



## TOOLKIT 29 – REMOVING PROCESS BLOCKS AND DISCONNECTS

- ❖ **Boost the efficiency and effectiveness of your business.**
- ❖ **Remove the 'silo syndrome'.**
- ❖ **Build cross-functional empathy and collaboration.**

No business is just a collection of people. It is also a collection of processes, many of which may have never been really managed. In most businesses they just sort of evolved over the years. Nobody took responsibility for designing them and nobody makes sure they perform like they should. Pick one, say, your customer service process. Check it out.

Chances are you will find no one person is in charge of the process – lots of people have their fingerprints on it, but no single individual is accountable for the overall process results. Is this any way to run a business?

## **STORY – JUST TOO LATE!**

A colleague was called in by a manufacturing company based in Sheffield, to help them to improve their lead times. They were losing customers because they had a 6-week lead time and their competitors could deliver in three weeks. Their deliveries were just too late.

My colleague calculated that the four manufacturing processes employed to produce the product took just six minutes in total.

The product was standing as work in progress between the four processes for over five weeks. So the business was adding value to the product for six minutes and adding cost for almost six weeks. He found that the six weeks was made up of process blocks between several departments.

E.g., order processing took three days before passing the information on to production planning. Production planning took two to three days to plan the order and then the components stood four days between the individual production processes.

He helped the business to remove the process blockages and reduce the lead times to one week. This gave the business competitive advantage.

As the MD said, 'We can now deliver just in time rather than just too late...'

Most process improvement lie at the boundary lines both vertical and horizontal. You find them in the white space. Bill Gates states: 'A lousy process will consume ten times as many hours as the work itself requires. A good process will eliminate wasted time.'

The quality guru Edwardes Demming said, '96% of all problems are not caused by people but occur because of poor systems and processes.'

Eliminating process blocks and disconnects gets rid of boundaries and when the boundaries disappear, most of the politics, 'too busy' excuses and delays, disappear as well.

Many of the problems that businesses face internally are created by the lack of co-operation and communication between departments. As one MD put it, 'we have more competition internally than we do with our competitors in the market place.'

Another said, '90% of our problems would disappear if we talked to each other more internally.'

The 'silo syndrome' is created when departments and teams have more diligence to their own team than the business overall. They show little interest or care for departments or teams in other parts of the business.

Sales get an order and 'throw it over the wall' into planning who 'pass it on' to production who then give it to dispatch. The lack of communication or business focus between the departments eventually leads to lower levels of customer service externally.

It is reported that customers are five times more likely to leave because of poor business processes than of poor products.

Process blocks and disconnects occur at the intersection between departments or functions. They either don't see each other as internal customers or they do not co-operate very effectively with other teams internally. This creates major blockages and problems.

### **STORY – THE AMERICAN HEALTHCARE SYSTEM**

In the USA the performance of hospitals are published in league tables. Your chance of success from a procedure such as an operation varies quite dramatically between hospitals. For example, it could be 90% in one hospital and 50% in another.

The wide variation in results for the same operations was investigated to try to explain the difference.

Initially the researchers thought it must be down to better surgeons, or more investment, or better equipment, but none of these seemed to explain the differences. Eventually the researchers looked at team working between surgeons, nurses, administrators and healthcare workers. Surprisingly, this did correlate and explain the differences.

So removing the process blocks and disconnects and encouraging cross-team working, was literally making the difference between life and death.

**Here is how to resolve the problem of process blocks and disconnects and improve your processes:**

#### **STEP 1**

Get your team leaders or department leaders together:

- Tell them you want to improve the service to your customers, reduce internal problems and improve efficiency.
- Undertake the ground rules exercise in the 'Fixing system slippage' toolkit 28 in order to create the right working environment.

**STEP 2** Complete the 'Creating a vision for your business' toolkit 8 together.

This will create an overall vision for the business rather than the current focus on departmental goals.

**STEP 3** In order to achieve your business's vision get your department heads together again:

- Ask each one to state what they want from the internal customers either side of their teams e.g., ask production planning what they need from sales (upstream from them) and production (downstream). Get them to list their requirements e.g. 8 hours notice of changes to the production schedule or customer requirements outside the normal spec, confirmed in writing.
- Then get them to state what they actually get in practice i.e., need customer requirements confirming in writing but ... this rarely happens so mistakes are made and customers complain.
- Encourage them to change their practice in line with their internal customer requirements e.g., you need the planning information by 2.00 pm Wednesday so we will ensure now that you get it (now we understand why you need it by that time).
- Be prepared to find some really stupid disconnects and blockages. In 90% of cases they occur because of poor communication and therefore a lack of understanding and not people being deliberately difficult. Sometimes it down to a lack of shared standards i.e.:
  - Sales promise delivery in 10 days
  - Production thinks it's 15 days
  - The MD wants it to be 5 days
  - Finance don't care 'We just send out the invoices' ...

So agreeing the company's standard for say delivery in 10 days is sufficient to clear away many blockages and disconnects.

TIP: If you really want people to co-operate rather than compete ensure the reward system supports the process.

## EXAMPLE

An engineering company on Tyneside reviewed their process blocks and disconnects. The company was promising delivery of components within 5 days and 100% of deliveries on time to their customers. The sales team was selling service but the bonus scheme for the production department was based on volume. The production team made what gave them the biggest bonus and consequently ignored the sales team's customer service promises. The bonus scheme was changed and the customer service levels improved dramatically.

### STEP 4

You may find that a process has not been fully developed or people have a different understanding of how it works. They are clear about their bit but not how it works out with the sales team. If this is the case then get your department heads or their nominees to design a process together based on the needs of the business – not their particular interests.

### STEP 5

Set up regular team meetings between the department heads to monitor the 'new internal customer agreements' and deal with problems.

TIP: It is normal for the agenda of meetings to move from problem solving to planning. This is a very positive indicator that the process blocks and disconnects have been removed.

# TROUBLESHOOTER

## POTENTIAL PROBLEMS

## SUGGESTED REMEDIES

Identifying blockages between departments, gets personal and people get into 'defend attacking' mode.

1. *Tell them up front this might happen and that you won't stand for it.*
2. *If a real problem occurs, stop the meeting, take the protagonists to one side and read them the riot act.*

Internal team leaders are unable/unwilling to identify any internal process blocks.

1. *Appoint a small review team to audit the processes and identify the issues.*

People perceive the change as discretionary or the internal culture is too ingrained.

1. *Conduct an external customer perception survey to provide evidence of the need to change.*
2. *Calculate the cost benefits of the improvements to the business of making changes.*
3. *Consider rewarding people by sharing any improvements with them.*

Personality clashes create blockages.

*Get them to co-operate or 'change the personalities'. Remember no individual is more important than your business.*

## REMOVING PROCESS BLOCKS AND DISCONNECTS

### Step 1

The output from 'Fixing system slippage' (toolkit 28) states;

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### Step 2

The 'creating a vision' (toolkit 8) states;

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**Step 4 – Agreed actions to mitigate issues**

Team .....

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Team .....

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**Step 5 – Monitoring**

**Delivery**

<b>Action</b>	<b>Date delivered</b>

**Slippage**

<b>Action</b>	<b>Remedial action required</b>	<b>Date to be completed by</b>