Ideally Lean

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Process Excellence Program for service and manufacturing organizations

Lean is a process improvement methodology, which can be applied in any industry. It is based on empowering employees with principles and tools to continuously eliminate waste and increase customer value. Today many companies combine lean principles with the Six Sigma approach, which is focusing on the process output quality and the reduction of defects. The »Process Excellence Program« incorporates both approaches.

by Milan Gazdík

Expectations

During the initial discussions with our clients, we always ask for their expectations. They usually expect the biggest benefits from implementing the process improvement approach to be waste reduction and cost savings. But most of the time, this is not the only expectation.

More and more we notice that the human aspect is being emphasized in order to involve employees into continuous improvement and to integrate process thinking into daily work. In service-providing organizations, such as telecommunications and banking, the objective often is to simplify processes and, therefore, increase end-consumer satisfaction.

Outlines

Our clients prioritized the expected benefits as follows:
1. Cost reduction, revenue increase
2. Waste reduction
3. Employee engagement
4. Customer satisfaction
5. Improved productivity, efficiency
6. Improved quality ►
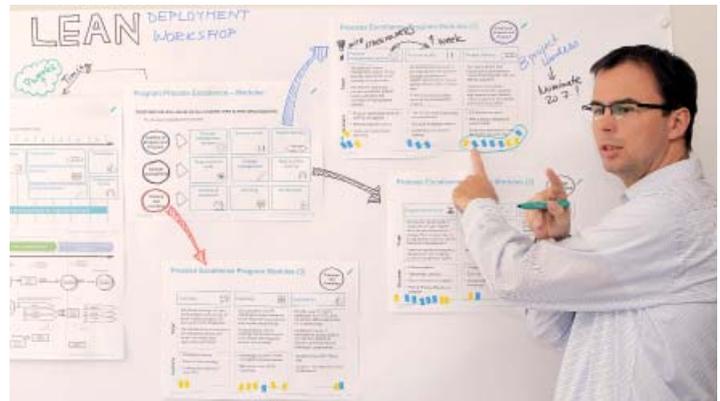
Our program

We developed a program for the full implementation of the process improvement methodology in companies. The »Process Excellence Program« takes from six to twelve months, and it aims not only to improve a few selected processes but also to change the culture of the whole company. The program is suitable for manufacturing as well as service companies. The »Process Excellence Program« is implemented in four phases to ensure the long-term benefits of the program (see illustration below).

1. Process audit

The first step is to identify the process areas which offer the greatest potential for waste elimination and improvement in terms of cost, time or customer quality. In workshops, we sort out which processes to tackle and set scoring rules. Afterwards, the selected areas are monitored and the current performance is analyzed regarding process KPIs and sectorial benchmarking. Several different techniques can be used but we prefer the VSM technique (Value Stream Mapping) and process program scoring (Fast Forward Approach). At the end of the process audit, we typically present five to fifteen opportunities (projects) and set priorities and goals for future projects together with the client.
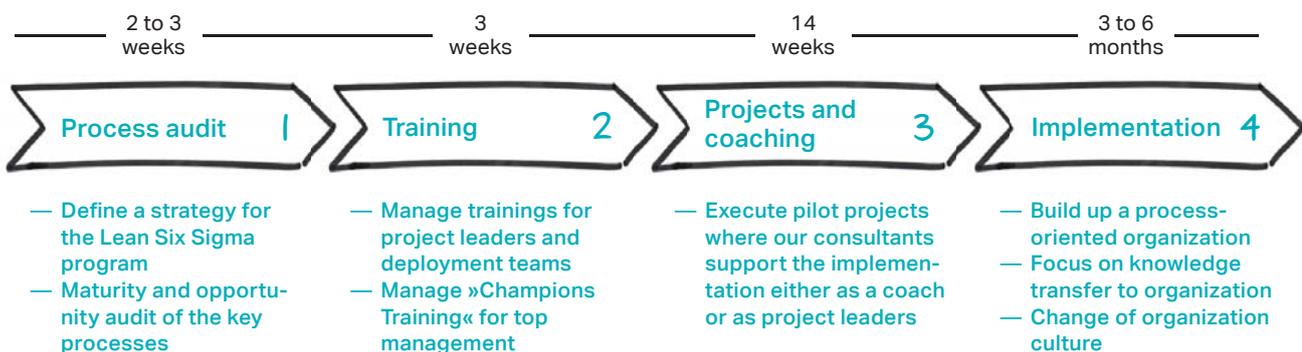
2. Training

