



Lean in the Service Industry

Point of View

DRAFT

January 2005

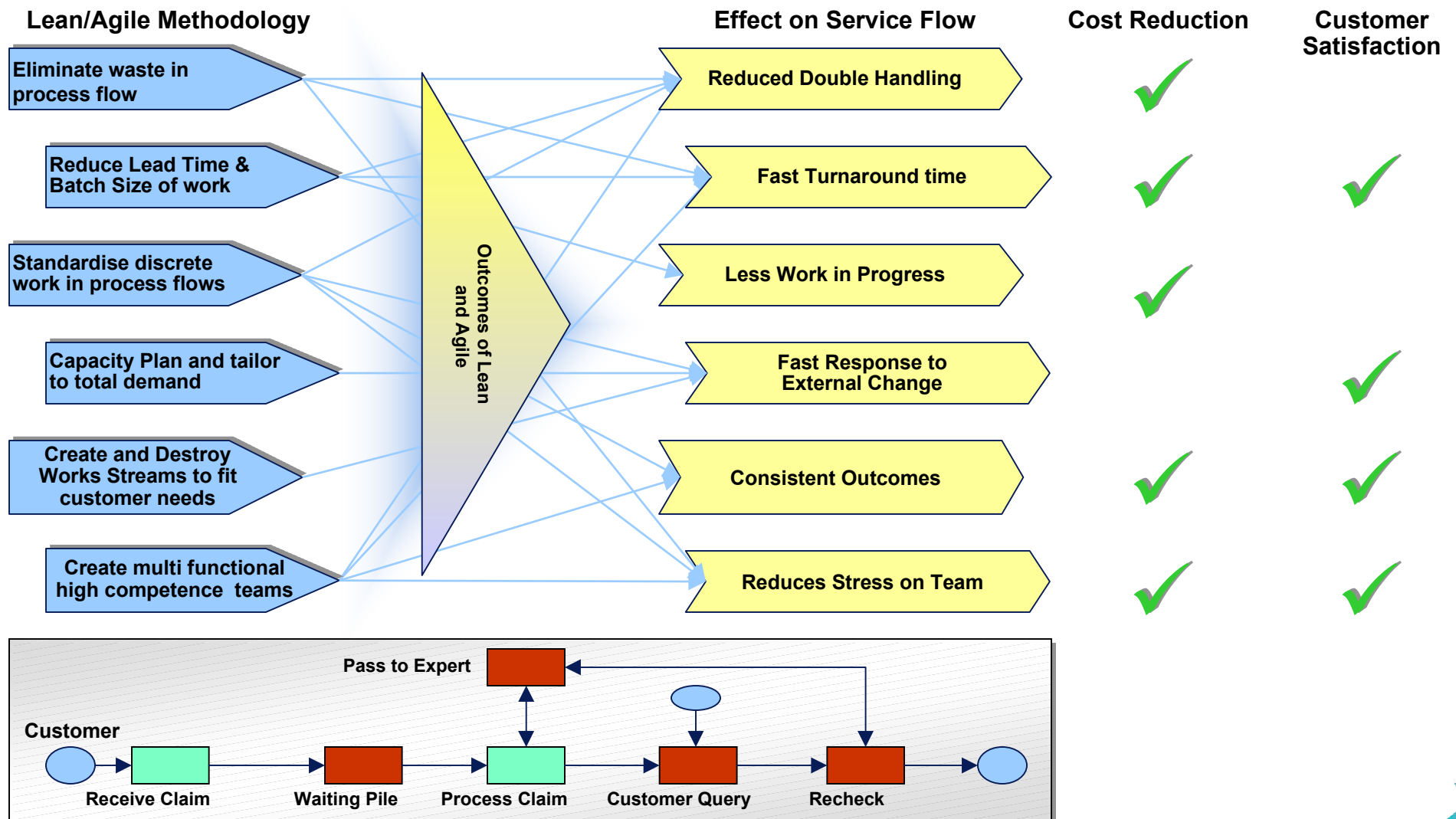
The Service sector faces twin challenges of improving total customer service and managing costs

