

Profiting from Australia's huge **hidden** productivity and customer service opportunity

Three weeks away from pinpointing a performance leap

**Australia and NZ patents apply to XeP3, US &
Canadian patents pending**

Business strategy has two components:

- **Define what to do, including:**

- Market
- Products/services
- Location
- Delivery mechanism
- Resource & equipment needs

- **Deploy the change:**

- Define and implement the changes needed to the activities which the staff and management (and partners) do in business processes....
- Change/re-engineer/re-align business processes

Interface Mapping experience 400 client projects across 4 continents

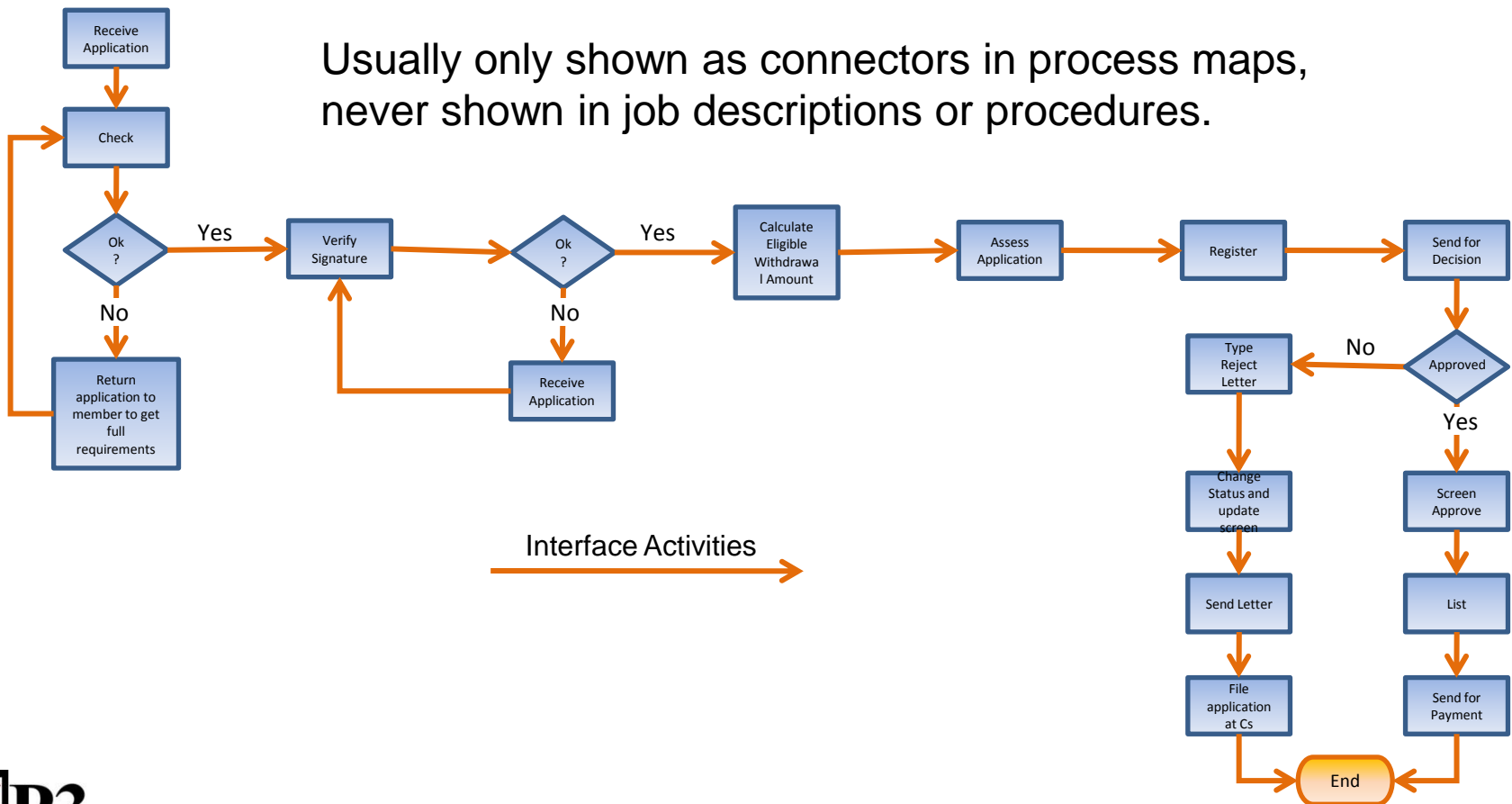
Most sectors, multiple organizations e.g.: **ANZ/Westpac, Khan Bank/Barclays, Amcor/Visy, Heinz/Mars Food Group, World Vision/Lighthouse, GE/Siemens, Dept of Defence/CASA, Sydney Airport/Hong Kong Airport, Shell/BP, Pacific National Rail/British Rail, Australia Post/Telstra, Royal Children's Hospital/Southern Health, Pacific Brands/Laminex, Medibank/AXA, Esanda/BT, Komatsu/Autoliv, Westfield/Myer, Saporu/New Zealand Breweries, Aurora Energy/ETSA, BHP/Santos...**

