Is Lean a failed theory for public services?

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Lean not just for the Private Sector…

Plus Local Government, Fire and Rescue Services………
There is evidence of the benefits of Lean but need to be careful... as this may be due to poor service design and an over focus on efficiency.
Lean Transformation – A Two Pronged Attack
The History of Lean...

- Taiichi Ohno
  Vice President of Manufacturing, Toyota Motor Corporation

- Toyota Production System
  - 1950s, after WW2
  - External factors; small market, culture and difficulties in equipment purchase.
  - Inspired by USA supermarkets
Lean in Public Services: Power of 3

• 3 Principles:
  • Value, Flow and Reduction of Waste

• 3 Types of tools:
  • Assessment, Monitoring and Improvement

• 3 Stages of the Lean journey:
  • Engage, establish and embed
Understand Value
Flow: Understanding and Managing Demand Types and Patterns

Patient arrives | WAIT | Patient is triaged | WAIT | Patient is booked in | WAIT | Patient is seen by doctor | WAIT | Treatment by nurse | WAIT | Patient is discharged by doctor

Failure Demand

Patient arrives
Patient is booked in
Patient is seen, treated and given advice by doctor or nurse practitioner and discharged
Reduction of Waste

1. Over-production - 60% of computer generated post printed in the post room was discarded

2. Waiting - Post delivered by Royal Mail did not always arrive at 7:45 am

3. Transport - Post moved 500 metres before any value-added work was performed

4. Motion - In post room the operator moved from desk to scales to measure a single item of post

5. Inventory - 15+ days of work on shelves

6. Rework - Post transferred between offices; Frequent redirection due to mis-sorting

7. Over-processing - Sorting post in 21 categories when 4/5 were enough
The 8th Waste ... Untapped human potential

- Not listening
- Not asking
- Not empowering
- Not doing anything with generated ideas
Use of Tools and Techniques within Lean in Public Services

• Assessment:
  – To assess the processes at organisational level e.g. value stream mapping, process mapping

• Monitoring:
  – To measure and monitor the impact of the processes and their improvement e.g. control charts, visual management, benchmarking, workplace audits
  – Measures in terms of quality, time, costs, satisfaction levels

• Improvement:
  – Tools implemented and used to support and improve processes e.g. RIEs, 5S, structured problem solving
Assessment: Reviewing the work

From Current State to Future State
Monitoring: Visual Management

Team Board

Team Communications Hub

Resource Planning
Improvement: The Five-Step Kaizen Movement

- **SEIRI**
  - Sort

- **SEITON**
  - Set in order

- **SEISO**
  - Sweep and Shine

- **SHITSUKE**
  - Standardise

- **SEIKETSU**
  - Sustain
Improvement: Structured and systematic use of problem-solving

Day-to-day problem solving: 3Cs document

These are some of the Problem Solving tools that are available, but there are many more

- 3 C's Document
- Brainstorming
- Kipling
- SMART
- Open Questions
- 5 Why's
- Timing Plan
- Fishbone Diagram
- Web Chart
- Like & Must
- Check Sheet
- Action Plan
- Pareto Analysis
- Interviewing

This is the basic method of Problem Solving used by teams to address day-to-day issues affecting performance. The process has 3 steps:

**Concern:**
Define the Problem clearly – doing this is essential, as it will help to ensure that you don’t try to put the whole world right in one go.

**Cause:**
Think carefully – try to get to the “ROOT CAUSE” of the problems, rather than just dealing with the symptoms.

**Countermeasures:**
Try to fix the problem once and for all, but if that’s not possible, then do everything you can to mitigate the impact on the customer.

More challenging problems: Structured Approach

1 - Problem
WHAT DO WE WANT TO IMPROVE AND WHERE DO WE WANT TO BE?

2 - Causes
WHAT’S STOPPING US FROM ACHIEVING OUR DESIRED STATE?

3 - Options
WHAT CHOICES DO WE HAVE?

4 - Solutions
WHICH IS THE BEST WAY TO SOLVE OUR PROBLEM?

5 - Implementation
WHAT IS OUR ACTION PLAN?

6 - Results
HOW GOOD WAS THE SOLUTION?
Challenges of Lean in Public Services

1. A focus and over reliance on lean workshops
2. A tool based approach to lean implementation
3. Impact of public sector culture and structures
4. Lack of focus on the customer (service user) and understanding of service process

*Lean is delivering efficiency but need to embed it within a service model to delivery effectiveness*

Focus on Workshops and RIEs

Improvement Opportunity

Time

CULTURE CHANGE
Greater, sustained results achieved

Improved levelled off and eventually stopped due to lack of realizing “true” lean opportunity

Lost and repeated results due to no sustainability

Kaizen Blitz
Rapid Improvement Events

Short term gains made

Awareness, education, organization structure created to support lean

Source: Chris Craycraft, Whirlpool
Our Lean Tools Guarantee Success!

…but really, we all know it takes more than tools to make real change happen!

Instant Six Pack!

