

**FIRST AMENDMENT TO
AGREEMENT FOR PROFESSIONAL SERVICES**

This First Amendment to Agreement for Professional Services ("Amendment") is effective 9/1/2021, and is entered into by the University of North Texas Health Science Center ("UNTHSC"), and by SISU Consulting Group, Inc., ("CONTRACTOR").

WHEREAS, UNTHSC and CONTRACTOR entered into that certain Agreement for Professional Services, effective 2/8/2021 ("Agreement");

WHEREAS, UNTHSC and CONTRACTOR now desire to extend the term of the Agreement and amend the terms of the Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, UNTHSC and CONTRACTOR agree as follows:

1. The term of the Agreement is extended to 8/31/2022.
2. CONTRACTOR will receive \$120,000 for the services delivered until 8/31/22.
3. CONTRACTOR shall invoice for services between 9/1/2021 and 8/31/2022 against Purchase Order Number 162032.
4. The second paragraph in Section 3 of the Agreement to read in its entirety:


"As a condition of payment, CONTRACTOR will submit invoices in a form acceptable to UNTHSC. UNTHSC agrees to pay CONTRACTOR for appropriate Services after review and approval by UNTHSC's Executive Vice President for Finance and CFO or his designee within thirty (30) working days from the receipt of said invoice(s). The terms and conditions of the UNTHSC purchase order associated with this Agreement, if any, are incorporated herein by reference."

5. This Amendment embodies the entire agreement between UNTHSC and CONTRACTOR with respect to the amendment of the Agreement. In the event of any conflict or inconsistency between the provisions of the Agreement and this Amendment, the provisions of this Amendment shall control and govern.


6. Except as specifically modified and amended herein, all of the terms, provisions, requirements and specifications contained in the Agreement remain in full force and effect. Except as otherwise expressly provided herein, the parties do not intend to, and the execution of this Amendment shall not, in any manner impair the Agreement, the purpose of this Amendment being simply to amend and ratify the Agreement, as hereby amended and ratified, and to confirm and carry forward the Agreement, as hereby amended, in full force and effect.

IN WITNESS WHEREOF, the parties have made and entered into this Amendment effective on the day and year first above written.

**UNIVERSITY OF NORTH TEXAS
HEALTH SCIENCE CENTER**

DocuSigned by:

By: _____
By: _____
Name: Gregory R. Anderson
Title: Exec. V.P. for Finance and Operations
Date: 9/13/2021

SISU CONSULTING GROUP, INC.

DocuSigned by:

By: _____
Name: Michael Martyn
Title: President
Date: 9/14/2021

**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE
CENTER AT FORT WORTH**

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, is effective upon the date of last signature below (“Effective Date”) by and between the **UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH** (“UNTHSC”), 3500 Camp Bowie Blvd., Fort Worth, Texas 76107-2699 and **SISU Consulting Group, Inc** (“CONTRACTOR”) located at 8970 SW Brunham St, Tigard, OR 97223. The capitalized term “Party” refers to either of the CONTRACTOR or UNTHSC individually and the term “Parties” refers to the CONTRACTOR and UNTHSC collectively.

WHEREAS, UNTHSC desires that CONTRACTOR provide professional services, all as hereinafter set forth;

WHEREAS, CONTRACTOR has agreed to do so under the terms and conditions hereinafter set forth;

NOW THEREFORE, the Parties hereto mutually covenant and agree as follows:

1. **DESCRIPTION OF SERVICES.** CONTRACTOR shall provide the following services (collectively the “Services”):

These Services are to be provided at the request of and only to the limits specified by UNTHSC.

2. **TERM/TERMINATION.**

- 2.1 This Agreement shall commence on the Effective Date first mentioned above and shall continue in full force and effect for one year, unless sooner terminated in accordance with this Agreement. UNTHSC and CONTRACTOR may mutually agree in writing to extend the term of this Agreement.
- 2.2 Either Party may terminate this Agreement without cause by providing at least ninety (90) days prior written notice to the other Party.
- 2.3 Either Party may, by written notice of default to the other Party, terminate this Agreement if the other Party fails to perform any of the obligations of this Agreement in accordance with its terms, and does not cure such failure within a period of thirty (30) days (or such extension as authorized by the other Party in writing) after receiving notice of default.
- 2.4 Either Party may terminate this Agreement by written notice to the other Party, and may regard the other Party as in default of this Agreement, if the other Party becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or has wound up or liquidated, voluntarily or otherwise.
- 2.5 Neither Party hereto shall be liable for delays to perform due to causes beyond its reasonable control including, but not limited to acts of God, strikes, epidemics,

wars, riots, flood, fire, sabotage, or any other circumstances of like character. In the event of such delay, the period of service hereunder shall be extended for a period equal to the time lost by reasons of delay, and services omitted (or portions thereof) shall be performed during such extension.

- 2.6 In the event this Agreement is terminated in accordance with this section, then within thirty (30) days after the Effective Date of such termination, CONTRACTOR shall submit CONTRACTOR's termination statement for appropriate Services rendered to the date of termination.

3. **PAYMENT.** For the services, counsel, reports, and other items delivered hereunder, UNTHSC shall pay CONTRACTOR at the firm, fixed-rate of One hundred eighty thousand Dollars (\$180,000.00) or per RFP763-21-146498JR Process Improvement Implementation proposal and revised proposal attached (**Exhibit A**). Such Services shall be provided at the place and times to be mutually agreed upon by both Parties.

As a condition of payment, CONTRACTOR will submit invoices in a form acceptable to UNTHSC that includes for the Services a schedule of actual hours worked with the day of the month. UNTHSC agrees to pay CONTRACTOR for appropriate Services after review and approval by UNTHSC's Executive Vice President for Finance and CFO or his designee within thirty (30) working days from the receipt of said invoice(s). The terms and conditions of the UNTHSC purchase order associated with this Agreement, if any, are incorporated herein by reference.

4. **EXPENSES.** UNTHSC shall reimburse CONTRACTOR for travel expenses related to the services performed under this contract.

5. **INTELLECTUAL PROPERTY.** CONTRACTOR agrees that all writings or other materials produced by CONTRACTOR, its officers, employees or agents relating to the Services performed under this Agreement shall be deemed "works made for hire" as that term is defined in the U.S. Copyright Act, that all rights thereto shall be owned by UNTHSC, and that CONTRACTOR shall not assert any claim thereto. Upon request CONTRACTOR shall execute any and all documents necessary to convey such rights to UNTHSC.

6. **CONFIDENTIALITY.** CONTRACTOR agrees that CONTRACTOR, its officers, employees and agents will not disclose any UNTHSC information, data, or other materials created by CONTRACTOR or others, relating to the Services performed under this Agreement without the express permission of an authorized UNTHSC officer. Such obligations shall not, however, extend to any materials which:

- (a) were in the possession of CONTRACTOR prior to this Agreement; or
- (b) are generally available to the public by publication or hereafter become generally available to the public by publication or otherwise through no action of CONTRACTOR.

7. **INDEMNIFICATION.** *CONTRACTOR agrees to indemnify and hold harmless UNTHSC, its Regents, employees, and agents from any claim, damage, liability, injury, expense or loss (including attorney's fees) arising out of CONTRACTOR'S performance, direct or indirect, under this Agreement. Indemnification shall survive termination of this Agreement.*

8. **ASSIGNABILITY.** This Agreement may not be assigned in whole or in part without prior written consent of UNTHSC.

9. **NOTICES.** Any notice required or permitted to be delivered hereunder shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the Parties hereto at the respective addresses set forth below, or at such other addresses as they shall specify by written notice delivered in accordance herewith:

UNTHSC: University of North Texas Health Science Center at Fort Worth
3500 Camp Bowie Blvd. Fort Worth
Texas 76107-2699
Attn: Executive Vice President for Finance and CFO

CONTRACTOR: SISU Consulting Group, Inc.
8970 SW Burnham St.
Tigard, OR 97223
Attn: Michael Martyn, President

Such address may be changed from time to time by either Party by providing written notice to the other in the manner set forth above.

