

# Lean and your business, better



Your Business. Better.

The constant challenge for business leaders is to understand that there may be a better way to carry out business activity than the one that has been successful for the last 30 years and which is now ingrained into the values and beliefs of their organisation.

Lean Thinking was developed for the manufacturing sector during the 80s and 90s and has its roots in the Toyota Production System.

In recent times Lean Thinking has been applied to a wider range of industries, and now increasingly supports many businesses, professional services firms and wider service sectors as an operational improvement methodology.

*Lean is all very interesting, but we don't make cars*

The first obstacle most organisations have had to overcome is comments such as “Lean is all very interesting, but we don't make cars and I don't see why we should change to working like robots on an assembly line.” This is a natural reaction and normally starts with a misunderstanding of the philosophy and approach. Lean is a set of tools, a methodology and a philosophy all wrapped into one. It is the application of the approach that is important, whether you work in Healthcare, Financial Services, Maintenance and Repair, a Call Centre or a back office anywhere in the world, Lean can be applied intelligently to your environment.

*Once you understand the need you can customise the approach.*

It is also important to see the differences between classic Lean principles and the aspects that need to be taken into account when implementing Lean in an office environment. Whilst the overriding principle is to focus on adding value and removing waste, the differences may appear subtle, but make the application in an office environment easier to explain to both managers and their teams.

## Value and Value Stream

In the service and office environment, there may be multiple customers of the service each with a view of the value that they derive from the provider.



It is also common for the customer to be the a supplier too.

Classic value streams are defined as a series of steps to bring a product or service to the customer. Most value streams in large offices are transactional in nature. However, many office processes require levels of judgement and interpretation that do not easily follow a transactional flow. We call these ‘Considerative Processes’ as the quality of the output is determined by the quality of the input and the knowledge of the individual to interpret these multiple inputs to provide the customer with a ‘best fit’ answer.

## Flow

In an office environment demand can be highly variable, sometimes by the hour or minute and flow is difficult when work is organised with multiple hand offs (anyone who has lost time at the end of a phone trying to talk to a contact centre will understand this).

Designing flow in offices takes the same type of change in mindset as when Just-In-Time first came into manufacturing and many sacred cows over what best manufacturing practice stood for were put to the sword.

## Pull

Classic pull means “don't make one until the customer wants it.” Staff in offices can struggle with this concept as their work is less tangible than a product.

e.g. they might send a request by email for information without knowing how busy the recipient of the email is. "Busy is a concept driven by demand and resource balance." The key to pull is to design a process that is responsive to internal customer demand. In offices that may mean looking more at, hours of work and skill flexibility.

### Perfection

The quest for perfection should be the same in offices as in factories. Learning to see and eliminate waste and errors in offices requires viewing work in a different way. One advantage that many office roles have is their staff's direct contact with the customer. Engaging front line staff in Lean can bring them and you tangible improvements in the customers' experience of your service offering.



### Where to start

Most research points to two models of Lean implementation:

1. Full implementation of the philosophy.
2. The use of Rapid Improvement Events (RIE).

Most case studies show that organisations start with the latter. This approach is preferred by line managers as it provides a faster return for effort as it is more visible and does not challenge existing management control styles to the same extent as full implementation. The disadvantage is that the 'quick wins' may be difficult to sustain if not integrated into the overall strategy of the organisation. The full implementation model has the advantage of linking improvements to the overall strategy which leads to a more sustainable outcome. Understanding where you want to be in Lean as the 'Future State' is a question that needs top level understanding, buy-in for sustainable continuous improvement and blends both top down and bottom up approaches.

### Waste is everywhere

Most people who have learnt about Lean understand that the elimination of waste is a key outcome. In offices the waste is more insidious than in a factory; you can see piles of inventory, or machines broken down or staff waiting for parts. In the office environment the waste exists but usually doesn't manifest itself in a physical form. Lean traditionally focuses attention on *eight types of waste*. They tend to be easy to spot or, as we call them the 'Surface Wastes'

These wastes are the obvious ones that people can relate to and are fine when you are undertaking RIE - people feel good when they attack them - no one cries when the waste goes away!

### Transactional and considerative processes

Our experience of applying Lean in offices over the past decade has led us to deconstruct the processes that staff undertake into two clear and different archetypes, transactional and considerative.

This approach has several advantages:

- It becomes clear to staff that Lean does not mean they are being turned into robots
- It recognises their job has a degree of skill and judgement that requires tailoring the response depending on the inputs they receive
- It makes clear those parts of the end to end process that can be standardised and those that need discretionary guidelines.

### The tools

Most Lean practitioners are aware of the core Lean tools. Tools such as Value Stream Mapping, 5S, 5 Whys, Kanban and SMED are well understood within the manufacturing environment. But, when office staff are first presented with them, many practitioners fail to get engagement because they do not see the tools through the eyes of their customers i.e. the office staff, and they explain the tools using manufacturing examples that appear to have no relevance.

Our experience in office environments is that the Value Stream Mapping process is one of the most powerful ways for staff and their leaders to learn to see the waste from an end to end perspective.