

Tackling Budget Cuts & Improving the Customer Experience in Hillingdon Homes

BACKGROUND

Hillingdon Homes was formed in 2003 by Hillingdon Borough Council as an Arms Length Management Organisation (ALMO). Hillingdon Homes looks after 14,000 properties in the borough, employing 370 staff across 6 sites with an annual turnover of £36 million. Historically they have received good government and customer ratings. Hillingdon Homes has three main areas of focus: Excellent service, High customer satisfaction and Value for money.

In 2008, the Senior Management Team (SMT) became interested in using Lean to help reinvigorate the organisation, tackle the impending cut in budget and improve their customer service levels. These were showing early signs of dropping below the high standards they had set themselves.

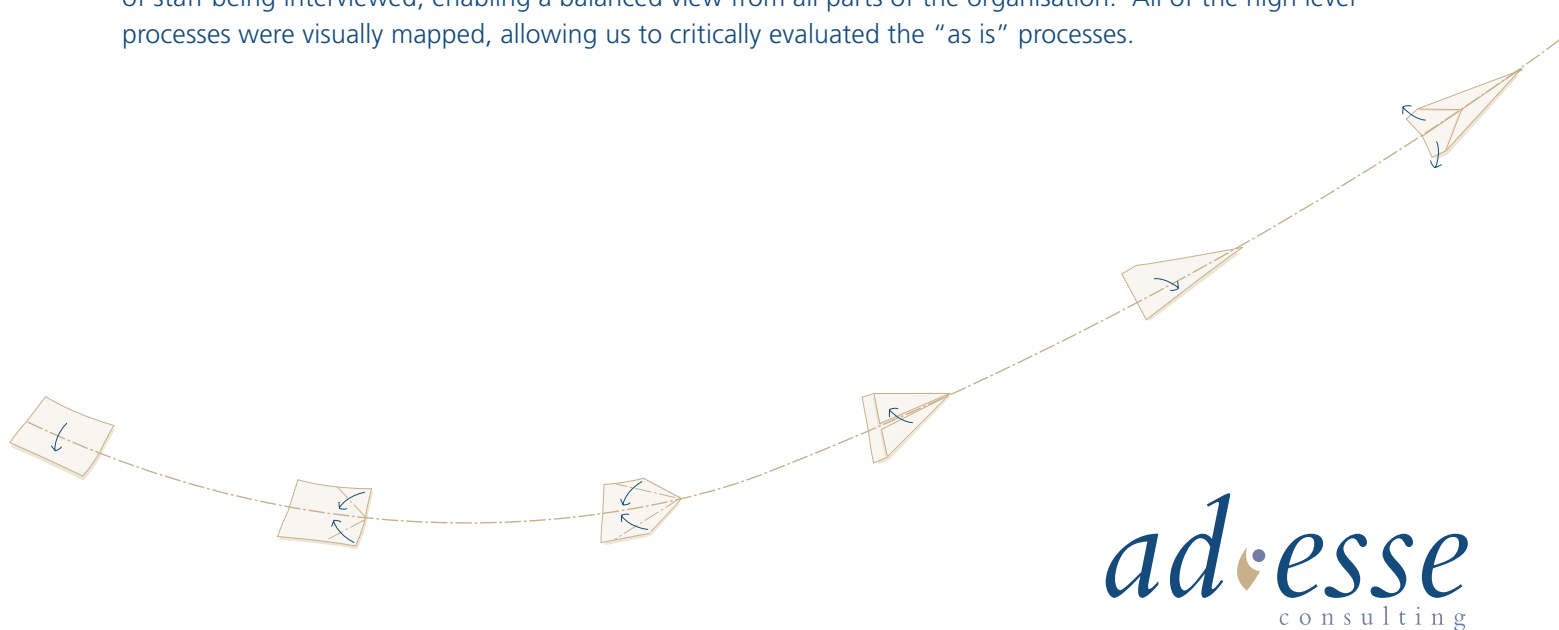
Upon further investigation, the SMT agreed that becoming a Lean organisation was the best way to meet their current and future challenges. Recognising the complexity of implementing Lean and the specialist skills and experience needed to bring about sustainable change, the SMT looked to retain the services of Lean experts who could support the transition to becoming a self-sufficient Lean organisation.

FROM POSSIBILITY....

Before starting the Lean transformation, and to ensure maximum return on the initial investment for Hillingdon Homes, Ad Esse undertook a Lean diagnosis. Using the Ad Esse lean diagnostic tools, all areas of the organisation were examined. This meant that we identified the most appropriate place to start the improvement phase of the programme and how best to begin behavioural change in a Lean programme.

