

[www.rubiconassociates.com](http://www.rubiconassociates.com)

We are delighted to announce that our new website is now up and running at the above address. We hope you will like it: please do visit and let us know what you think. We will be adding new material soon, including articles, case studies and materials from our work. If there is anything you would particularly like to see, do tell us.

Our main article for this edition is by Jeff Martin, outlining "Lean Service Design", a new dimension to Rubicon's work which we find very promising and exciting.

We are also pleased to introduce three new consultant members of Rubicon, whose expertise and enthusiasm are already benefiting their new colleagues and our clients.

## Alan Mossman

Alan is an organisation development and process improvement specialist with a background in architecture and



management education and development. He joined Rubicon to work on lean construction projects but he has experience in manufacturing and service businesses too in the UK, elsewhere in Europe and in Africa and the Far East. A skilled *action learning* facilitator, Alan has supported groups learning on-the-job in a range of

organisations. With his experience of service functions in local government, oil and gas, furniture and elsewhere, Alan is a valued addition to

the Rubicon Team. He has edited publications on process improvement and deployment flowcharting, written articles on customer and employee involvement, outdoor management development, self managed learning and is currently editor of the lean construction website and of the UK Deming Newsletter.

## Andrew Scott



Andrew Scott is a business technology consultant. He joined Rubicon to combine the insights of the Rubicon brand of organisational development with the potential of contemporary information technology. Formerly a managing consultant with a 'big 5' consultancy, Andrew has a track-record of implementing consumer self-service and call centre solutions within major retailers and information media organisations in the UK. His collaboration with Rubicon is concerned with helping firms and their supply chains become more integrated and more flexible.

In terms of Andrew's contribution, this means working with clients to crystallise and oversee the implementation of an integrated, real-time view of enterprise information and streamlined business operations. Many firms are exploring the use of application server, EAI and Web Services technology to integrate with standard business software applications in theirs and their partner organisations. The Rubicon difference is our insight around how to design the future state of our clients' firms to get best value for the investment.

Andrew is developing a current client portfolio and is combining consulting with interim executive work.

# Rubicon's Lean Service Design

## An Industry In Transformation

**What stops a bank or an airline from selling gas and electricity, or a major utility from providing full banking and travel services? In the near future, nothing. Aided by new technologies and methods, the traditional Service Industry is attempting to evolve and converge into a new economic entity called *Total Relationship Management*. With a trusted brand name built on easily accessible, enjoyable, innovative and competitive customer experience interfaces which are seamlessly integrated with speedy and reliable delivery processes and systems, any organisation in the future will be able to provide any service, or package of services – travel and entertainment, insurance and finance, utilities and communications, procurement and trading, administration and technical advice, etc. – to any customer or group anywhere at anytime.**

**T**hat's the dream. Full realisation will only become possible, however, when businesses can harness their energy and develop the capability to integrate their people, processes and systems into transparent and highly agile total-service streams. In such an emerging scenario, only those businesses which can initiate and maintain high quality, complex and customised portfolios of service provisions, and which at the same time can make customers feel trust and confidence in their company's competency and competitiveness, will survive. Lean Service Design, as developed by Rubicon Associates, promises to deliver such capability.

### Learning From Experience

During the last few years Rubicon Associates has been active in translating our successful approach to Lean Manufacturing into one

appropriate for the service sector. We have implemented Lean Service Design projects in banking and insurance companies, and for a major multiple utilities provider. Our experience has taught us that the modern service industry presents new and major challenges to existing methodologies for Lean business transformation.

The universal ideal of service organisations worldwide is to establish a seamlessly automated setup, maintenance and transfer system for all customer files and accounts, as well as to automate all customer communications. However, the continual and accelerating change in IT systems, coupled with constant changes in both customer expectation and business requirements over the last 30 years, has resulted in a less than ideal situation for automated services. End-to-end automation has been achieved through a "bolting" together of old and new systems of

various standards and origins. This has in turn led to a high percentage of data validation and cross-database mismatches in the best of systems. Add to this the amount of error and re-work generated by the remote, fragmented, qualitatively inconsistent call-centre approach to data capture and input prevalent today, and it is understandable why a large proportion of a modern service company's resources get allocated to re-working data fallout and its associated customer service issues.

Due to the above phenomena, a certain dynamic of controlled chaos reigns across much of the service sector. Because the central focus of most service organisations has become the maintenance and management of customer interactions and accounts via major IT systems, and because a significant proportion of customer data "gets stuck or falls out" of these systems in a multitude of places for a multitude of reasons, the primary (and simple) end-to-end economic processes become obscured, and in many cases completely hidden. Where intelligent and skilled staff, enabled by flexible IT systems, should be serving customer needs quickly, efficiently and completely, they are instead merely serving the requirements of inflexible systems. The majority of service workers are either at the front end of a system trying to put data into it (or only preparing it for others to feed it in) or they are active in trying to "unstick" data arrested on its journey through the system, or they are busy trying to push data back

in that has fallen out of the system, or they are passing data on for others to deal with.

This is how the chaos gets established. Its full development arises, however, through the fact that, because the systems are central and the people are peripheral, these putter-inners, unstickers and pushers-back have usually been assembled – through an historical process of fire-fighting and ad-hoc solutionism – in unaligned, incongruent and fragmented work groups spread out across departments, sites, and countries.