In the last 5 years:

- Data base -117 organizations
- Engaged all13,657 staff and managers to document everything they routinely did
- Each organization typically in less than 3 weeks
- 395,832 activities
- 1,775,377 hours each month
- \$1.45bn annual cost

Firstly - No organization rigorously maps interfacing activities – vital to enable ‘stuff’ to be passed through organizations

Usually only shown as connectors in process maps, never shown in job descriptions or procedures.



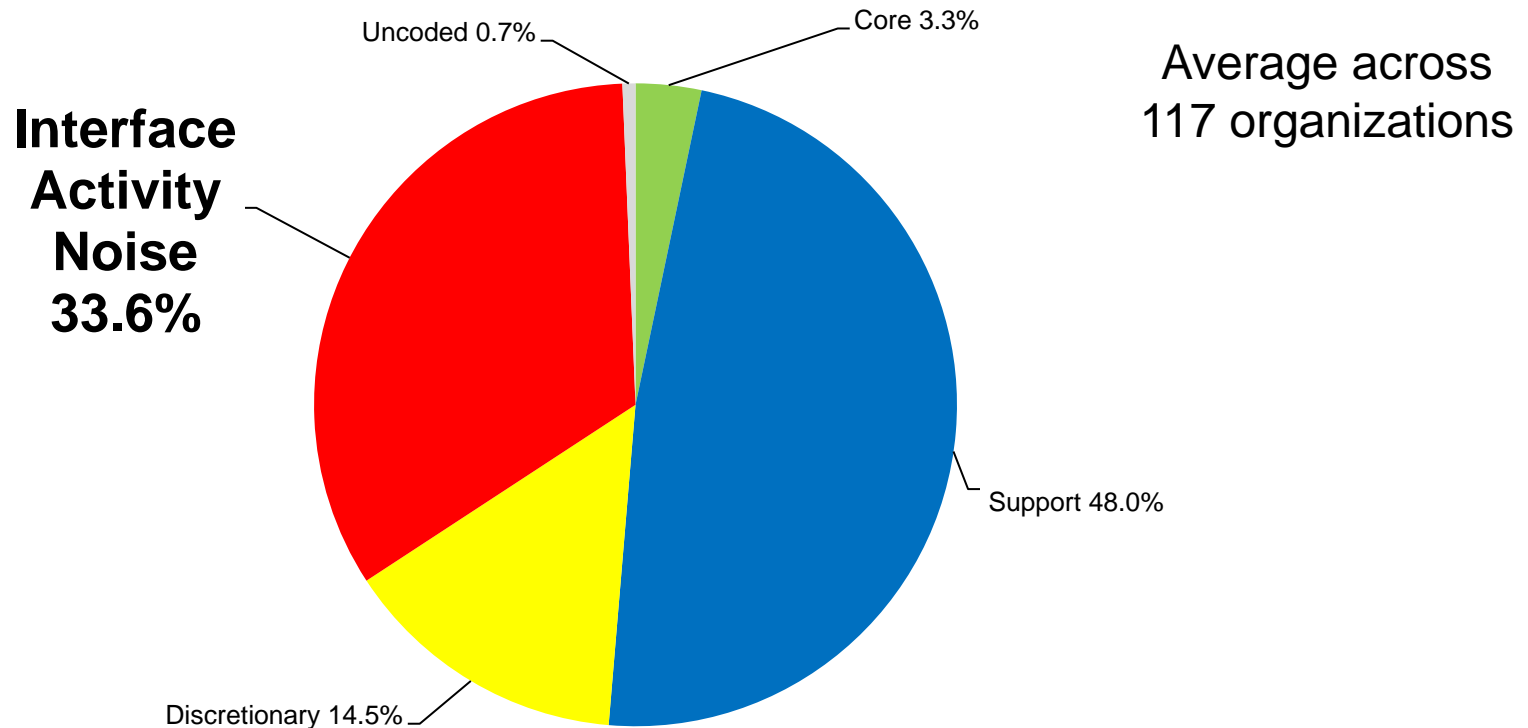
Secondly - the 'hidden' interfacing activities *outnumber documented activities 3:1* – in this example one process mapped activity expands to 14.

