

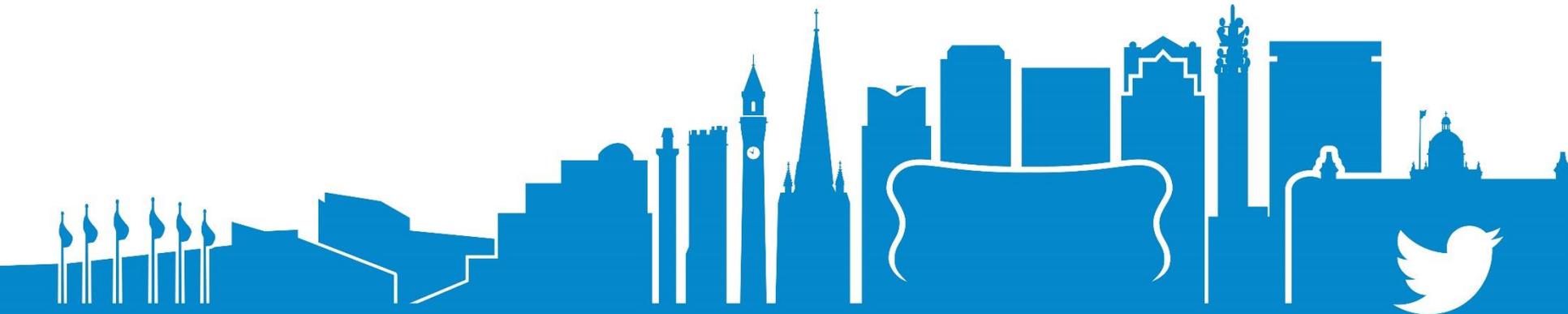
Workshop 4B:

Customer Journey, strategy

Speaker: Dave Skelton, Ian Harries (The Lean Partnership)

Chaired by:

Room: Surrey Room



Change

How to thrive
not just survive

Dave Skelton & Ian Harries

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www.leanpartners.co.uk

So why are you interested ?

So why are you interested in the customer journey ?

Do you know how to improve it whilst saving money?

Or

Has saving money become more important than the customer journey?

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Of course we do have to save money



Rent Cuts - 12%



Welfare Reform -
Universal credit



Right to buy

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Do you react or do you change when cutting costs?

They May:

- Stop the development of new homes
- Cut jobs and reduce the service
- Close depots
- Cut head count
- Cut corners

YOU



Do you:

- Follow in the same footsteps
- Or do you think differently

COMPETITOR



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What does the customer value?

You have Options!

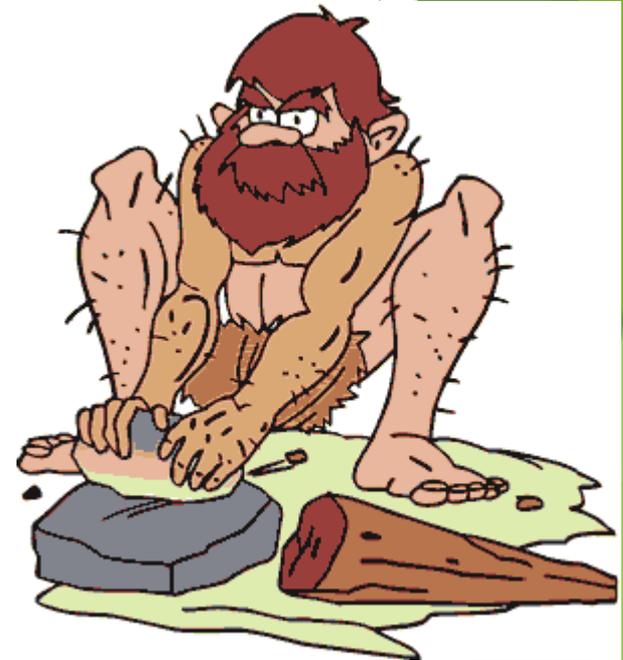
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Survive -

You will have to cut costs

This could mean either:

- Withdraw services and cut staff
- Reduce development
- Reduce standards



Will this improve the customers journey?

You have Options !

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Or thrive

- Improve Services
- Reduce costs
- Improve productivity
- Build more homes
- Improve Customer Satisfaction
and
- Empower your staff



What do you think the customer will value?

Perspective is key?

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“Is this a threat or an opportunity?”

Whatever your view, it’s certainly a challenge.



Our Approach

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Purpose

- Do you have a clearly agreed **Purpose** built on what customers value?

Process

- Do you have clearly specified **Processes** in place to achieve this purpose? And how lean are they?

People

- Are your **People** engaged and aligned with organisational purpose and dedicated to creating lean processes to achieve it?

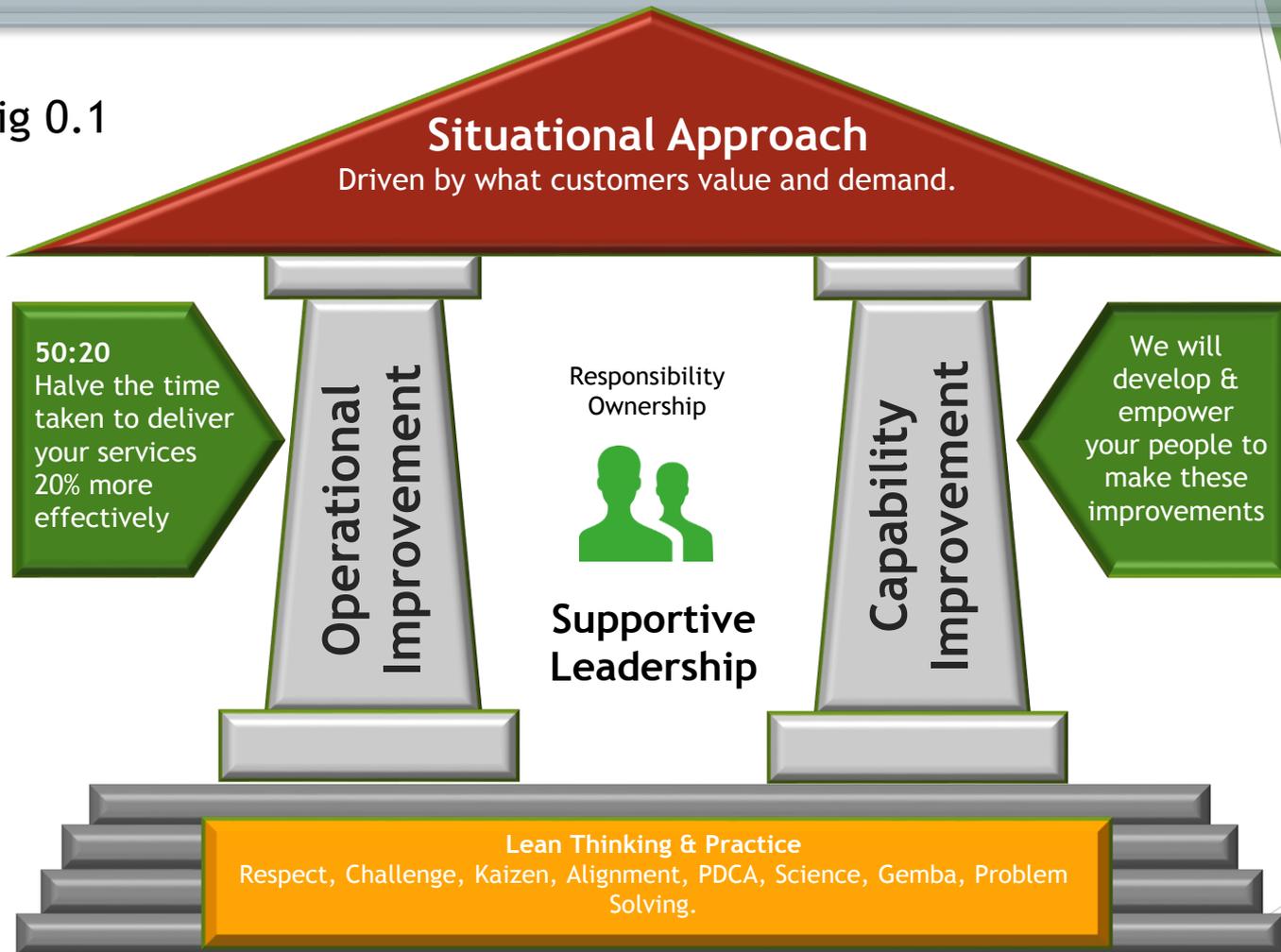
Our Lean House?

