

# Standard Work in Services

Focus on Modularity & Flexibility

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**This presentation focuses on how to use modularity in Standard Work in order for services to achieve flexibility, a better understanding of the processes, and a roadmap of how to improve.**

**“If you think of standardisation as the best that you know today, but which is to be improved tomorrow; you get somewhere.”**

**Henry Ford**





## Problems with lack of standards

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**An organisation without clear operating standards is likely to have:**

- Significant rework/repeated activities.
- High levels of backlog - to hide problems.
- Process imbalance (waiting).
- Wasted motion (excessive walking/movement).
- Repeat problems.
- Low morale.
- Constant management fire fighting.
- Repetition of the same problems.
- Reliance on a key worker.



## Why Standard Work?

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- Standard Work in manufacturing is widely known and discussed, but the use of Standard Work in services is not as widespread.
- Standard Work is composed of three key elements which work within the drumbeat of demand (takt), and also demonstrate how a particular task should be done.
- In service industries, takt time for ad-hoc processes and case management is not as clear cut when demand is irregular. However this does not mean that service industries cannot benefit from the remaining key aspects of standard work.
- Furthermore, the use of Standard Work encourages analysis of core business processes.



## Service Processes have their unique challenges

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- The following are often cited as key challenges in service processes:-
  - High variety of work tasks.
  - High flexibility of workers required.
  - Demand is not always easy to control.
  - Services are often consumed immediately, so delivery times may be very short.



## A method to improve service processes

### Map

- Overall process flows (top-level)
- Type of process – decision/transactional/transformational

### Improve

- Commonalities in inputs & outputs
- Common process “elements” shared between different outputs

### Create SOPs

- Separate common elements from shared ones
- Create modular top level process
- Create content elements for unique aspects
- Draft combined new modular/common process

### Pilot

- Test for Commonalities
- Check Outcomes are as expected

### Improve Continuously

- Analyse using value analysis
- Analyse using Kaizen workshops/events





## Improving the 2 types of service processes

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### When improving processes it is important to focus on the following:

- Decision making processes
  - improve decision criteria and analysis of outcomes vs. inputs and analysis of policies.
- Transactional processes
  - improve “flow”, analyse value-add, non-value add, and process visibility

The third type of process – transformational processes are less common in the service industry – and more common in manufacturing.



## Process objectives

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Every process has 3 key process objectives:

1

Be confident that incoming work is free from errors.

2

Verify his/her own work to ensure it is error free.

