

# CONTINUOUS IMPROVEMENT IN BUSINESS SERVICES

## How to adopt lean practices in service industry

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# Introduction and objectives

Studying MBA&E @ HTW Berlin



Business Process Outsourcing



Lean Management

How lean principles can be applied to the business world?

Have service companies identified & revolutionized lean processes for themselves?





# Quick Introduction to Lean Thinking

Lean methodology aims to eliminate waste or non-value adding activities



Transportation



Overproduction



Inventory



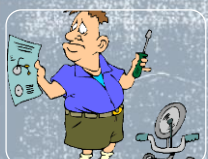
Over processing



Motion



Defects



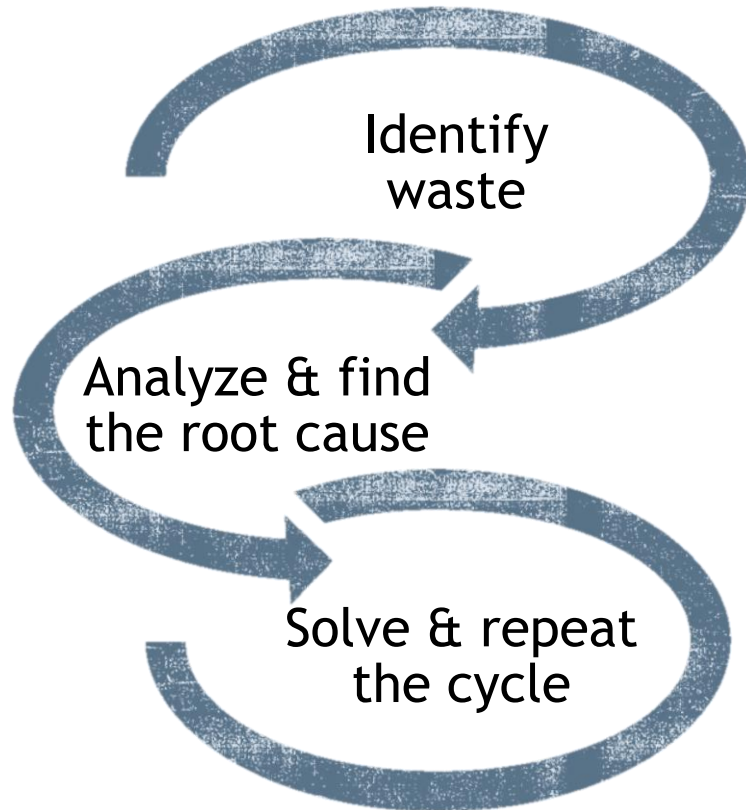
Waiting



Skills




# Lean practices to eliminate waste



■	Kaizen Value stream mapping (VSM)
■	Root cause analysis Brainstorming Cause & effect diagram
■	Problem-solving process