Stage 1: Diagnosis

Ad Esse met with staff from all the separate functions within Hillingdon Homes. This involved a wide cross section of staff being interviewed, enabling a balanced view from all parts of the organisation. All of the high level processes were visually mapped, allowing us to critically evaluate the "as is" processes.



The output of the diagnosis consisted of summaries of the interviews with staff and detailed process maps showing waste and areas for improvement in the current Hillingdon Homes processes. Our recommendation was that Hillingdon Homes should begin a full roll out of Lean across the whole organisation. A series of improvement activities would:

- Remove waste
- Improve the customer experience to create a “one touch” service
- Improve internal and external communications
- Use staff expertise to improve efficiency and identify cost savings
- Create a workforce knowledgeable in the Lean philosophy, tools and techniques.

This report was summarised and presented to the Hillingdon Board who decided a more cautious approach was prudent. It was then agreed that a smaller proof of concept project was required before committing to a full Lean roll out.

Stage 2: Detailed Master Schedule

Following the Board decision we worked with the Hillingdon Homes management team to identify three main priorities for the Lean proof of concept:

- Improvement Workshops – To reduce waste and improve service levels in the Repairs service including Gas contracts
- Training Lean Champions – Six key personnel (one from each site) to receive three days initial Lean Champion training to enable them to act as Lean ambassadors
- Introduction of Information Centres across Technical Services (which includes the Repairs function)

In order to deliver clear evidence of success in time for the next Board meeting, the workshops and training were carried out in parallel. This enabled Hillingdon Homes to build early momentum and realise tangible results immediately. The SMT also created a new role of Lean Project Manager, who was trained with the Lean Champions by the Ad Esse Consultant. The project manager also played an active role in the improvement workshops, Information Centre roll out and co-ordinating next steps of the programme.

TO ACTUALITY...

Improvement Workshops

Working with the Lean Project Manager and Lean Champions we planned and facilitated four workshops over a 6 week period. These were:

Main repairs function

- Two, three-day workshops held with representatives from the call centre, the repairs allocation team, repairs planners, supervisors, senior management, inspectors and tradesmen. The aim of the workshops was to improve the customer experience, removing waste and designing a new process based firmly on Lean principles.

Review of gas sub-contracting in partnership with T Brown (Hillingdon Homes’ gas repairs contractor)

- A one day workshop to look at the handling of Gas calls, with representatives from T Brown and the repairs team, to improve communication and customer hand offs.

Communications workshop

- Representatives from across the organisation, working to rationalise the many existing communication channels, both internally and externally.

Using Lean tools and techniques, with Lean thinking at the fore, the methodology was to:

- Support design improvement with data analysis
- Swiftly implement improvement opportunities
- Encourage participation to challenge the status quo

The general structure for the Repairs workshops was to:

- Produce detailed “as is” value stream maps, tracking the end to end customer journey
- Analyse the value stream maps to identify areas of waste in the form of:
 - o Duplication of effort
 - o Re-work
 - o Errors going to the customer
 - o Multiple customer contacts
- Apply a structured problem identification and resolution process
- Work with the team to design new processes
- Develop an action plan to clarify the next steps
- Produce standardised procedures and documents, designed by the front line staff, for the front line staff.

OUTPUTS AND BENEFITS

There were dozens of recommended changes to the Repairs function, which will result in benefits to Customer, Staff and Cost.

Customer Benefits

- Repair cycle time will be reduced – Steps removed in planning stages, parts ordering and inspection
- Fewer visits will be needed – Inspections carried out by operatives can be completed in one visit, better supervision will improve quality and lessen the requirement for recalls
- Higher quality first-time visits due to the development of a joined-up planning function and tools to increase right first time rates
- A transfer of Gas calls direct to the subcontractor will create a one-touch approach to logging and chasing up jobs, resulting in a seamless service for the customers
- Rationalised contact points into Hillingdon giving greatly improved clarity for customers, staff and stakeholders, improving morale and customer service levels

Hillingdon Homes Staff Benefits

- Multi-functional teams – due to better communication and integration of relevant teams there will be a reduction in hand offs and therefore errors, resulting in less stressful situations, rework and time spent on failure activities
- Less time spent on administration by trades, leaving more time spent adding value for the operatives
- Less checking of work after the job, replaced with timely guidance and regular audit
- Reduced gas contract call volumes into Repairs call centre smoothing out the high seasonal volumes in winter
- Switching off an IT system that had been meant to simplify the Repairs system but actually became the focus of the process and the cause of much work