10. **INDEPENDENT CONTRACTORS.** It is understood that any relationship created by this agreement between the Parties shall be that of independent contractors. Under no circumstances shall either Party be deemed an employee of the other nor shall either Party act as an agent of the other Party. Any and all joint venture, joint enterprise, or partnership status is hereby expressly denied and the Parties expressly state that they have not formed expressly or impliedly a joint venture, joint enterprise, or partnership.

11. **CHILD SUPPORT.** Under Section 231.006 of the Texas Family Code, a child support obligator who is more than 30 days delinquent in paying child support is ineligible to receive payment from state funds. CONTRACTOR certifies that CONTRACTOR is not a child support obligator who is more than 30 days delinquent in paying child support. CONTRACTOR acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate. CONTRACTOR agrees that any payment due under this Agreement will be applied towards any debt, including but not limited to delinquent taxes and child support owed to the State of Texas.

12. **SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

13. **WAIVER OF CONTRACTUAL RIGHT.** The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

14. **APPLICABLE LAW.** Venue for any legal proceeding shall lie in a court of competent jurisdiction in Tarrant County. This Agreement shall be governed by the laws of the State of Texas. Governing law and venue shall survive termination of this Agreement.

15. **WARRANTIES.** CONTRACTOR represents and warrants to UNTHSC that the Services provided under this Agreement will be performed in a good and workmanlike manner in accordance with industry standards and all local, state and federal laws and regulations. In addition, CONTRACTOR represents and warrants that CONTRACTOR and its personnel hold and shall continue to maintain any and all licenses or certifications required under applicable law to perform the Services herein. Upon request, CONTRACTOR shall provide evidence of all licenses or certifications required under law. CONTRACTOR further represents and warrants that it shall provide all of its personnel with all required safety equipment and instruct personnel to observe all safety policies, rules and requirements at all times.

16. **INSURANCE.** CONTRACTOR agrees to maintain the following insurances: (1) Worker's Compensation and Employer's Liability of \$100,000 and shall extend to cover employer's liability for accidental bodily injury or health and for occupational disease with a minimum liability of \$100,000; (2) Comprehensive General Liability insurance of \$500,000 per accident or occurrence for bodily injury; (3) Automobile Liability Insurance within the minimum limits required by the State of Texas. CONTRACTOR agrees to provide evidence of insurance for those applicable insurance(s) required in this Section to UNTHSC prior to providing Services under this Agreement and again upon request by UNTHSC.

17. **DISPUTE RESOLUTION.** Chapter 2260 of the Texas Government Code establishes a dispute resolution process for contracts involving goods, services and certain types of projects. If Chapter 2260 applies to this Agreement, then the statutory dispute resolution process must be used by CONTRACTOR to attempt to resolve all of its disputes arising under this Agreement.

18. **DEBARMENT.** CONTRACTOR certifies that neither it nor any of its principals (officers, directors, owners, partners, key employees involved with this Agreement, or management or supervisory personnel) is presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in this transaction or in any federal grant, benefit, contract or program (including but not limited to Medicare and Medicaid and Federal Health Care Programs) by any Federal department or agency, and CONTRACTOR shall notify the UNTHSC immediately if it becomes aware of any such exclusion, debarment, or sanction.

19. **AUDIT.** At any time during the term of this Agreement and for a period of four (4) years thereafter, The State of Texas, The University of North Texas System, UNTHSC and/or other federal, state and local agencies which may have jurisdiction over this agreement, at reasonable times and at its expense reserves the right to audit CONTRACTOR's records and books that relate only to this Agreement. In the event such an audit by UNTHSC reveals any errors/overpayments by UNTHSC, CONTRACTOR shall refund UNTHSC the full amount of such overpayments within thirty (30) days of such audit findings, or UNTHSC, at its option, reserves the right to deduct such amounts owing UNTHSC from any payments due CONTRACTOR. If needed for audit, original or independently certified copies of off-site records will be provided to auditors at Vendor's expense within two (2) weeks of written request.

20. **NON-DISCRIMINATION.** In accordance with federal and state law, the CONTRACTOR agrees not to discriminate against any person on the basis of sex, race, creed, national origin, color, religious belief, age disability, or status as a disabled veteran or veteran of the Vietnam era in the performance of this Agreement. CONTRACTOR represents that it is fully informed concerning and is in full compliance with its obligations, if any, under the following: (1) Equal Employment Opportunities provisions of the Civil Rights Act of 1964, as amended; (2) Executive Order 11701, as amended; (3) Executive Order 11246, as amended; (4) Rehabilitation Act of 1973, as implemented by 41 CFR 60-741, as amended; (5) Vietnam Era Veterans Readjustment Act of 1974 as implemented by 41 CFR 60-250, as amended; and (6) Fair Labor Standards Act of 1938, Sections 6, 7, and 12, as amended.

21. **PUBLIC INFORMATION.** UNTHSC shall release information to the extent required by the Texas Public Information Act and other applicable law. If requested, CONTRACTOR shall make public information available to UNTHSC in an electronic format.

22. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the Parties concerning the subject matter described herein and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter described herein. This Agreement supersedes any prior written or oral agreements between the Parties concerning the subject matter described herein. This Agreement may not be modified except by a written amendment properly approved and executed by duly authorized Parties.

EXECUTED by the duly authorized Parties below:

**UNIVERSITY OF NORTH TEXAS
HEALTH SCIENCE CENTER AT FORT
WORTH**

DocuSigned by:
Carolyn Cross
By: 110F2D73337E46D...
Name: Carolyn Cross Date 2/8/2021
Title: Director of Contract Administration

SISU CONSULTING GROUP, INC.

DocuSigned by:
Michael Martyn
By: 894E2702BD3A4F7...
Name: Michael Martyn Date 2/8/2021
Title: President

HSC Contract # 2021-0374

EXHIBIT A
to Contract 2021-0374

UNT | SYSTEM PROCESS IMPROVEMENT IMPLEMENTATION

RFP NO: RFP763-21-146498 JR



SISU CONSULTING GROUP



COVER LETTER

ATTN: Jill Roys, Lead Buyer
University of North Texas System
Procurement Services
Business Service Center
1112 Dallas Drive, Suite 4000
Denton, TX 76205

RE: RFP No: RFP763-21-146498 JR

Dear Ms. Roys,

We at SISU are pleased to respond to this opportunity to provide expert consulting and coaching services in Lean and Operational Excellence to the University of North Texas System (UNTS). SISU is a specialized consulting firm dedicated to intensive, comprehensive organizational transformation using Lean principles and a proven methodology to achieve dramatic business results coupled with enhanced employee engagement. By inspiring groups to expand their vision of what's possible, we engage teams through action and insight and teach organizations how to build sustainable systems of daily continuous improvement.

We believe our diverse portfolio of clients and achievements are unparalleled in this continuous improvement space. Working across different industries allows us to adapt and refine our model to best fit the unique environments we find in healthcare, manufacturing, retail, financial and energy. Most importantly, our intensive work with higher education over the past 15 years - most notably with the University of Washington and with other universities and public-sector peers - provides strong differentiation between our offerings and experience, and what is available elsewhere in the market.

We look forward to your consideration of this proposal, and to meeting with you to discuss UNTS's path forward, as you begin your cultural transformation. This proposal will remain valid for UNTS's acceptance for 180 days after Submittal Deadline. Please contact us with any questions or concerns at this address:

Proposal and Contract Contact:

Michael Martyn
President
SISU Consulting Group, Inc.

Office Address:

8970 SW Burnham St.
Tigard, OR 97223

Mailing Address:

8970 SW Burnham St.
Tigard, OR 97223

Phone: +1-503-750-6900

Email: mikem@sisucg.com

Thank you again for your consideration,

Sincerely,

Michael R. Martyn
President
SISU Consulting Group, Inc.



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EXECUTIVE OVERVIEW

The University of North Texas System (UNTS) is a University that is composed of the University of North Texas in Denton (UNT), the University of North Texas Health Science Center (HSC) in Fort Worth and the University of North Texas at Dallas (UNTD). The UNT System Administration is based in downtown Dallas. The three independent universities of the UNT System have combined enrollment of just over 42,000 students across five major teaching locations, including each main campus as well as Frisco and downtown Dallas.