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The use of the Lean house is used in many ways, the Lean Partners use the image of the lean house to explain the Correlation between the columns of improvement and the responsibility of ownership. On the next page we show a Diagram of our Lean House (Fig 0.1), remember; without strong solid foundations the pillars will not standup. Without the pillars the roof of the house will not remain in place.

Our Lean House?

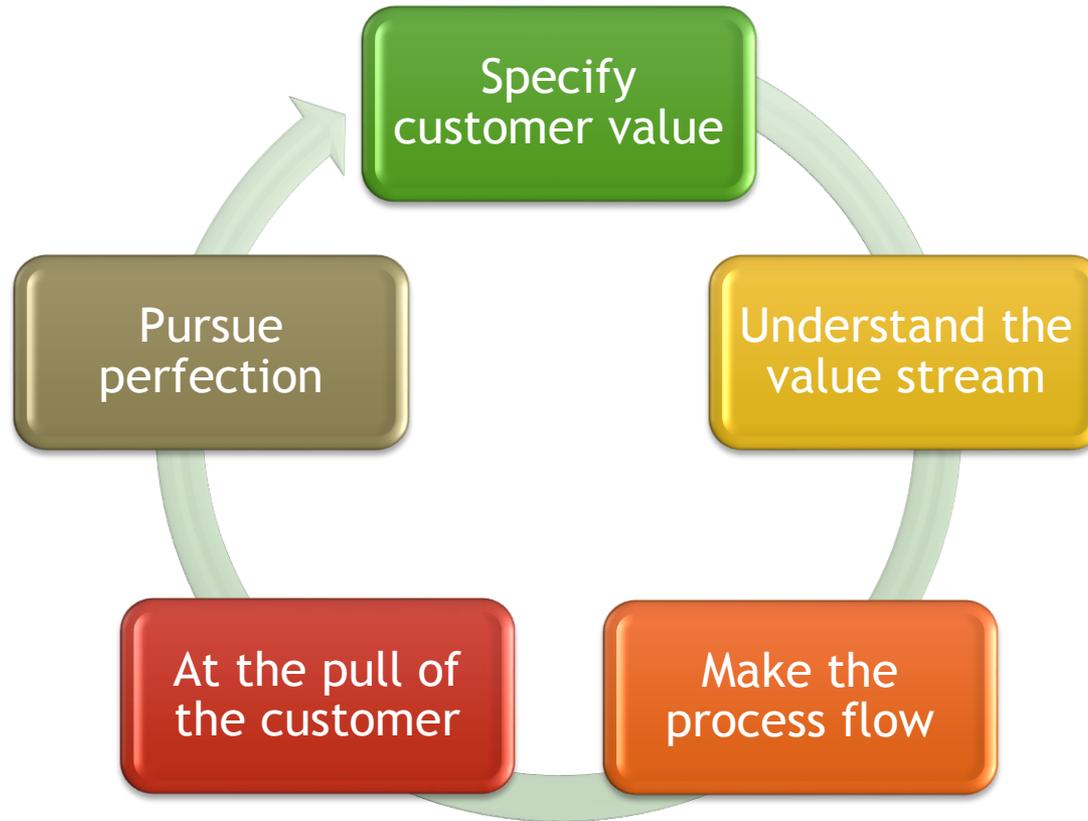
Fig 0.1



Setting the Standards

The 5 principles of lean thinking?

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Behaviour and Engagement?

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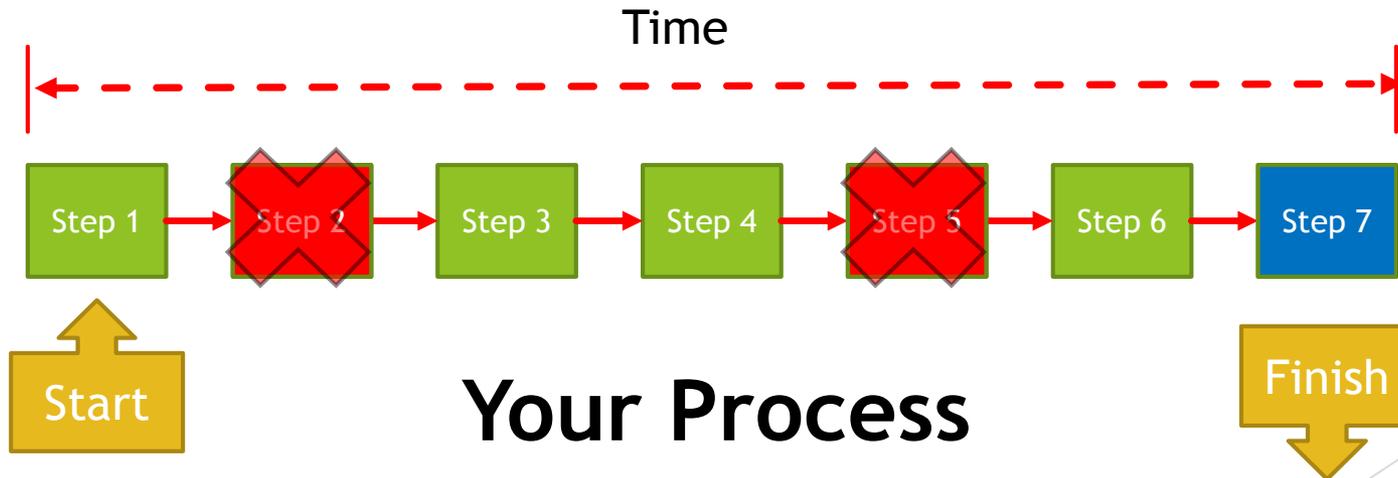


Operational Improvements

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Any process contains

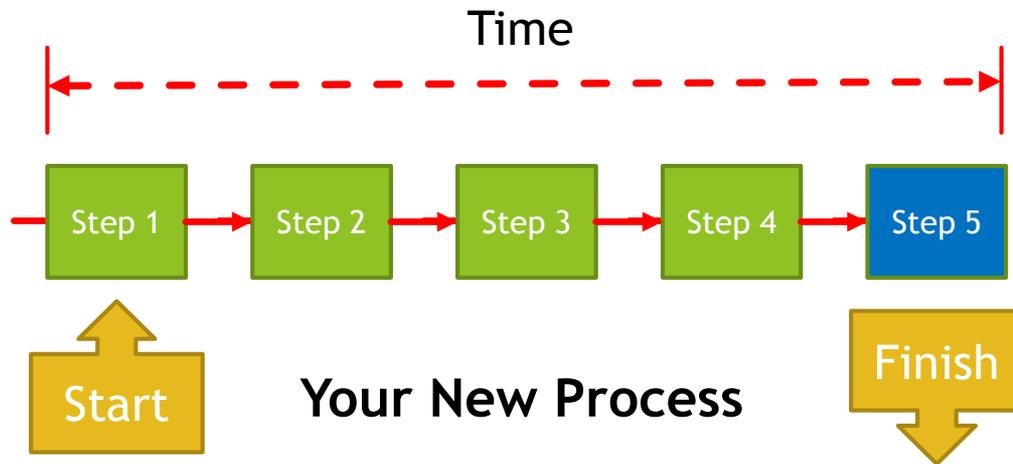
- **Value added steps** (What the customer will pay for)
- **Non value added steps** (Why should the customer pay for this?)
- **Non value added steps but necessary**
(The business will have to stomach the cost)