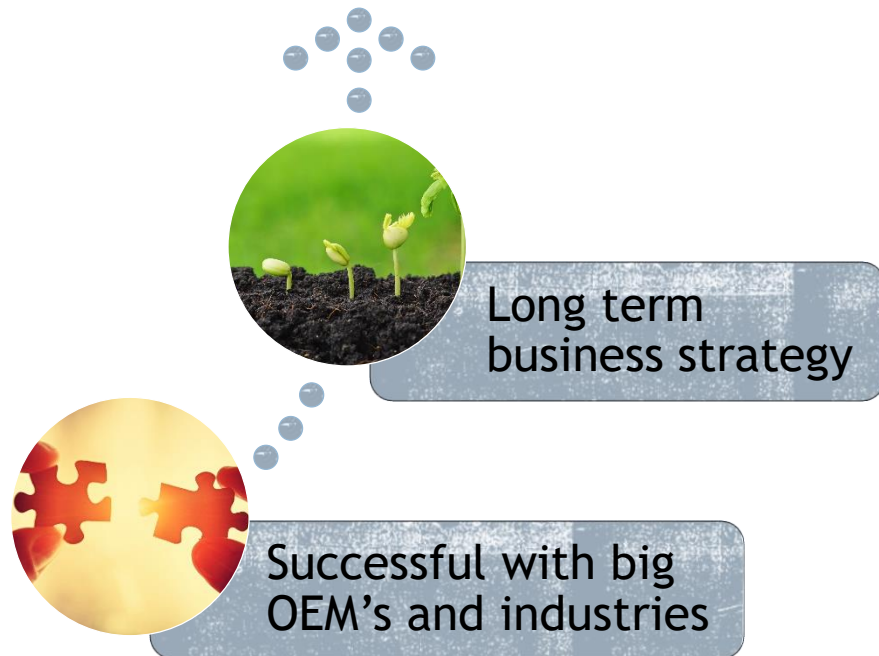
# Tools to Reduce Waste



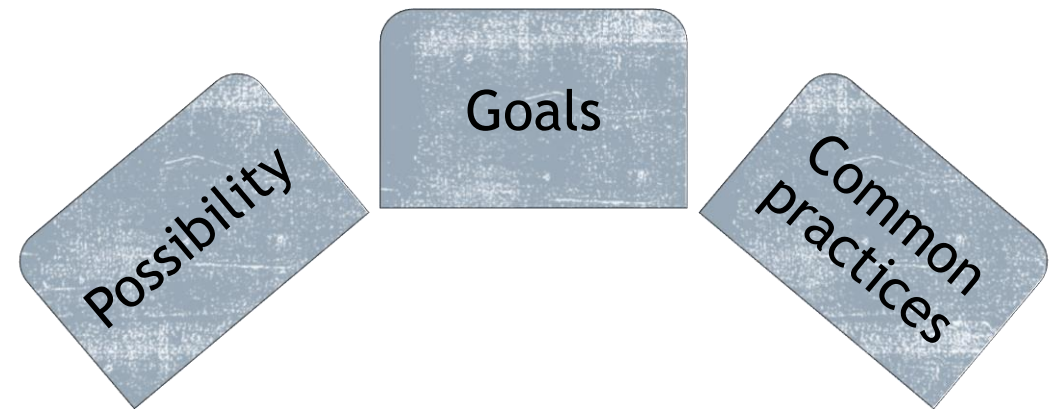
Just in Time	<ul style="list-style-type: none"><li>• “Pull” model</li></ul>
Kanban	<ul style="list-style-type: none"><li>• Inventory system management</li><li>• Sync with JIT</li></ul>
Zero Defects	<ul style="list-style-type: none"><li>• No defect is acceptable</li></ul>
SMED	<ul style="list-style-type: none"><li>• Single Minute Exchange of Die</li><li>• Quick and efficient changeovers</li></ul>
Lean 6σ + 5S	<ul style="list-style-type: none"><li>• Sort, Systematize, Sweep, Standardize &amp; Self-Discipline</li></ul>



