

A competitive Administrative Process with OFFSim®

Why improve the administrative processes?

The administrative processes within companies have long been the targets for traditional cost cutting. The introduction of new IT systems have traditionally relied on the benefits of automation (ie head count reduction) to offset against system costs. Mindsets seem fixed on administration as an overhead.

Cumbersome administrative processes, broken by functional interfaces and supported by traditional systems is the norm for employees working in many companies that:

- do not view office work as the provision of service
- place more emphasis on the output of the process than the experience to the consumer during the process
- do not see the de-motivating effect on staff of their not being able to satisfy internal customers' needs

For these companies the art of office management is to carry the large, functionally split costs in the good times and cut cost by headcount in the bad times.

The competitive performance of *World Class* companies is predicated on administrative processes that have been designed to provide high levels of internal and external service, create value and minimise costs simultaneously.

Figure 1 shows consumer value based on the traditional trio of product quality, price and delivery, as well as Service Quality. It is the quality of service provided by marketers, product developers, manufacturers, suppliers and customer service agents that enables products to provide maximum benefits to the consumer. Equally, the quality of the products provided by a service company influence consumer perceptions of the value provided.

“OFFSim® demonstrated effectively how we could make significant improvements to our administrative processes” – Robert Hutchison, Director,

Scottish Bionetwork Association

Front line staff in successful product and service companies deliver customer promises through slick and efficient back office processes. Back office staff, systems and processes are viewed as an internal supply chain of the company. Office work has been transformed by information technologies that facilitate the high-speed delivery of inter and intra company data, information, procurement decisions, product specifications and financial transactions.

The traditional administrative processes have been purged of wasteful activity to minimise the non-value-added content, before being automated and supported by new systems.

Lean and agile administrative processes enable staff to focus more attention to service and product experiences than to fighting internal systems with high inertia and unnecessary costs. This creates opportunities for increases in revenue and cost reduction. By focusing attention on the company's administrative processes, both profit & loss accounts and balance sheets can be improved.

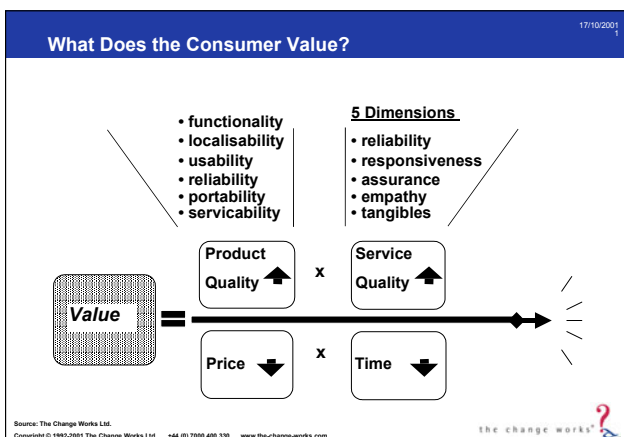


Figure 1



Why OFFSim®

OFFSim® uses action learning to explore the issues facing companies in these positions. It teaches participants that cost reduction is possible while improvements to service are made. It has been designed to, not only describe the theory, but also give participants an opportunity to try improvements in a safe environment.

By a process of exposure and examination we can reach new conclusions and reform our ways of working. At the heart of reforming our ways of working is the challenging of our mindset of how we should structure organisations.

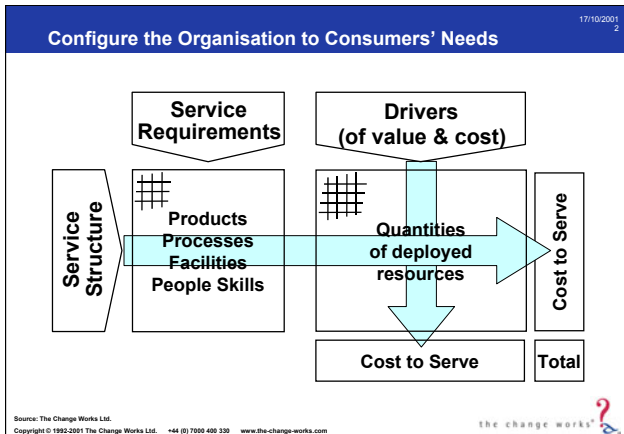


Figure 2

The structure of a service or administrative organisation should match that of its consumer. Resources such as people, facilities and cash are deployed according to best value and cost. In this way, consumer requirements and inherent priorities are serviced at an optimum cost to serve. OFFSim® illustrates the differences in service achievements and cost to serve by applying these new principles.

