



## *Continuous Improvement in Services*

### **Benefits of Continuous Improvement in the Service Industry**

In the Service Industry a misconception still exists that Continuous Improvement using Lean principles is not relevant. We often hear:

*“Lean is just for manufacturing!”*

*“Our processes are unique and based on our clients so Lean won’t work!”*

*“We work in person or online, not on big machines, so what could Lean do for us?”*

But it is the complexities of the Service Industry that makes the use of Lean Principles the perfect fit to create an environment of Continuous Improvement:

- Processes have long cycle times;
- There can be multiple variables within each process including decision points, decision makers and the interactions with a variety of systems and support teams;
- Most of the value-added work often takes place out of sight, in peoples’ minds; and
- It is a constant evolving environment including but not limited to, the introduction of new technologies, off shore teams and out sourced providers.

These complexities are an untapped source of opportunities to decrease employee frustrations and reduce wastes / non value-add activities.

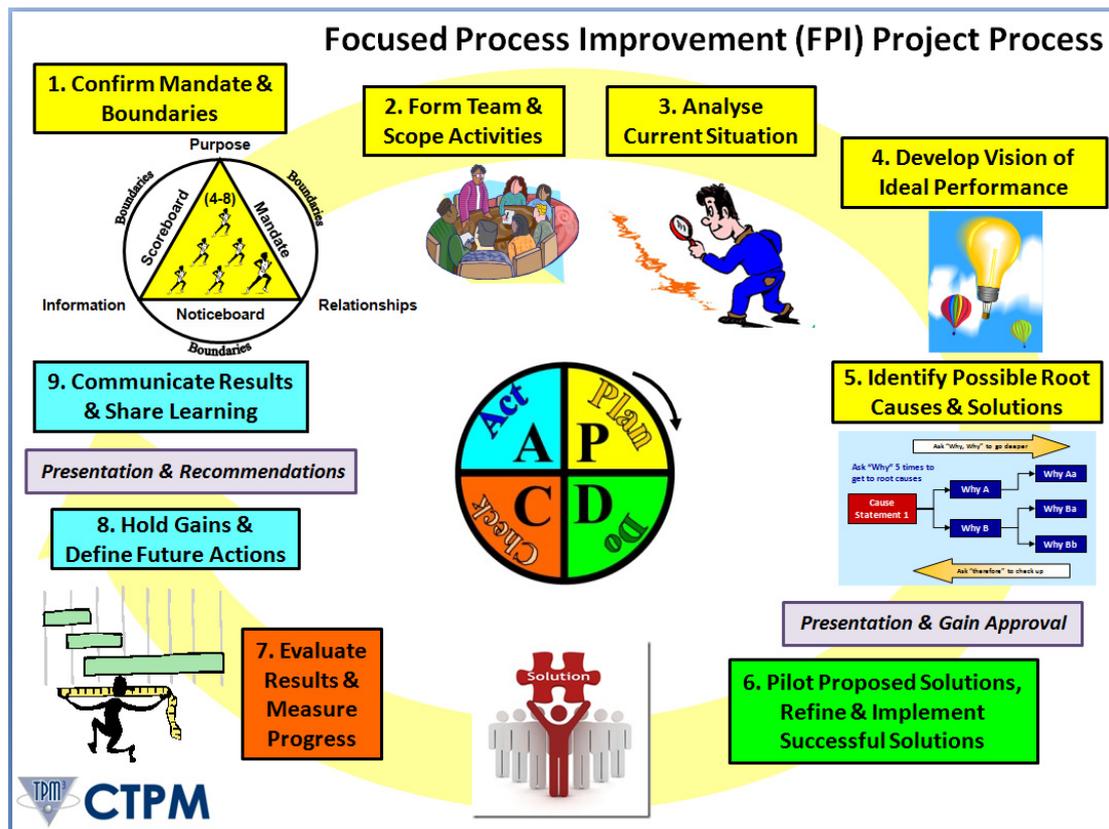
Anyone who has worked in services will recognise and will have experienced some if not most of these wastes / non value-add activities which are the key drivers of poor customer experiences, lost costs, lost time and employee frustration:

- Excessive e-mails and instant messages;
- Emailing attachments rather than using a shared computer drive;
- Multiple hand-offs;
- Ineffective multitasking;
- Waiting for responses / input;
- System downtime;
- Same data required in a number of places;
- Too many approvals;
- Multiple reports;
- Unnecessary complexity;
- Incorrect data entry;
- Missing data;
- Redundant data inputs;

- Unclear roles & responsibilities; and
- Underutilised talent.

