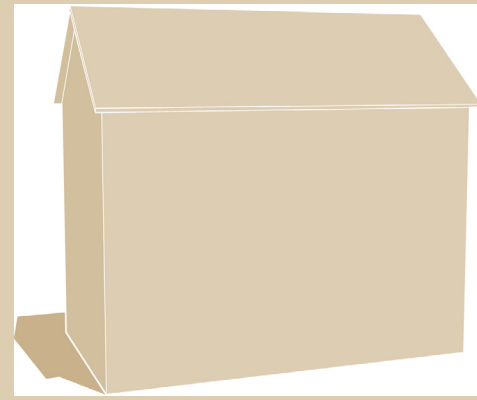


Transformation of the Reactive Repairs Process at A2Dominion Housing Group



From Possibility...

BACKGROUND

A2Dominion Group was formed in 2008, as a result of a merger between A2 and Dominion to create an organisation with the financial strength and resources to deliver more homes and better services to its customers. The A2Dominion Group now provides over 33,000 homes in management in London and southern England with thousands more in development. It also offers a wide range of housing options, including affordable rented, temporary, student, sheltered, supported and key worker accommodation, as well as homes for sale and shared ownership.

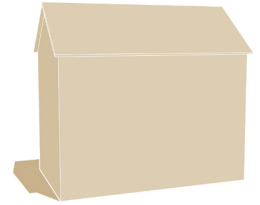
The task of repairing its properties is a substantial task given the number, variety, age and their geographical spread. This task was contracted to Connaught as their sole provider of responsive property repairs. However, during September 2010 Connaught went into administration and ceased trading leaving A2Dominion and its customers in a precarious situation. A2Dominion reacted rapidly, invoking contingency arrangements and took direct control of the customer call centre where repairs were reported by phone, email and letter, whilst engaging 3 interim property services contractors to carry out its property repairs.

Whilst these measures were effective in ensuring a continued service, it was soon apparent that the service to A2Dominion residents was not all it should be. By December 2010 the Customer Service Centre was receiving 600 calls per day and 57% of these calls were found to be failure demand where residents were chasing repairs where the repair operative had missed an appointment or could not complete the repair for a variety of reasons. The A2Dominion Customer Experience Team was also receiving 200 complaints per month from residents related to repairs. This situation was stressful for A2Dominion staff, its contractors and residents.

A2Dominion working in conjunction with their 3 main repairs contractors became interested in applying Lean to stabilise the current repairs process and to use Lean principles and techniques to design their future operating model for a new contract procurement during 2012.

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Following the successful implementation of a separate lettings project for A2Dominion, Ad Esse were invited to facilitate the project.



OUR APPROACH

An approach was developed to provide a truly significant Lean transformation of the Repairs process from stabilisation of the business processes and customer experience through to the design of the future operating model. This consisted of Current State Analysis, Process Stabilisation, Lean Innovation and Future Operating Model Design and recommendations.

The Current State Analysis consisted of;

1. Lean Systems Thinking Training

- Directors, managers, staff and internal Lean champions were trained in Lean and Systems Thinking, advantages and disadvantages of the approaches, similarities and the benefits to be gained from a complimentary implementation.

2. Construction of Supplier-Input-Process-Output-Customer (SIPOC) Diagrams

- A SIPOC is a diagram commonly used to provide a snapshot of a process; it captures information that is critical to a project / function / department. A SIPOC helps a team and its sponsor to define the project / departmental boundaries and scope. The SIPOC was used to identify, confirm with interviews and process waste walks the main Repairs process for value stream mapping.

3. Value Stream Mapping

- A cross-functional team from A2Dominion and its contractors mapped the process from initial resident phone call and email through the Customer Service Centre and Back Office to the contractor allocating the repair task to an operative. The mapping found that the Repairs process was overly complex (15 different IT systems involved) with high levels of waste, most notably Rework and Overprocessing.

4. Review of Current State Data

- The current organisational structures, costs, budgets, key issues and resources were reviewed by the team. The purpose of the Repairs process was found to be the achievement of arbitrary KPIs and not 'the first time repair at a time convenient to the resident'. The KPIs in place were found to be distorting the process and having a negative impact on customer satisfaction but no critical measures were in operation to determine the actual performance and drive continuous improvement. For example, there was a backlog of 2000 repairs and 1100 emails that were not visible to the old style Key Performance Indicators and 57% of repair related calls received by the Customer Services Centre were classed as failure demand.

To Actuality...

It was necessary to create process stability in order to generate space for implementing long term improvements and to immediately improve customer service to residents and remove the day-to-day stress for staff. This consisted of;

1. Root Cause Problem Solving

- The most visual technique employed was the giant Fishbone Diagram (25ft long), this structured approach to problem solving helped the stakeholders to push beyond the reporting of problem symptoms to identify and eliminate their root causes.

2. Load and Capacity Analysis

- This was used to understand the types of customer demand placed on the system; including failure demand, and the capacity of the system for dealing with the demand. The aim was to then apply Lean techniques to reduce the total demand placed on the Repairs process by removing failure demand whilst increasing capacity by removing waste in the process.

3. Daily Operational Planning

- A2Dominion departments and repair contractors were guided in the implementation of daily performance meetings based around Information Centres. These daily meetings immediately improved communication breaking down the silo culture, gave visibility of the actual performance and identified areas for improvement. These daily meetings were integrated in to a new weekly performance meeting that viewed the Repairs process as a system with 11 performance measures which replaced the old style arbitrary KPIs

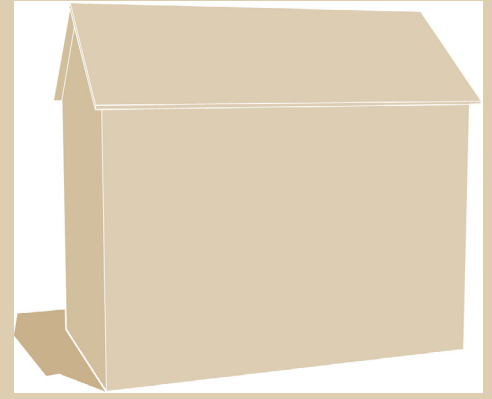


Project level Information Centre illustrating the repairs process as a system with 11 newly designed performance measures, action plan, 3C register, future state design and staff training matrix.

Based on the Current State analysis the improvement team developed 5 Ideal State designs for the Repairs process. The team were then facilitated in applying both strategic and Lean criteria which eliminated 3 of the Ideal State designs. The 2 remaining designs were further developed producing an interim Future State design for the remainder of the current contract and a longer term Future Operating Model for the 2012 procurement period.



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BENEFITS

- A 102 point improvement plan covering IT, Training, Information and Process was implemented to stabilise the situation
- Internal Lean champions provided with mentoring and practical Lean training to ensure knowledge transfer and a confidence boosting learn-by-doing approach to their development
- Failure demand reduced by 32%
- Backlog of repair tasks reduced from 1100 to 28

"We were impressed by Ad Esse's approach, and in particular the consultant's ability to engage with all parties and get them to focus on the outcome, and their part in the overall process.

The holistic approach has paid dividends, and all parties are seeing operational and financial benefits from the project."

DAVID LINGEMAN, GROUP DIRECTOR OF PROPERTY SERVICES

FURTHER INFORMATION

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