Cost Benefits

- Integrating teams and changing some of the repairs processes, as well as moving the Gas Contract function will result in the opportunity to operate the Repairs service with less staff whilst improving cycle times and customer service
- The identified savings have totalled circa £280,000 so far with more to come

LEAN CHAMPION TRAINING

To start the development of the internal Lean capability, Ad Esse used a structured, proven methodology to transfer the necessary skills to the Champions. This will start to develop the competences Hillingdon Homes requires to continue to drive process and cultural change over the next few years.

The selected Champions participated in three intensive days of classroom training. This was made up of a mixture of theory and practical application. The Lean model and philosophy was at the centre of the training. Once the concepts underlying Lean had been understood, we then covered the Lean tools and techniques using a Lean simulation – allowing the participants to see and feel Lean in action. The Champions were also asked to present their understanding of Lean and its relevant application to their part of the business.

Outputs and Benefits

- There is now a Lean Champion in every Hillingdon Homes site
- The Champions participated fully and are on the journey to becoming lean practitioners – Some practical application was achieved during the improvement workshop, with more needed
- The message of Lean is now starting to spread via the Champions

Some Quotes from the Champions:

"I felt the training has helped give me the confidence to facilitate the rolling out of Lean but would still need guidance"

"The 3 day training has laid down the foundations however I would personally appreciate more support in this area"

INFORMATION CENTRE ROLL OUT

Information Centres are the hub of developing a Lean organisation and achieving continuous improvement. The diagnostic identified a need for improved communications across teams and more visible performance management – all of which we know can be improved considerable by utilising Information Centres.

The introduction of the Information Centres was achieved by:

- An initial meeting with managers from Technical services and Repairs to identify the Key Performance Indicators to be used and to design the Information Centres hierarchy
- A further session to train the Information Centre owners in the theory and practical application of Information Centres by providing materials and guidance to construct their boards

Even though the Lean project at Hillingdon Homes is in its early stages, the introduction of Information Centres has resulted in:

- Regular 10 minute meetings to view performance and planning, and address concerns and improvement ideas in a structured manner
- Improved communication between teams
- Quicker identification and resolution of problems

Outputs and Benefits

As part of the training session, the owners were given time and support to physically set up their Information Centres, enabling them to feel the benefits immediately.

Some feedback from staff and management on the impact Information Centres have already had:

- "Giving us more focus on the tasks at hand"
- "Good management tool"
- "Shows how we're doing and where we need to be"
- "It will make people accountable for performance and solving concerns"
- "The IC will give greater structure to improvement"
- "They will help senior managers view up to date performance, issues and ideas"
- "A means of structured communication across associated teams"
- "It will help staff to manage and understand the inputs that influence the outputs "

SUMMARY

With the help of Ad Esse, Hillingdon Homes has come a long in a very short space of time. With the right structured facilitation, technical insight and experience from Ad Esse, Hillingdon Homes staff have been empowered to make their processes visual, analyse them using Lean principles and design new ways of working to give an improved service to the customer. The cost benefits identified have been above expectations, with a widely held belief that even more can be achieved in the near future. The recommendations have given the Senior Management the opportunity to make changes in a thoughtful, considered way, happy in the knowledge that any savings realised will not adversely affect service or performance.

The slower shift in behavioural change is also underway, being led by the Lean Champions and the use of the Information Centres, which will allow a smooth passage for the next phase of work. The foundations have been laid and with continued support, Hillingdon Homes can expect to achieve great things. This has been recognised by managers and staff alike

"The team have brought with them a high degree of excitement and enthusiasm, underpinned by a clear and practical approach, which is motivating our people to fundamentally change the way we work. In just a few weeks their support has helped us to identify a range of efficiencies which we are implementing straight away. Already we are seeing there is so much more we can do to improve customer satisfaction and give better value for money to our customers."

Tim Price, Hillingdon Homes CEO

"Finally! In due course Hillingdon Homes can be viewed as a progressive organisation that not only empowers it's workforce to challenge its process and inter-departmental workings but more importantly continuously improve for our customers"

Lean Champion



FURTHER INFORMATION

To gain the same benefits as Hillingdon Homes you can:

- Attend an half-day seminar to learn more (details at www.ad-esse.com)
- Call Philippe Lacey on 07843 309165 for an informal conversation

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