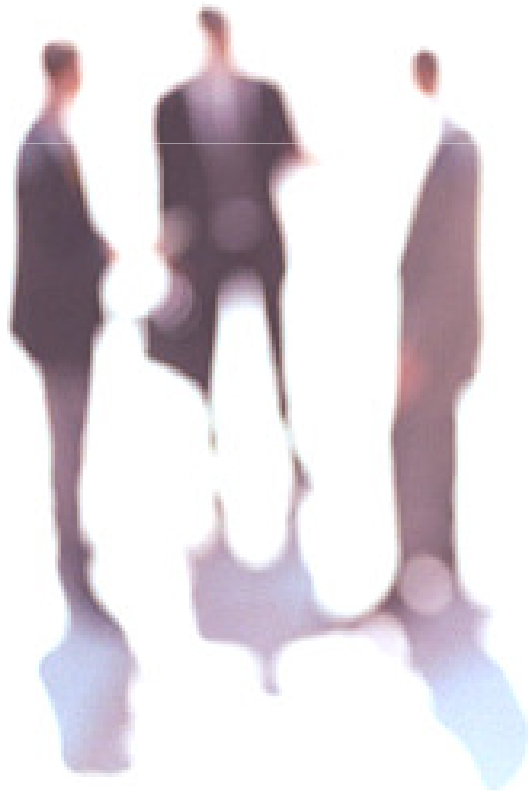




Lean working for Versa



Approaches to production

3 basic approaches to creating products and services:

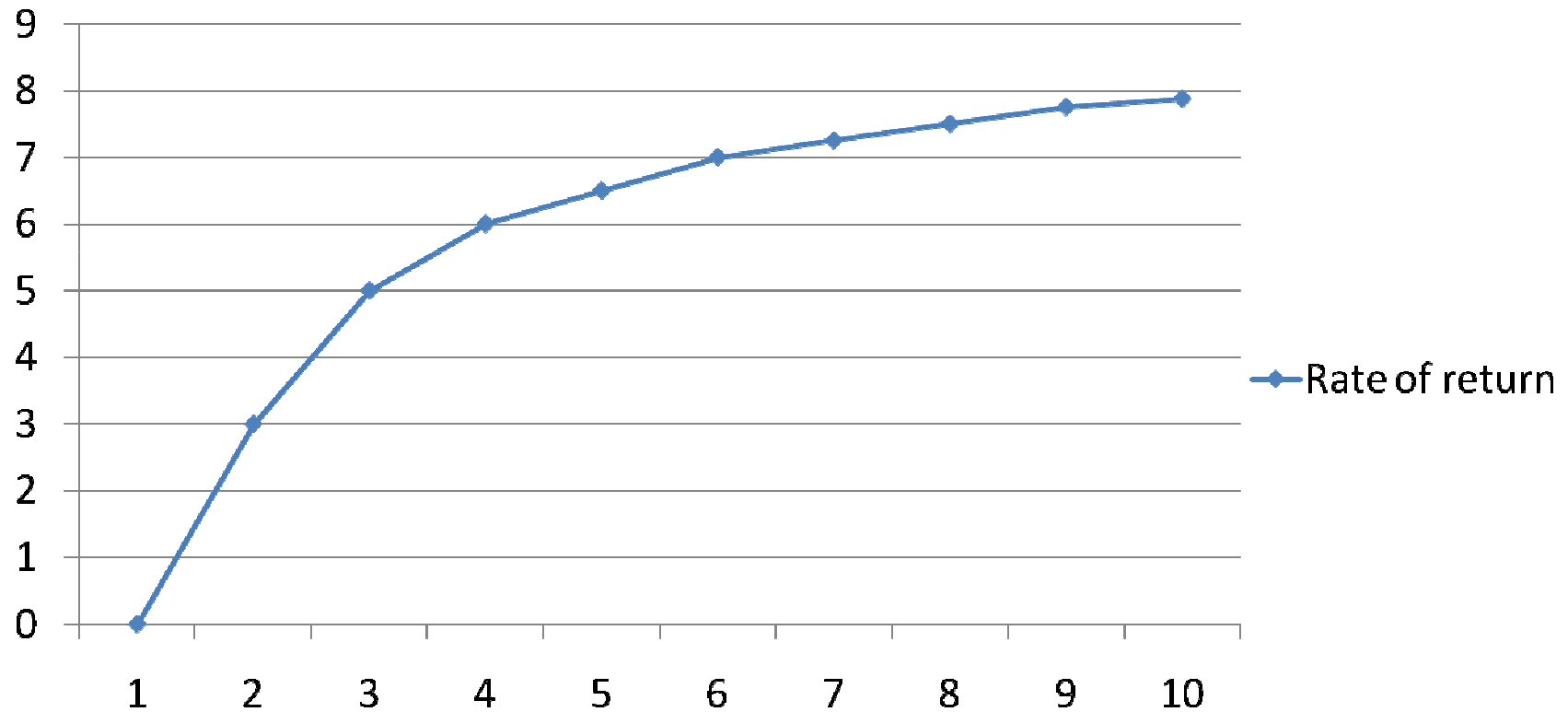
- **Craft production** - highly skilled workers use simple, flexible tools to make customised products
- **Mass production** - narrowly skilled workers design standardised products to be manufactured by semi skilled or unskilled workers often using machines
- **Lean production** - teams of multi skilled workers use flexible technology to produce an increasing variety of products and services

Lean working is:

*“A proven way of doing more with less (**less effort, less equipment, less time and less space**) whilst getting closer to providing consumers with what they really value”*

Conventional wisdom - **is wrong!**

Improvement vs **Cost**



How does it **work**?