- **Back Office Processing and Call Centres will continue to grow**
 - Forecasted to continue to grow until 2008
 - Retention and Stress continue to be a major problem in this sector
- **Customer are demanding excellence Service and are fickle**
 - Survey by Amdocs (2004) finds that 80% of UK consumers are prepared to change service providers after just one negative experience
 - Research by First Direct (2004) shows that poor customer service costs almost £14 billion (across all sectors) yet receiving good service is important to 97% of customers
- **Huge variety of product and ‘special cases’ which seems to make creation of standard flows and processes ‘impossible’**
- **Employees in the industry work at different levels of competence.**
 - Lack knowledge or initiative to ‘solve’ problems relative to customer expectations
 - Silo Environments exist : Individual Problem experts rather than process experts
- **Efficiency is Poor, with high levels of Rework in Back Office Services**
 - Upto 20% of work done is non value added or rework

Resolving Customer requirements seems to be in direct conflict with reducing costs!



Lean Solutions developed over 20 years in 'industrial' environment are easily transferable to Service Industries

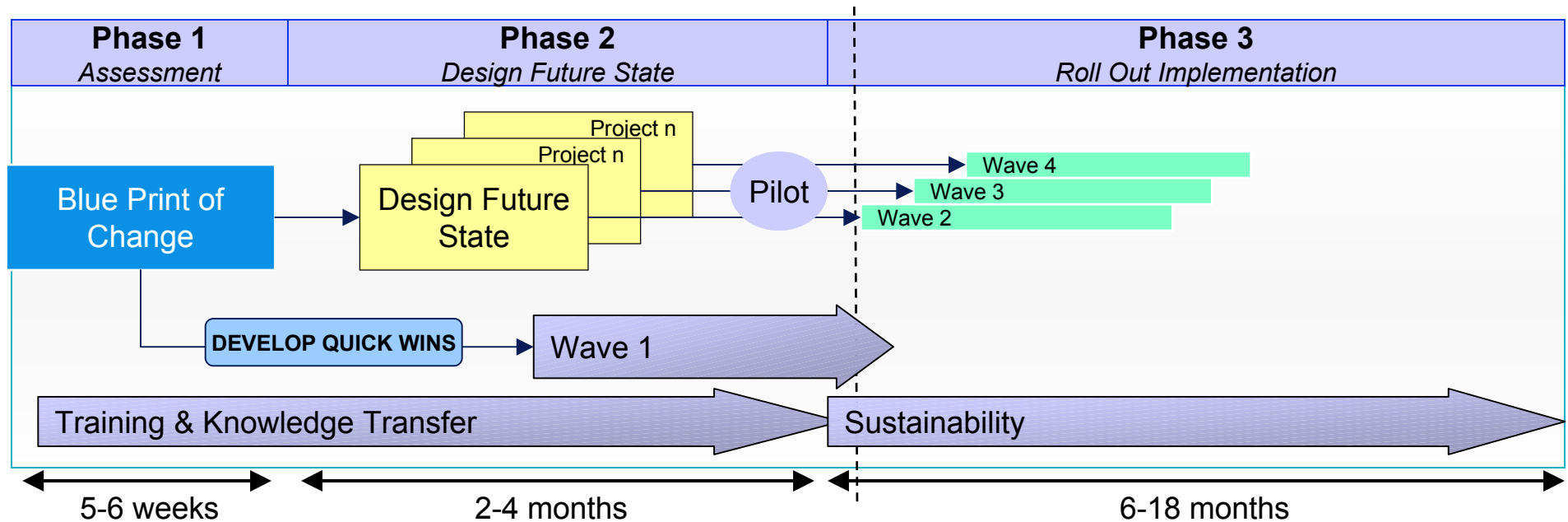


Confidential not to be used without consent



The approach is based on early 'quick wins' and a phased approach to implementation