# Transformation of Lean Manufacturing to Management

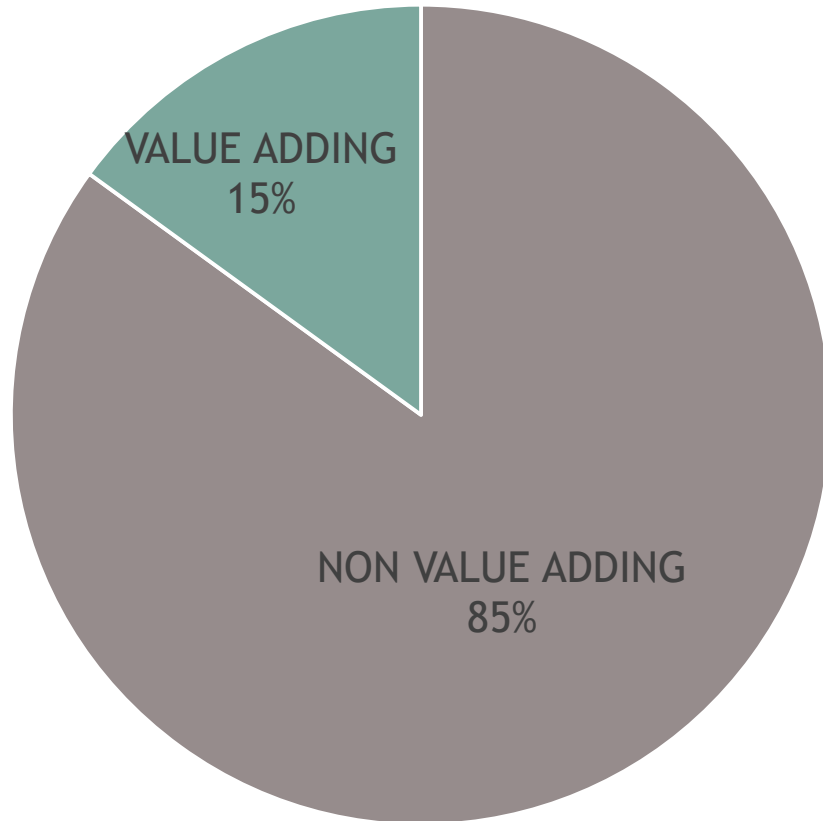


How it looks?

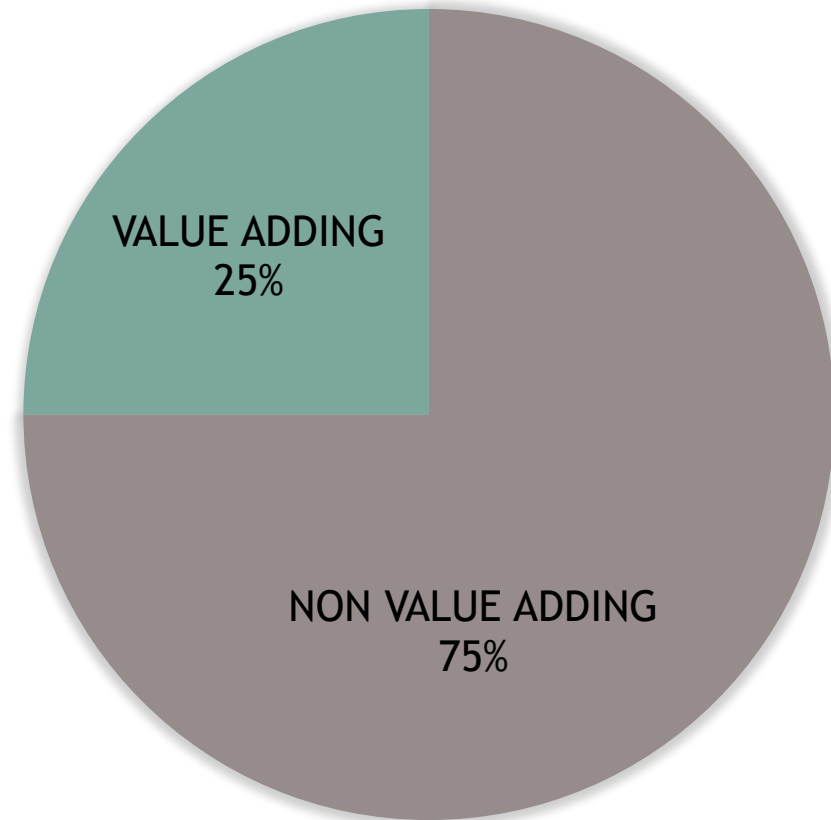


# SECTOR ANALYSIS

## MANUFACTURING SECTOR



## SERVICE SECTOR



Wastes are the hidden cost and time which the customer is not paying for



# Transformation of Lean Manufacturing to Management

## Where Lean can fit in office?

Revenue & cost coordination

Staff improvements

Communications

Innovations

Strategy & planning process

## Benefits of Lean in Business Services?

Short term & long term benefits

Improved quality and efficiency

Faster & reliable processes

Improved stakeholders morale

High customer satisfaction





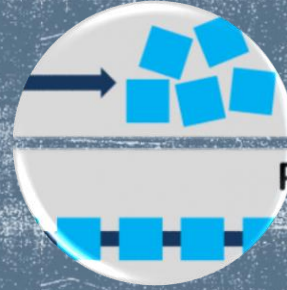
# Gaps for Lean implementation in Business services?



