

Applying Lean and Reducing Waste

Rework

7

This article is the last 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.

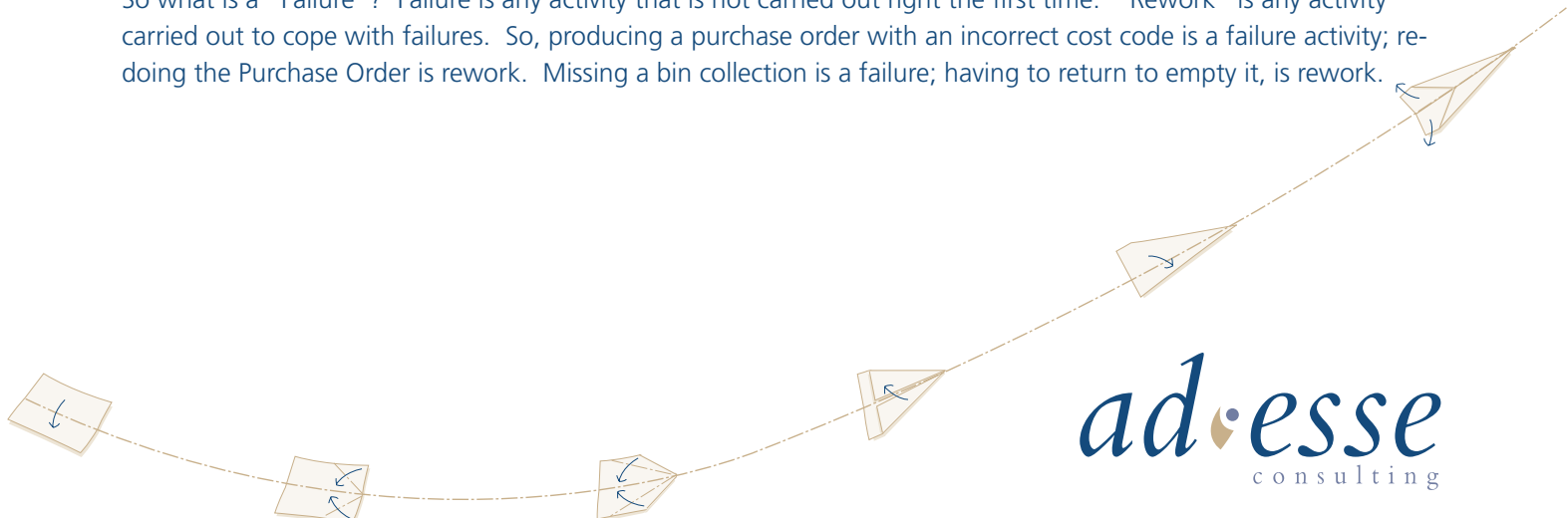
WHAT IS REWORK?

The philosophy behind Lean is to meet the requirements of customers whilst at the same time, maximising internal efficiencies. Clearly, this is completely consistent with the current challenges on all public sector organisations to be more responsive to the needs of their customers and to do this in ever more efficient ways, demonstrating value for money.

With Lean, waste is any resource-consuming activity that adds no value to the customer. That's pretty challenging and has clear implications about the need to decide who your customers are. Customers are the users, or consumers, of your services. Clearly, the philosophy is focussed on external customers, but the challenges of Lean thinking can be applied just as easily to internal, support activities. In public sector organisations many of these support activities will be mandatory, for good governance, or simply to enable the organisation to deliver its customer-facing services. These too should be challenged to identify and eliminate waste.

Rework, or Failures causing rework, gets more costly the further they travel through a process away from their source. Any activity to rectify the situation will be in addition to the processing time taken before spotting the fault or error. Ultimately an error reaching the customer, not only is the most costly, but has at its heart the primary failing of service delivery.

So what is a “Failure”? Failure is any activity that is not carried out right the first time. “Rework” is any activity carried out to cope with failures. So, producing a purchase order with an incorrect cost code is a failure activity; re-doing the Purchase Order is rework. Missing a bin collection is a failure; having to return to empty it, is rework.



HOW DO YOU IDENTIFY REWORK?

How do you spot Failure? One of the obvious indicators is customer complaints. Another is items being returned (e.g. the incorrect Purchase Order being sent back to its originator).

