

## **Case Study**

### **Driving Change in a Service Business through Process Improvement**

A large multinational industrial service company realized that the service division had lost touch with the customer. The field technicians had become so bogged down with the company policies and paperwork that it had lost its ability to respond to the customer. Customer satisfaction ratings were dropping, cancellations were increasing and the on time delivery metrics were falling. Something had to change.

#### **The Approach**

A team was put together that consisted of company executives, subject matter experts, field technicians and Lean Sigma experts. The team met at an offsite location and committed itself to a 5 day intense Kaizen work out session. It was broken into 3 phases, called Baseline, Benchmark and Breakthrough.

##### **Baseline**

After quickly determining that the existing documented processes no longer applied to what was really occurring, it was decided that the as is process would be captured by going into the field and walking through the process with the service technicians. This would become the baseline state of the business. The cycle time for each process step and the overall process was measured.

##### **Benchmark**

During the Benchmark phase a future desired state was created. The as is process map was analyzed and each step was put into one of three categories, Value Added step, Type I waste or Type II waste.

- Value Added steps were ones that the customer valued and was willing to pay for.
- Type I waste is the necessary evil of business, it has to be there but it should be reduced and minimized when possible.
- Type II waste is pure fat. Cut it out, it doesn't help anyone.

After reducing the Type I waste and eliminating the Type II waste, the desired future state process was evident.

#### **The Solution**

##### **Breakthrough**

Change management and strong facilitation is required to drive the teams toward a realistic solution. The cross functional teams brainstormed, conflicted, and pushed each other until a realistic and doable solution became apparent.

A new communication device was developed that utilized the streamlined processes developed during the Kaizen work out session and eliminated 95% of the paperwork that the field technicians were required to complete. Therefore the customer face time was increased and response time was improved.

## **Results**

The new tool required an investment of more than \$3 million dollars to develop and roll implement in the field. However, in the first year the service division increased its revenue by \$8 million dollars due to the extra billable time the service technicians had realized. Plus, within 18 months, customer satisfaction levels had increased to 95% and cancellations had decreased 4%.

By applying LEAN and Six Sigma tools along with change management facilitation the company recognized gains in growth, productivity and customer satisfaction.