How step	Conduct general withdrawal applications checks	Hours Per Month Across 9 staff members
1	Open livelink to check for members signature and other details	9.6
2	If signature and other details do not match, query application, update comments and assessment sheet	10.0
3	Check bank account details (bank statement attached to members form)	12.7
4	If required email Finance division to validate bank statement/account	6.6
5	If bank confirms that account is not valid, update comments on s	
6	Check for proce	
7	Press F3, then F	
8	If fees are not paid, then query for processing fees, update comments on system and assessment sheet	5.3
9	If fees are paid but not updated in the system, insert receipt number	6.5
10	Press ALT F2 to attach receipt	4.1
11	Check if photocopied documents submitted are certified true copies	7.1
12	Ensure that certification is by lawyer or if staff sights original then name of staff must be printed next to signature	6.9
13	Contact customer to discuss if any missing requirements	14.5
14	If request is outside guidelines then reject application.	8.2

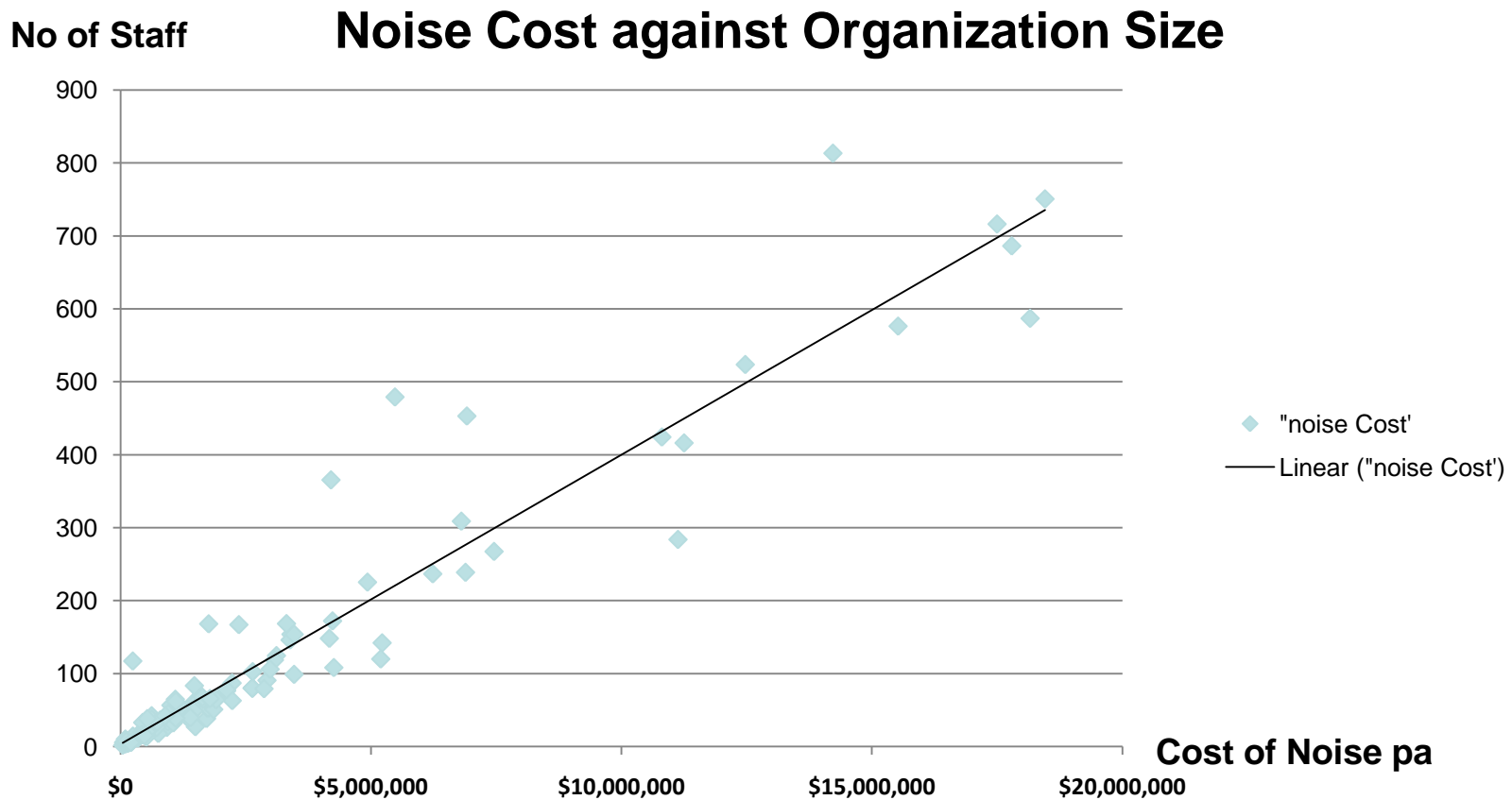
- Receive Application
1. Receive application
 2. Check
 3. Return to member to get requirements
 4. Verify signature
 5. Issue 7S or member to resign
 6. Calculate eligible withdrawal amount
 7. Assess application
 8. Register
 9. Send for decision
 10. Type reject letter
 11. Change status and update
 12. Send letter
 13. File application
 14. Screen approve
 15. List
 16. Send for payment

6.6 hours per month = \$4,125 per annum

Thirdly - Interface mapping matters, 33.6%, $1\frac{2}{3}$ days out of every 5 worked is wasted.



