# Applying Lean and Reducing Waste

## Excess Processing

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This article is the fifth in a series of seven, with the aim of helping to answer the question:

*"How do we deliver the most effective service for the very best cost to the taxpayer?"*

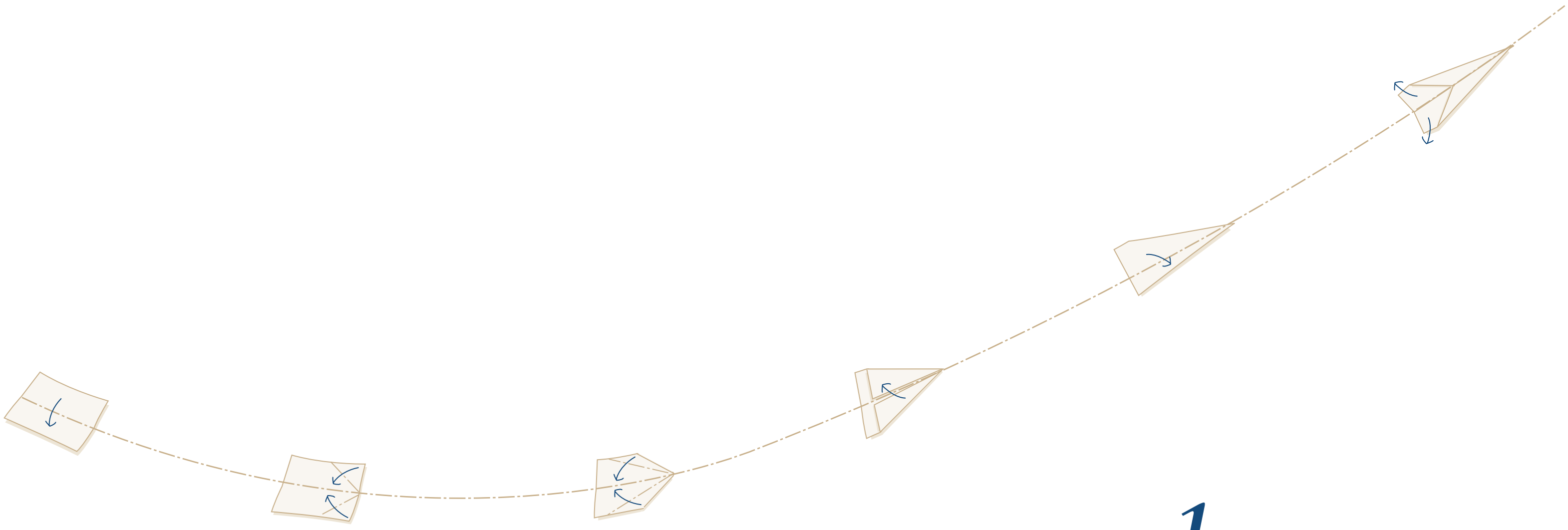
The full set of seven wastes are:

- Waiting
- Inventory
- Transport
- Movement – people, materials and paperwork moving
- Excess Processing
- Over-Production
- Rework.

## BACKGROUND

With the current focus on reducing "waste" in the public sector it should be interesting to hear how significant improvements can be made by tackling process waste. In targeting the 7 wastes; processes are improved, services maintained or improved, and costs reduced.

Although improvements are there to be had, they need a structured approach to search them out. Excess processing is a harder waste to pin down than some of the others. It actually occurs when people are busy, so trying to identify it by walking around an office, or call centre and looking for inactivity is not going to help you. To understand where excess processing occurs, you need to look at why things are being done and how things are being done. It means having a good idea of what the customer wants from a process before being able to judge whether or not this waste occurs.



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## THE WASTE OF EXCESS PROCESSING

The simple definition of excess processing is anything in a process that is not required and does not add value. Typically, excess processing occurs because those in the process have lost sight of what is really important to the customer in a process, or don't understand what the customer's needs are. (As in other process definitions, the customer can be internal, or external.)

Another reason for excess processing is when attempts are made to control parts of the process (spending limits, authorisation levels, etc.). What happens frequently is extra checking and hand-offs are added which lead to an increase in overall process throughput time but without any actual control being added.

Specifically, we can define excess processing as:

- Doing more of something than the customer requires, or doing it to a higher level, or quality, than a customer requires
- Repeating an operation or performing an operation that will have to be re-done later in the process.
- Approvals, checks and sign-offs that add no value.

The benefits can be dramatic without the need for major process redesign – just to question and challenge why you do what you do.

## DOING MORE OF SOMETHING THAN THE CUSTOMER REQUIRES, OR DOING IT TO TOO HIGH A QUALITY

The best way to identify this waste is to ask the simple question *'Is the output of this process stage what the customer actually wants?'* If the answer is no, this can be due to a number of reasons:

- The customer's needs have changed over time.
- The customer asked for it once and we have continued to provide it.
- The customer doesn't want what we produce at all, but assumes that we are doing it for someone else that does need it.
- The customer only needs a small amount of what we produce, but assumes that it is just as easy for us to produce the whole lot.