Operational Improvements

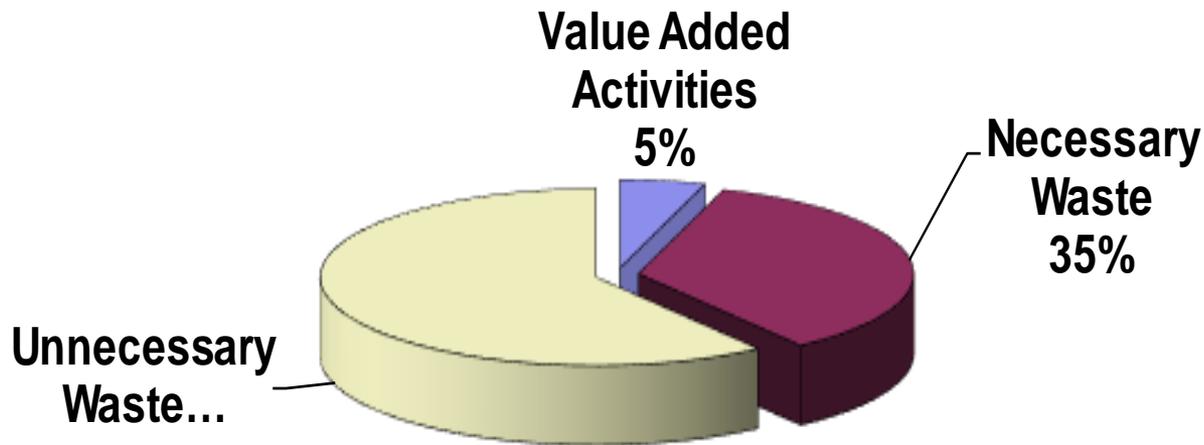
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Removing the waste will increase the efficiency
And reduce the cost of running the process



Operational Improvements

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This is typical percentage breakdown of waste found in most businesses

C

Operational Improvements

Lean helps you do more with less

We need to remove the waste

Waste is not just physical. Less in the bin is not the only way to reduce waste.

Other waste could involve time, movement, stock, skill levels, delivering too much or producing more than is required.



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Operational Improvements

TIM WOODS

**So we need some help
to track waste**



Who is TIM WOODS ?
8 Wastes

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Operational Improvements



Transportation

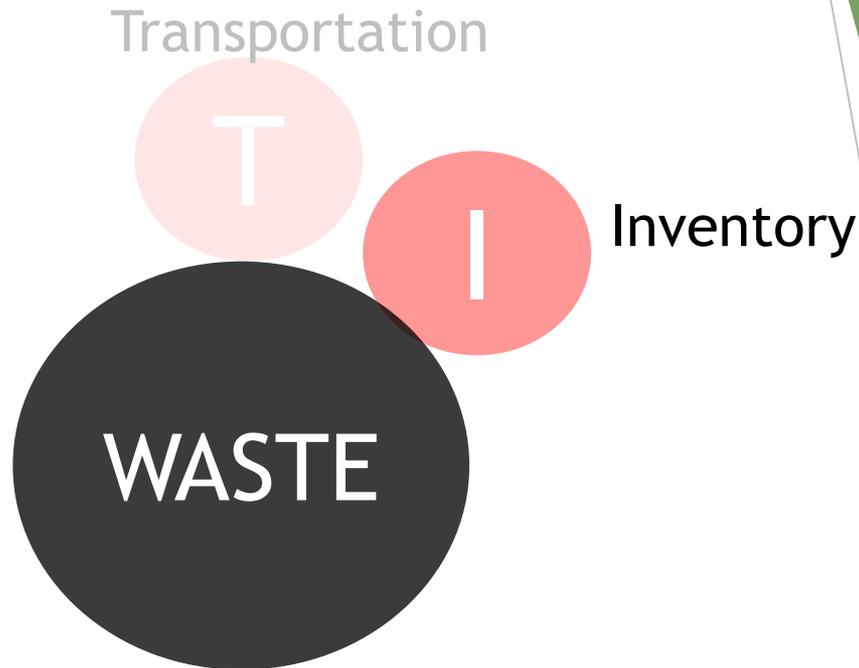


Transportation waste is created
When stock and goods have to
Be moved around either the factory
Or around the World unnecessarily

TIM WOODS

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Operational Improvements

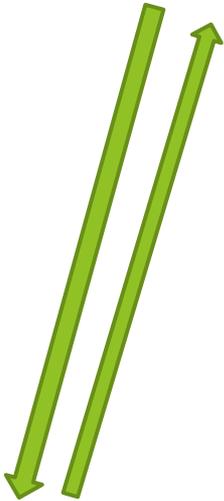


Inventory refers to stock , If we hold to much stock that is not required we have tied up our money and space with this unnecessary waste

TIM WOODS

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Operational Improvements



Transportation

T

I

Inventory

M

Motion

WASTE

A waste in Motion could be caused by the Need to walk to get tools or components. Can we move them closer to us and save The unnecessary motion

TIM WOODS

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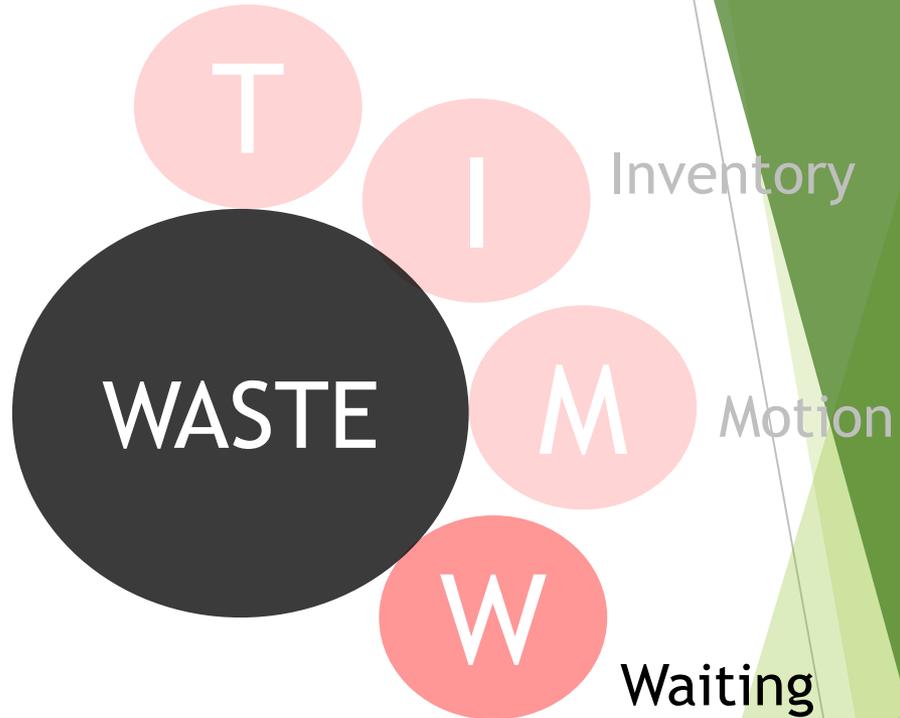
Operational Improvements



We wait for every thing, waiting is a real waste of time. If you have to continue to wait for works orders, component's, stock & others to finish their part of the process Then this is an unnecessary waste

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Transportation



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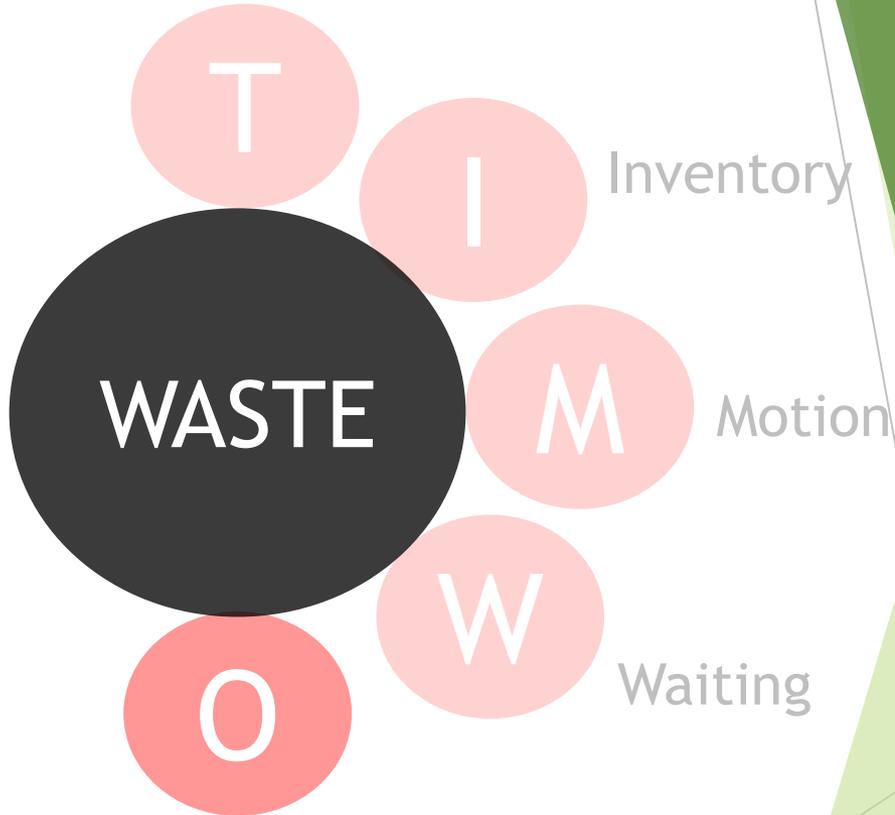
Operational Improvements



To over produce stock that is not required is a waste. We have created items that were not asked for, meaning we could be stuck with them or we could uncover defects in that production run which means we made more then we had to.