SPECIFICATIONS / DELIVERABLES

HSC seeks a Vendor to guide and assist in three distinct but interrelated areas:

1. Develop a framework to create a self-replicating and self-supporting internal culture of continuous process improvement that can perpetuate throughout HSC after the term of the engagement with the chosen Vendor ends.
2. Develop, through Vendor-led training, an initial cohort of cross-functional HSC volunteers to form a Lean Team (the “Initial Lean Team”). and prepare them to replicate the development/training process as they recruit and develop future Lean Team members (“Future Lean Team”).
3. Identify, conduct, complete, measure and communicate a defined number of initial process improvements (“Initial Lean Projects”) over Fiscal Year 2021 alongside the initial Lean Team. The Initial Lean Projects should be material enough to a) generate a 20% return on investment (excluding cost of Vendor) and b) cumulatively generate measurable financial impact adequate to cover cost of Vendor.

SISU’S TRANSFORMATIONAL MODEL

Since the publication of SISU transformational model in 2012 , more than 500 organizations in 14 countries have used the approach to build a culture of excellence that generates sustainable results. SISU’s approach has been used by more than 100 different Universities (in differing capacities) over the past 8 years and was awarded a Shingo Research Prize in 2019. This proposal heavily references the award winning results documented at the University of Washington to demonstrate our ability to accomplish UNTS’ stated goals.

THE POWER OF CONTINUOUS IMPROVEMENT CULTURES



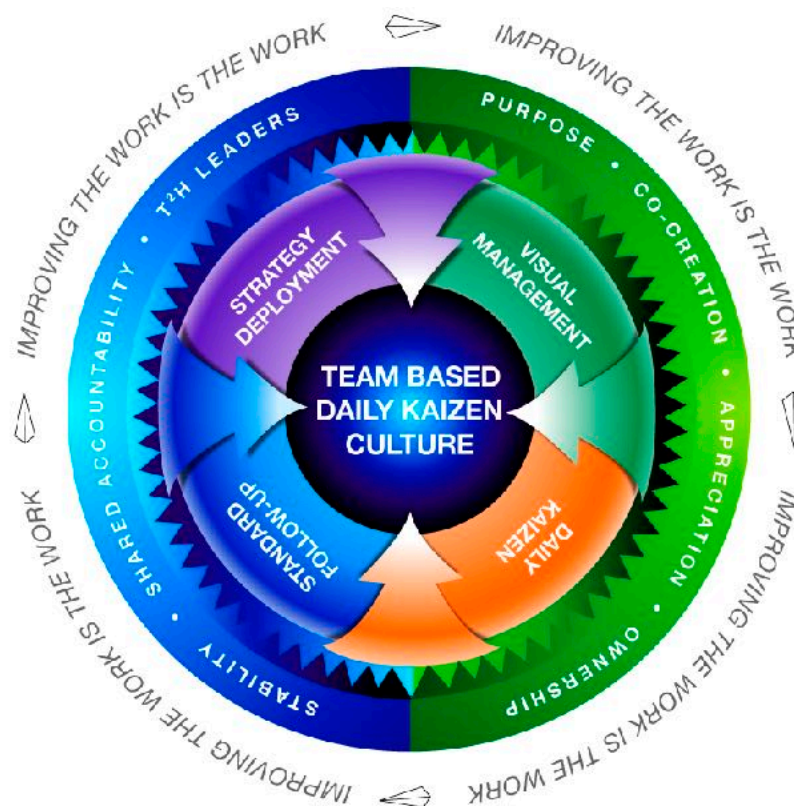
Patrick McNally, Associate Director of Creative Communications reflects on the department's strategy, results and key initiatives as part of a Monthly Report Out

A culture of continuous improvement provides both the power to engage everyone in the organization in addition to driving sustained business results. Within 6 months from the time of launching their first Lean Project, Creative Communications successfully turned 8 years of declining revenues and financial losses into a profit through improvements driven by the team. Over the next 8 years, the organization would implement more than 10,000 employee ideas, improve on time delivery from 63% to 97%, improve customer satisfaction from 59.6% to 98%, all while achieving first time quality of 99.7%.



DELIVERABLE 1: SUSTAINABLE CULTURAL FRAMEWORK

UNTS' first expressed goal is to develop a "framework to create a self-replicating and self-supporting internal culture of continuous process improvement that can perpetuate throughout HSC..." Given the organization's desire for a proven framework capable of both scaling and sustaining, it is important to understand SISU's proprietary transformational model, why it has been used by more than 500 organizations in 14 countries, and how it has enabled 42 different organizations to achieve the Shingo Prize for Enterprise Excellence¹



OUR APPROACH TO TRANSFORMING CULTURES

The model is deeply rooted in our experience enacting rapid cultural change in turnaround environments. In addition, with more than 20 years' experience working with the Shingo Institute both as Senior Examiners and Senior Affiliates, we have had a unique opportunity

¹ SISU has helped more organizations achieve Shingo recognition than any other consultancy in the world (42). For more information on the Shingo Prize and the Shingo Model for Enterprise Excellence, please visit www.shingo.org.

to benchmark some of the world's leading companies and analyze how the principles of operational excellence are developed from the ground up.

Working from the outside in, we begin with the goal of creating an environment where doing the work and improving the work is a seamless process without beginning or end. This is the moment when these two functions become one and it is impossible to tell when one ends and the other begins. When we have done it well, we have implemented a system where every action taken has both a work and an improvement component to it.

At the heart of the model are the elements of an integrated daily management system which together create the environment for the culture of daily team-based problem solving. These four key systems are at the heart of both our approach and serve the following functions:

- Establish clear and aligned goals and expectations of what winning means at each level of the organization
- Install a visual management system that allows everyone, every day to know if they are winning
- Create an enterprise wide rhythm of daily team-based problem solving aligned to meaningful outcomes
- Standardize a set of escalation and reaction protocols and follow-up mechanisms that allow leaders to coach for improvement

This integrated daily management system is flanked by an understanding of fundamental work process design elements (stability, shared accountability and the right type of leaders) and by a growing awareness of how to tap into the passion, creativity and commitment of our people by using what we call “engagement multipliers” (purpose, co-creation, appreciation and ownership). Finally, in the center of the model is the result of our work: a culture of team-based daily problem solving where people are both inspired and challenged to push themselves and their process to ever increasing levels of performance.

It's a common sense approach: create an inspiring vision of the organization you want to become and the culture you need to create; translate this vision into clear expectations for results and behaviors so every single employee understands what it means to win and how they can potentially and positively affect the bottom line; build a daily management system that allows you to see how you are progressing toward your goals in real time and enables each team member to leverage their energy and creativity to drive the organization toward

its goals; finally, engage leaders in the role of coaches, where the need to remove roadblocks and develop people is determined by the gaps exposed in our performance.

It is this model that has been successfully used in higher education to transform cultures and generate significant results. This is also the model that was implemented at the University of Washington and will be used to accomplish UNTS' goals.

Now, let's turn our attention more specifically as to how we will use our model to accomplish the expressed outcomes of creating an employee measurement methodology as well as measuring ROI on individual process improvements and communicating process improvement results and best practices.

CREATE EMPLOYEE MEASUREMENT METHODOLOGY

Creating an approach to measuring employees is an important part of designing a successful daily management system. The measurement methodology should be a combination of both leading and lagging metrics. In addition, the measurements will be a combination of measurements embedded as part of strategy deployment as well as those measurements that are aligned to the cultural transformation itself. The measurements embedded in strategy deployment are output measures relative to safety, quality, delivery, customer experience, etc. The measurements aligned to the transformation are metrics such as training and development, participation on lean activities, generated and implemented ideas, overall levels of engagement, etc. The most important considerations when creating a methodology are to 1) balance leading and lagging indicators, 2) keep the measurements simple and actionable, and 3) align the measures with strategic intent.