3

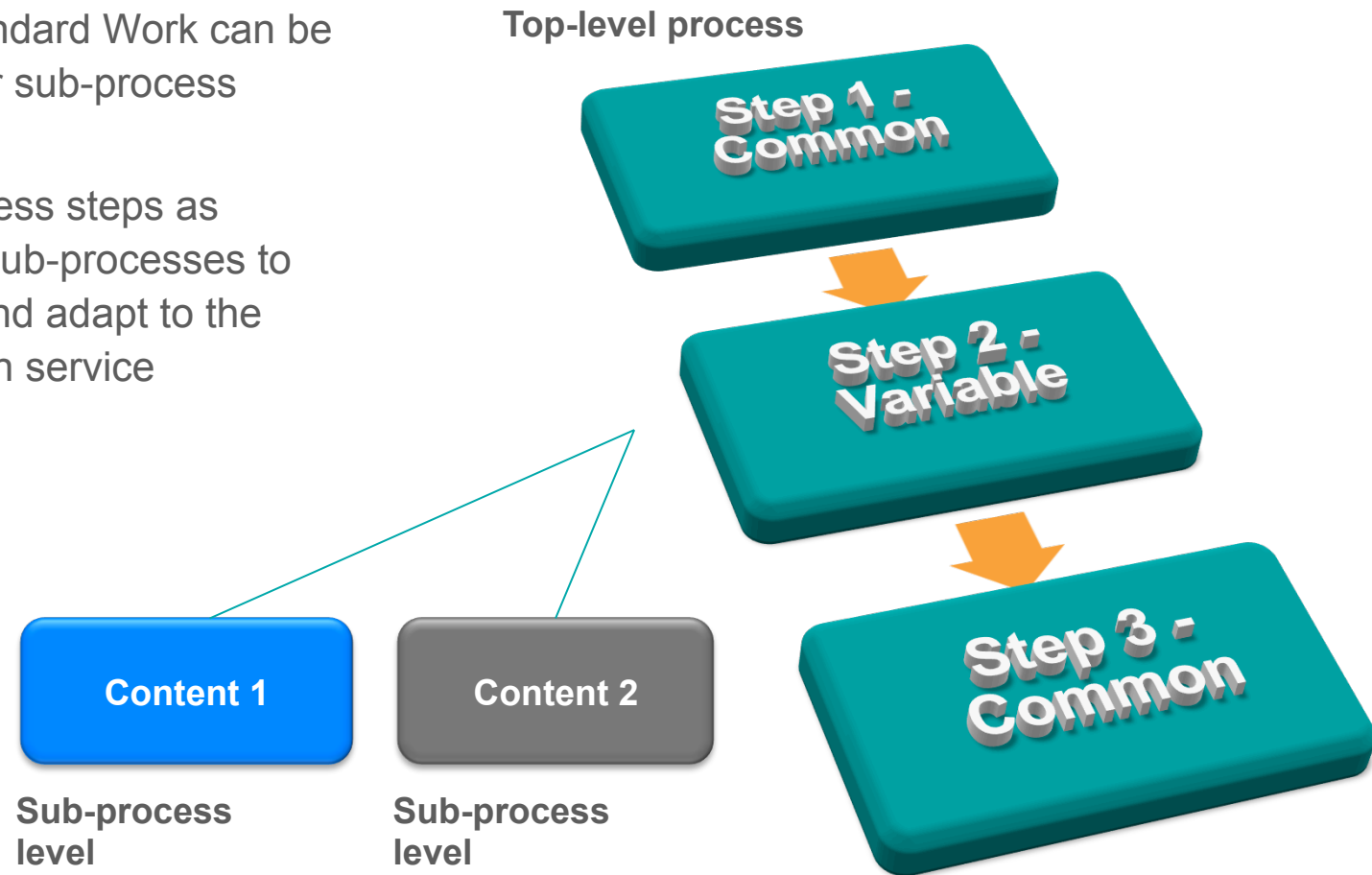
Ensure error output is never knowingly passed on.





## Modularity in Standard Work - theory

- Modularity in Standard Work can be done at the top or sub-process level.
- Treating the process steps as “content” allows sub-processes to be “plugged in” and adapt to the variety common in service processes.