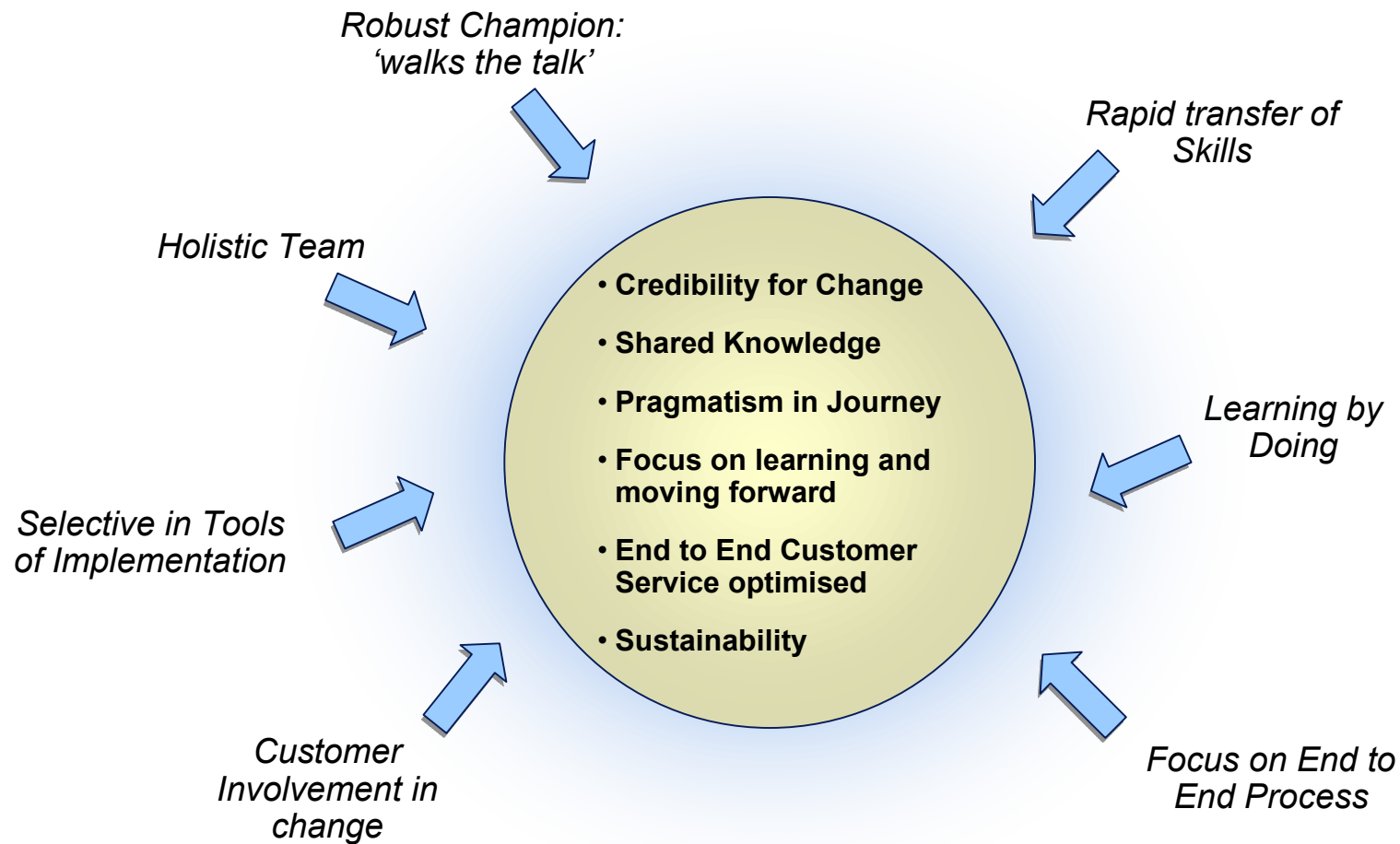
- Our approach is based on our proven methodology that generates immediate benefit



Lean Change does not need long analysis, strategy and planning before commencing.



Several Critical success factors will ensure long term value realisation for Lean



Kinetik Solutions has wide experience in Process Improvement and Change Management



“The quality of (his) approach, use of tools and techniques and end delivery of the documented outputs were all excellent”
- **Head of Business Change, Abbey, Facilitated Sales Productivity workshop**

“I was impressed at the ability of your process team to grasp the issues and get to an effective conclusion so quickly. It is clear that you played an important part in that”
- **General Manager Operations, British Airways, Efficiency Improvement Project**

