

Peak Enterprise Solutions

Adding Value to Our Client Organizations

Lean Applies to the Office Environment

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Over the last 20 years or so, manufacturing operations have been perfecting the concepts of Lean on the shop floor to the point that they realize that although the “physical” processes are running quite well, there is still an impediment to being totally lean: the information and processes of the front office. In these situations, the office becomes the bottleneck and is often the weakness that prevents fast paced changes from being delivered to the customer, even though the production operation can comply. Inhibitors such as required signatures, paperwork flow, computer systems and other bureaucratic activities slow the overall “Quote-to-Cash” process so that the real value added activity, delivering what the customer wants, is inhibited. In these situations, many manufacturers have turned their skills of leaning a process towards the office environments and have derived real savings to the organizations.

Losing money due to wasted effort, low productivity of knowledge workers, customers lost or upset due to poor office practices, mis-information causing chaos and low moral throughout the organization are all symptoms of the need for change in the office. Applying Lean principles to the office processes can solve many problems that affect other departments and can create a knowledgeable, empowered workforce that can provide a real competitive advantage to the organization. Lean in the office is not about eliminating staff or resources, it is about improving the value of activities so that workers are performing duties that directly relate to the result that the customer wants.

But what about non-manufacturing organizations? Service, retail, professional, healthcare, educational, governmental, volunteer or any organization that delivers something to a customer via a process involving multiple people and activities can benefit from leaning out the processes, eliminating waste and working to the needs of the customer.

Lean focuses on five principles that can be applied to office environments as well as to production environments:

1. Value Definition
2. Process Mapping
3. Uninterrupted Flow
4. Customer Pull
5. Pursuit of Perfection

Much like the shop floor, a lean office consists of processes that have eliminated waste, minimized non-value added activities, corrected performance issues, integrated disjointed processes and automated required activities. The only real differences between the shop floor and the office are that information is usually being processed instead of actual material components and the product being delivered may be a service, not a physical item.

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The traditional seven wastes of Over Production, Transport, Defects, Over-Processing, Motion, Waiting and Inventory all apply to the office environment. Likewise, the tools of Lean, such as Kaizen, Error Proofing, Standard Work, One-piece flow and Pull (to name just a few) all apply to processing information or providing a service so that improvements can be made and non-value added activities eliminated. All too often, office improvement efforts concentrate on how to do things better rather than concentrating on what things really need to be done. By using a Lean methodology, the “how” part does not get addressed until the “what” part is defined, leaned and redefined. This methodology consists of:

- Creating a team of process owners that fully understand the business process. Including their suppliers and customers as much as possible will enhance the team.
- Performing current state process mapping activities to identify how the process works. Identifying all of the steps being performed, good and bad, is required in order to identify and eliminate waste.
- Identifying all of the process inputs and outputs and their suppliers and customers respectively, so that everyone knows what is included in this process.
- Building a future state map of what the process should be. This future state should not be inhibited by shortcomings that currently exist. It should be as ideal as practical, even though activities required to implement this state may seem prohibitive.
- Developing a work plan that identifies what activities must be done, who will need to do the work and when these activities should be completed. It may very well be that larger scope activities need another team in order to completely develop that part of the solution, but that should be part of the plan for continuous improvement.

At Peak Enterprise Solutions, we help organizations transform to a lean environment and although we are primarily manufacturing specific, we have had success using our implementation methodology in non-manufacturing environments. We work with clients to understand the “what” well before we work on the “how”. By applying the lessons learned in manufacturing and focusing on the five principles of lean, those who have embraced a Lean Office and its disciplines have made an important change to how their business is performed and have saved thousands of dollars and hours by reducing paper processing, eliminating informational errors, minimizing signatures, consolidating activities, eliminating duplication, and reducing the number of computer screens required to obtain and process information. In addition to the elimination of waste that Lean is known for, in the office environment, there is a multiplier effect which is the expansion of value that occurs when the administrative work force is elevated from performing manual tasks to performing strategic level activities. Often times, especially in smaller organizations, office workers wear many hats and are involved with multiple processes of the organization. Getting administrative personnel focusing on continuous improvement and the customers’ needs is just as valuable as getting the shop floor to be lean in regards to the organization being competitive and profitable. The key to success in a lean environment is for the entire organization to “Be Lean”, not just “Do Lean”.