Lean working improves service delivery by:

- Involving **everyone** in the search for better ways of delivering services
- Ensuring service design **solves** consumer problems effectively
- Minimising unnecessary **losses** caused by all forms of waste
- Improving process **flow** to benefit the consumer

Improving service delivery:

All organisations are different - but all processes have the same basic features:

- Suppliers
- Inputs
- Processes
- Outputs
- Consumers

Right processes = right outcomes:

Improve the design of end to end processes by:

- specifying value from the **consumers perspective**
- lining up value creating activities in the **best sequence**
- delivering when someone **requests them** (pull)
- conducting these activities **without interruption** (flow)
- performing the required process steps **effectively**, every time

Getting service right:

Service quality = service design + service delivery

Understanding consumers:

- Understanding consumer **purpose** is the key to **solving** consumer **problems**
- Solving consumer problems is the **key** to **meeting** consumer **expectations**
- The **better** you **meet** consumer expectations the more they will **value** your **services**
- Consumer expectations are **always changing** so **improvement** needs to be **continuous**

Solving consumer **problems**:

*Lean is about **solving** problems:*

- ✓ At the right time
- ✓ In the right place
- ✓ In the right way
- ✓ At the right price
- ✓ Completely
- ✓ Better

Understanding **waste**:

Waste = unnecessary **cost**

Identifying waste:

- **Poor service design** - design that doesn't further the consumers purpose or meet customer requirements
- **Over production** - producing more outputs than are required for immediate use by staff or customers
- **Waiting** - unnecessary delays between process steps for staff or for service consumers
- **Unnecessary transportation** - of materials, products or information in the service delivery process
- **Over-processing** - making service design and delivery more complex than is required
- **Excess inventory** - holding more stock (materials or information) than is required for service delivery
- **Unnecessary movement** - of either staff or consumers during the service delivery process
- **Re-work** - caused by service design or delivery defects that need to be fixed to meet customer requirements
- **Unused employee creativity** - in solving consumers problems quickly and effectively

Waste in service operations:

Empirical evidence has shown that:

- **Service** delivery processes often contain a high proportion (30 to 80%) of **activities** that **add no value** to the consumer.
- The activities that **add no value** to the consumer often comprise up to **50%** of service delivery **costs**.

Two types of **waste**:

- **Type 1 waste** - *activities that are non value added, but for some reason, **are deemed necessary**. These cannot usually be eliminated immediately.*
- **Type 2 waste** - *activities that are non value added and are **clearly not necessary**. These are early targets for elimination.*

Getting **more** from **less**:

Service capacity = work + waste

Getting **more** from **less**:

Service speed = work time + **waste time**

Getting **more** from **less**:

Service **quality** = work done right + **work done wrong**

Implementing lean working:

- Lean working is a **philosophy** rather than a tool kit
- Lean working techniques are **easy to learn** and can be **applied** by anyone
- Most 'lean working' **tools** are 'low tech', simple to set up and easy to use
- 20% of the tools will solve 80% of the **problems**
- Solving problems is 20% about the tools and 80% about the **thinking**

What will 'going lean' mean for **us**?

We will need to invest time in:

- **Understanding** the Lean approach
- **Learning** how to use Lean tools
- Capturing **data** about processes
- **Analysing** the 'value stream'
- Trying **new approaches** to problems
- **Adapting** how things are done
- Working in more **flexible** ways

Organisational **readiness**:

- Top management **involvement**
- **Openness** to ‘doing it differently’
- Investment in **metrics**
- ‘Surface and solve’ **culture**
- **Team** working
- **Pilot** projects
- **Risk taking** and **flexibility**

Implementation in **Versa**

- Better **understanding** and **meeting** customer expectations
- Introducing **visual management** and **team** based, **structured** problem solving
- **Standardised** operating processes and **quality** improvement
- Performance **coaching** and **change** management

Lean working **benefits**:

The 'long run' benefits we can expect include:

- **Improved service design** leading to increased customer satisfaction
- **Less delay and fewer mistakes** leading to improved service delivery
- **More resources** to devote directly to the delivery of frontline services
- **Increased capacity** as people work more efficiently and effectively
- **Higher morale** as people are empowered to do their jobs more effectively
- **Increased productivity** as organisational capacity is better utilised