



Creating a Lean Office

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In last three decades, as reported, manufacturing productivity in USA has tripled but service companies have only improved by 40%. Do you know that 70% of waste-elimination opportunities lie outside the shop floor? Are you aware that due to Lean office activities, business processing lead-time can be reduced by 25% and labour-productivity and working-capital can both double? Clearly, the focus of waste elimination now has moved from the shop floor to the office or service cubicles.

After the introduction of lean methodology of **Toyota** Production system in manufacturing excellence, LOOP (**Lean Office Operating Process**) has already started making significant impact in business today. In the current volatility, uncertainty, complexity, and ambiguity (VUCA) business environment Lean in office or service processes can be a significant player in delighting the customer and making internal value flow leaner.

Office or service process differs significantly from production processes. Office processes are complex as they are highly cross-functional and operate in a functional setup with no one leader knowing the entire process. Office processes have multiple customers, many internal customers and the external customer-interface is significantly high and often they participate. The flow of documents / data / information is not an obvious flow with many hand-offs leading to more interruptions. The processes are not well documented and mostly in the minds of people. They are

less physical and tangible, hard to identify and not too visible. It is harder to see wastes as they are more entrenched and hidden in the system. As the products are very varied in offices automations becomes quite challenging.

Like in production shop floor the office or service floor consist of scores of processes flowing at all times. These can be classified into three categories.

Micro processes:- These processes are simple, have short lead times, are repeatable, often led by middle or lower management team members, and more often under one functional team. They create the foundation for other processes to get built upon. Examples - employee hiring, bill clearance, summer internship, employee exit and purchase-ordering processes.

Macro processes:- These processes are a little more complicated as they are cross-functional but flow within a plant, not with a very high frequency and call for relatively longer lead-times. These are operated by defined cross-functional teams. Examples – annual budgeting, capital purchase, new-product development, engineering-design change, month-end book closure, and customer concern management processes.

Mega process:- They are the most complex ones and are long term processes. They are led by the top management and experts. They connect plants, organisations, customers and suppliers. Example –MRP system implementation, Mergers-Acquisition, Green field plant creation processes. Every organization in their pursuit to become lean needs to address the flab in each of the process categories.

There is always going to be variety and variability in office work, but some activities can be found to happen regularly or that have a standard process, eg- invoicing or design change release. These ‘runners’ and ‘repeaters’ can be separated from the ‘strangers’ that crop up and require the office-worker to develop a new way of working each time. On the other hand, it is worth investing time to apply Lean tools to the more mundane processes to remove waste and non-value-added activities. This leaves more time for professionals to work on the unique activities which are often important.

As in Lean production, it is important to be able to spot and eliminate invisible wastes in office processes. Non-production equivalents of the seven traditional wastes are: Defects or not-right-first-time in documenting matters leading to rework, Over-processing which add no value, Waiting or idle time for hierarchical approvals, Transportation or movement of information which adds no value to end user, Inventory in form of excess supply and Just-in-case, Motion of people or information which is non-value adding and Excess production can be found in most offices. An additional waste is often added: Not using employees to their full potential. These wastes are often referred with acronym - DOWNTIME.

Every office or service function – Marketing, Sourcing, Finance, Customer relations management, Quality assurance, Research and development, Human resources and the others interact within and across their functions through innumerable micro, macro and mega processes. In a lean office the employees repeatedly keep their workplace clean and ensure everything is in its place & a place exists for everything. The process owners continuously improve the processes by making information and material flow to the customer seamlessly. The functional leaders visually communicate the process flow, the hindrances in the flow, and deviations from the standards to improve upon it. Visible and transparent processes make workplace speak to stakeholders. In a service environment hand-offs are common which play a key role in smooth flow of information. The organisational leaders occasionally check and control systems by interacting with people at the office workplace (Gemba). They monitor process adherence to standards and end-targets, display requisite behavioural pattern to ensure people engagement and motivation. Therefore, to create a waste free and continuously improving culture the following five enablers (acronym-VMESS) for lean are recommended Visual Management, Mapping value flow, Employee engagement, Standardisation, and (5) 5S. The most significant and impact making enabler is the low-tech & high-touch enabler - Mapping value flow. In it the 'as is' process is mapped, critically analysed for improvements, 'to be' processed designed followed by its implementation. The micro process utilizes the 'Brown-paper mapping' approach, while, the 'Four-field mapping' or 'Value stream mapping' approach is often applied for improvements in macro processes.

The five relevant measures (acronym - LIVEN) recommended for tracking the leanness progress during the lean journey in an office environment are Lead-time reduction per key process for chaos reduction, Inventory-turnover ratio for working-capital management, Value added per person for productivity, Every-time-right service processes, and New product or service launched for business growth. Periodic review of the trends would accelerate the office lean drive.

The Production and Office processes may seem to differ but underlining principles of eliminating wastes remain the same. Less visible office wastes and its consequences are far reaching than more visible production wastes. LOOP can become a powerful approach with its enablers - VMESS and measures – LIVEN in the service sector. It is gaining momentum in the Indian industries after the initial successes in WIPRO and GKN. The unhindered flow of the innumerable micro and macro office processes provide a huge opportunity of becoming lean and still leaner. Mapping, specially the Four field mapping is a significant methodology in identifying and eliminating wastes. Lead-time reduction is one significant holistic measure to track the degree of leanness.

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The article can be read online [here](#).