Questions to Address:

1. Do you have experience creating an employee measurement methodology?
 - a. Yes, we have worked with many companies over the years to design methods of measuring employee productivity, quality, engagement, morale and participation in continuous improvement. This was a critical part of our strategy deployment at the University of Washington. Understanding how to productively measure both employee participation and results is also an important piece to assessing cultural maturity over time. SISU helps organizations design and implement employee measurement best practices in each engagement we enter into.
2. How would you do this?

- a. The first step is to evaluate the current strategy and metrics being used in the organization. Many times, organizations have metrics that can be used, cascaded or adjusted to enable a productive approach to measuring employee engagement, participation and results. Next, SISU works with senior leadership and program sponsors to design the most appropriate manner in which to measure employees at the outset of the engagement to ensure alignment in agreed upon outcomes. The result is often a combination of measures that align to current organizational metrics as well as recommendations from SISU based on our 15 years experience transforming cultures in higher education.

CREATE METHODOLOGY TO MEASURE ROI ON INDIVIDUAL PROCESS IMPROVEMENTS

Our approach to building continuous improvement cultures has often been described as “people focused and results driven.” Based on our experience turning around companies, defining expectations for outcomes and methods of measuring progress are critical to the success of the program. The question of measuring ROI on individual process improvements is an important one from two perspectives. First, from the perspective of the the organization, it is critical to understand the impact of the process improvement efforts as they align to the accomplishment of strategic goals and desired outcomes. But equally important is the need to measure the impact of process improvements in order to engage and inspire everyone in the organization. A key driver of intrinsic motivation is the ability to see that progress is being made toward meaningful outcomes. Without a method to evaluate and report out success on the process improvements undertaken, people will quickly loose motivation as they view process improvement as “additional work” rather than a mechanism to improve their work. By carefully balancing process metrics with ROI calculations, you can help people develop a sense of pride in their accomplishments and a realization that the work they do to improve provides real impact to the organization and the people they serve.

Questions to Address:

1. Have you created a methodology like this in the past?
 - a. Yes, I have worked with organizations to create ways to measure ROI at both the process level as well as the program level. Any you can see from the University of Washington case study, the measure of ROI for the overall lean transformation was generated by first calculating audited results at the process and team level and then

aggregating them to arrive at an overall program number. To get an “accurate” ROI, the University Lean Team assembled data on all teams participating in continuous improvement activities and then the University sent two people from finance (who had no connection to the lean team) to audit the results. These results were then used for the program ROI calculation. These results were also used as “final” numbers for discussing impact at the process or project level.

2. What is your philosophy / process for measuring financial impact?
 - a. My experience is that a balance must be struck between the desire and need to measure financial impact to help focus improvement activities and ensure results for the organization, with an understanding that “not all that is important can be measured.” There are equally important leading metrics for a cultural transformation that should be celebrated as indicators of future financial impact. These may be more commonly associated with process metrics (reduced handoffs, time saved, improved quality, etc.) Further, it is very difficult to adequately measure financial impact in all areas of the University and on all processes. However, saying that, using ROI and ensuring there is an understanding of financial impact of the lean activities is an important measure to establish, monitor and use to adjust both the program and its focus over time.
3. Do you feel the results listed above are reasonable / attainable?
 - a. Yes, if the organization follows through on its commitment to properly resource the Lean Team as it has stated, and leaders clearly understand that it is their job to ensure their lean projects are actioned, then the ROI target of 20% (excluding the cost of the consultant) is very reasonable. As a basis of comparison, the work SISU did with the University of Washington generated \$10,137,459 in financial benefit to the organization in the first year. With a cost of consultant of \$244,000 (+ travel expenses), the ROI for the first year was over 4,000%. In year two, the ROI was calculated with the Lean Team and lean coaches time allocated as part of the overall cost of the program. Even with the additional fully burdened payroll included in the calculation, the ROI was 834%. While these results are not typical of all groups and were influenced by the choice of lean projects, I believe 20% is very achievable at UNTS.

DEVELOP A COMMUNICATION PLAN FOR THE IMPROVED PROCESSES

Developing a communication plan is an important element in scaling the program and engaging everyone in kaizen (improvement) activities. When done well, the communication plan becomes an internal PR campaign aimed at helping people see the great work that is being done throughout the organization and get inspired to join in and participate. Over the years, SISU has piloted many different tools and systems to build an effective communication plan at our clients. What we have learned is that the most effective plan happens when we standardize communication as part of the follow up the strategy deployment system, in addition to leveraging the power of recognition to spark interest in people to interact with the information. The following are the most impactful elements of the communication plan as they relate to improved processes in our answer to the question below.

Questions to Address:

1. How would post implementation communication work?
 - a. The following four elements are critical to creating a communication plan that shares results and best practices from process improvement activities as well as inspires participation from people at all levels of the organization.
 - **Lean Project Report Outs** - at the end of each 3-day lean launch (project), the team formally builds and delivers a report out. This report out summarizes the primary goals and objectives, the results of the process mapping and problem analysis, as well as improvement ideas and a 90 day action plan. The report out is attended by the sponsor, leaders in the organization, process partners, customers, and any additional people interested in the work of the team. This report out not only services as a plan of action for the team moving forward, but will be used in both the future ROI determination as well as a communication tool to share results across the organization. At the end of 30, 60 and 90 days, the teams prepare report outs again, which are also communicated out to the larger organization.
 - **Recognition Program** - early on in the journey, SISU coaches each team to create a visual recognition process, whereby great work (behaviors) and results are documented and shared as part of the weekly huddle process (for lean projects). This recognition is not only from leaders to team members, but also peer-to-peer. By creating a standard process for recognition, teams help the communication of results by sharing what they see and experience everyday. The Lean Team and lean

coaches who attend huddles document meaningful recognition and help share and communicate these results across teams and the organization.

- ***Cultural Showcases*** - as the number of lean projects increases and teams mature to the point of participating in daily kaizen activities, the organization will want to communicate all the great results and leverage best practices. SISU created the Cultural Showcase to create opportunities for teams to share experiences with each other and appreciate great work in a more public manner. It is also a phenomenal communication tool and mechanism for engaging new teams in the process. Each team creates a storyboard of their accomplishments and nominates one or more team members to attend the event and share their story. The showcases are run semi-annually, with the entire university system and business community invited to attend.
- ***Lean Program Strategy Reviews*** - finally, as part of the monthly coaching with SISU, the Lean Team will prepare a monthly reflection on the status of the program, which includes a metrics review (relative to goals established at the beginning of the program), a summary of actions taken in the last 30 days, and a summary of the progress of each lean project in the pipeline. This lean program strategy review is given to program management and senior leadership and also serves as a communication tool.

CASE STUDY: UW BIKE PROGRAM



Members of the UW Bicycle Delivery Program...the program has generated annual savings of \$224,294 and led to the reduction of 52,000 lbs of CO2 annually.

What started as one “crazy” idea from a team member in mailing services, has turned into an internationally benchmarked best practice for employee engagement and sustainability. The bike program was designed, piloted, improved and scaled entirely by team members. Over 7 years, the program has grown to 8 bicycles (all funding generated through sustainability grants applied for by the team), with 480 unique stops and 130 miles rides per day. The program passed over 45,000 total miles delivered recently and most importantly, the entire program was conceived and is managed through the lean management system.



DELIVERABLE 2: DEVELOP CROSS-FUNCTIONAL LEAN TEAM

UNTS' second goal is to develop a cross functional Lean Team capable of scoping and running lean projects on their own by the end of year one. Not only will UNTS need to have the ability to run their own projects, but they will need to recruit and develop internal resources to launch and coach successful lean projects as the program scales and the demand for support grows. In order to successfully accomplish this goal, SISU will support UNTS with the initial selection and development of Lean Team members (full time employees dedicated to the program). The focus on developing full time resources will be completed in conjunction with the identification and development of a set of internal coaches. Unlike the full time Lean Team, internal coaches dedicate a portion of their time to supporting program development and the remainder of their time leading their own teams in the transformation. The combination of using a small dedicated Lean Team in combination with internal lean coaches who support the program and retain their "day jobs" provides the dual benefit of keeping the cost of dedicated resources far lower than other lean program methodologies, as well as serving as a great leadership development opportunity for the lean coaches.