£79
Visual Management: Managed by the frontline staff
- Regular Structured Problem Solving
- Workplace Audits

Leadership: Challenging
- Go, See and Do
- Developing Local/ Internal Champions and Facilitators

Whole system view
- Embedded continuous improvement behaviours
- Stable robust efficient and effective processes

Rapid Improvement Events:
- Process Mapping and 5’s

Training and Development
- Steering Group and Project Team

Understanding Demand
- Create Value
- Link to Strategy
- Understand Demand
- Process View
- Lean Production
- Communication

Strong committed Leadership
Strong Committed Leadership

Driven by Department Heads or Lean enthusiasts.

“To become a Lean school, the top management needs to be on board and drive it. This is not an add-on. It’s about getting the entire operation of the school adopt Lean philosophy and practice on a continuous basis.” Dean of English Business School

“I’d like to think that it [lean] is now the lens through which we run the hospital. I can’t think of a day when I’m not dealing with issues, when I’m not thinking about it in lean terms; whether that’s the challenges we’ve got of hitting the A&E target or money we need to save or mortality rate” Chief Executive of a English Hospital

Go and See, Go and Do, Lead by example, Leading in a Lean Environment
Create Value

“Sometimes we forget there is a customer at the other end. I think Lean has highlighted that. Sometimes we are in danger of forgetting that the paper we are dealing with, actually represents the customer.”

“We think we understand what customers want but we really don’t know. We haven’t asked them. We think they want a faster service. We have improved the turnaround of resulting and post etc., so we assume they are more satisfied, but we don’t really know for sure”

Emotional Mapping, Enacting or Creating rather than defining value
Link to Strategy

Islands of Optimisation at Department, Business Unit or Ward level

Policy Deployment, Balanced Scorecard, Benefits Realisation
Understand Demand

Capacity not Demand Led, variable seen as the work not the staff

"We are better able to plan resources to meet workload. Work is Runners, repeaters and Strangers; Capacity Planning for the Short and Medium Term; Systems Thinking"
Process View

Task focused driven by performance measures and making the job easier

“The understanding of process here has changed, especially for those who attended the Lean event. They were able to see how the work linked together across the court. But the other staff need to attend more Lean events to get a better understanding”

End to end customer journey mapping, measures focused on outcomes, link to policy
Co-Production

Lack of challenge to the established line of visibility and interaction between the service user and service provider

Service Blueprint: Changing the line of visibility between front and back office, letting the customer absorb variation and variety
Communication

Powerful use of visual management for internal management but lack of change regarding external communication

“\textit{The majority of staff like TIBs because they know what’s going on. Managers have all the information about the skills that their teams have, but it's only by making them visible that staff realise they need further training}”

‘Marketing’: Communicating changes and impact of processes and practices
Let's do Lean!

Lean Project team Established

Rapid Improvement Projects

Communicate Lean ways of working

Problem Solving established to support CI

Create Organisational Wide Lean Metrics

Reward Lean Leadership

Clearly link Lean into the Strategy

Developing an understanding of demand

5S, process maps, Visual Management, daily meetings developed across the organisation

Organisation Lean/CI Training for staff and facilitators

Let's do Lean!

Promote Co-Production and Lean the Value Chain

Evaluate Value creation

8-Months

12-Months

18-Months

24 Months

36-Months

48-Months

60-Months

8-Months

12-Months

18-Months

24 Months

36-Months

48-Months

60-Months

Let's do Lean!

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Lean in Public Services

To develop a Public Service Dominant Logic

Need to consider Lean not as a quick fix but as a implementation philosophy.

“A series of RIEs does not Lean make!”

There is a need to develop a mindset within the organisation of process and customer view

“Public Service not Public Sector ethos”

Move thinking from task/ policy to value/ process.

Opportunity to redefine the end to end process

Need to develop an awareness of variation, demand and capacity relationships.

“See the variable as the work not the demand/ customer”

Create and focus on improving stable processes

Standardise the process not the outputs and outcomes

Need to ensure that there is strong and committed leadership and there is a link to strategy.

Not just about cost cutting and efficiency but about effectiveness.
Public Services are… Services

• Much of the public management and public services built on product and manufacturing logic.

• The majority of ‘public goods’ are in fact not ‘public products’ but rather ‘public services’.

• Need to draw from service management logic to ‘unpack’, understand, manage and operationalise public services.

• Move from a public sector to public service ethos

• Public services need to embrace a (public) service dominant logic

• Service dominant logic argues placing the user at the heart of the service

What is makes a Service a Service?

Three core characteristics of services which differentiate them from manufacturing goods:

1. Whilst a product is invariably concrete a service is intangible
   - Services cannot be stored.
   - Public service delivery is *relational*.
   - **Intangibility**

2. There is a different production logic for manufactured products and for services.
   - For manufacturing production and consumption occur separately. With services production and consumption occur simultaneously.
   - Experience created at the ‘moment of truth’ – centrality of the service user.
   - **Inseparability**

3. The role of the end-user is qualitatively different for manufactured products and services
   - In manufacturing they are ‘simply’ purchasers and consumers. For services, the user is also a co-producer of the service.
   - Services offer a promise not an actuality
   - **Co-production**

The Service Model
• **S** - public service system as the unit of analysis
• **E** – embed in genuine sustainability
• **R** – work at relationships as a key resource
• **V** – focus on creating external value
• **I** – Innovation is essential for effectiveness
• **C** – co-production is the core of public services
• **E** – use knowledge to drive service experience