

Less waste, more value

Eliminating waste ultimately ensures efficiency

A recent workshop attended by over 300 senior managers from the public sector demonstrated that over 30% of the examples of waste come from simply over-processing of services or activity. In other words, doing too much to something when a simpler approach would be more effective. When asked why such activity is done, the common response was “that’s the way we’ve always done it” or “it’s our way.”

At a time when public sector leaders are striving to do more with less, eliminating waste without impacting on performance is easier said than done. The reality, as most people will tell you, is that waste is everywhere and the most pernicious kind is the waste you can’t see!

The Eight Wastes

When we think about waste in environmental and industrial terms, it’s often something that’s physical. Physical waste does exist in work processes, but it is only a small part of the waste that is often present. The larger proportion of waste is usually activity based. The key to being able to identify wasteful activity is to look at your activities from the customers’ point of view. Understanding what the customer values is vital in determining which activities are essential and which are not. When we refer to the customer we mean the customer of the activity, not necessarily the end customer. Once you see through the eyes of the customer, it is easier to see activity that is unnecessary. Ask yourself “if the customer doesn't value it why are we doing it?” The only exception to this rule is if the activity is required for regulatory or safety reasons. Even in these cases it may be possible to find a more efficient solution.

Outlined below are the places where wasteful activity is typically found, also known by the acronym TIM WOODS.

Transportation

How often do you need to move things around between people during the process? Examples of this could include the movement of files and documents from one location to another, excessive e-mail attachments or multiple hand-offs in a process.

Inventory

Are your levels of work in progress necessary – costing you in terms of storage, identification, location and transportation – or could you reduce and still provide excellent customer service? Examples could include files and documents waiting to be processed or excess material being ordered to benefit from bulk purchase discounts.

Motion

How easy is it for your staff to get the next item of work, piece of information or equipment necessary to do the real value adding work? Some examples can include looking for data and information on the system or in the office and the movement of people to and fro from filing, fax and printers.

Waiting

Are you creating delays for your customers because you have in-built delays between value adding work stages? Some examples also include customers or service users waiting to be served by a central customer contact centre, waiting for approvals, waiting for information, waiting for responses, and system downtime.

Over Processing

We often create work for ourselves and so it is always worth asking, "Is this activity absolutely necessary or is there a better way to get the job done?" For example, too much paperwork for an application, the same data required in number of places in an application form, too many approvals required and multiple MIS reports.

Over Production

You could be doing more than your customers require, for example, doing too much, doing things 'just-in-case', working ahead of schedule, writing reports no one reads, sending information automatically even when not required, printing documents before they are required and processing items before they are required by the next person in the process.

Defects

What is the failure rate in the process? What are the root causes and what could you do to make the most positive impact?

Skills

Do you have the right people on the job? Do you continually use a higher skilled person on low skilled work? Other examples could include limited authority and responsibility or the wrong person put in a job role with insufficient skills knowledge and understanding.

TIM WOODS helps people 'see' waste that is otherwise accepted as 'the way we do things around here.'

All Lean Sigma based efficiency and effectiveness projects will address waste at some stage, typically when the "current state" process is being mapped. This is when waste becomes visible and can be challenged.

It is rare to find a process that is specifically designed for purpose. Most processes have evolved in an additive way, where steps have been added over time to allow for changes in need or to compensate for potential areas of failure in the process.

The challenge is to assess each process step to determine whether it is truly adding value or not. A good way to establish whether something is “value adding” is to ask: “if the customer knew we were doing this would they be willing to pay for it?” Evidence shows that such waste accounts for up to 90% of time or activity in a process so there is a lot to aim for!

Non-value added activity is defined as that which is of no benefit in the eyes of the customer. Sometimes “non-value added” activity is necessary for compliance or regulatory reasons but again the way this is carried out should be rigorously challenged.

Taking a structured, methodical and data informed approach to eliminating waste will ensure that performance is improved at lower cost, which is a better alternative to making cuts which are more indiscriminate in their impact and unpredictable in their benefit.

Where are time, energy and money being wasted? Take the time to look and you will be surprised what you will see.

About Bourton Group

Bourton Group are specialists in achieving sustainable performance improvement. We have a successful track record of improving complex processes in major public and private sector organisations stretching back over 40 years.

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