TIM WOODS

Transportation



Over production

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Operational Improvements

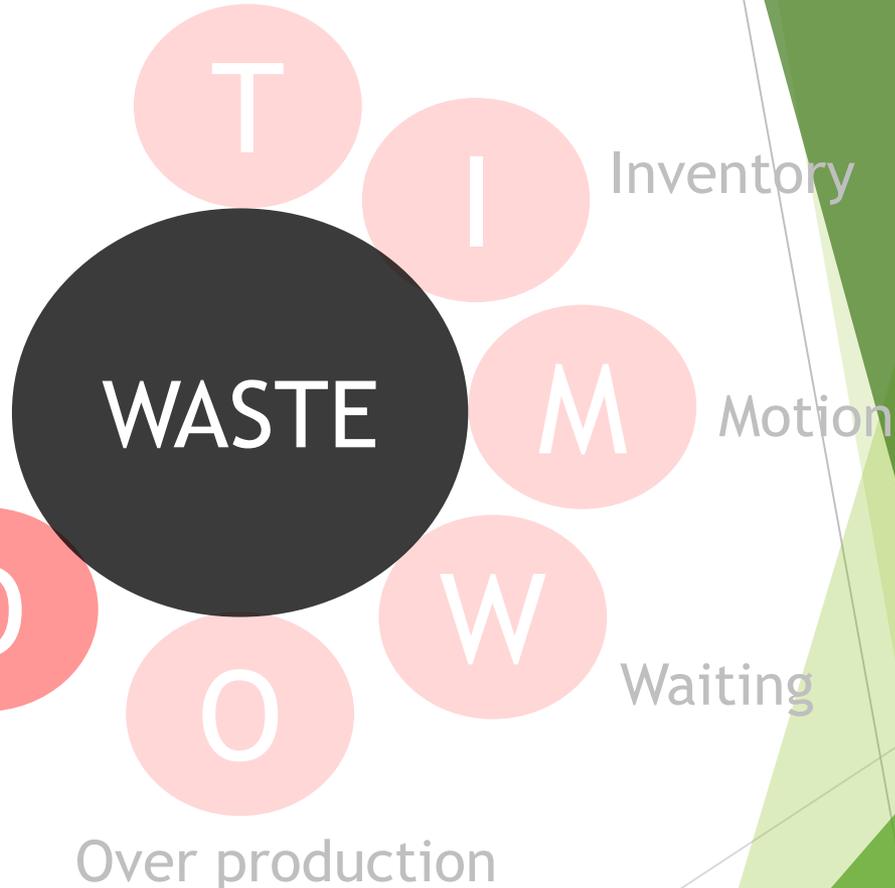


Over processing

Only make what the customer has asked for. If a paper poppy has been ordered then do not make one using diamonds. The customer will not pay for the extra time and effort you have made, this cost will come from your profits

TIM WOODS

Transportation



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Right first time - every time.
Spend the time making items correctly, making it with defects
Will result in costly scrap or a
Costly recall.

