



## **Implementing Lean Management in Service Organisations**

### **Stage 1: (Optional) Facilitate management in creation of vision / mission, objectives and strategies**

Prior to any Lean Management implementation it is critical that the organisation has a clear understanding of where it is heading and how it achieves its objectives i.e. it's Value Stream. Lean Management is about taking this knowledge and sharing it with the organisation in such a way that everyone understands why the particular 'road map' is being followed and establishing a long term framework that delivers continuous improvement.

MEC Services can help facilitate the creation of an organisation's strategy and understanding of it's Value Stream by working with the Senior Management Team, and other relevant parties, through interviews, workshops, and seminars to articulate and document the road map.

This stage involves:

- 1.1. Reviewing existing documentation (internal / external)
- 1.2. Interviewing senior managers to identify business objectives and value drivers
- 1.3. Interviewing other managers, staff, and (optionally) external stakeholders
- 1.4. Facilitating workshop with Senior Management Team to agree strategy
- 1.5. Holding organisation wide seminars to explain strategy and obtain feedback

### **Stage 2: Prepare business case / establish project structure / train project staff**

MEC Services uses the preparation of a full business case to identify objectives and to demonstrate the costs and benefits of the initiative. This includes estimating the resources - people, facilities, finance - that will be required to achieve the lean objectives. All new initiatives require a project approach to allow the process to be managed properly. MEC Services helps to establish the lean management project structure and will train people in project skills.

This stage involves:

- 2.1. Identifying problem to be solved
- 2.2. Preparing business plan
  - 2.2.1. Setting boundaries for the project (scope)
  - 2.2.2. Identifying project approach
  - 2.2.3. Setting project end dates and milestones
  - 2.2.4. Defining deliverables and set financial / non-financial success criteria
  - 2.2.5. Identifying project methodology
  - 2.2.6. Identifying resource and other constraints
  - 2.2.7. Identifying project manager
  - 2.2.8. Establishing and train project team
  - 2.2.9. Allocating roles and responsibilities
- 2.3. Setting communication strategy
- 2.4. Ensuring sponsor's commitment
- 2.5. Obtaining and allocating resources
- 2.6. Undertaking training in Lean Management tools and techniques





## **Stage 3: Help decide on appropriate Lean Management tools / implementation approach**

MEC Services will help the Senior Management Team to identify the appropriate tool set and approach.

This stage involves:

- 3.1. Identifying current business culture status and preparedness for change
- 3.2. Identifying current lean initiatives
- 3.3. Deciding on Lean methodology to be adopted
- 3.4. Setting change management strategy
- 3.5. Undertaking detailed organisation specific background research on desired lean tools and techniques (including case studies of best practice)
- 3.6. Training project team on lean tools and techniques
- 3.7. Identifying changes to standard methodologies to meet local conditions
- 3.8. Identifying a pilot area
- 3.9. Preparing an implementation plan
- 3.10. Identifying change champions and communicate reasons for change

## **Stage 4: Undertake pilot implementation and change management**

It always possible to take a 'big bang' approach for any new initiative but this runs the risk of meeting stumbling blocks that can derail the entire project.

MEC Services will help identify and operate a pilot project to identify these stumbling blocks, create and communicate solutions, and document these for future use. A successful pilot project also provides an example to the rest of the organisation of the benefits the initiative will bring.

This stage involves:

- 4.1. Conducting executive interviews
- 4.2. Identifying / interviewing key stakeholders (internal / external)
- 4.3. Reviewing business model / strategic destination, and value streams for the pilot area
- 4.4. Creating top level objectives, measures, targets
- 4.5. Initiating review / culling / creating initiatives
- 4.6. Mapping and re-engineering business processes
- 4.7. Setting benchmarks and establishing best practice
- 4.8. Establishing the internal management system to enable Lean Framework review and future action
- 4.9. Establishing review process ("Evergreening") for overall lean systems / processes, strategies, objectives, and measures
- 4.10. Implementing the lean approach
- 4.11. Identifying costs and benefits from pilot study
- 4.12. Obtaining user feedback and taking necessary action
- 4.13. Identifying change champions for wider roll out



## **Stage 4a: (Optional) Cost reduction project / Risk assessment and mitigation**

The pilot project often identifies areas where other potential short-term cost savings can be made. It can also identify items that can change the risk profile of the organisation.

MEC Services can help set up additional projects to implement cost savings and mitigate any new business or systemic risks that the initiative creates.

This stage involves:

- 4a.1. Map existing processes
- 4a.2. Establishing new projects to target cost savings
- 4a.3. Conducting a risk assessment
- 4a.4. Establishing contingency plans to meet identified risks

(A more detailed assessment of the processes required at this stage will need to be undertaken depending on the items identified.)

## **Stage 5: Introduction of Lean Management technology**

Lean Management will, in most cases, require the introduction of some form of new accounting IT system to track activity costs e.g. Activity Based Costing. This may range from a simple spreadsheet to an enterprise wide data warehouse depending on the size and complexity of the organisation.

MEC Services can provide assistance in the introduction of new technology through the use of structure project methodologies.

This stage involves:

- 5.1. Deciding on functional specification for gathering / processing data, reporting information, and linking to existing systems
- 5.2. Deciding / contacting suppliers
- 5.3. Testing the system's hardware and software functionality
- 5.4. Preparing Service Level Agreements (SLAs) and supplier management process
- 5.5. Implementing the system (in pilot area)
- 5.6. Identifying, monitoring, and implementing system enhancements

(See the MEC Services Project Management of IT Systems Implementation for more detail on the processes involved in this stage.)

## **Stage 6: Implement full organisation-wide Lean Management roll out**

Once all the lessons of the pilot project have been learnt and the potential has been proved the initiative can be rolled out to the wider organisation.

MEC Services can help roll out the project to the remainder of the organisation and establish the most suitable operating and management procedures.





This stage involves:

- 6.1. Obtaining approval and resource commitment for the roll out
- 6.2. Undertaking training in project management and Performance Management
- 6.3. Cascading the lean approach, processes, technology, management process to all parts of the organisation (repeating necessary steps from Stage 4)
- 6.4. Obtaining feedback and taking necessary action
- 6.5. Linking budgeting and resource prioritisation / allocation to lean approach
- 6.6. Linking employee appraisal objectives to lean objectives
- 6.7. Linking bonus payments to lean objectives
- 6.8. Assisting Senior Management Team in reallocating resources freed up by the introduction of the Lean approach

## **Stage 7: Review project and disseminate lessons learned**

All projects, by definition, have a finite end when the initiative that was being implemented becomes part of 'Business as Usual'. Lean Management is an ongoing process and in itself does not end; however, the initial implementation project can be closed once Lean Management is embedded into the culture of the organisation.

MEC Services can help close the implementation project and communicate the lessons learned so that they become part of the organisation's knowledge base.

This stage involves:

- 7.1. Undertake survey of all staff to ensure satisfaction with Lean Management
- 7.2. Reviewing project and publish lessons learned
- 7.3. Confirming ongoing responsibilities and review processes
- 7.4. Formally closing project
- 7.5. Celebrating success
- 7.6. Conducting 3 / 6 / 12 / 24 months external review as appropriate

## **Additional Help**

To discuss how MEC Services can help you, please ring 01502 512814 or email us at [info@mecservices.co.uk](mailto:info@mecservices.co.uk) and we will contact you to arrange a, no obligation, preliminary discussion.