If the client decides to realize the improvement activities, we continue with training the project leaders and their subordinates. Usually, specific project tasks of the process audit can already be solved during the training. Typically, we start with training the senior management, the so-called »Champions Training«. This is a very intensive introduction to the Lean Six Sigma program. The focus is on presenting methodology, defining the program strategy and its measurement, clarifying roles and responsibilities. At the end of this stage, process audit tasks are clear, and management, as well as project leaders are well trained.
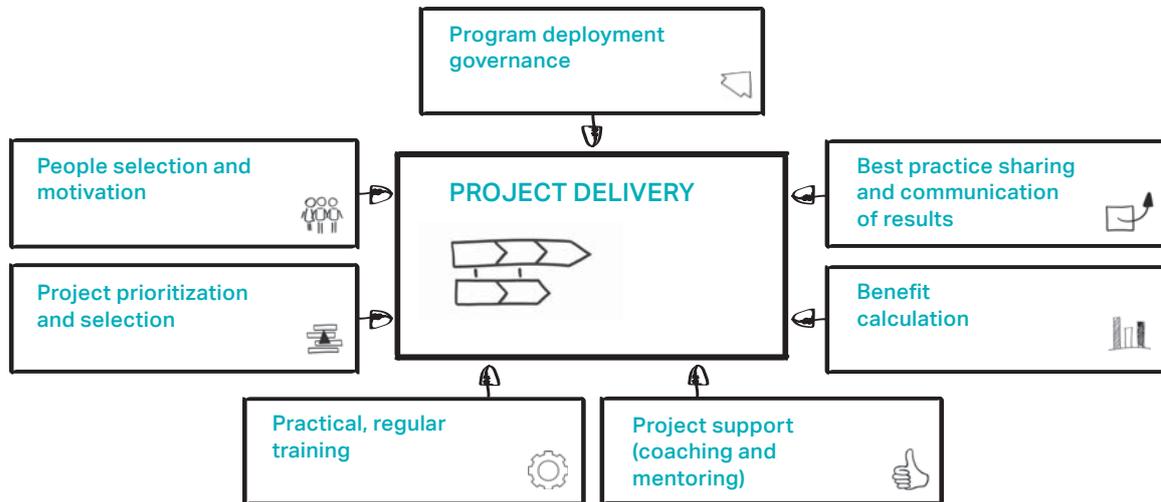
3. Projects and coaching

During this phase we deliver process improvement projects as identified by the initial audit. The first project is usually led by our consultant with the active participation of the client's project leaders. Then the roles are reversed. The next projects are conducted under the direction of a project leader, along with our coaching support. Regular project coaching is our key consultation mechanism. It is an individual meeting between the consultant and the project leader (usually 90 to 120 minutes). We focus on the project status verification and outputs on the search and selection of the best tools and the preparation of a detailed plan for the following period. This approach guarantees faster results, and know-how-transfer to the client's organization. Typical projects our clients start with are: increasing throughput in contract processing, improving on-time delivery in service organizations, increasing output or optimizing the layout of the production site. But the list of potential projects is much longer.

The Process Excellence Program

2 to 3 weeks	3 weeks	14 weeks	3 to 6 months
Process audit 1	**Training** 2	**Projects and coaching** 3	**Implementation** 4
— Define a strategy for the Lean Six Sigma program — Maturity and opportunity audit of the key processes	— Manage trainings for project leaders and deployment teams — Manage »Champions Training« for top management	— Execute pilot projects where our consultants support the implementation either as a coach or as project leaders	— Build up a process-oriented organization — Focus on knowledge transfer to organization — Change of organization culture

Areas of process management infrastructure

4. Implementation

For sustainable benefits, we help to develop a management plan and a process improvement strategy for the organization, which means the building of a program infrastructure. The aim of such implementations is mainly to establish plans and control mechanisms in areas like project selection, leaders' nomination, training structure and preparation of motivational scenarios. Furthermore we set up methods for the project evaluation, experience sharing across teams and a coaching plan (see illustration above).

Key aspects of the program's success

A properly set up process infrastructure is one of the key aspects for success. Based on our experience, around 30 percent of process excellence programs fail. This is a very high percentage and is frequently caused by a lack of infrastructure. Companies train people without a consistent plan, start projects without any clear guidelines, strategies and management mechanisms. That is probably the main reason for which – despite a first, short-time success – such programs have sometimes gradually disappeared. For sustainable results, all areas of the process management infrastructure must be set up properly. ●

Essential key aspects

KEY SUCCESS FACTORS

— Strong management support
— Fully develop all parts of the infrastructure
— Integrate process strategy with project management and innovation activities
— Selection of the right people (project leaders)
— Strong change management and communication

TYPICAL RISKS

— No process strategy and infrastructure in the company
— Low involvement of top management
— Project leaders do not have time for projects
— Improperly selected project (without process problem)
— Low support of team members
— Too wide project scope