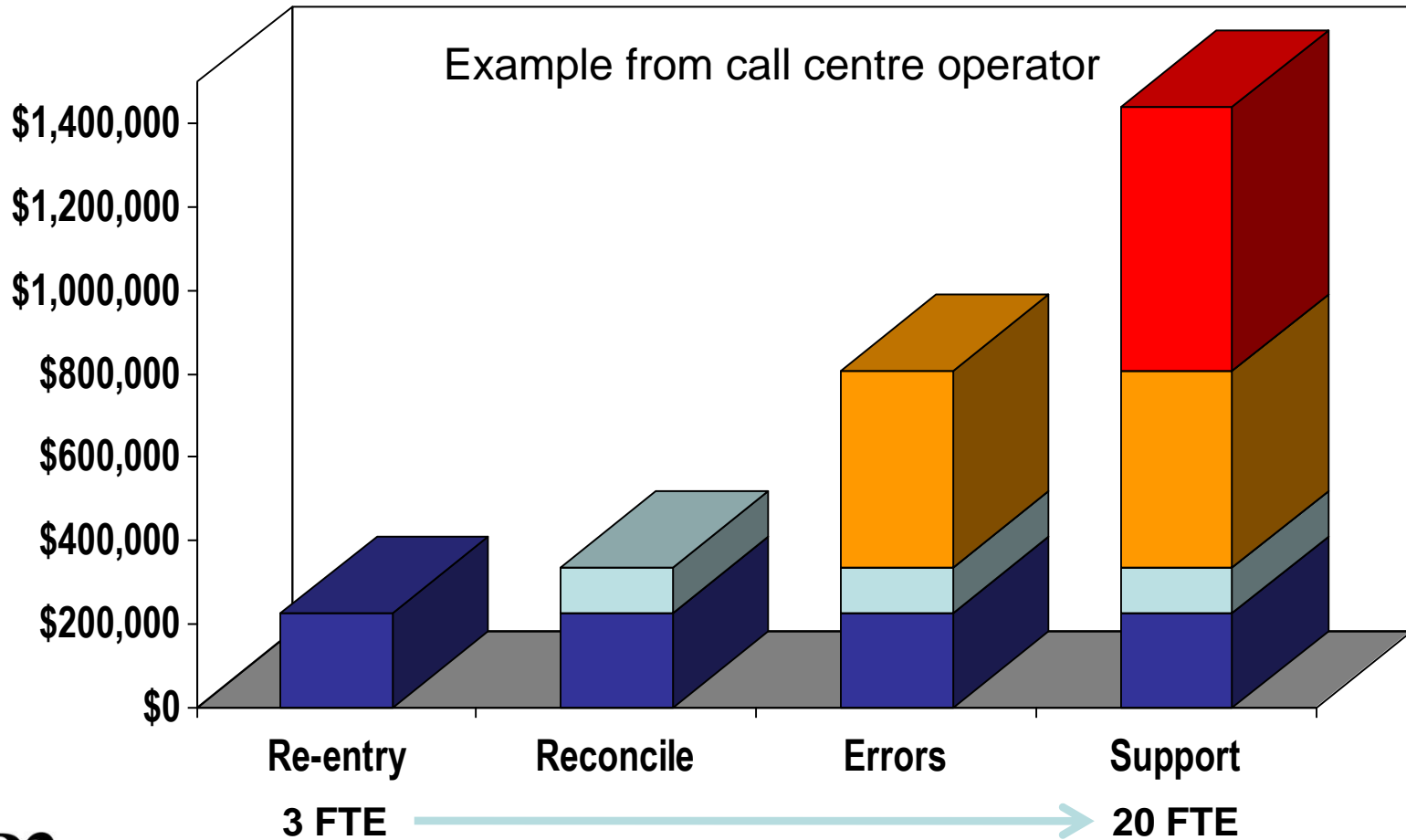
This waste costs about *\$25,000 per employee per annum*



So organizations commit \$25,000 per employee per annum to:

- wreck customer service,**
- upset employees &**
- reduce performance**

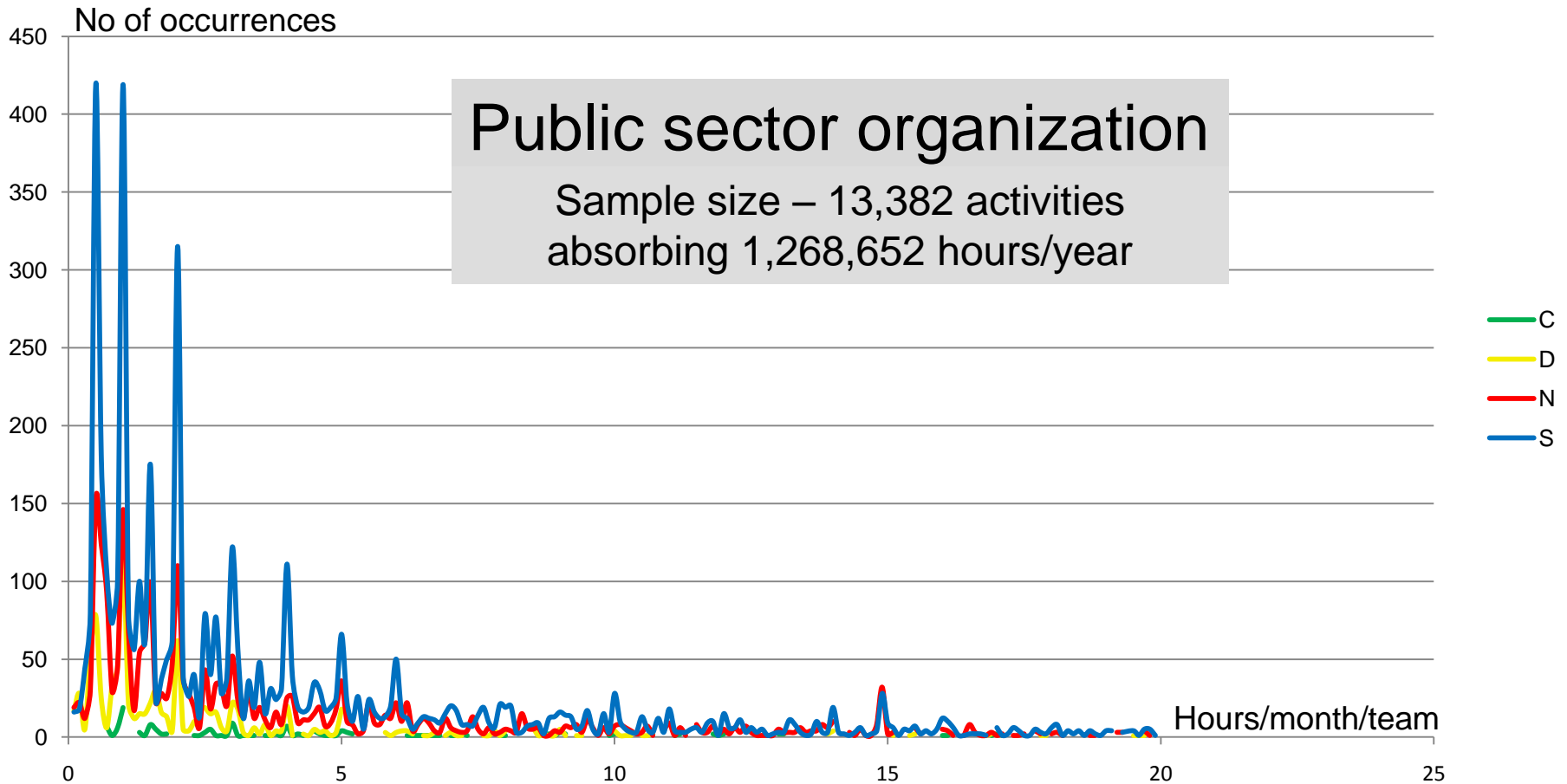
Fourthly - (& the good news) – the *main* interfacing activity noise drivers act like a virus – so *preventing them entering has huge impact* – in this instance 7:1