Improvements to office processes can borrow from factory principles such as Just-In-Time and Kanban. OFFSim® has been designed to assist participants to apply these techniques to expose waste and improvement opportunities that they can use within their own organisations.

How OFFSim® works

OFFSim® is a role-playing simulation in which teams of 8 to 11 people simulate the running and management of a repetitive administrative process. The simulation is played in upto 3 cycles with a facilitated debrief after each cycle.

During the simulation, the team has to supply products to meet customer demand. The simulation focuses on the administrative processes that support the supply of these products.

The purpose of OFFSim® is to demonstrate, and so help people understand the concept of Just-In-Time processing of an office administrative task to improve customer service. The simulation achieves this in the following way:

During Cycle 1, participants are exposed to:

- the problems and waste created by the traditional approach to office administration:
 - batch processing of documents
 - excessive document handling
 - high Work-In-Progress (WIP)
 - poor service quality

During the Cycle 1 debrief, the participants:

- put into practice an improvement process whereby they:
 - identify and structure the problems and wastes
 - generate potential solutions
 - select and implement changes

Through 2 further cycles & debriefs the participants:

- continue to apply the improvement process and rapidly move towards *World Class* office performance by:
 - introducing synchronous office flow systems
 - cutting costs through waste elimination
 - reducing lead times through process redesign

What it feels like to be a participant

The participative roles in OFFSim® are:

Internal Customer	Buyer
Clerk	Supplier
Goods Receiving	Purchase Ledger Accounts
Post Room	Office Administrator
Process Observer (x2)	Situation Observer
Team Observer	

During each cycle the Internal Customer places a variable demand for products onto the simulation's administrative process.

The team must procure the products to satisfy this demand.

At the start of cycle 1 the purchasing process is:

- primed with good quality work-in-progress (WIP)
- organised on a departmental/ office basis
- slow to react to the customer's requirements

These factors lead to service quality problems and an inability to satisfy the customer demand.

Over the 3 cycles of the simulation the participants must understand the problems, make assumptions, develop



solutions and implement changes so that customer demand is satisfied 100% in terms of service quality, cost and time.

Simulation Contents

OFFSim® comes in a strong case and contains everything required to run the simulation, including:

- Role briefs for each participant
- Bricks, place mats and all necessary materials
- Consumables technology for quality reproduction
- Quickstart technology to allow fast start-up



Figure 3: OFFSim® Contents

We supply the simulation with a comprehensive handbook to help workshop leaders and contains chapters that cover the subject overview, how the simulation works, managing the simulation process, learning points, case studies and business examples, Quickstart storyboard, and event checklists.

OFFSim® Learning Points

There are a number of detailed learning points that are brought out by each successive cycle of the simulation.

Process Understanding

The simulation demonstrates that a detailed analysis of the process highlights large opportunities for improvements, especially where excessive queuing is occurring. Participants learn:

- to identify what the customers want
- to understand the purpose of each process
- to understand how it fits into the service system
- to identify waste for elimination

Internal Customers and Suppliers

The simulation demonstrates that a cross-functional team approach enables better understanding of the customers' requirements and can lead to changes of task and procedure that improve performance. Participants learn:

- to understand the downstream customers requirements
- to involve these customers to improve service
- to understand the upstream suppliers requirements
- to involve these suppliers to improve service

Office Planning and Control

The simulation shows that functional office operations leads to sub-optimal performance of the total process even though different functions may be considered to be doing a good job by existing measure(s) of performance. Participants learn:

- to design the office for a flexible response to a known mix of *requests for service from customers*
- to design the process for synchronous flow of this mix of service
- to control using visible signals with the most simple process layout possible
- to that the office can be very like a Just-In-Time factory

Quality of Information

The information needed to satisfy a customer needs to be relevant, timely, accurate and organised. The simulation demonstrates the problems that can be caused when up-to-date, accurate information is not available. Participants have the opportunity to experiment with ways of improving information quality.

