

Dear Lean Community Member

Eliminating Failure Demand

Lean Thinkers never take the current state for granted. For example, rather than optimising the flow of products through a bottleneck process, they think hard about how to design right-sized equipment to insert in the value stream and eliminate the bottleneck. Similarly, instead of taking gyrating orders from customers for granted and buffering themselves against them, they know from experience that most of this volatility can be eliminated by working with customers to redesign and smooth the order flow.

The same thinking is needed when leaning office processes – ranging from call centres dealing directly with end customers to administrative processes supporting the shop floor. The starting point is not how to standardise and industrialise current processes. Instead lean thinkers ask questions about the type of demand they are dealing with? In particular, they ask how much time is spent dealing with problems that arise because the process itself is broken. The usual answer: A lot!

We heard a great example of this at our Lean Service Summit in Amsterdam in June. A division of Fujitsu Services offers customer and technical support services for large organisations. It keeps equipment and systems working by operating help desks for employees and their customers. Many of these customer and technical support activities have been moving offshore to low wage locations.

Fujitsu was convinced there is another way to think about this. Instead of worrying about reducing the cost per call answered, they analyse the reasons people are calling. A majority of the calls are, what Fujitsu calls, “failure” demand. They are only necessary because the system or the process is broken and fails to deliver.

To test this simple hypothesis in your own experience, just think about the last time you tried to get help from a help desk – whether internal or external. Why were you ringing? (Surely you had something better to do!) Did they manage to help you in a way that the problem wouldn't recur? Was this a satisfying experience? For most of us, we did have something better to do, the problem was not permanently solved, and the experience was frustrating.

Because these experiences are so widespread, Fujitsu set to work to understand the underlying causes of "failure" demand and how to eliminate it. Typically, their experienced people could quickly track the root causes and redesign the system to remove them. And then the calls fell away!

What Fujitsu also learnt by analysing demand was a whole lot about what their callers were actually trying to do – about their underlying purpose –in using the software or hardware in question. This gave Fujitsu the opportunity to think about new ways in which systems could be developed to provide additional value for callers, a terrific benefit for the organisations they serve.

Other help desk operators have steered clear of this approach in the belief that their business would disappear. But Fujitsu has got plaudits and a growing stream of work by making both the end users of the systems and their designers of the systems happy. It's a win-win-win.

These principles apply to whatever processes you are operating. Just take a look at your activities and ask how much time you and your colleagues are spending on "failure" demand and the consequences for your customers. The shop floor got the "right first time on time" message years ago. It is now time for offices to follow suit.

Once you can see your “actual” demand (total demand less “failure” demand) – and in the process learn who the customers for your office process really are - you are ready to identify the different categories of need and the steps you carry out to meet them. It may make sense to separate different types of needs and handle them separately. For example you may need to separate the routine, easy-to-process tasks from the messy exceptions. It will also be important to look at your activities by frequency and by volume. It will then be apparent which activities are amenable to standardisation.

You are now ready to embark on your lean process redesign, creating your current state map and working step by step to achieve your future state. Office processes are different in several respects, which need to be taken into account when redesigning the value stream: Process steps are not easy to see and no one can see the whole process from start to finish. Work rarely goes as planned and right first time is very low. Total elapsed time is very long and there are many handoffs. It is hard to see the root causes of waste and it is hard to track progress and problems as they happen. But – and this is the most important insight - they are processes just like production – a series of steps that must be performed correctly in the proper sequence to create the right value for the customer every time.

There are also a lot of misunderstandings about standardising work in the office and fears that standardisation will stifle creativity. (We heard the same laments in the factory years ago, where they proved groundless.) Identifying and standardising the many routine, repeatable steps and the handoffs between them enables the routine process to run smoothly. This frees up time for creativity in responding to individual customer needs or designing new ways to create value for them. This is the real outlet for creativity and leads directly to better employee satisfaction along with more secure jobs.

Every organisation is a collection of processes, serving internal or external customers. Many of these office and service processes have hardly been touched so far. This is one of the great opportunities in the years ahead, and one that will have a significant bearing on future living standards in countries like the UK.

You can read more about the Fujitsu example on the articles page of our revised web site www.leanuk.org, where you will also find the report on the Lean Service Summit. I shall also be discussing these issues in more detail at the Manufacturer Live event in Telford on 15th September; maybe I will see you there.

Yours sincerely

Daniel T Jones

Web: www.leanuk.org

Email: dan@leanuk.org