

## Case Study

### Business Process Management

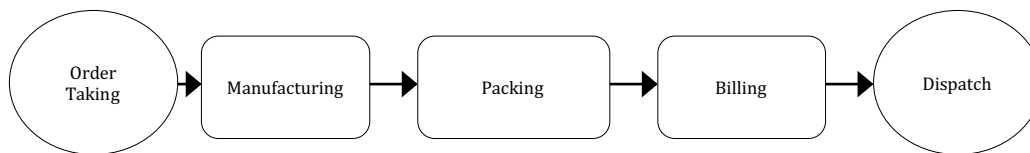
#### Effex Business Solutions Pvt. Ltd.

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Company Type: Manufacturing

Opportunity: Delay in order completion

Scope of Study:



At **EFFEX** we generally follow a simple 3-step approach **LEARN, IDENTIFY** and **PROPOSE**. The client here wanted us to also help implement the proposed recommendation we will have. We agreed to extend our scope of engagement to implementation.

The improvement process stages were sketched out differently keeping in mind the implementation commitment. We knew that as consultants we did not have the power to motivate or penalize any employee to get what needs to be done. We also knew that unless the employees of each department take ownership of change the implementation would be impossible. We had to take a new approach that works in this situation.

Improvement Process Stages were:

- 1) Road Mapping
- 2) Process Evaluation
- 3) Training
- 4) Coaching

#### **Road Mapping: -**

In this stage our job is to get introduced to the team and simply listen. We take this opportunity to understand how the stakeholders define the opportunity and understand the team dynamics.

This is a company that manufactures modular furniture for large retail chain outlets. There are various components in the modular furniture and these components are either manufactured in-house on different assembly lines or they are purchased from other manufacturers. All different components need to come together before they are packed and supplied to the customer. If one department or vendor fails to deliver the right product on time the deliveries get impacted. This demands flawless co-ordination between departments and vendors who supply components.

We got an understanding of the hierarchy in the organization and the project sponsor also inducted us to the power plays and internal politics present in the organization. We realized that department heads were not talking to

each other and had their own set of priorities with no calibrated planning to produce the final output. The management had no visibility of the order status besides got different responses from different heads and they all sounded convincing at the first go.

We created a register with contact details and applicable mode of communication with each stakeholder. An interviewing calendar was prepared and published to keep everyone informed and make them available for the interview.

### **Process Evaluation: -**

In this phase we evaluate the process under improvement by interviewing people involved in the process. Our consultants follow a structured process evaluation method. Post interview we practice "Gemba" going to though the entire process ourselves, observing transactions as they happen.

We knew to make the improvement possible we needed 3 areas going right for us.

- People skills
- Tracking for status
- Performance measurements to constantly gear up or slow down to avoid bottle necks

We evaluated the process on 4 aspects:

1) **Who:**

To understand people skills to carryout the process effectively,the recruitment systemstounderstand how candidates are selected and performance management processes.

We realized almost all the hiring was done with community references and in a single interview. The roles were not defined and there was no performance management machinery at play apart from one review meeting that happened once a week. Some departments also used contract labor and suffered high absenteeism, late comings and churn.

2) **How:**

To check the inputs received by each person/department to carry out his work well, the step-by step process followed by the department and the output that gets generated.

We learned that output generated by other departments become and input into another for e.g.If the order is not placed correctly the manufacturing unit will not be able to provide the right output and until the manufacturing unit provides information to packaging. Packing would not be able to pack the right items with the products and also carry out the packaging in the right way. We noticed there was no handover happening from one department to another and the entire operations was overlooked by the sales team because they wanted the products to reach the customer on time and in good

health.

3) **With:**

To understand “Infrastructure” at play; availability of right resources and tools is imperative to produce quality results. At this stage we study various resources required like computers & software's, machines and tools required for manufacturing and overall office infrastructure.

Whilst the infrastructure for manufacturing was good, the IT infrastructure was not adequate. The office did not operate on a common network and therefore they did not have location that everyone could use to store files. This led to complete chaos in how things got reported and data was stored. Everyone had his or her own file format that made consolidated analysis impossible. We even come across a scenario where the production manager of acrylic did not even have a computer for any kind of tracking and reporting. Due to broken IT system the information flow from one department to another happened on the chit of paper with no standard format and made any kind of visibility at leadership level impossible.