The key to success with developing a cross functional Lean Team and internal lean coaches is that the development occurs in conjunction with the launch of lean projects at the University. SISU will provide UNTS with the selection criteria in order to help guide the initial selection of both the full time Lean Team and internal lean coaches. Next, SISU takes each group through an onboarding and training program during the on-site visits. As lean projects are identified and scoped, SISU first mentors the Lean Team in the process personally and then guides the team as they begin to launch projects on their own.

After the Lean Team is fully on their journey to independence, internal coaches are selected from completed lean projects and started on their journey. They replicate the development process completed by the Lean Team and learn how to launch projects as well. As the entire program continues to grow and the number of internal coaches increases, SISU establishes a "coaching cohort" which allows each internal coach (and the lean team) to have targeted

development and follow up each month, in addition to getting further training opportunities with respect to engaging their own teams and developing an improvement culture.

As a basis of comparison, SISU started the formal coaching cohort at the University of Washington within the first year of the journey with 10 prospective coaches who were recruited from the completed lean projects. These coaches were given the opportunity to receive more training and mentoring in the daily management system and in return, committed to provide support in the University's goal of scaling the management system. Beginning with this group of 10, coaches were rotated every 12-18 months, with a small core of coaches remaining for an extended period of time. There was a specific focus on diversity in coaches, with titles including Director, Manager, Supervisor, Analyst and Program Coordinators. In addition, coaches were recruited from areas of responsibility including Procurement, Mailing Services, Tax, Sustainability, Accounting, Business Diversity, Maintenance, IT, Shared Services and Strategy Management.

During the scaling of the program, SISU trained a total of 47 internal coaches at the University. Of the 47 coaches, 29 successfully led launches and coached teams through the 90-day improvement cycle. The coaches enabled the university to launch an average of 30 projects per year, in addition to mentoring leaders in strategy deployment, building a standard system of daily management, and providing monthly training in lean tools, systems and principles to thousands of university employees. Finally, the coaching program provided a wonderful opportunity for development, pride and purpose for each coach that was selected for the program.

"I have had the opportunity to coach and facilitate launches and teams and I continue to be amazed at the power of a group of people coming together to solve problems and make significant improvements.

When done correctly, it gives people the power to change and lets everyone do what they know how to do best...it is truly magical. It enables people to feel ownership for their work and gives their work a new sense of dignity and meaning.

I have literally watched whole departments change the way they do business. When a lean culture is allowed to grow there can be tremendous advantages to the individuals, the team, the department and the organization. As a coach, I get to help do this every day."

Mary Jo Blahna, Facilities Business Process Management

Questions to Address:

1. How have I accomplished this in the past?
 - a. As referenced above and in the UW case study, a hallmark of SISU's approach is to develop internal resources in order to ensure the organization is able to stand on its own two feet as soon as possible. SISU has accomplished this by using an approach to coaching that focuses on "learning by doing" and effectively uses a staged approach to development, combined with learning cohorts. Potential candidates are selected from teams that have successfully completed their lean projects and they are invited to participate in coaching cohorts with the Lean Team and other coaches. These cohorts spend time with SISU each month during onsite visits and have targeted follow up assignments and development goals. The coaching cohorts spend time in the gemba (where the work is done) with SISU each month so they can learn by observing SISU in action and asking questions, and each coach is provided with the opportunity to first learn how to launch lean projects and then progress to more advanced topics and coaching.
2. How large should the team be?
 - a. The size of the team should be dictated by the volume of lean projects actively in the pipeline and the rate at which the daily management system is scaling. There is an old industry benchmark of 1% of the population should be dedicated to full time lean coaching, but we have found that number to be much too high if you properly understand how to engage people to drive improvements with autonomy and if you properly define the role of leaders in the organization. As a basis of comparison, the lean program at UW started with 1 FTE on the Lean Team for the first year and then added an additional FTE in year 2. The maximum size of the dedicated Lean Team never exceeded 4 FTE (for an organizational span of coaching of roughly 2,000 people) and that was after the University had almost 200 teams working on daily kaizen and more than 30 new lean projects each year. The reason we were able to keep the number of FTE lower is that we made use of internal coaches who retained their full time job for the University, but would dedicate a percentage of their time to help us with peer to peer coaching and launching new lean projects. We developed a total of 47 internal coaches who helped launch teams, provide 1-on-1 coaching, lead tours, etc.

3. What is your philosophy on how training should occur and who would receive the training?
 - a. The training and development works on a monthly cadence to correspond with the onsite visits from SISU. In addition, a 30 day cadence gives the coaches enough time to complete the assignments and implement the particular topic(s) of focus in their own team. The selection of who should become part of the internal coaching program is a combination of factors. First, the person must have shown the ability to connect with people, take action and get results in their own team during the lean project (launch) in which they participated. Second, the person must have the desire to participate. They must have a fire in their belly to learn more and they should enjoy the process of working with people to generate improvements. Finally, neither the position nor the function within the organization is a primary determiner of who gets into the program. Over time, the diversity of coaches blossoms as they begin to come from all areas in the organization and from all levels, but initially, it is critical to find people with a passion who have the ability to connect with others and act as influencers.
4. How would you ensure that all training is successful and development goals are achieved?
 - a. From the perspective of ensuring that the Lean Team and internal coaches will be able to successfully launch lean projects, SISU has a proven approach. Using a three step process, each prospective coach participates in a project, then co-leads a project with SISU and finally, leads a project under SISU supervision. There are development milestones and train the trainer materials created to ensure success at each step. There are also weekly coaching calls with SISU and the Lean Team which not only serve to follow up on the action plan for the entire program, but also as a means to status the progress the internal coaches are making throughout the month. Each coach develops individual goals as well as the coaching cohort as a whole has development goals. The presence of specific goals and the standard monthly follow up with SISU ensures that action is taken and results are reflected on. In addition, there are formal and public report out opportunities scheduled throughout their training and development which adds an extra level of recognition and accountability and motivates coaches to follow up on their action plans and to complete their development goals. As a result of these activities, the first member of UW's Lean Team was able to successfully lead 5 lean projects in the first year of the engagement with SISU.

CASE STUDY: DEVELOPING LEAN COACHES



The first internal coaching cohort completed at the University of Washington.



DELIVERABLE 3: RUN INITIAL LEAN PROJECTS TO ENSURE RESULTS

UNTS's final goal is to run initial lean projects and ensure these projects are successful, as measured by employee engagement and ROI. As stated in the previous section, running lean projects is also critical to the successful identification and development of the Lean Team and future internal coaches.