But we said this chaos was controlled. The control has been established through the counting and batching of workflow and the establishment of local, individual performance targets. This is, however, merely apparent control. It might be known exactly how many “pieces of work” someone has done and how long they took to do it, but it is usually not known how much of this work was actually re-work in the first place and if its execution actually brought a customer any closer to being satisfied. This approach also, unfortunately, encourages people who feel the push of the reward system, rather than the pull of the customer, to pass work off to others in order to hit their personal targets.

Therefore we have learned to focus Lean Service Design projects on four major areas of business improvement:

### **Work Process Transformations and Transactions:**

Lean Service Design provides a framework for specifying customer value, lining up value creating actions in the most efficient sequence, conducting these activities without interruption and performing them more and more effectively. Thus providing customers with exactly what they want, with

optimum human effort, equipment, time and space at an agreed, competitive price.

**Organisational Structure:** Once all non-value adding activities have been eliminated from its work processes, a business’s work groups and management can then be structured according to the end-to-end reality and dynamics of whole business processes, rather than according to sub-units or departments. Such organisational divisions hide the true nature and quality of the economic process from its service providers, as well as from their customers. Lean Service Design includes a specific methodology for achieving lean organisational design – where skilled Business Process Teams are formed to execute complete business processes on a right-first-time basis.

**Workflow Management:** Business Process Teams should be able to plan, implement and evaluate their own work on an intelligent and responsible basis, thus eliminating such non-value adding activities as sorting, counting, batching, and transporting work around and across sites.

**Performance Monitoring:** In a Lean economic system everyone working in a Business Process Team takes responsibility for the process’s end results – as experienced by its customers – and the quality and flow of communication within such teams reflects this common responsibility. Results are monitored on customer satisfaction metrics rather than fragmented, local and personal targets.

The full integration of the above aspects of Lean Service Design with the development of appropriate automation strategies is the ultimate aim of Rubicon’s approach to

continuous improvement, development and innovation in the Service Industry.

## **5S for Construction**

Brian Swain, John Rutter, Alan Mossman and Jane Edmonds have been working to create a 5S program for construction sites with Mace, one of the lead project management firms in the UK construction industry. This is another step in Rubicon Associates’ Lean Construction initiative which began four years ago with Hathaway Roofing and Prismo.

5S is a disciplined, organised approach to the control of a working environment. It is made up of a few simple steps which, when followed systematically and persistently, will transform a work environment into a clean, safe productive place in which people can work with pride. The 5S programme becomes an important tool in the Lean Construction Tool Box for helping construction companies throughout the UK to take control of their site management in such a way as to stabilise operations, eliminate waste, improve performance and communication. With this programme companies will have a structured process for continuous improvement at site level throughout construction. Until now this has been a fundamental obstacle for ongoing improvement.

In the case of Mace and the BAA projects at Stansted and in their health club division, the 5S programmes will be enhanced by the implementation of partnering relationships with the key suppliers and their subcontracting teams. The combination of structured improvements from the 5S programme and the leverage of long term working relationships should generate some exciting results. Stay tuned for the results of our currently running pilots.

### Rubicon offers: Specialist Consultancy Services

Lean Transformations  
Value Stream Development  
Interface Management  
Organisation, Team and Job Design  
Coaching Networks  
New Product Introduction Systems  
Personal and Vocational Counselling  
Cultural and Relationship Surveys  
360° feedback

### Integrated Learning Programmes, Seminars & Workshops including:

The Quality Improvement Learning  
System  
Lean Thinking  
Developing Supply Chains  
The Winning Contract  
Career Transition

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## Rubicon hosts Emerging Futures workshop

Strategic leaders from organisations in the UK, Germany, Holland, Denmark, Norway, Switzerland and Brazil attended a workshop organised in November 2001 by a Rubicon-led, international group of consultants. Focusing on the theme 'Leading in the new economy: Sensing and seizing new opportunities', the workshop invited participants to take time away from their organisations in order to gain new perspectives and stimulate new ideas and directions for their business activities.

The workshop programme was inspired by research undertaken by Claus Otto Scharmer (Massachusetts Institute of Technology, Society for Organizational Learning) into the rapid change, high-speed innovation and continuous new product development which characterise the digital economy. The theoretical input was complemented by a range of tools and techniques to take participants on a learning journey – which

included visits to leading-edge companies The Alloy design consultancy, Amadeus Capital Partners, Draper Fisher Jurvetson venture capitalists and Zoom.co.uk – to stimulate shared learning, increased self- and opportunity-awareness, and idea generation. Comments about key learning points from the seminar included the following:

- "It is more possible to envision/look into the future than I thought!"
- "The concepts are built on profound archetypal truths/dynamics."
- "[I became aware of] the importance of relationships, the power of focus and commitment."
- "[I realised the] responsibility I have with these new insights to me, to my environment. [I now have] the tools to work on the improvement."

Rubicon and its partner consultants in the Emerging Futures venture are planning further workshops, for individuals and teams, for 2003. For further details please contact us at [EmergingFutures@rubiconassociates.com](mailto:EmergingFutures@rubiconassociates.com).

### Belinda Hammond

Belinda Hammond, who has recently joined Rubicon, has specialised in the field of career development since 1990. She works with individual clients and with groups focussing on a wide range of career management questions. She has worked in South Africa, the UK and Japan with adults



from 18 to 80 years of age. Her career has spanned the areas of training and development, administration, marketing and adult education. Her goal is to empower

individuals to find work that matches their values and skills, allowing room for growth, challenge and creativity.