No clear  
visibility



Large &  
complex  
processes



Push and  
Pull



Vendor  
management



# Various Examples of Lean in BPO

## *Fields in BPO*

## *Problem*

## *Solution*

## *Outcome*

Agreement (BPO provider-Client)

- Communication drawback between players
- ambiguous contract requirements

- System & requirement reanalysis

- Less conflict between client and provider

Software Development & IT

- Inefficient and slow IT processes

- Identifying and eliminating the waste with corresponding ideation

- Faster, more reliable and simpler processes

Banking Services

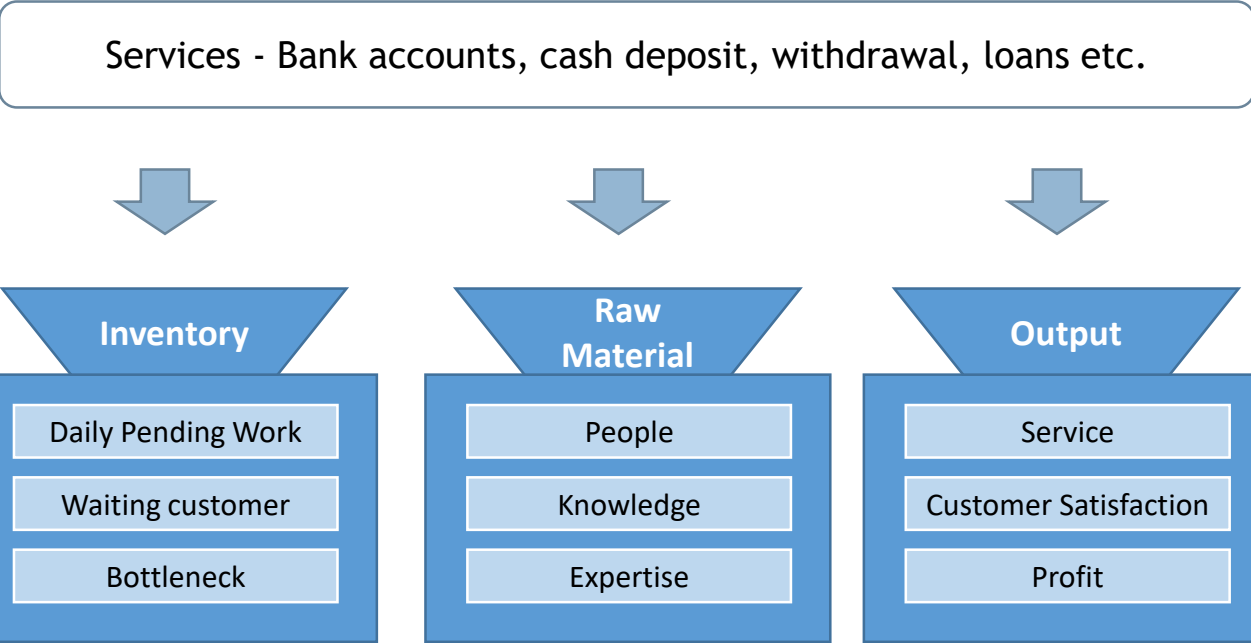
- Daily Pending Work
- Waiting Customer
- Bottleneck

- 4 P model

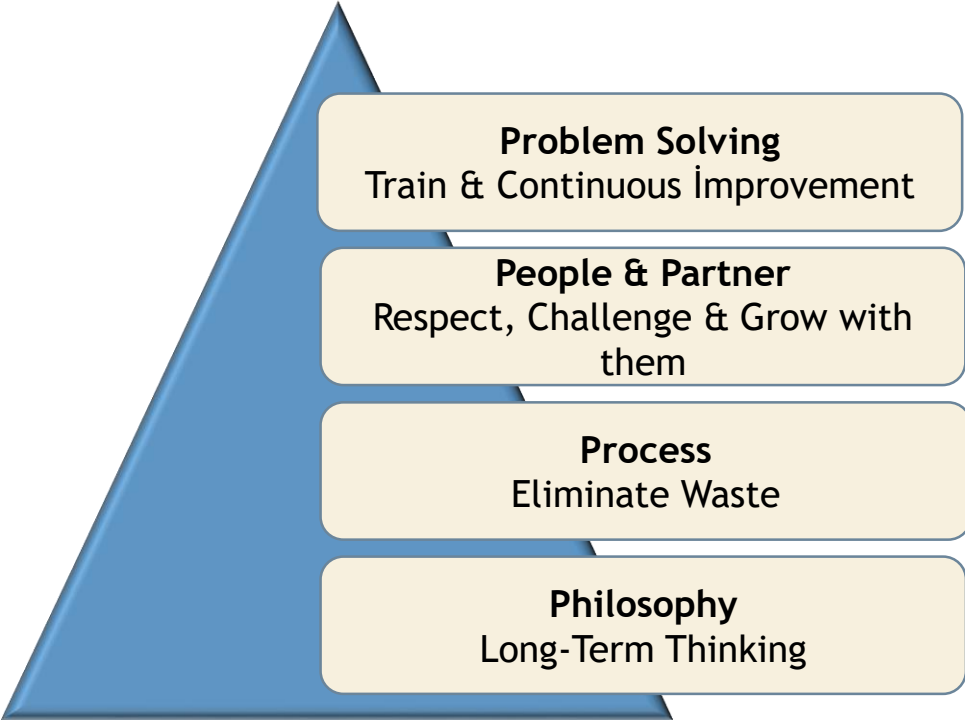
- Service Efficiency
- Customer Satisfaction
- Profit