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Defects

Over processing



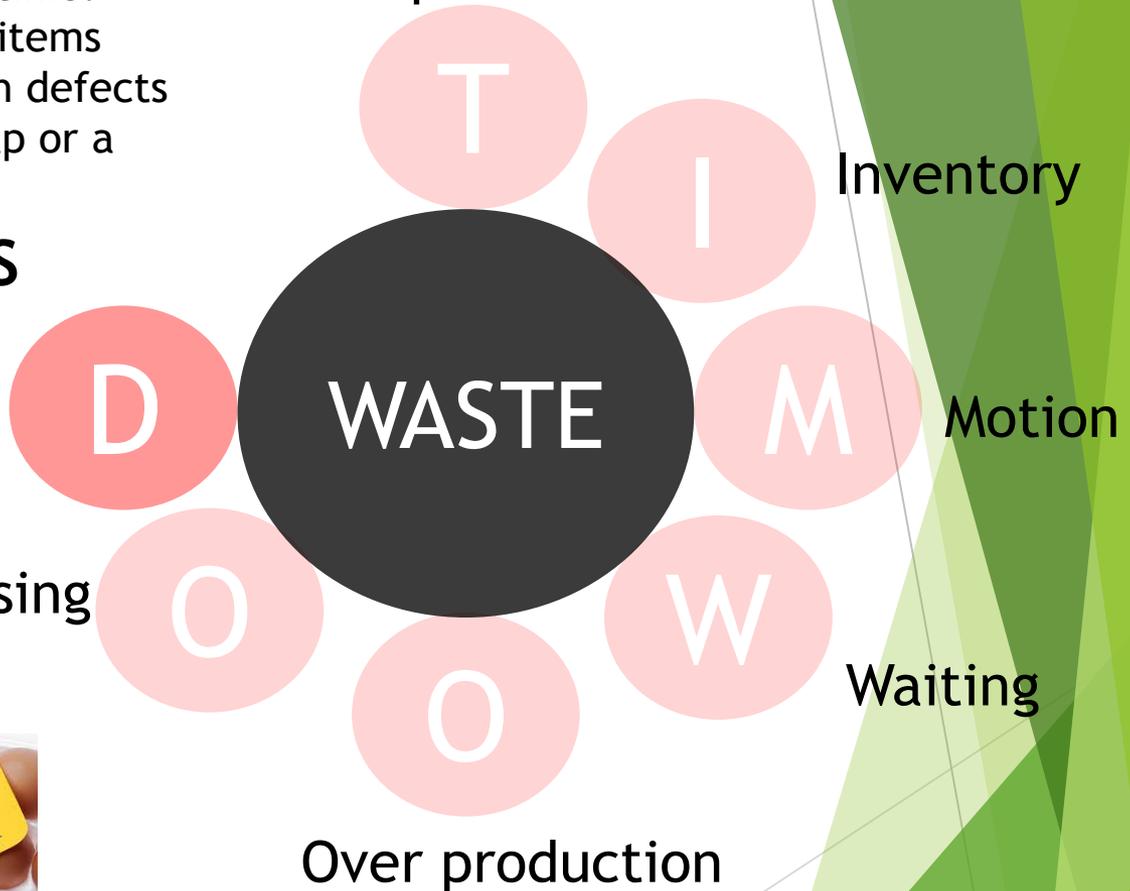
Transportation

Inventory

Motion

Waiting

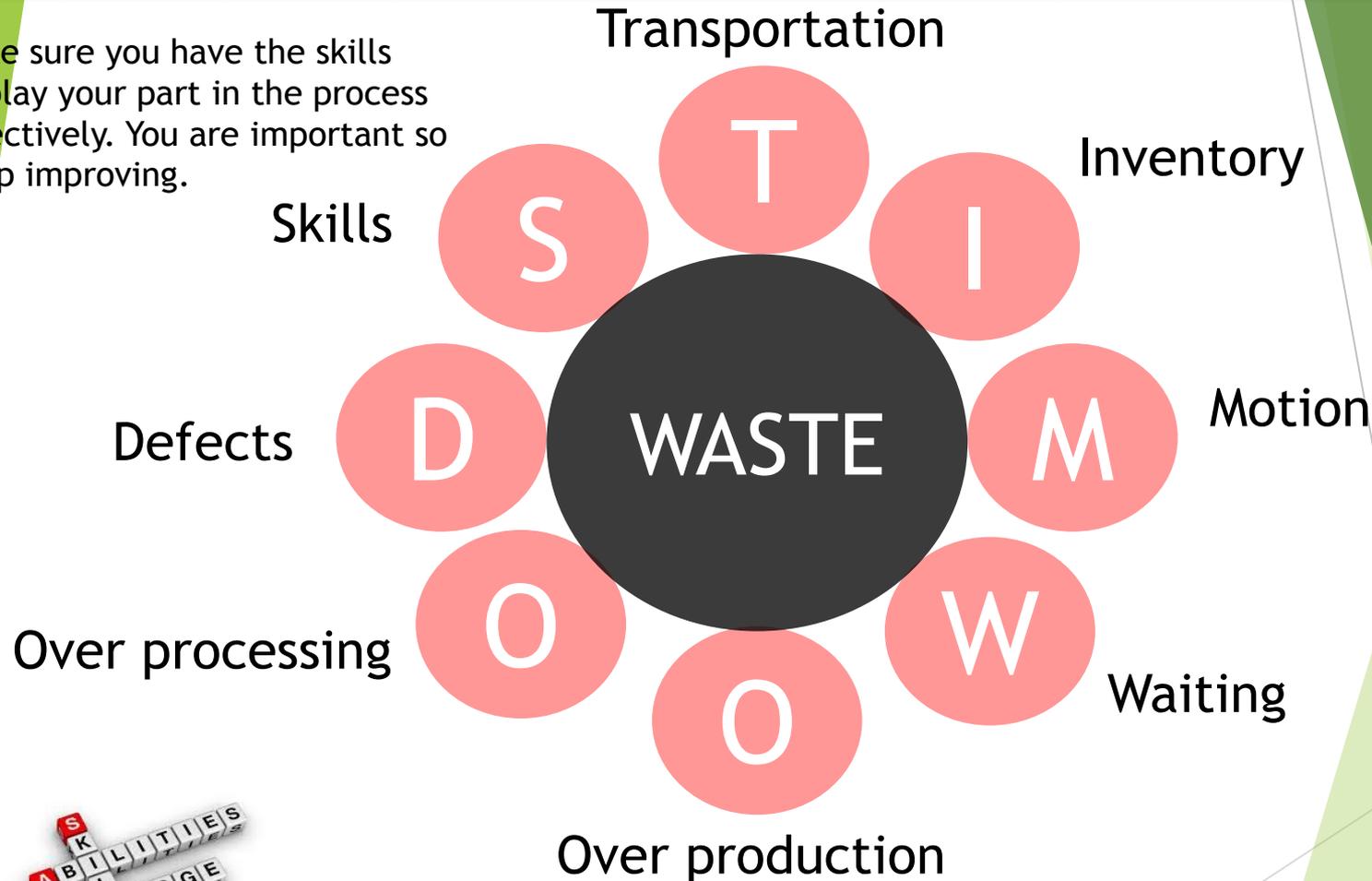
Over production



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Operational Improvements

Make sure you have the skills to play your part in the process effectively. You are important so keep improving.



TIM WOODS

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PEOPLE ARE KEY TO SUCCESS

Mind-sets, behaviours and capabilities
Need to change to ensure any change can
Be sustained

Capability Improvements

Whether you are an individual, team or organisation looking to change your culture through improvement you will follow a path based on performance and time.

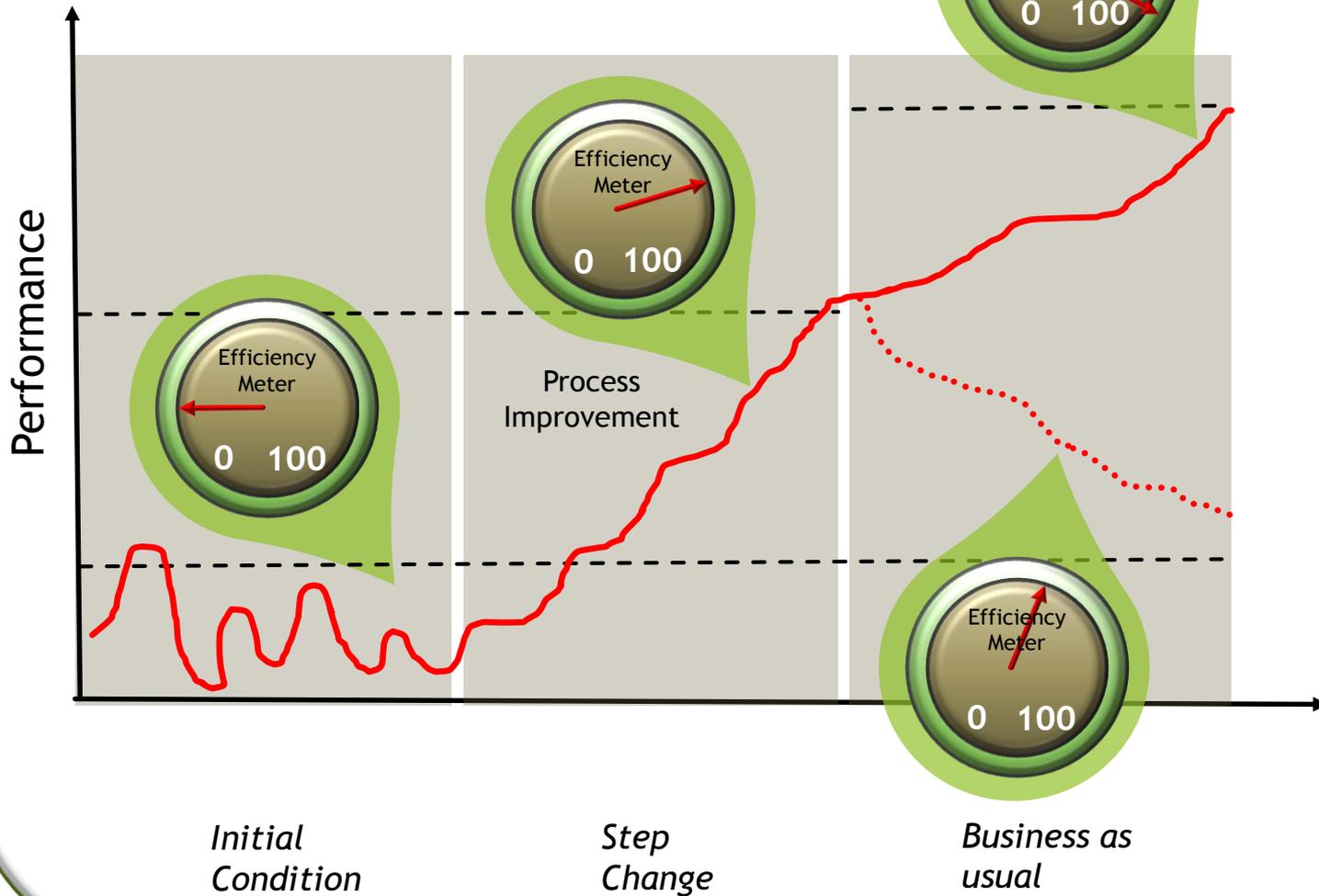
The chart (*Fig1.2*) shown on the next page shows a typical journey, we Start with the “**Initial Condition**” this is how you or your team/company are performing at the moment. Unfortunately this condition is the reason change is required. We make a “**step change**” and we see the performance increase, the performance increase is generally due to a process change or technical improvement. We call This effect picking the low hanging fruit, quick wins which make a massive impact.

The last section is known as “**business as usual**” if we improve the mind-set, behaviour And capabilities of ourselves & or the team we will continually improve.

if we neglect to improve the mind-set, behaviour and capabilities of the individuals Or / and the team we will see a decline in performance as we did not have the skill to sustain the improvement...

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Fig 1.2



Capability Improvements

When we carry out a change journey or a lean transformation
The individuals involved grow and slowly improve... As they grow they go from Unconsciously Unskilled to Unconsciously Skilled.