One example that we often see in both public administration and service sectors is the production of information that does not meet the customer's requirements. The advent of information technology, and the enthusiasm that some people in any organisation have for playing with systems, can lead to a continuous increase in the size of management reports. On many occasions, Ad Esse has looked at processes where a massive report is produced but no one reads it.

In recent work with a police force the monthly performance report was nearly 100 pages of text, graphs, pie charts, and tables of numbers. When speaking to the senior managers who were expected to use this information, it was clear that most of them only ever read the first two pages, but that there was one manager who expressed a need for 'all the information'. This was resolved by producing a two-page report on paper and online, with links to the more detailed information if needed. It also gave the producer of the information the ability to track how often this extra information was accessed, and realise that only a small amount of that data was ever required, even by the most demanding manager.

Projects also provide the opportunity for excess processing. The advent of PRINCE2 (which is a good tool when used in the right way, at the right time, on the right project) has led to extremely large and complicated Project Initiation Documents (PIDs), when all that was required was a one page summary with succinct statements on the objectives and milestones for the project.

Other examples include recording details of incoming faxes in a log book that is never subsequently looked at, capturing information from customers that we don't use, collecting a lot of information from a caller at a call centre, with the last question determining that you cannot help the caller and so none of that already gathered information is of use.

## REPEATING AN OPERATION OR PERFORMING AN OPERATION THAT WILL BE REPEATED

A further simple way of identifying this waste is to map your process and look for any process steps where the same activity occurs.

When challenging why this happens there may be a number of reasons, many of which seem well intentioned. For example when people try to be forward thinking and get ahead in a task it can have the negative effect of increasing workload.

A recent example within a busy District Nursing team centred on the weekly task of allocating patients to nurses for weekend visits. Resource planning for weekends started on a Tuesday of the previous week. This resulted in various iterations throughout the week as caseload and circumstances changed. Starting this planning process later and adopting a "just in time" principle resulted in saving wasted activity in the office making amendments to a weekend roster rather than concentrating on front line patient care.

The solution was simply not doing something that we knew would have to be re-done later.

## APPROVALS, CHECKS AND SIGN-OFFS

Most processes in the public sector have some approval, or sign-off, built into them somewhere. It is inevitable that, with public accountability, we have to seek authority or approval for decisions that will affect the public, or the public purse. Unfortunately, many processes seem to be built on the assumption that the more checks, approvals and sign-offs in a process, the better the process. If your expense approval procedure already has two levels of approvals, how much more value will be added by a third approval? Generally the answer is 'none'. And if that third level does add that much value, do you really need the first two?

Research evidence shows that the more people responsible for signing off anything from an expense claim to a major report, the more they assume that others have checked, or will check, assiduously and the less they have to do.

When working with public sector teams on Rapid Improvement Workshops (RIW) we always work on the assumption that no checks, approvals or sign-offs are required and then see which are the absolute minimum that have to be put back in and who are the best people to do them. This can often reduce the amount of work spent on checking by over 50% and reduce cycle-times by the same amount. A classic question is 'how often did the request not gain approval?' If we have submitted 50 reports for approval and only one has been rejected, why wait for a week for the next approval. We can at least move the process forwards on the assumption that we will get approval and live with the one time in 50 when it does not.

Like many of the other wastes, excess processing is all about common sense. When a process is mapped, it is generally patently obvious to an outsider what steps in the process are unnecessary, or over-complicated. Removing them usually means challenging existing custom and practice and internal views of what is 'good' for the organisation.

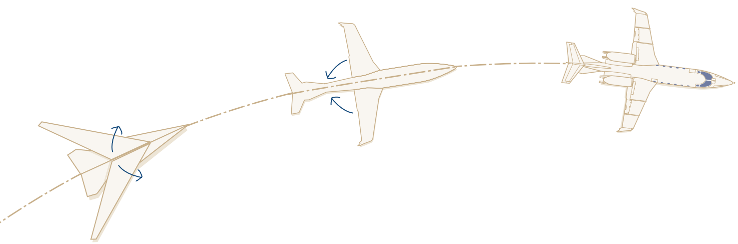
## POSSIBLE SOLUTIONS

So which Lean tools and techniques could you use to tackle the problem of Over Processing?

Used on their own these tools will deliver benefits but like any Lean programme it is the correct implementation of these whilst tackling the cultural aspects of change management that will give the maximum long term benefit:

- Voice of the Customer (VoC) – What does the customer (either internally or externally) require from the process? NOT what do we think they require.
- Standardised Work – To know exactly what the process steps should be, and provide easy to use documentation supporting staff to follow the process.
- Error Proofing – Setting up the process so there is much more confidence in things being "right first time", thus removing the need for multiple checks or "just in case" process design.
- Information Centres – improved communications within and across teams. Visual measures to aid performance management and team based problem solving to address the root cause of over processing.

The best way to understand how Lean can help reduce public sector waste is to get in touch with us - either directly by phone or email or to look on our website for our programme of free seminars. We would welcome the opportunity to understand your issues and discuss possible solutions.



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