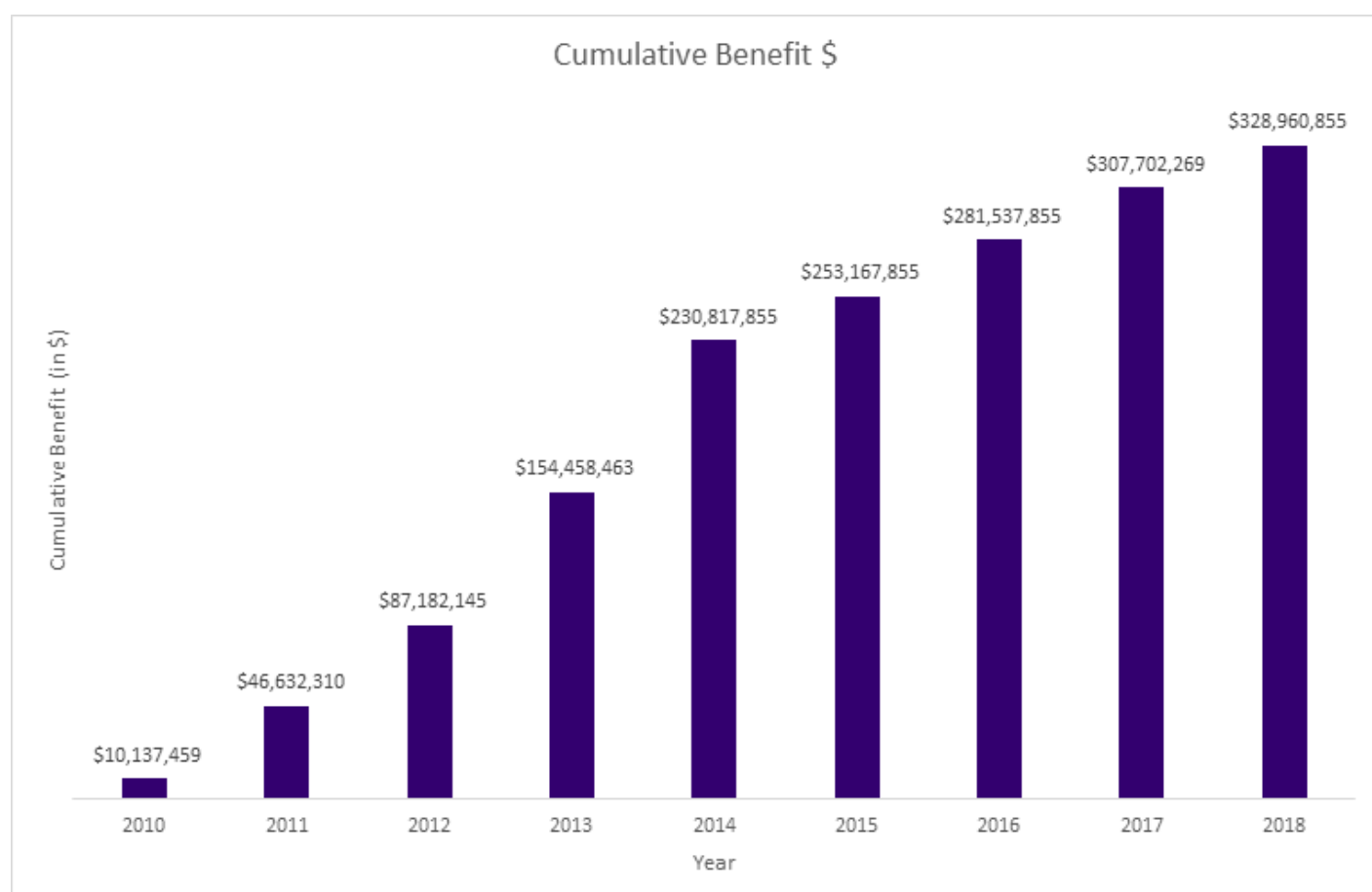
SISU's approach to identifying, scoping, and running lean projects has been acknowledge as a benchmark in higher education. Our process includes a 3-day facilitated "Lean Launch" combined with a 90-day period focused on implementation and generating results through team-based kaizen activities. The 3-day launch can sometimes be interpreted as a typical kaizen event, but there are some fundamental differences that are critical to successfully putting teams on a development path as opposed to viewing improvement as episodic. First, while sponsors and team leaders are involved in the initial scoping of the targets, problem statement and team participation, the actual mapping of the process, problem identification, goal restatement and action planning is entirely completed by the team without analysis done previously. Further, the focus of the launch itself is natural workgroups, thus encouraging the development of good team behaviors that can continue and mature once the initial 90 days is complete.

After the launch, the next 90 days focuses on coaching the team to generate and implement ideas as a team, learn how to reflect on results and adjust and leverage visual management and the huddle structure to improve performance and efficient follow-up. In addition, the use of a standard format to report out (monthly reflection) encourages the development of the right behaviors in leaders and ensures the team has autonomy to implement their ideas, but it is also a check process to ensure their activities are generating the desired results. Finally, what is critical during the 90 days is the team takes the excitement and energy developed during the launch and turns that into actual results the team can be proud of. When done well, teams who complete the 90-day cycle are excited to continue working on improvements together and ready to take the next step and be more purposeful about their goals, the rate of improvement and their need for a daily management system as opposed to just fixing a process.

The launch and 90-day improvement cycle, while rich with process improvement activities and results is really focused on creating a new type of relationship between leaders and teams through the granting of autonomy in kaizen activities and the establishment of regular monthly reflections and systematic recognition. From a team perspective, we are developing a foundation of engagement through respect and involvement. We are worried less about the quality of the initial improvement ideas and more about how the team is identifying, generating, implementing and reflecting on their activities as a team. The structure of the launch and the follow up coaching are all designed to facilitate ownership at the team level, team-based decision making and action taking, and create a leadership structure focused on autonomy, engagement, development and support. Results will come, but they are a byproduct of alignment to a goal and the focus on enabling the culture.

Just to reiterate, as teams are launched with their Lean Project and successfully enter into and complete the 90-improvement cycle, SISU will guide UNTS in the identification, recruitment and development of a team of future internal coaches who will take over responsibility for all launches, coach teams through the improvement cycles and help teams transition to a daily management system (later phase of development).

One of UNTS' stated concerns is the ability to generate a ROI on the improvement activities in the first year. As you can see from the graph below, UW experienced over \$10 million in financial benefit to the University in year one. The ROI continued to grow in each year of implementation. By following SISU's approach to launching and maturing teams through lean projects, UNTS will generate positive ROI as well.



CASE STUDY: ENGAGING EVERYONE IN LEAN PROJECTS



A critical step in the develop of a self-perpetuating and self-sustaining improvement culture is to engage each team in a “Lean Launch” (Project)

Central to SISU’s approach to developing high performing cultures of continuous improvement is the Lean Project. This “Lean Launch,” as we call it, enables teams to focus on a critical process and targeted goal, learn the fundamentals of daily performance management, and accomplish documented results in the first 90 days. At the University of Washington, the internal lean group averaged more than 30 launches per year, in addition to coaching teams through our 4-phase development model. These launches provided a forum for internal coach development and rapidly accelerated our ability to scale the system.



VENDOR QUALIFICATIONS

ABOUT SISU

SISU Consulting Group specializes in increasing stakeholder value through the development of lean leaders at each level of the organization. By inspiring groups to expand their vision of what's possible we engage teams through action and insight and show organizations how to build sustainable systems of daily continuous improvement.

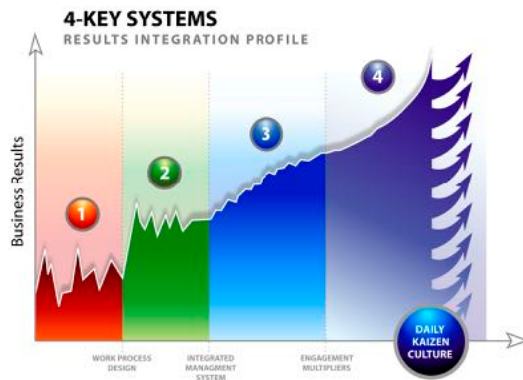
SISU works with each of its clients to build a sustainable continuous improvement program and significantly improve bottom-line results through the development of its most valuable asset, its people. Regardless of our client's goals or challenges, we stand beside them in the trenches; helping them to learn how to eliminate the fear of change, take ownership of their opportunities, and create break-through results through daily action.

At SISU, we work with management to create alignment across people and processes using a "learn-do-improve" methodology. It is our belief that there is no "one best way" to solve business problems, engage people and drive change across an organization. There are however, foundational principles we employ that allow us to design and implement management systems which reinforce action, accountability and daily kaizen.

As a means to this end, SISU Consulting Group assists clients with a variety of services ranging from the creation of proprietary learning programs to leading organizational lean transformations. Each of our implementations is guided by the belief that our role is to empower people to become independent risk takers and leverage their abilities to solve problems and think creatively about their daily work.

SERVICES WE PROVIDE

Lean Transformations - driven by the core values of continuous improvement and respect for people, our approach to daily kaizen focuses on the development of leaders at each level of the organization and designing a daily management system that embeds world class



principles of accountability, collaboration and daily team-based problem solving. Utilizing our proprietary model detailed in Own the Gap, SISU works from the outside in, starting with the goal of creating an environment where doing the work and improving the work is a seamless process without beginning or end. At the heart of the model are the 4-Key Systems which together create an environment for the culture of daily kaizen to live and

thrive. The result of our work is a culture of continuous improvement where people are both inspired and challenged to push themselves and the process to ever increasing levels of performance.