The office location too posed a challenge. The office was broken into multiple small outlets in the industrial area which led to coordination challenges moreover the industrial area itself was not managed well with regards to hygiene and cleanliness. The location did not encourage good well skilled staff to accept the employment and the company was left to hire only from community references to negotiate on the skills.

4) **Audit:**

To understand what gets measured and what does not. Measuring performance not only helps give direction to the organization but also helps provide visibility of what is working and what is not.

There was absolutely no measurement at play for anything. Since the roles were not defined and often overlapped. There were no defined key performance indicators too. Part-time HR personal could not enforce a tight structure that could be measured. Broken processes as outlined earlier made it even more difficult to put-up a measure. People who were heading departments were not very proficient with Ms-Excel a basic deployable tool for tracking and measuring anything. Leadership struggled to get their hands on even basic accounts. This delayed information did not help accelerate.

**Training: -**

This phase was introduced in the project since we were responsible for implementation too. We decided to train the project head on “How to built processes?” and up-skill them on areas they need to master to do the process management right. The plan was to have the department heads take up improvement project for their department and use the learning's derived from the training to make it successful. We made ourselves available to

handhold and coach them for their projects.

This roadmap was well received by the heads of the organization. There instantly was ownership for improvement because it was their initiative now and we were simply enablers. We designed and conducted following trainings for them.

1) **Team Building:**

The training was conducted outdoors in open and was filled with various activities. Cross-functional teams were constructed to compete against each other. This enabled discussions and ice breaking between departments who were not talking to each other.

Captains were selected by voting within the team and these captains were explained rules of the game only once. They were expected to strategize with the team and decide who does what in a way that the team is poised to complete activities in minimum time. High intensity physical activities and games were played which included, making of a paper wheel big enough to fit all the team members inside and then making the wheel roll, three member skipping, passing the shuttle cock from one badminton racket to another without dropping, balancing the entire team standing inside a small circle without falling out etc. Resources like the badminton rackets, shuttlecock, paper, tapes etc were limited and we kept changing rules during the activity.

Importance of planning, adopting to change quickly and team playing were well understood. People were talking to each other now. We summarized the training by having everyone suggest what they could have done differently and how the learning can be implemented in real life. Clarifications, apologies and hugging followed by one good thing about everyone at the workplace concluded the training.

2) **Ms Excel:**

This training was done with the intention to enable everyone with importance of tracking things in the business. People were explained how problems can be resolved by tracking certain key aspects and correcting at the right place.

Training followed introduction to basic excel functions and moved towards topics like pivot, vlookup, Validation etc. every participant was able to practice the functions discussed in the training. Participants were paired up to help each other. The final output of the training was a tracker good enough to track basic aspects of their department.

3) **Process Thinking:**

Intention of this training was to make departments come together and understand how what they do impact the other department and how problems faced daily should be addressed by building and correcting

processes.

Participants were walked through basic process building tools like SIPOC and Flowcharts. They were then asked to prepare flowcharts for their departments and present. Whilst one department was presenting the others were asked to think of problems faced and ask the presenter how would those get addressed with the presented process? This facilitated healthy discussions and process-based solutions were arrived at to many problems right in the training.

The training was concluded with participants preparing a project plan to implement improved processes in their department. The project plan included making processes, ensuring required IT and infrastructure support, measuring and tracking employee and department level performance.

### **Coaching: -**

Coaching sessions were scheduled thereafter with every head. These coaching sessions were used to help the dept. heads with trackers, measurements, processes and issues they faced on daily basis in the implementation of their improvement project.

We started attending their weekly meetings, put a structured agenda to that and made every one come with reports from their trackers to discuss performance of the department. We monitored weekly meetings and mentored the team to improve/construct "processes" for every problem that is discussed.

The trackers made by all departments were used to present a consolidated dashboard to the management.

### **Project Results: -**

The company leadership is now informed about the order status on a real time basis, customers are immediately informed if there is a delay in the dispatch. Inventory levels are maintained to the level decided by management and tracked in case of outsourced purchases and use of contract labor to avoid sudden unavailability. Department heads talk to each other every time there is a process change in their department to ensure others don't get impacted because of the change. Recruitment now happens on a predefined evaluation form and every recruit has a well-defined role and key performance indicator to measure performance. The leadership decided to move the office location and bring together all the units and initiated the search for real estate. IT Team took up the project to construct a workflow-based system as per the flowcharts provided by different department.

We are empaneled with the company on an on-going basis now to carry out process audits and handhold process improvement projects.