

What does it mean to be lean??

When it comes to embarking upon a journey towards improved service delivery, Director of Transact HR Ltd Paul Rains asks: What does it mean to be lean?

In today's economic climate more and more organisations are realising the benefits of analysing their processes and making them more efficient – or 'Lean'. Very often, this involves the automation of transactional processes where possible, and the focus on activities which are determined to be value adding, whilst stopping activities which add little or no value to internal or external customers.

This is not rocket science you may be saying to yourself, but it is a fact that many organisations, in all sectors, can tend to lose sight of this fundamental business principle until such time that profits are squeezed, budgets are constrained and voices from on high call for improvements to be made!

It is vital that when improvement is initiated it is done so in a planned and methodical manner, not introducing short term 'sticking plaster' process changes which may provide improved results in the short term, but if they are not automated, documented, integrated with other efficient processes, have the support of the staff operating them, or constantly benchmarked against the needs of your customer, then the 'improvement' will become another liability very quickly.

Like most things in life, you only tend to get out what you put in, and in the context of providing services that your customers value (the output), then a lot of fact finding has to be undertaken to ascertain:

- What do our customers really want from us? Achieved by eliciting the views of a statistically significant proportion of them.
- What services do we provide them with at the moment?
- What can we therefore stop doing, what are the implications of this?
- What new services do we have to consider offering, and how can we do this in the most efficient and effective way?
- Of the services we currently provide, and need to continue doing so, how can we re-engineer our delivery of them to reduce cost and improve efficiency?

Once you have a 'road map' of the service delivery journey you are going to embark on, you also need to produce a detailed, documented set of your current processes - 'swim lane' diagrams are particularly effective for this as they can highlight where process outputs go back and forth between several departments – usually a sign of an inefficient process.

Analysing the flow of data using value stream maps will identify ‘bottlenecks’ and will immediately start to yield suggested improvements where process steps can be eliminated completely, performed in a more efficient sequence, or be performed electronically by an I.T. system.

Armed with this information, you and your project team (comprised of the people who provide the current service, and need to make the improved one work in practice!), can start to re-draw the process maps to produce something that is ‘lean’ and designed to meet the stated need to your customers. It is recommended that you have input from someone experienced in process mapping and in creating lean processes (free from wasteful activities), and input from internal or external I.T. people who can advise on what process efficiencies existing technology within the organisation can provide, or help create a business case for purchasing new technology.

Once the revised processes have been mapped, costs of providing the revised service can be estimated – which should be significantly less than the existing costs over the medium to long term, allowing for some initial investment in new systems, and sign-off can be given to commence the roll-out of the new processes.

In order to be in a position to demonstrate improvements to your service delivery on an ongoing basis, it is vital that various measurements of your service provision are taken, i.e. the cost of providing a certain service, which should include staffing costs, I.T. costs, and any other overheads such as office space etc. Ideally try and produce costs per individual process within the service you provide. Other useful measures, depending on the type of process being examined, are time taken and volume of transactions, and customer satisfaction results.

Improving your transactional processes and making your service delivery model leaner will deliver significant and tangible benefits and give you that all important competitive edge. Not only may you enjoy a reduction in the time taken to recruit new employees, but employee retention levels will improve as the slicker onboarding process allows new joiners to engage with your culture and working practices at a much early stage which in turn will lead to a reduction in the time taken to reach full productivity and greater job satisfaction during those all important early months.

However, that is not the end of the improvement journey, you then need to monitor the processes on a regular basis to ensure they continue to provide services the customers value, in a cost effective, efficient way.

Please visit our website at www.transacthr.com for further details on the methodologies, tools and techniques we employ, and for our contact details.

Contact:



Paul Rains
Director
Transact HR Ltd
Tel: +44 (0)2476 430210
paul.rains@transacthr.co.uk
www.transacthr.com