Coaching Camp – at the heart of a leader's role in creating a culture of continuous improvement is to coach and develop their people. Often overlooked however, is the role management systems play in driving behavior and creating opportunities for leaders to connect and engage their people on a daily basis. Leveraging the latest research in neuroscience and the art of creating intrinsic motivation,

SISU created a Coaching Camp where team leaders, managers and executives learn the principles of world-class coaching systems in a learn-by-doing format. In addition to learning the principles of engaging people, the camp shows leaders how to design principle-based management systems which create an environment of team-based problem solving and daily kaizen.



Learning Tours – customized to each of our client's goals and objectives, SISU develops and hosts world-class learning tours that allow leadership teams to experience best practices in an environment that encourages open sharing, structured learning, and team development. These tours take place throughout North America, Europe and Japan and are built to allow participants to see how a wide variety of organizations across all industries are implementing the Four-Key Systems to achieve operational excellence. In each tour, participants interact with the principles of operational excellence in real time and spend

time with leaders at the host companies, learning the key milestones in a successful transformation as well as the next steps to take in designing a custom daily management system for their organization. Finally, in addition to visiting the host sites, participants gain extensive knowledge from the networking opportunities with other members of the tour.



Executive Coaching – offered in connection with each of the lean transformations we lead, SISU coaches leaders at each level of the organization on weekly, bi-weekly or month basis depending upon the engagement and level of leader. One-on-One Coaching has become a hallmark of our approach and key to the significant business results we help companies achieve. Each session is set at a regular time, thereby ensuring that rhythmic reflection and

learning are at the center of each leader's development. Our program is customized based on organizational goals, and each session contains a review of performance (results and behaviors), learning tied to the transformation and an assessment of progress toward daily kaizen development.

SHINGO INSTITUTE

The Shingo Institute (www.shingo.org) is the premier global organization dedicated to the education, assessment and recognition of world-class cultures of enterprise excellence. Founded more than 30 years ago as a non-profit organization and housed at Utah State University, the Institute is home to the Shingo Prize and oversees research and development of best-practice educational material utilized by thousands of organizations across North America, South America, Europe, India, Asia and Australia. The organization has developed an extensive global network of certified examiners and educational partners and is led by an experienced management team. The Institute is guided by a Board of Governors, whose members are senior executives with extensive continuous improvement experience from such organizations as Autoliv, OC Tanner, Denso, Raytheon, Parker Hannafin, Textron, Lean Enterprise Institute, and the ThedaCare Center for Healthcare Value (among others).

What follows is some of the work that Mike Martyn (and SISU Consulting Group) has done in partnership with the Shingo Institute:

Senior Team Lead – Mr. Martyn first began working with the Shingo organization in 2000, qualifying to be an examiner and working up to the role of Senior Team Lead and Team Mentor. In this capacity, Mike led more than 40 assessment teams, trained examiners and was instrumental in adjusting the model and assessment process to be applied in the public sector and healthcare. To date, Mike has performed hundreds of assessments for organizations all over the world.

Director of Western Region - From 2005 - 2009, Mike served as the Director of the Western Region, overseeing the administration of the regional prize, conducting training on the model and methodology, recruiting and training examiners, and hosting annual conferences in Seattle, Bellevue, and Portland.

Senior Faculty - Mike serves as a Senior Faculty for the Institute, assisting in the design, implementation and training of each of the educational programs. In this capacity, Mike also conducts train-the-trainer sessions for both public and private entities. Finally, Mike is a featured author for the Shingo Institute's Executive Education program, teaching courses on designing management systems and enabling cultural transformation, as well as co-leading the Japan Study Tour.

Board of Governors - From 2008 - 2013, Mike served on the Board of Governors for the Shingo Institute, assisting in the oversight of the global rollout, changes to the model and educational programs, and the recruitment and training of examiners.

Licensed Affiliate - SISU Consulting Group is a Licensed Global Affiliates certified to teach all the Shingo Institute's educational programs. The partners will take over all training and train-the-trainer responsibilities for the Institute's primary six courses: Discover, Enable, Improve, Align, Design, and Build. These courses are offered publicly and customized for use internally in manufacturing and service industries.

SHINGO RECOGNITION

Since the Founding of SISU Consulting Group, Mike has been awarded the Shingo Prize for Research and Publication Award 3 times.

2008 - The first award was for his work developing an interactive sales boot camp for La-Z-Boy Furniture Galleries using the TWI methodology as a foundation. Subsequently, the boot camp was implemented in the six largest markets, with an average of 19.6% improvement in

productivity for veteran salespeople (after 5 days), a 84% reduction in total training time, and a 36% sustained improvement in average sale.

2013 - The second award was given for *Own the Gap* and the contribution it has made to the body of knowledge in the lean community. Since publication, the model contained in the book has been adopted by more than 500 organizations, with more than 100 of them making the book a central piece of their leadership development program.

2019 - The most recent award was given for *Transforming Higher Ed: Implementing a Culture of Continuous Improvement* at the University of Washington. This case study presents the development model that generated more than \$328 million in financial benefit to the University through the implementation of more than 80,000 employee improvements. The management system created at UW (based SISU's model) has been benchmarked by 124 organizations.

In addition to winning the research and publication awards, 42 of SISU's clients have received Shingo recognition and SISU has the distinction of supporting 12 out of the last 17 Shingo Prize recipients.

EXPERIENCE IN HIGHER EDUCATION

The following is a list of some of the higher education organizations we have been privileged to coach over the years.

RESEARCH AWARD: TRANSFORMING HIGHER ED



In 2019, Mike Martyn, Doug Merrill and Mark McKenize accepted the Shingo Research and Publications Award for their pioneering work in Transforming Higher Education

Under Mike Martyn's guidance, the University of Washington designed, deployed and developed a sustainable culture of continuous improvement which resulted in 242 successful Lean Projects, 8,028 hours of training and development in lean tools, systems and principles to UW employees, 47 internal lean coaches developed to scale the system across the university, more than 80,000 employee implemented improvements, and \$328 million in financial benefit to the University. Year one of the journey led to 11 successfully completed Lean Projects with more than \$10 million in financial benefit.



PLAN FOR ACHIEVING PROPOSAL OBJECTIVES

At SISU, we believe in simplicity when helping organizations implement a culture of continuous improvement. While the methodology we employ is robust, in our experience the process for working with UNTS must have three characteristics to be successful:

- 1) Monthly onsite interaction where SISU conducts regular follow up on each team's progress, internal coaches spend time with SISU in development, and executive coaching is conducted with leaders.
- 2) Leaders and coaches need a weekly follow up rhythm and access to Mike to ensure that actions are being taken in a timely manner and implementation issues are effectively addressed.
- 3) As the system matures and generates desired results, time must be spent creating standard work for each aspect of the management system as well as creating custom training and development materials to be used across the organization.

SISU has effectively used this approach across diverse industries and is currently employing it with such organizations. The following is a summary of the types of activities that occur on a weekly, monthly, and quarterly cadence between SISU and UNTS leaders, Lean Team and internal coaches:

Monthly	Weekly	Quarterly
3-day onsite work with SISU	1-hour coaching call with executives and internal coaches	Formal assessment of program and report out by SISU
Follow up with project teams	Review status of action plans	Summary results compiled and reported out to organization
Training and development sessions based on program needs	Escalation of team issues / questions	Adjustments to strategy and program based on results
Executive coaching	Follow up coaching	Material development

SAMPLE PROGRESSION FOR CULTURE OF EXCELLENCE

The following represents an overview of SISU's 4-phase approach to developing both a sustainable and scalable continuous improvement culture. While this proposal only covers year one of UNTS' journey, we think it is helpful to know that SISU have a proven methodology of taking organizations from the start of their journey all the way through the level of world-class maturity. In addition, while UNTS may not choose to engage SISU past year one of the journey (Phase 1), leadership should be confident that our approach will not only accomplish UNTS' goals, but will create a successfully foundation for further success.

Phase 1: Engage (Launch Lean Projects + 90 Day Implementation) *(covered in this proposal)*

Teams begin their journey with a 3-day lean launch followed by a 90-day period of implementation where targeted goals and action plans are achieved, and the principles, systems and tools of operational excellence are introduced. Teams focus on one goal (defined problem) and begin learning the basics of systematic problem solving through the use of weekly huddles, visual management, idea systems and monthly report outs..