## Modularity in Standard Work - theory

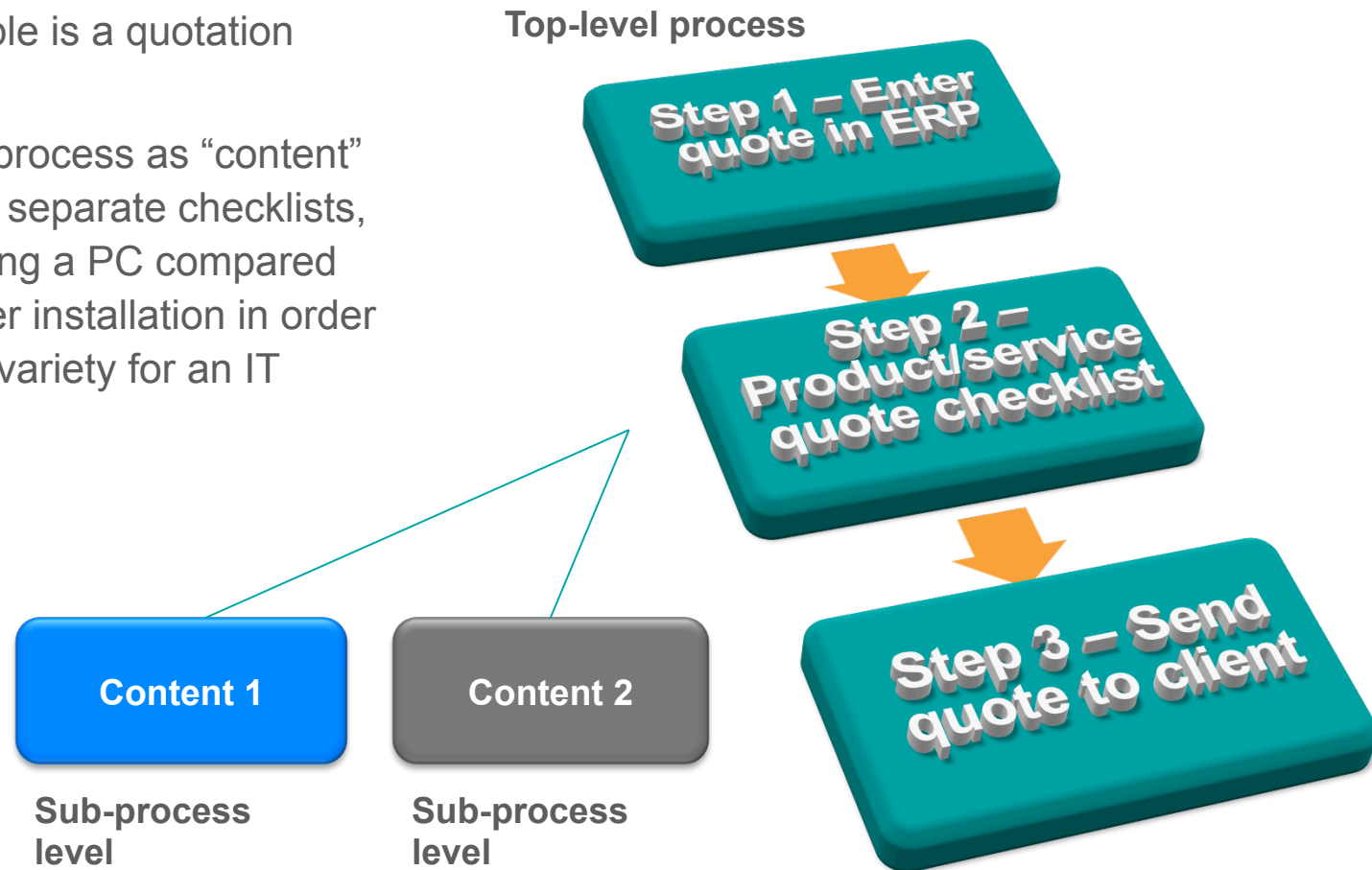
- This diagram on the right shows how top-level variety could work. E.g. when creating Standard Work for quotation processes for any product/service.

Top-level process	
Service Process flow 1	Service Process flow 2
Step 1 - common	Step 1 – common
Step 2 – sub-process different	Step 2' sub-process different
Step 3 - common	Step 3 – common
	Step 4 – unique



## Modularity in Standard Work – practical example

- A practical example is a quotation process.
- Treating the sub-process as “content” allows us to have separate checklists, for example quoting a PC compared to quoting a server installation in order to accommodate variety for an IT vendor.





# Advantages & disadvantages of modularity

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## Advantages

- Creates flexible processes that map better to the real world business tasks.
- Easier to implement top process level policy changes
  - E.g new policy means that changing at sub process level will update all top-level process.
- Avoids “one size fits all” excessive standardisation.
- Creates focus on re-usable components and commonalities.
- Easier to update sub-process documentation without having to change all high processes impacted

## Disadvantages

- Requires looking at multiple procedures whilst doing the tasks – but IT navigation tools can help.
- Requires mental agility from task workers – but this can be seen as a good thing.
- Extreme product/service variety may require additional analysis – which can ensure that inputs and outcomes remain consistent.



## Standardised Work documentation

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**Standardised Work documentation should provide all the detail necessary to enable the user to learn and complete the process:**

- In the most efficient manner.
- To the correct level of quality.
- In the required time.



## The benefits of Standardised Work

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- Aids training and up skilling of workforce.
- Allows movement of staff from task to task and between areas.
- Allows process control and aids problem solving.
- Identifies and encourages the elimination of waste.
- Gives people a benchmark to identify how well they are performing.
- Used as way to identify improvements.