## How do you use Lean Principles in a Service Company to create a culture of Continuous Improvement?

The key to successful Continuous Improvement is to use a prescriptive proven process to ensure buy-in from those involved. CTPM has created a number of prescriptive processes to support Continuous Improvement. One often initially used is the 9 Step Focused Process Improvement (FPI) framework.



This 9 Step Focused Process Improvement framework revolves around the PDCA Wheel promoted by Dr. W. Edwards Deming the “father” of the quality movement.

- **PLAN:** Understand the situation, set goals, identify root causes, plan improvements.
- **DO:** Put in place the actions required for improvement.
- **CHECK:** Measure your success relative to your baseline.
- **ACT:** Adjust or tweak your changes and lock in the improvements.

As you progress through each step, you keep the wheel moving, representing Continuous Improvement. When you arrive again at the Plan stage, you take into account your previous improvements and plan the next improvements.

This framework can be flexed to suit large organisation wide improvements, right down to simple area specific Problem Solving. We also have a simpler 7 Step process for shorter timeframe problems.

To run the 9 Step framework a dedicated Focused Process Improvement Team of 4 to 8 employees is formed based on the area or focus of improvement. The team starts with a kick-off workshop then meets 1.0hr weekly for up to 12 weeks and is facilitated and coached by an internal Improvement Co-ordinator and / or a CTPM Facilitator. At the mid-way point, the team presents to Senior Management the outcomes from the PLAN activities and gains approval to proceed.

By formalising an organisations Continuous Improvement strategy against this framework in partnership with CTPM, multiple benefits can be realised:

- The cost and time savings can be calculated to show the return on investment;
- Everyone starts using the same language and approach;
- Creates a mindset of Continuous Improvement therefore becoming “how you work” not an additional activity (working smarter, not harder);
- Increases Employee Morale and Reduces Frustrations; and
- Increases Employee Motivation and Engagement by empowering employees to observe, analyse and improve the way they work.

### Example of a Focused Process Improvement Project Schedule

Time commitment for project team members is 2 hours a week – 1 hour for weekly project meeting and 1 hour for weekly tasks.

Schedule		Week												
Stage	Task	0	1	2	3	4	5	6	7	8	9	10	11	12
Plan	0. Half-day or 2 hr x 2 kick-off workshop	█												
	1. Confirm Mandate & Boundaries	█												
	2. Form Team & Scope Activities	█												
	3. Analyse Current Situation A comprehensive review to ensure all issues and variations are identified and quantified	█	█	█	█	█								
	4. Develop a Vision of Ideal Performance				█	█								
	5. Identify Possible Root Causes & Solutions					█	█	█						
	5a. Prepare Mid-way Presentation and Present to Leadership Team						█	█	█					
Do	6. Pilot Proposed Solutions, Refine & Implement Successful Solutions								█	█				
Check	7. Evaluate Results & Measure Progress									█	█	█		
Act	8. Hold Gains & Define Future Actions											█	█	█
	9. Communicate Results & Share Learning													█
	9a. Prepare Final Presentation and Present to Leadership Team													█

## Call to Action

We recognise it can be difficult to know where to start Continuous Improvement particularly in the Service Industry so we suggest two paths to kick start:

1. Complete a holistic Discovery Phase across the organisation. Based on the findings define a strategic Continuous Improvement plan linked to the Organisations Business Strategy.
2. Start with incremental improvement activities that have already been identified within the organisation focusing initially on those that will have the biggest impact on business performance so as to ensure Senior Management support. NOTE: It is then important to come back to the holistic Discovery Phase once “wins are on the board”.

*If you're in the Service Industry, and Continuous Improvement is important to your business, please contact Rebecca Kennedy on +61 2 4226 6184; or email: [rebecca.kennedy@ctpm.org.au](mailto:rebecca.kennedy@ctpm.org.au); or visit CTPM's web page at: [www.ctpm.org.au](http://www.ctpm.org.au) and find out more information about CTPM's approach.*