Phase 2: Extend (Design for Daily Kaizen)

After the completion of the implementation cycle is complete, the Lean Team facilitates the development of goals, focused objectives and meaningful metrics aligned to the strategic framework. Teams expand their improvement activities, move from huddling weekly to huddling daily, and develop the foundational elements of a principle-based daily management system.

Phase 3: Embed (Maturing the Management System)

During Phase 3, teams mature the use of the tools and systems of the daily management system to generate sustainable results for the stakeholders they serve. During this phase, the role of the leader as the primary driver of continuous improvement activities and results is firmly established and characterized by systematic follow up to support the team's ability to consistently drive focused results through the engagement of each member of the team.

Phase 4: Connect (Aligning Value Streams and Developing People)

Finally, teams develop the ability to think systemically and engage both their suppliers and their customers through feedback systems. Improvements are routinely conducted across departments (in addition to continuing to improve at the team level) and teams have matured to the point where the design of work processes to facilitate flow is the norm. Systems of best practice sharing have been installed to leverage learning and the organization focuses a significant amount of time and resources to the development of people through regular coaching.

MEET YOUR COACH



Michael Martyn, Founder and President of SISU Consulting Group

Founder and President of SISU Consulting Group, Mike travels extensively to support clients across the globe, including Europe, Latin America and Asia. Over the past 20 years, Mike has contributed hugely to the development of the Shingo Model and Assessment Framework, is Director Emeritus of the Shingo Institute, 3x Shingo Prize winning author and Lifetime Member of the Shingo Academy.

Prior to founding SISU, Mike worked in the private equity arena, successfully turning around companies in both manufacturing and service industries. It was during this time as a turnaround specialist that Mike was personally mentored in the principles of the Toyota Production System and refined his approach to driving business results by designing a management system that engages each member of the organization in team-based problem solving toward customer-centric goals..



BREAKING DOWN THE INVESTMENT

The following is a summary of the investment required to complete all the goals outlined in the proposal. Each part of the program will be personally designed, developed and led by Mike Martyn, President of SISU Consulting Group. The timing of each element will be coordinated with the client and the details of each element of the plan will be finalized after the initial onsite visit and meeting with senior leadership is completed:

Element	Description	Days	Value	Cost
On Site Coaching and Development	This is the bulk of the work that will be done onsite. During this time, goals and strategy for the engagement will be set, monitored and adjusted, Lean Projects will be launched, recruitment and development of internal coaches will be completed and methods of designing engagement metrics and ROI methodology will be completed.	3 / Month	\$ 180,000	\$ 180,000
Weekly Follow Up Huddle	This is a set of two weekly huddles scheduled and conducted virtually. The huddles will follow a standard format, follow up on action plans developed during the monthly sessions, and provide opportunities for questions and additional coaching based on actual implementation during the week. One huddle will be conducted with senior leadership / program directors and one huddle will be conducted with Lean Team / internal coaches.	1 / Month	\$ 60,000	\$ 60,000
Email and Phone Coaching	Senior leadership and the Lean Team will have access to Mike Martyn by phone and email when the need arises for real time feedback and coaching.	As Needed	\$ 5,000	\$ 0
Own the Gap Model Course	UNTS will be granted 20 licenses to use SISU's Learning Management System Own the Gap: Understanding the Model course. This course takes the participant step-by-step through our Shingo winning book and implementation model. Each chapter tests for comprehension and contains additional videos and implementation advice not contained in the book.	Self-Study	\$ 3,900	\$ 0
Principles of Operational Excellence Course	UNTS will be granted 20 licenses to use SISU LMS Principles of Operational Excellence course. This course takes a deep dive into the principles of enterprise excellence and teaches the participant how to asses their leadership style and organizational culture using the Shingo Model as well as how to properly balance principles, systems and tools.	Self-Study	\$ 31,900	\$ 0

Element	Description	Days	Value	Cost
Designing a Daily Management System Course	UNTS will be granted 20 licenses to use SISU LMS Designing a Daily Management System Course. Armed with an understanding of our model and the principle-based ideal behaviors critical to developing a continuous improvement culture, this course takes the participant through the design and implementation of the fundamental elements of a closed-loop daily management system.	Self-Study	\$ 31,900	\$ 0
Total			\$ 312,700	\$ 240,000
Discount			\$ (72,700)	(23%)

SISU ONLINE LEADERSHIP DEVELOPMENT PROGRAM



In 2019, SISU launched an online academy dedicated to helping leaders learn the principles of operational excellence and understand the foundational elements necessary to design a world-class daily management system. Together, the right leadership behaviors and the right systems enable the organize to design sustainable and scalable continuous improvement cultures. As part of our commitment to UNTS’s success, we are happy to offer 20 complimentary seats in our academy. Each course is self-paced and combines a blend of videos, case study examples, exercises and tests for understanding. These programs have been used at such organizations as the University of Washington, Standard and State Farm Insurance (among others) and represents a \$72,700 value!

UNT | SYSTEM PROCESS IMPROVEMENT IMPLEMENTATION

RFP NO: RFP763-21-146498 JR



SISU CONSULTING GROUP



BREAKING DOWN THE INVESTMENT

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Email and Phone Coaching	Senior leadership and the Lean Team will have access to Mike Martyn by phone and email when the need arises for real time feedback and coaching.	As Needed	\$ 5,000	\$ 0
Own the Gap Model Course	UNTS will be granted 20 licenses to use SISU's Learning Management System Own the Gap: Understanding the Model course. This course takes the participant step-by-step through our Shingo winning book and implementation model. Each chapter tests for comprehension and contains additional videos and implementation advice not contained in the book.	Self-Study	\$ 3,900	\$ 0
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Total			\$ 252,700	\$ 180,000
Discount			\$ (72,700)	(29%)

SISU ONLINE LEADERSHIP DEVELOPMENT PROGRAM



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SYSTEM[™]

**UNIFORM GENERAL CONDITIONS
FOR CONSTRUCTION AND DESIGN CONTRACTS
2017**

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UNIFORM GENERAL CONDITIONS FOR CONSTRUCTION AND DESIGN CONTRACTS 2016

ARTICLE 1. DEFINITIONS

Unless the context clearly requires another meaning, the following terms have the meaning assigned herein.

- 1.1 “Addendum/Addenda” means formally issued written or graphic modification and/or interpretations of the Construction Documents that may add to, delete from, clarify or correct the description and/or scope of the Work. Addenda are issued during the bidding phase of the project
- 1.2 “Application for Final Payment” means Contractor’s final invoice for payment that includes any portion of the Work that has been completed for which an invoice has not been submitted, amounts owing to adjustments to the final Contract Sum resulting from approved change orders, and release of remaining Contractor’s retainage.
- 1.3 “Application for Payment” means Contractor’s monthly partial invoice for payment that includes any portion of the Work that has been completed and performed in accordance with the requirements of the Contract Documents for which an invoice has not been submitted. The Application for Payment must accurately reflect the progress of the Work, be itemized based on the Schedule of Values, bear the notarized signature of Contractor, and not include subcontracted items for which Contractor does not intend to pay.
- 1.4 “Authority Having Jurisdiction” means a federal, state, local or other regional department, or an individual such as a fire marshal, building official, electrical inspector, utility provider or other individual having statutory authority.
- 1.5 “Baseline Schedule” means the initial time schedule prepared by Contractor for Owner’s information and acceptance that conveys Contractor’s and Subcontractors’ activities (including coordination and review activities required in the Contract Documents to be performed by Design Professional and Owner), durations, and sequence of work related to the entire Project to the extent required by the Contract Documents. The schedule clearly demonstrates the critical path of activities, durations, and necessary predecessor conditions that drive the end date of the schedule. The Baseline Schedule shall not exceed the time limit current under the Contract Documents.
- 1.6 “Certificate of Final Completion” means the certificate issued by Design Professional that documents, to the best of Design Professional’s knowledge and understanding, Contractor’s