## In Summary

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**By using a modular approach for service processes, flexibility can be achieved in standard work to accommodate the variety often present.**

**Standard Work then acts as a springboard for continuous improvement**

# An introduction to kinetik solutions

September 2013



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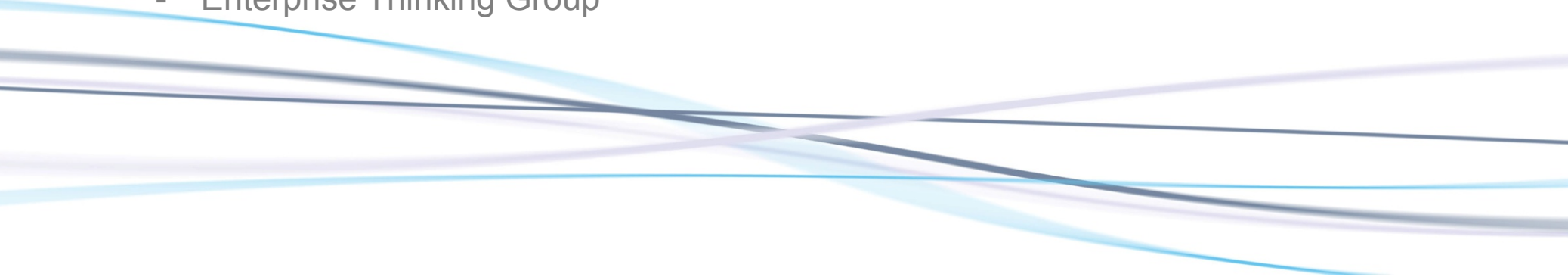
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# Consultancy profile

- Established in 2007, kinetik solutions delivers complex change for large organisations in the public and private sectors
  - Our team consists of highly experienced consultants each with over 10 years change management experience in blue-chip organisations or a 'big 4' management consultancy
  - We continually invest in learning to offer the latest thinking in transformational change to our clients. We run regular public events on Lean learning for our NHS clients and are members of:
    - Lean Enterprise Group
    - Deming Alliance
    - Operational Excellence Group
    - Enterprise Thinking Group
- 

# The kinetik team



Ketan Varia

Operational Strategy,  
Transformative Change



Herald Voorneveld

Process Excellence, Lean, Six  
Sigma



Rob Worth

Process Improvement,  
Lean, Technology



David Thomson

Change Management,  
Organisation Learning



Paul Frobisher

Process Innovation, TRIZ, Six  
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Alan Clark

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Ian Robertson

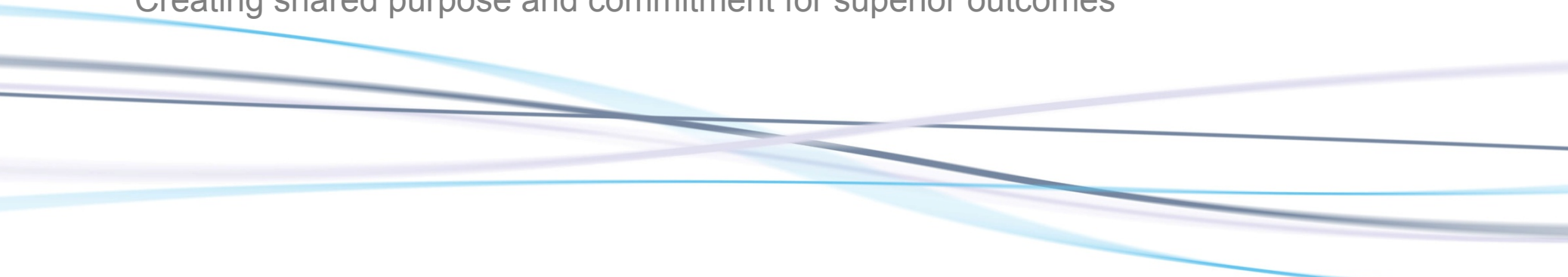
Lean, Six Sigma,  
Training and Coaching



Maria Gilgeous

Operations Design, Supply  
Chain, Lean

# Our solution areas

- **Complex Transformation Programmes**  
We make change happen in a sustainable way
  - **Operational Design and Improvement**  
Strategic design for complex processes and their implementation
  - **Systems Implementation**  
Integrating process and IT change to achieve operational effectiveness
  - **Facilitated Workshops**  
Fast, informed decision making, from strategy to continuous improvement
  - **High Performance Teams**  
Creating shared purpose and commitment for superior outcomes
- 

