



THE OFFICE FACTORY

Lean management also works in places where immaterial products are made: at the office.

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Kashif Ansari, Principal at Porsche Consulting, is frequently confronted with the following claims in his consulting practice: administrative processes are not measurable. And even if they were, no employee would want to be guided by numerical indices. And compiling these types of figures wouldn't help anyway, because you can't introduce just-in-time methods of working at an office. "That's wrong," says Ansari. "Definitely," agrees his colleague Raphael Ring, a project manager who works on aspects of lean finance and administration on a daily basis. He has recently helped yet another multinational client raise productivity at a commercial shared service center and professionalize the processes. The accounting procedures now run like a well-oiled machine. The employees no longer have to do overtime. And the quality of the results has noticeably improved. In fact, additional processes could even be integrated for the same number of employees.

The job of introducing lean principles to an office is complicated by the absence of a physical flow of materials to observe. But Ansari and Ring are convinced that reports, processed invoices, and programming codes are ultimately no different from products that have to be supplied without errors by a certain deadline. The raw material consists of data, information, or knowledge, and can be processed into mass-produced or customized goods. Because the parallels are so extensive, say the experts, the principles that have proven themselves countless times in lean production can also be applied to administrative processes. Everything finds its place in administration too: the flow and takt principle, the pull principle, and the zero-error principle.

"Each individual works differently," says Ansari. "The fastest employees in accounting handle two and a half times more entries than the slowest ones." In order to minimize such enormous differences in productivity,

a standard operating procedure is distilled from the way the most productive employees work. In effect this is a detailed guide that explains each routine process step by step to show what should be done in which order. In addition, the physical office stations are restructured in such a way as to make teamwork more efficient.

The crucial element is the need to supply the information, data, or receipts just in time—which is analogous to the flow of materials at a factory. Taking accounting as an example, this means that the input on wages, creditors, and debtors has to be available at a specified takt that allows the “office factory” to be utilized to capacity at a uniform rate. This takt-based input, which is specified in a service level agreement, is combined with an internal capacity management system. It distributes the processes to be handled to the employees in such a way that everyone can be assigned responsibilities to the best of their abilities and the tasks can be easily mastered.

In order to guide the processes and the organization in a targeted manner, the experts recommend setting up a shop floor management system that makes work results transparent for everyone. Its core consists of key performance indicators for quality, costs, delivery reliability (service level), and motivation. In Ring’s experience, companies can best address initial reservations by encouraging ambition in a playful way and building on team spirit. “Nobody wants to ruin the team’s results for the day,” he notes. This only works in a context of continuous improvement that does not seek to assign errors to individual workers but rather is aimed exclusively at eliminating the causes of error.

The tools for management and continuous improvement consist of such measures as team meetings, team boards with key performance indicators, and what are called “sit-ins.” This is when the team leader sits down with an employee for two hours to be shown how the latter tackles his or her job—with the clear aim of obtaining a better and deeper understanding of the employee’s everyday routine and of working together to find potential ways to improve how the work is done. As Ansari observes, sooner or later even skeptics reach this conclusion: “Productivity is fun. A lot of fun, in fact.”

Highly repetitive processes are inherently suited to the type of industrialization of tasks identified here. However, the principles can also be applied to creative, and therefore less structured, work processes. As Ansari clarifies: “Every process can be measured. Creating transparency by means of key performance indicators is the first step to increasing efficiency.” At SAP, for example, this allowed the productivity of 15,000 software developers, working in eleven different countries, to be increased by more than 40 per cent. The takt-based principle applies in this case as well: instead of fine-tuning an integrated solution for months on end and only being able to test its functionality at the end of the process, the developers are delivering smaller, usable software packages in four-week intervals—and are drawing successively closer to the target. More about the lean development model can be read from page 06 on. ←