As a unconsciously unskilled individual you think you are performing to a high standard and are the top of your game, the reality is very different.

With some coaching and honest respectful feedback the individual will realise they are not as good as they thought, at this point the individual will open up to learning new skills this means they are now consciously unskilled

The individual will now start to learn new skills and improves, they feel good as they realise the improvement they have made, they are now consciously skilled confidence is building.

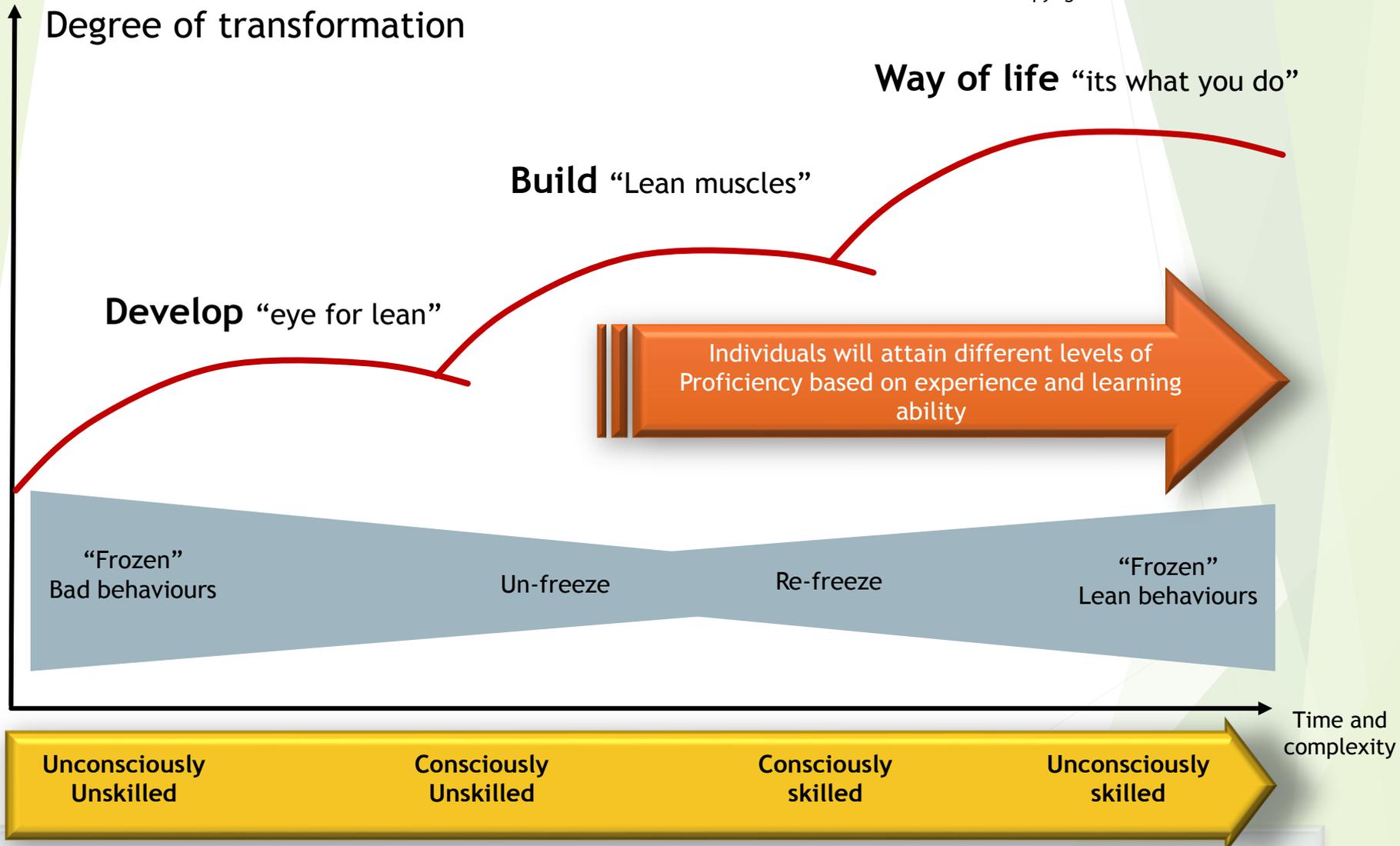
After some time and with further coaching the individual is now unconsciously skilled They can carry out the new tasks with great efficiency **"IT'S A WAY OF LIFE"**

Take a look at fig 1.7 on the next page

Fig 1.7

Capability Improvements

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Capability Improvements

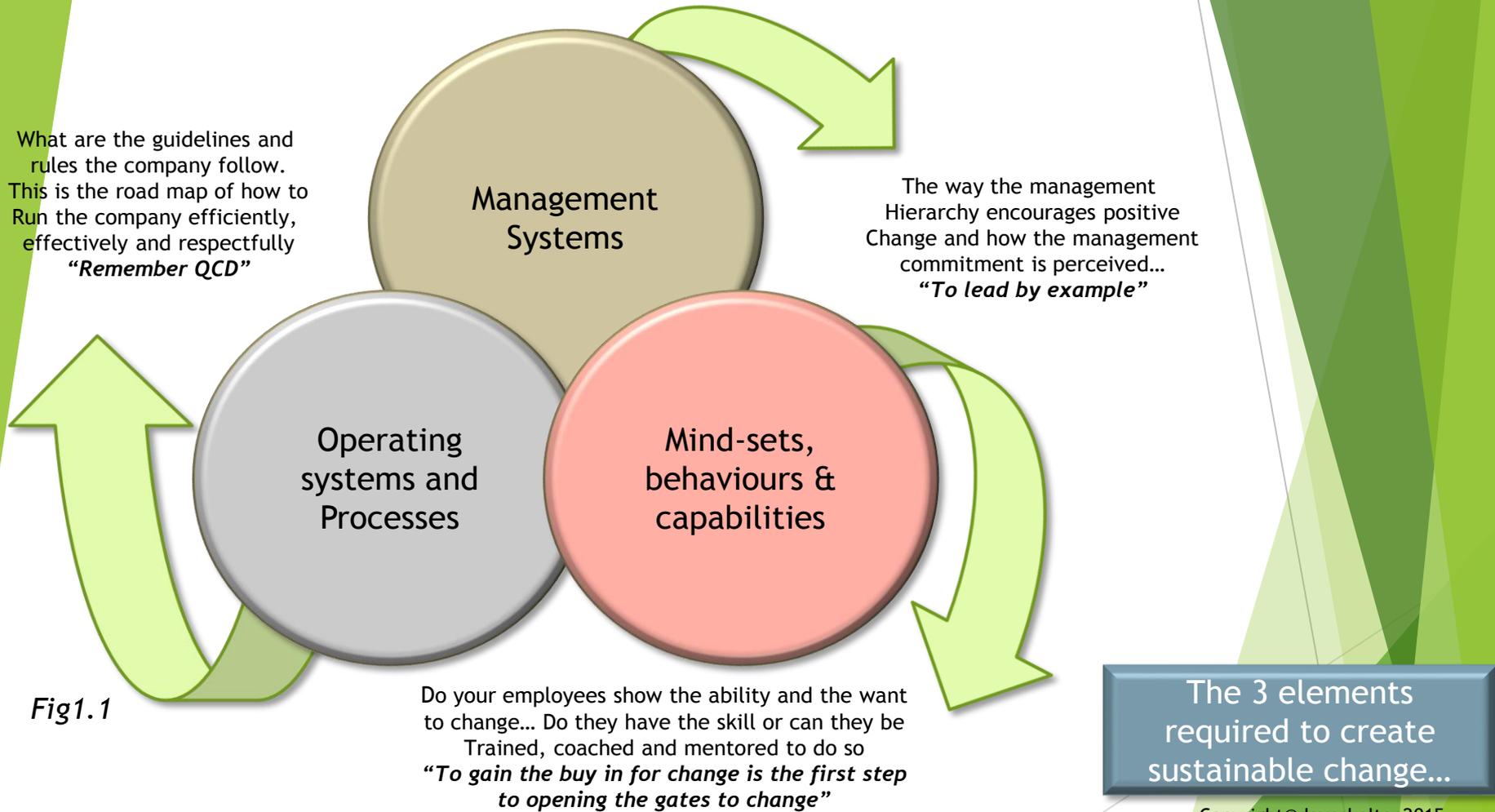
When introducing change within a group, team or individuals
You need to ensure you work on transforming 3 areas of the
Business, make positive changes in these 3 areas you will increase
Your chance of success.