Customer Requirements

The increasingly competitive environment in which organisations do business demands improved customer satisfaction. Customers want to enjoy the *experience of service* as well as the physical deliverable of the request.

The simulation demonstrates that traditional office methods can be improved enabling customers to be satisfied through:

- significantly shorter cycle and lead times
- cost effective performance
- better service quality

Paperwork

It is evident that every additional piece of paper (document or form) increases the overhead costs of the company. Typical transactions are the recording of data, movement between offices, reading, filing and retrieving. These transactions are all examples of non-value adding activities.



The simulation demonstrates that with a detailed analysis of the data required the data form can be redesigned for each customer in the process. If the company can get acceptance that only one copy of this data is required for all, much of the paperwork to be eliminated.

Through assumption the participants in the simulation may even achieve a paperless office in Cycle 3.

Layout

The simulation shows that the reorganisation of processes into *cells* eliminates much of the need for paperwork because communication can be by visual or vocal means. *Virtual cells* enabled by information technology mean that physical location need not be a barrier to the service system.

Space and People Usage

The elimination of paperwork and the associated workstations releases large areas of space that can be more productively used.

The Benefits of OFFSim®

OFFSim® shows that:

- Operating with reduced lead times give greater flexibility and opportunities to better satisfy the customers' requirements.
- Examining how to reduce lead time identifies alternative methods of office organisation that allow companies to:
 - eliminate waste
 - work more simply with less paperwork
 - optimise office capacity to meet customer service expectations
 - apply rigorous analysis to identify and eliminate problems that have existed for a long time (eg Pareto analysis, Cause & Effect analysis, etc)

- Implementing any kind of change to traditional techniques needs:
 - a good process for unfreezing existing mindsets
 - a common language to change to
 - a clear new direction in which to go

Who Uses OFFSim®?

The Change Works simulations are designed to be used by those implementing changes inside a business or external companies engaged to provide expertise and implementation skills. These could be Trainers, Managers or Consultants.

Accreditation training is provided by The Change Works to assure the quality of the simulation play and to ensure the workshop leaders are capable of facilitating a first class event that achieves its objectives.

OFFSim® Vital Statistics

- OFFSim® is designed to illustrate administrative issues, unfreeze mindsets, educate, develop teams, and illustrate improvement opportunities.
- The simulation is provided with material for simulating the administrative process.
- The manufacturing operation has 8 roles; Internal Customer, Buyer, Clerk, Supplier, Goods Receiving, Purchase Ledger Accounts, Post Room and Office Administrator.
- Each simulation can accommodate 8 to 11 participants. Multiples of simulations can be played simultaneously.
- Quickstart presentations are provided for a 4 and 8 hour play. Workshop Leaders may adapt these lengths to suit needs.
- Workshop Leaders are trained and accredited to deploy the simulation.
- Language packs available.

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TCW Simulations

- KANSim® Visible production control
- LAYSim® Cellular Manufacturing
- NPISim® New Product Introduction
- OFFSim® Office & Service Processes
- PDM Pack Product Data Management
- PRODSim® Just in Time Manufacturing
- SCMSim™ Supply Chain Management
- SETSim® Machine Change-over Reduction

Minds Need to be Changed About the 'Office Business'		
	"Today"	"Tomorrow"
Office staff	Shuffle paper	Manage perceptions
Office processes	Add cost	Add value through information/ services
Right first time quality	Specify requirements internally	Deploy the "voice of the consumer"
Level of throughput	Forms/ day (everybody busy all the time)	Mix of customer needs/ day
Job control	Batches of forms	Flexible change of duties
Work flow/ people	Functional groupings	Service cells
Quality of "front line" service	Attitude of the service staff	Performance of the service system
Origins of service quality	Quality of products (ie output)	Quality of the service design (ie process)

Source: The Change Works Ltd.
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Figure 4