

SIEMENS



National
Training Awards
2004

Client: Siemens Business Services – National Savings & Investments
Programme: Transformation of customer operations through the introduction of a Lean Team-working Culture

Investment in Lean yields high return for Siemens and NS&I

How do you turn around an organisation of 2,500 people caught in a cycle of high costs, low productivity, a high reliance on manual clerical operations and a history of stalled change initiatives?

£7m of net savings

This was the challenge facing Siemens Business Services (SBS) after winning an outsourcing deal from National Savings & Investments to improve and run its customer operations over a 10-year contract. To help them in their challenge, SBS's senior management team chose the Bourton Group to assist them move the business forward.

The Siemens top team thinking was very clear. They knew they wanted a 'self-managing, team-based culture' with everyone understanding commercial requirements and responding to fluctuating demand. They also saw Continuous Improvement as the way to 'Lean' processes, to quantify performance levels, reduce operating costs, and improve service delivery now and in the future.

Accuracy up to 99.6%

What they needed was a consultancy that could interpret their thinking, challenge it, and make it happen.

Our approach

Working with SBS executives, we established three objectives for the programme:

- Help staff to understand the challenges facing the business
- Create a vision of SBS/NS&I as a successful, competitive Lean organisation
- Equip teams with the knowledge and skills to improve processes and drive out waste themselves.

We agreed that the Lean Daily Management System (LDMS)[®] would be an ideal vehicle to engage teams in Continuous Improvement and move to a performance centric culture. This simple system comprises five elements: Daily Work Group Meeting, Primary Visual Display, Kaizen Action Sheets, 20 Keys[®] and Short Interval Leadership. Used together, these powerful tools focus teams on their performance, and how they can improve it, in both the short and long term.

1,800 people trained

We designed a programme to implement the LDMS[®] around our Diffusion Strategy – rapid dissemination to large groups of people – and the concept of Learning Families – change led from within the organisation so people learn and apply Lean in their natural work groups.

The programme started with Lean workshops to educate senior managers in Lean thinking, and it was agreed to pilot the programme at the three major sites in the UK. The benefits from the pilots were reviewed and, based on their success, a plan developed to roll this out across the business. SBS NS&I created ten learning families in total, each comprising up to ten teams and their leaders.

At the launch of each Learning Family, we trained the managers and facilitators. Managers and team leaders built an awareness of Lean and their role in its implementation, focusing on leading and developing their teams. Facilitators developed skills in Lean tools and techniques, facilitating change and teaching others.

Along with the managers, we co-delivered team training to the first few teams in each Learning Family. Managers and facilitators then trained their remaining teams, with our consultants providing off-line coaching to build self sufficiency.

Efficiency doubled in some areas

Once they had grasped the principles of Lean, teams began by agreeing their core purpose and determining how to tackle waste in their areas. In facilitated rapid improvement events they used the 'plan-do-check-act' methodology to implement process improvements, and enhance workplace layout and organisation. Teams then agreed how they would adopt the LDMS[®] to sustain the changes, manage their performance, and identify further local process enhancements. This enabled them to apply the problem solving tools for themselves in their own ongoing improvement activities.

Overall, SBS NS&I delivered 78% of the training events independently. By continuing to support teams, leaders went on to sustain continuous improvement across the business.

Value delivered

- Managed programme over a 15-month period
- 1,800 people trained
- 8,400 training days delivered in 126 workshops
- 1266 Rapid Improvement Events
- Roll-out completed two months early
- More than £7 million of net savings during the life of the programme, and rising.
- A tangible culture change commented on by customers and senior internal stakeholders from across Siemens
- A completely self-sufficient internal improvement organisation staffed by trained facilitators

Typical performance improvements

Business KPIs:

- Timeliness and accuracy of processing improved to 99.6%
- Contractual deductions reduced by more than 90%
- Quarterly compensation values reduced by over 80%

Examples of specific Operational improvement activity:

- 32 FTE reduction in personnel (redeployed)
- Working space reduced (15,000 sq/ft)
- 160,000 forms and the associated processing time removed from the system
- Infrastructure costs reduced by £155,000
- Critical cheque banking process time reduced by 1 hour per day
- Premium Bond Sales process time reduced by 50%
- £35,000pa cash refunded by the Post Office for unused postage stamps

This programme won both a National Training Award and the Institute of Financial Services Most Effective Back Office Initiative & Grand Prix Award in 2004 as well as the Siemens Top+ Innovation award

“We have achieved a monumental accomplishment. All targets for the programme have been exceeded. At one site, unnecessary internal travel has been reduced by 65%. At another, 100 days a year have been saved through the removal of reminders and indemnity forms. Postage costs have been reduced by £105,000 a year, working space has been reduced, infrastructure costs have been reduced by £155,000 and key processes that impact on customers have had their lead time reduced by as much as 50%.”

Business Transformation Manager, SBS

“...the pace of the roll out, along with the thoroughness and professionalism with which it has been managed . . . the obvious enthusiasm of people in making changes that benefits their jobs and the business – there is a much more positive feeling . . .and the payback from the Lean investment is starting to gather pace as the improvements take hold.”

Paul Maher, Executive Director, SBS/NS&I