We work with a range of clients



# kinetik solutions

agility to sustain change



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# Definitions

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- “Standard work” can be defined as a philosophy of achieving business outcomes (deliverables) using a standardised operating procedure (process) that forms the basis of continuous improvement efforts to create customer value
- For clarity, the 3 types of process characteristics have been defined:
  - **Decision processes**  
a process that takes key criteria as its inputs, evaluates the options during the process and whose output is a decision. E.g. deciding who to hire from a selection of interview candidates, or deciding on which territories to promote a new product/service.
  - **Transactional processes**  
a process whose inputs are parameters, where the output/outcome is achieved through a series of mechanical steps. E.g. configuring a piece of IT equipment, or processing a time sheet
  - **Transformational processes**  
a process whose inputs are physical items which undergo a series of process steps to create a new physical item. E.g. making a door from sheet steel, glass etc.
- However for long complicated value streams or a lengthy process, any of the three process characteristics above may be combined.
- The key aspect to remember is that optimisation and analysis of processes should bear these distinctions in mind.





# It is important to distinguish SOP into Guidelines, Operating Instructions, and Mandatory Instructions

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## 1. Guidelines

Sets out ways to achieve an outcome, but any route can be taken based on the local team and employee preference.

Illustrates certain steps that can be interchanged, or a set up that isn't critical.

## 2. Mandatory Instructions

Cannot perform the job without doing the mandatory process.

Example - element of process which impacts a safety or a critical quality step.

The instructions force the operator to work in a specific way (poka – yoke, i.e. the process becomes error free).

## 3. Operating Instructions

Developed by the employees performing the work.

Describes the most effective and efficient process for the employee.

Needs to be continuously improved.



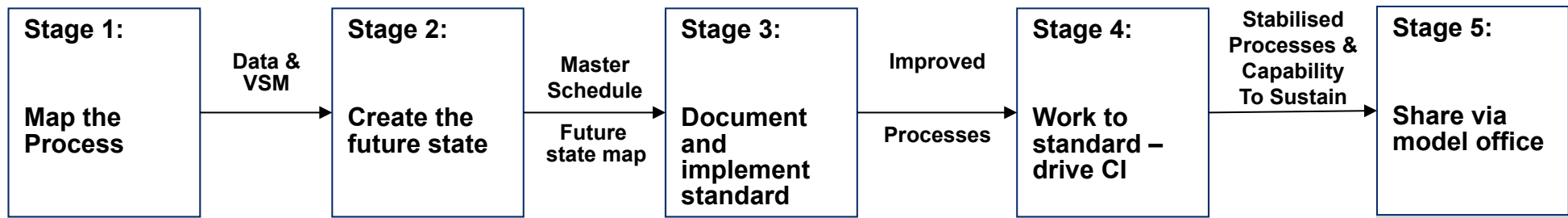
## Continuous improvement

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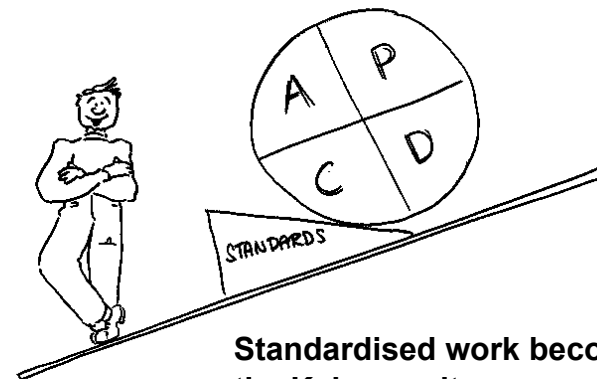
- Continuous improvement is the key benefit of standard work – standard work builds a platform to act upon.
- When creating a procedure, a simple Excel grid with the process steps on the left is best used. Then on the right-hand side 3 key analysis columns can be added to promote continuous improvements. These columns focus on:
  1. internal/external
  2. Value add – the typical VA, NVA and BNVA analysis
  3. Kaizen ideas
- We recommend that a process “diary” is kept to record why the changes were made, and reflect on the outcomes.



# Standardised Work is part continuous improvement



*The Importance of Standards*



**Standardised work becomes the basis for the Kaizen culture.**



## They are two main causes of SOP failures/successes

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The success or failure of SOP is due to the following factors:



### Human Factor

The way in which a SOP is interpreted. It is prone to be misinterpreted or even ignored!



### Quality Factor

Does it represent the most effective or useful process? Is it too simplified or too complicated to explain the best possible method?