# Bank's services vs manufacturing company



- Identify the waste, replace it with a better and less time consuming process

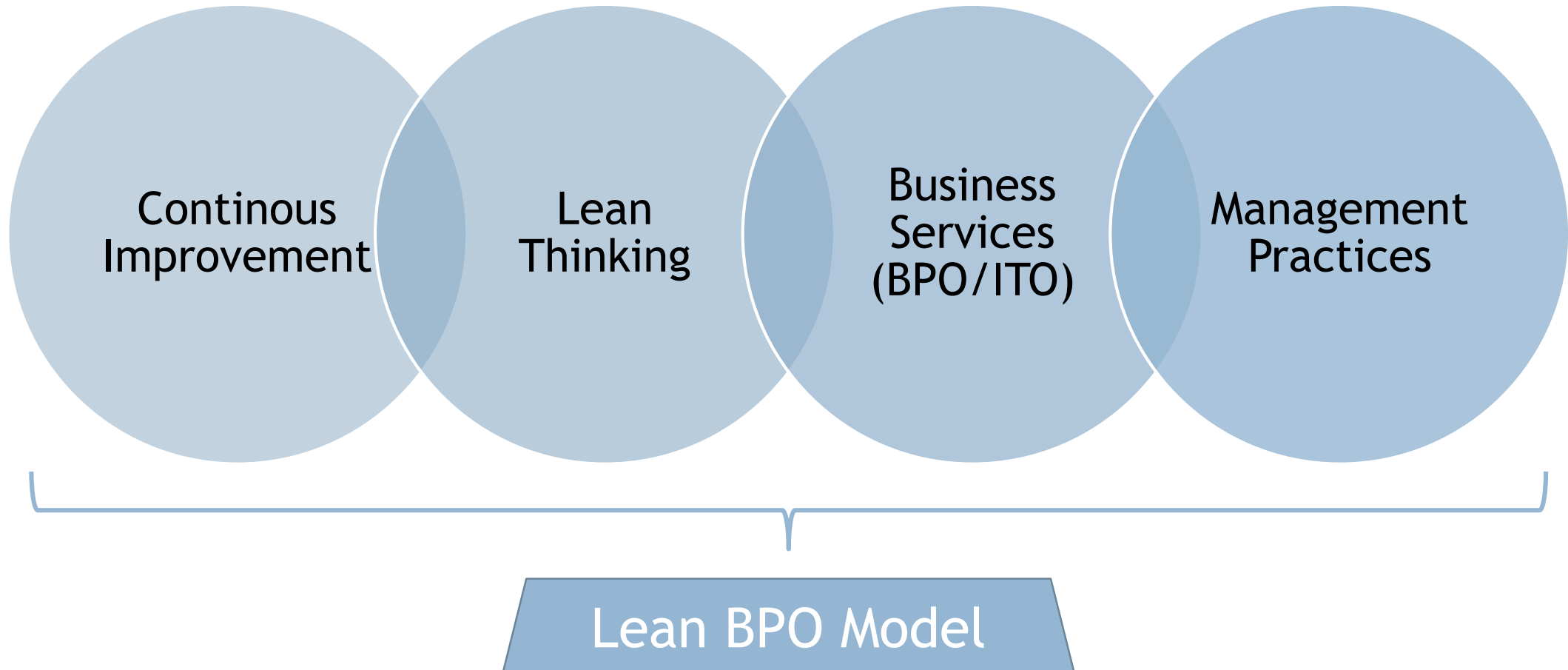


4P Model

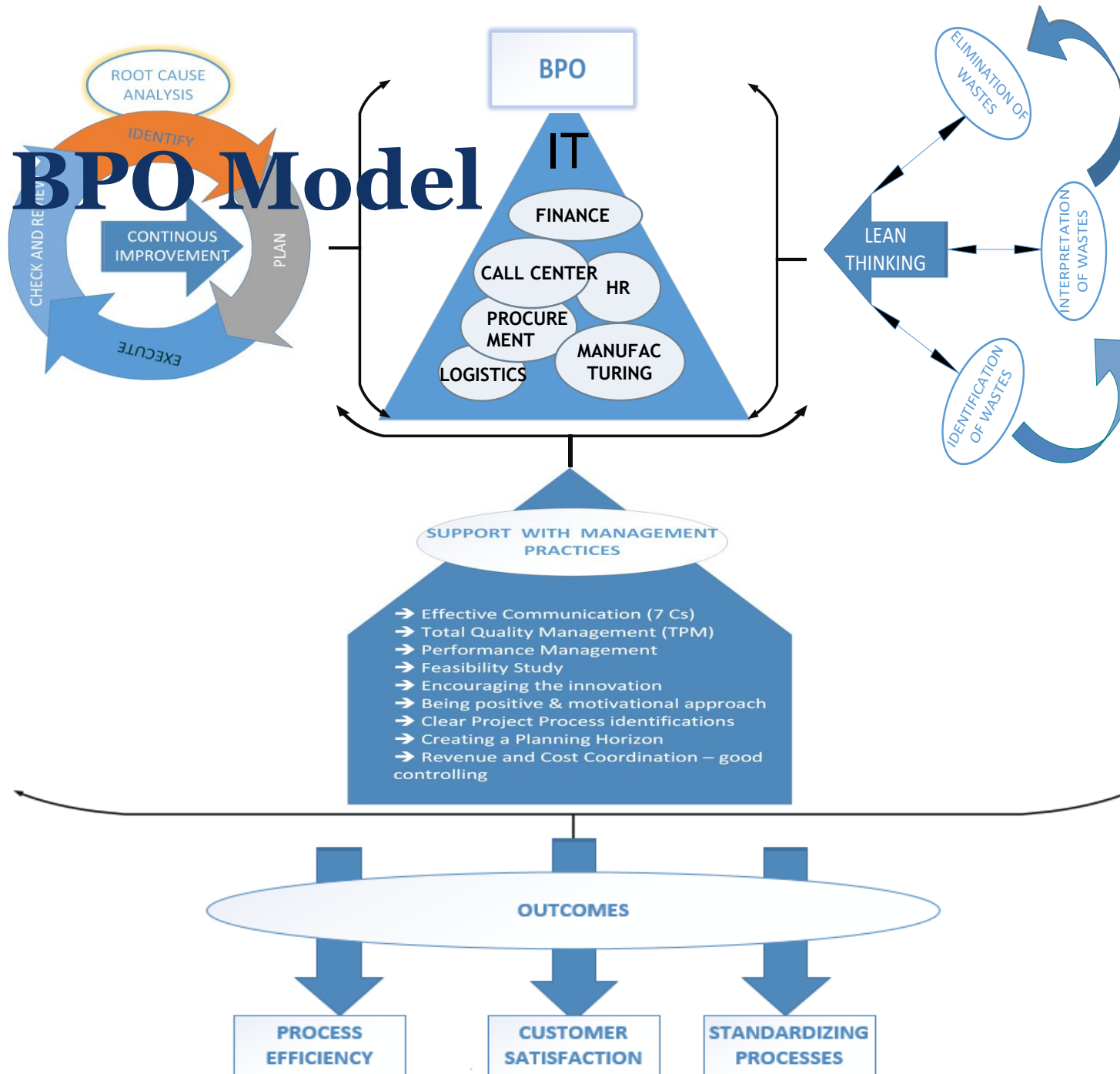


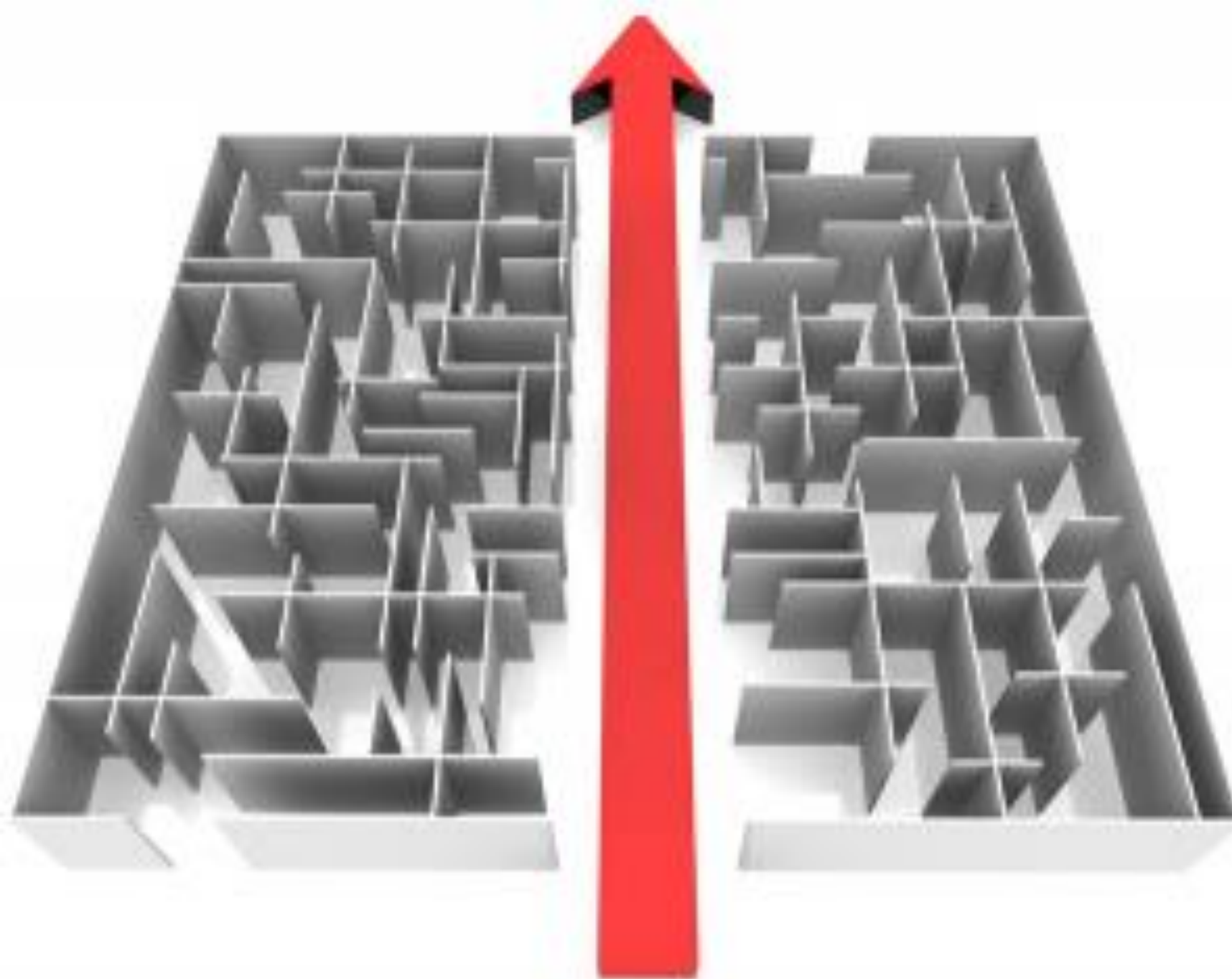


# Components for Lean-BPO Model



# Lean BPO Model





# Thank you

End of Presentation

Q&A

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