Take a look at *fig 1.1* on the next page , this will highlight the
3 business areas

The 3 elements
required to create
sustainable change...

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Capability Improvements



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Capability Improvements

We need to ensure we have all 3 elements aligned to ensure A culture change can take place and even more important be sustained.

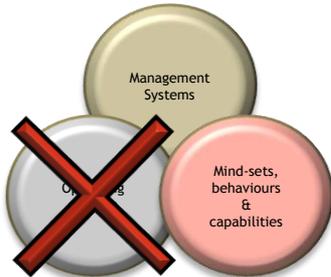
Take a look at the next page. We will take a look at what happens when we lose one of the elements. The diagram will highlight the Effects seen within the team and change journey when they are Not present

The 3 elements
required to create
sustainable change...

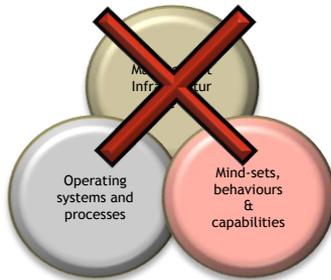
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Capability Improvements

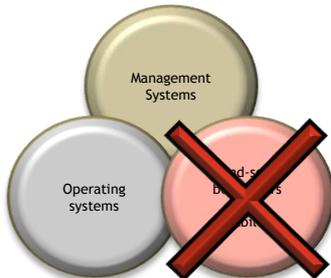
Are you missing one?



If you have poor **Operating systems**
Your team will be highly motivate with little to no guidance, this will result in little impact toward the change journey



If you do not have the correct **Management systems**
you will effectively be missing the steering wheel on the journey of change



If you can not change the **mind-sets, behaviours & Capabilities**
of the teams, then you have good theories and drive but the change will lack execution and sustainability

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Leadership Improvements

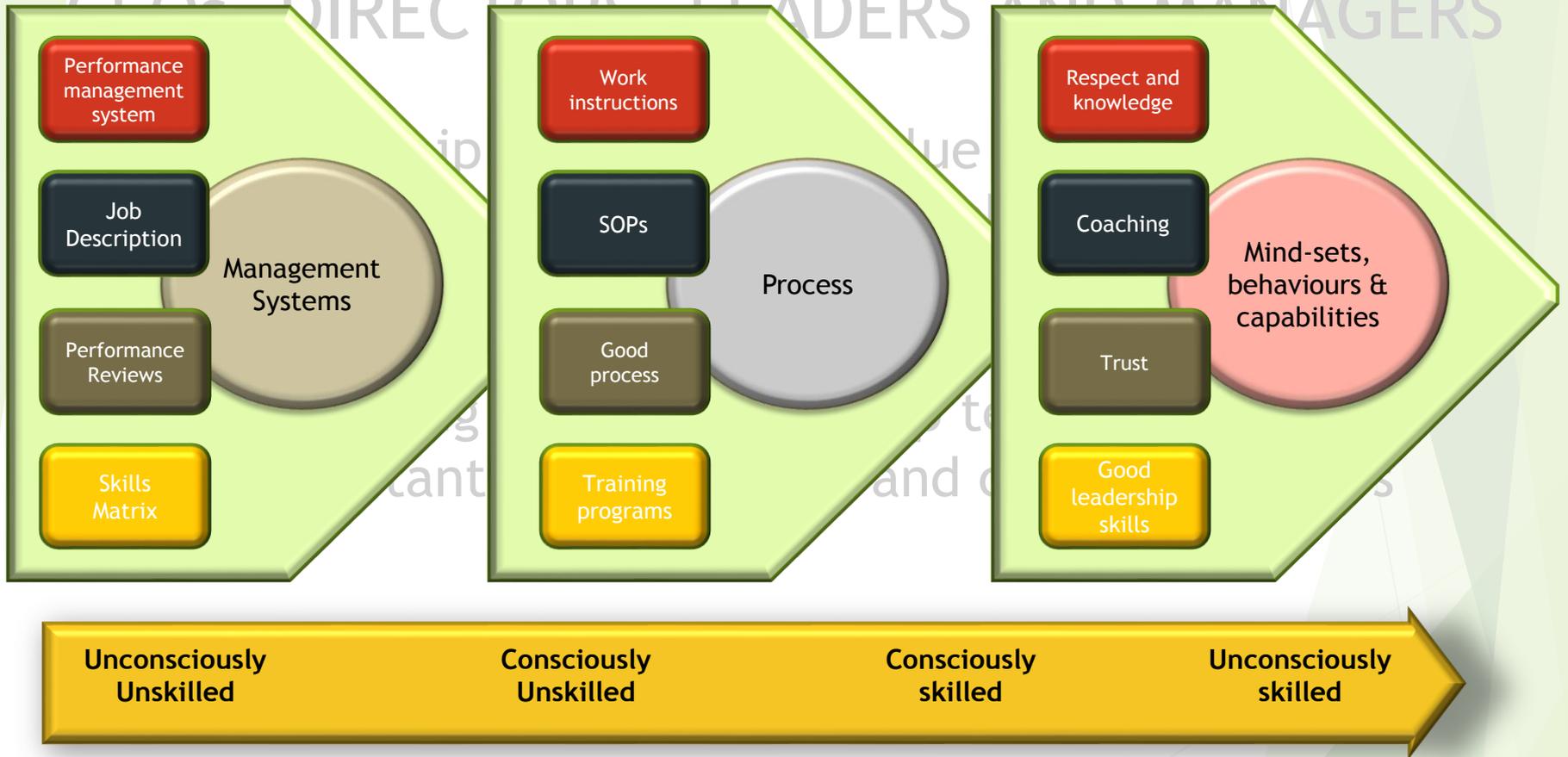
CEOs, DIRECTORS, LEADERS AND MANAGERS

“All leadership groups are the glue that holds the process development and the people development On track and removing barriers to encourage change”

Coaching for the leadership teams are also
As important as the Process and capability pillars

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Leadership Improvements



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Your Business needs

Any business whether it's small or large, corporate or charity
Has business inputs, business losses and performance indicators.

These performance outputs need to be as perfect as possible
To ensure the business can prosper. However there are elements
Within the Business inputs and business losses that will inhibit
Our chances of achieving our perfect performance outputs.

In these areas we will find areas for improvement, which will
Increase the effectiveness of our operating systems

