, reform, and integration efforts across the agency. Lean practices can be highly effective in enhancing the speed, quality, and transparency of processes by eliminating non-value added activity, thereby focusing and aligning the EPA's efforts on the highest-value work and outcomes. Lean practices can also be undertaken quickly, after clarifying critical needs, leading to quick wins. These practices can be especially helpful where they can be applied beforehand to support streamlining the underlying processes and then to automate them more effectively through the efficient design and use of information technology (IT). The *Lean and Information Technology Toolkit*, developed jointly by the EPA and the states, sets clear expectations in streamlining and reforming our programs. Lean practices include:

- Efficient design of new products and services to better meet customer and stakeholder needs (e.g., Lean Startup);
- Improved efficiency and effectiveness of existing processes (e.g., Lean process improvement); and
- Reduced time, costs and risks of developing new, customer-centric IT products (e.g., Agile development).

This policy aligns with OMB guidance to implement the Federal Information Technology Acquisition Reform Act (FITARA), which requires the Chief Information Officer of every federal agency to establish review processes before authorizing IT expenditures. To meet our FITARA obligation and support business modernization, all IT projects will be reviewed for potential application of Lean practices. Application of this policy will also support the Agency's compliance with the *GPR Modernization Act of 2010* and various Executive Orders, including E.O. 13576, *Delivering an Efficient, Effective, and Accountable Government*; the agency's response to various reports by the U.S. GAO (11-908) and EPA's Office of the Inspector General (11-P-0315); and commitments in two of the agency's Cross-Agency Strategies, *Launching a New Era of State, Tribal, Local, and International Partnerships* and *Embracing EPA as a High Performing Organization*.

Details on implementation of this policy are available at www.epa.gov/lean.

Approved on June 21, 2016