Ad Esse worked in a large central government agency and witnessed errors of over 50% coming into a team. Rectifying the other team's mistakes had become accepted practice and added considerably to the workload. An approach of "no-errors in" was adopted with immediate feedback being given alongside work being returned when incorrect. What had been a long standing and seemingly insurmountable problem, because those upstream of the process were situated at another site, soon improved.

To the untrained (non-Lean) eye, re-work can be more difficult to spot. This can be because, in some cases, the whole purpose of somebody's job is to carry out re-work. An obvious example is "Complaints Departments". Less obvious might be the huge amount of effort often spent within Contact (Service) Centres dealing with things that haven't been done correctly and promising to get them fixed. How many contact centre managers know (quantitatively) how much time is spent on dealing with failures and how much is spent on more positive aspects of customer service?

The work generated by failings in the system can be classified as "Failure Demand". It is important to identify this separately as all too often there can be an artificially high perception of workload in a team or department. Look at the whole system rather than a localised process to better understand the causes of the failure demand and get to its root cause rather than just improving the process to handle "Failure Demand" more efficiently.

A team processing Road Traffic Collision (RTC) booklets within a Police force were stretched with the amount of work coming through a relatively small team. A RTC booklet is the record of all information collected at an incident which is subsequently analysed to determine future action. After analysis it became apparent that over 60% of the booklets received had at least one error or omission. Due to the lack of response from Officers the work was rectified by the team themselves. Incomplete booklets were the "failure", rectifying the errors and chasing Officers for details and statements was the "rework".

Unfortunately, all too often, re-work is actually built into people's day job. Errors just get corrected, faults get fixed and it's all part of the daily workload. And, in these cases, most people don't even recognise that they are dealing with failures – we stop seeing the waste. This is particularly true of many middle managers who see their role as one of "problem solving". It may be uncomfortable to admit it, but problem solving is a failure activity. In the perfect Lean world, we wouldn't have problems and so wouldn't need to spend time dealing with them.

CHECKING IS GOOD?

A natural reaction (especially to previous errors) is to build checking into the process and certainly an amount of checking can be justified, especially if there has been a long standing lack of confidence in "getting it right". However, over time, it is easy to convince yourself that it should always be done and that the process is benefitting as a result. The challenge is to get the balance right and work towards "designing" out checking for checking's sake. Error proofing and making everyone responsible for their own quality at source builds in process confidence.

A Finance Director of a large charitable organisation inherited a department that had been struggling to come to terms with levels of expenditure and identify areas of overspend. Very quickly the Director had sight of all purchasing spend with everything crossing her desk, a reasonable temporary measure, but not justifiable or sustainable in the long term. Only after some carefully targeted and developed process improvement would the Director relax the review of all spend.

Organisations who undertake a Lean transformation certainly work over time to create a culture of quality and error free working. This does however develop when planned and it is activity such as continued performance management and process confirmation that will build in inherent checks to ensure old ways of creating teams to handle errors or just slipping back into the “old way of doing things” doesn’t happen.

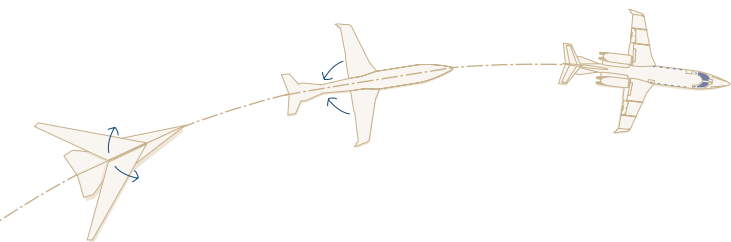
POSSIBLE SOLUTIONS

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

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

- “5S & Visual Management” – Use tools including Information Centres to capture error rates. Use such visual aids to help manage performance and encourage team based problem solving to uncover the root cause. Develop the correct, sustainable solution
- “Standardised Work” – Build a solid foundation from which the process can operate. Develop a standard way of working. By building in consistent quality makes it easier to identify errors.
- “Stop Call Wait” – If it is impossible to eradicate errors, then build in an early warning indicator to stop errors moving through the process. Eradicate errors as close to their source as possible
- “Error Proofing” – Try to make the process as robust as possible and design error proofing into it. Not allowing errors to be made.

If you would like to know more about the seven wastes and potential solutions to reduce waste and improve your customers experience then contact us directly or look on our website for our programme of free seminars. We’re more than happy to find out about and discuss any issues you may have.



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