See fig 1.4 on the next page



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Your Business needs

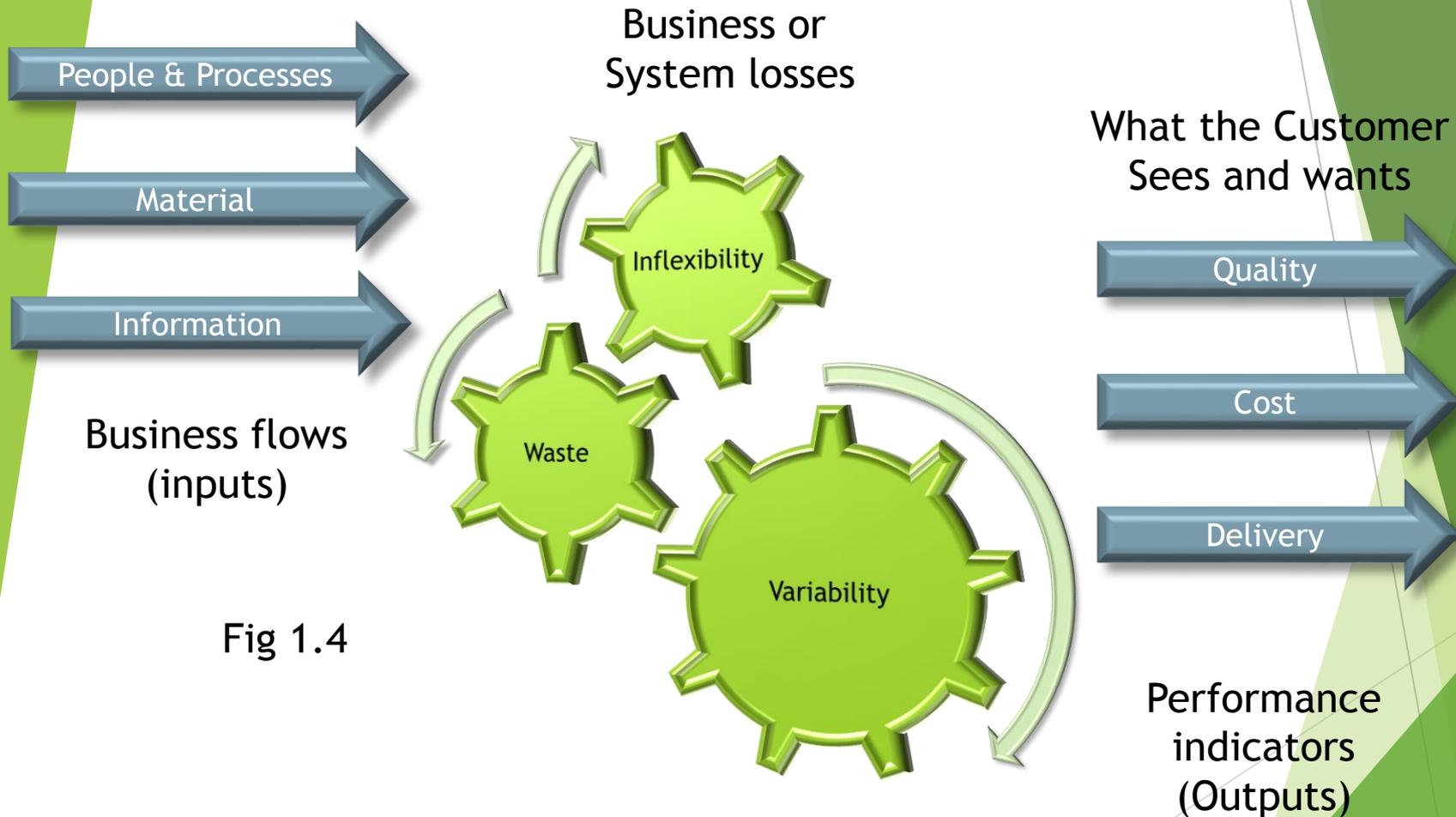


Fig 1.4

So what do we do?

Prioritise the Issue

Set Targets and Identify Owner

Gather the Facts

Scope the Process, and Map using Process Activity Mapping

Waste Analysis and Opportunity Planning

Identify Root Causes, and the 'What's'

Action Planning

Prioritisation of the issues, and planning to give greatest benefit

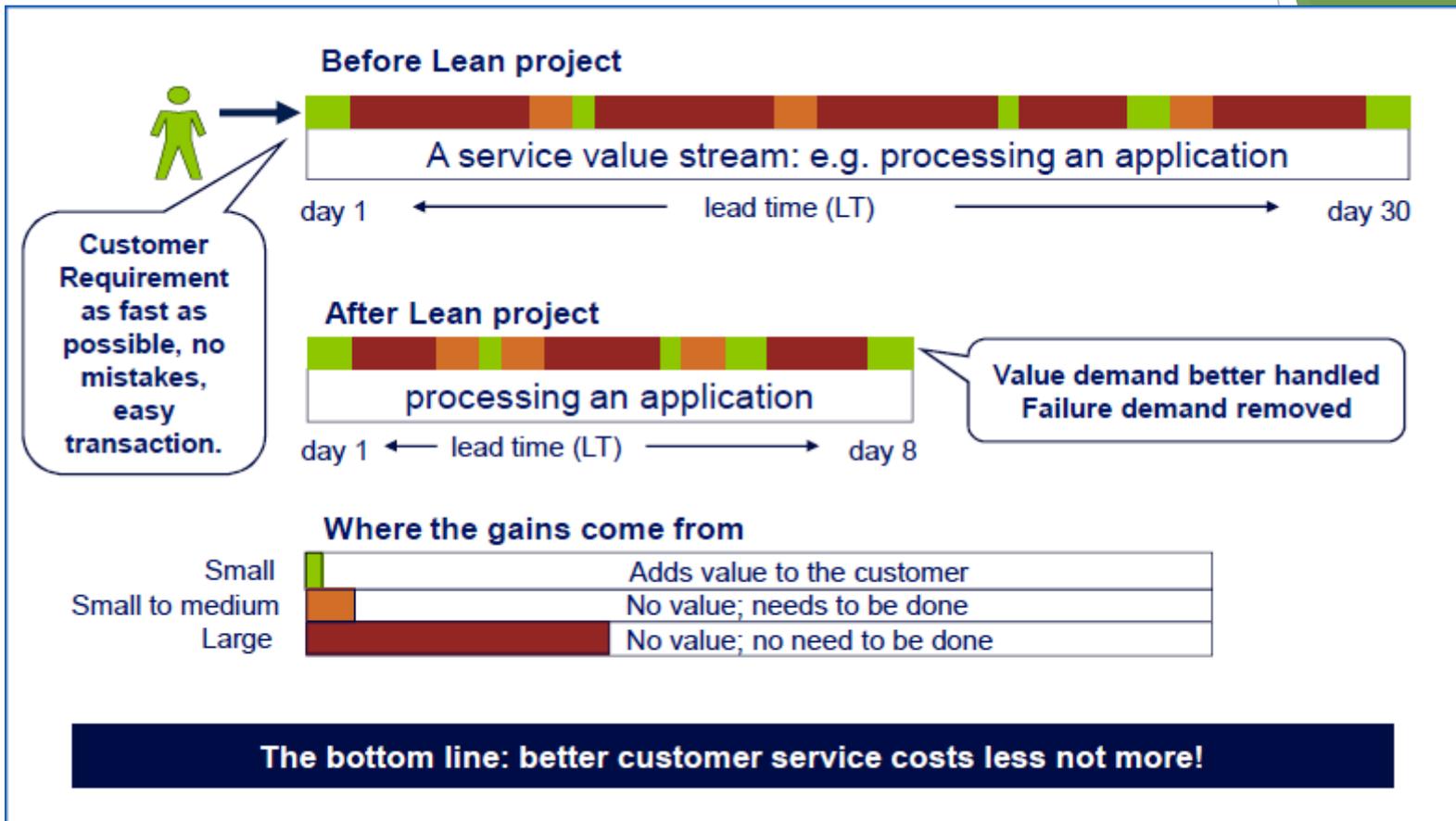
Implementation

Use appropriate tools and techniques to eliminate the causes of the waste

Manage the Process, and Continuously Improve

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Before and after ?



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Why do LEAN ?



Improve 50:20:20



50%

By using adopting a lean methodology
We can help you increase your service
Delivery upto 50% quicker

Below are some examples we are achieved

Voids - National average is 25 days, we have reduced clients from 60 days to 12 days

Rent arrears - We have reduced from 5.58% TO 1.17% of the collectable rent

Gas servicing - 100% legal compliance with a £600,000 saving

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Improve 50:20:20



50%

Deliver the service
quicker



20%

**We can increase efficiency
By upto 20% in your processes**

Examples

Service - Improve cross functional flow -right first time, every time

People - Improve capability & knowledge through our Learn,
Improve and Grow philosophy

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Improve 50:20:20

50%

Deliver the service
quicker

And Finally

We can also improve employee and customer satisfaction, and have
Witnessed an increase of upto 20%

20%

Improve the efficiency

Right first time - every time

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Who are the Lean Partnership

- We have worked with many housing association's, charities, facilities management companies, manufacturing plants to name a few.
- Our Partners have lived lean and have skills grown From knowledge, experience and education.
- We hold a lean accreditation with **CARDIFF UNIVERSITY** and the **LCS**. We can deliver recognised structured training
- Our success in helping organisations deliver change is second to none and we are very proud of our ethos
- Why are we different? We do not impose a change and walk away, we encourage change and then coach to succeed.



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The Lean partners

Final Thoughts

*“Is there any reason
why you wouldn't
adopt a Lean approach”*



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