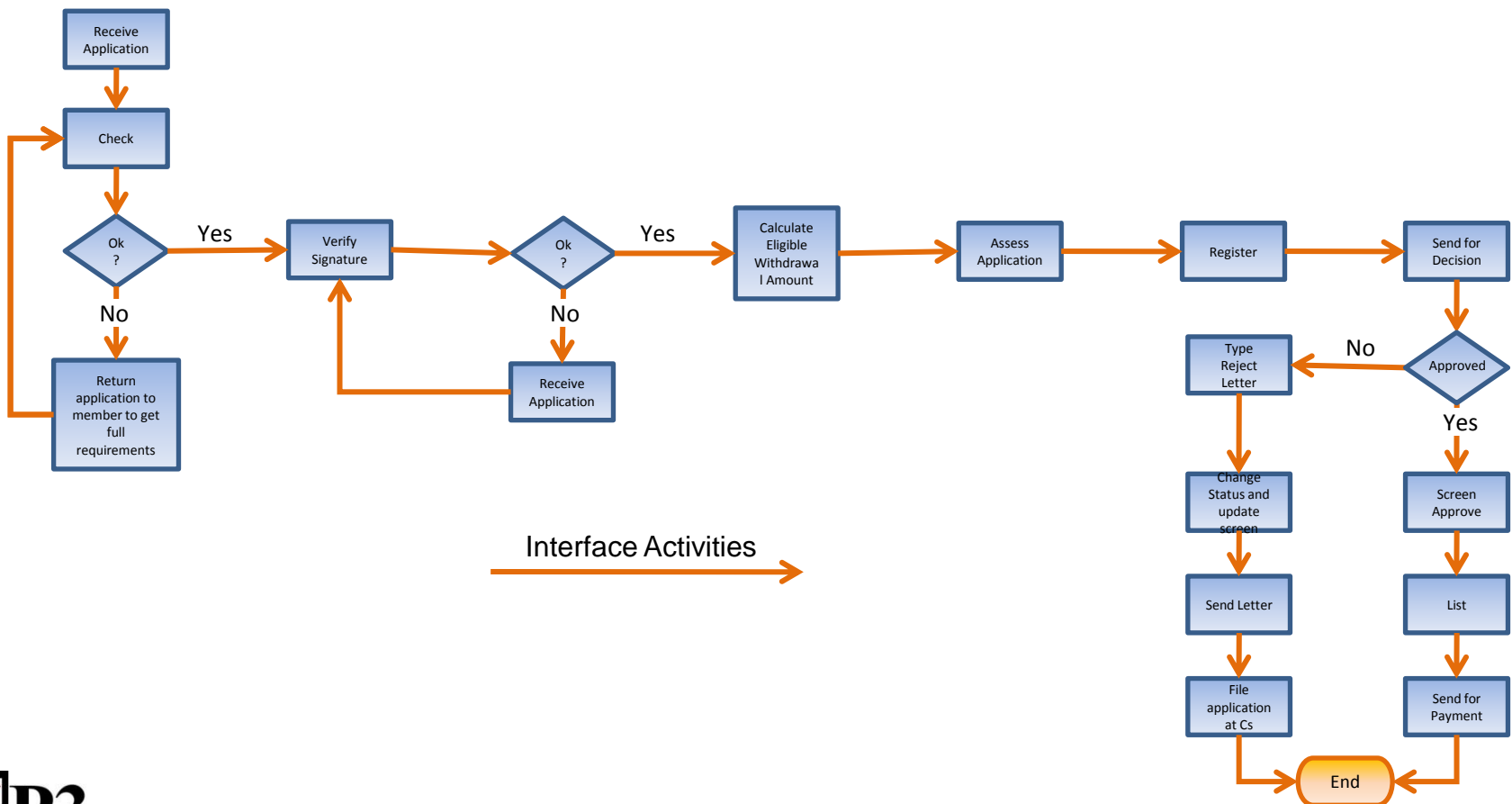
Interfacing activity mapping is essential to changing business processes & deploying strategy

1. **NO** organization rigorously maps the interfacing activities which enable 'stuff' to be passed through organizations
2. Undocumented interfacing activities outnumber documented activities 3:1
3. Interfacing activity **noise** on average absorbs $1\frac{2}{3}$ days per week per employee – or \$25,000 per employee per annum
4. Eliminate the main drivers of interface activity noise at source - invest a little and get a lot back.....

Organizations ignore interfacing activities because: *a) each incidence is small*



Organizations ignore interfacing activities because: *b) the tools are unsuited to the task*



The standard XeP3 Pareto driver analysis points to both priorities and solutions

Step No	Step				Cat	Hours	Activity (Noise) Driver	1 Customer Service	3 Information	7 Data Entry	8 Records Processing	12 Withdrawals	14 Payments 1	15 Payments 2	17 Member Benefits Management
Totals						3,489.8	0.0	1,098.11	134.06	135.87	65.0	1,059.18	500.5	461.5	15.6
	C	S	D	N	CSDN										
% Hours:	0.0%	25.4%	20.1%	54.5%	99.9%										
Total Hours:	0.0	879.9	696.5	1,891.4	3,487.7										
pa Cost:	0.0	0.0	0.0	0.0	0.0										

Top 10 Activity (Noise) Drivers for this Process		
19	Lack of electronic document management system for withdrawals causing hard copy of transfer of customer information	6.0%
8	Inadequate customer knowledge of FNPF's withdrawal policy and guidelines and inconsistent application by FNPF staff	4.4%
2	Lack of system capacity to have a large number of employees logged in at once causing slow transition of screens	3.7%
		3.5%
		2.8%
		2.4%
		2.4%
		2.2%
		2.2%
		2.1%

of 3468 hrs = 208 hrs/mnth = \$142,800 p.a.

of 3468 hrs = 76 hrs/mnth = \$53,200 p.a.

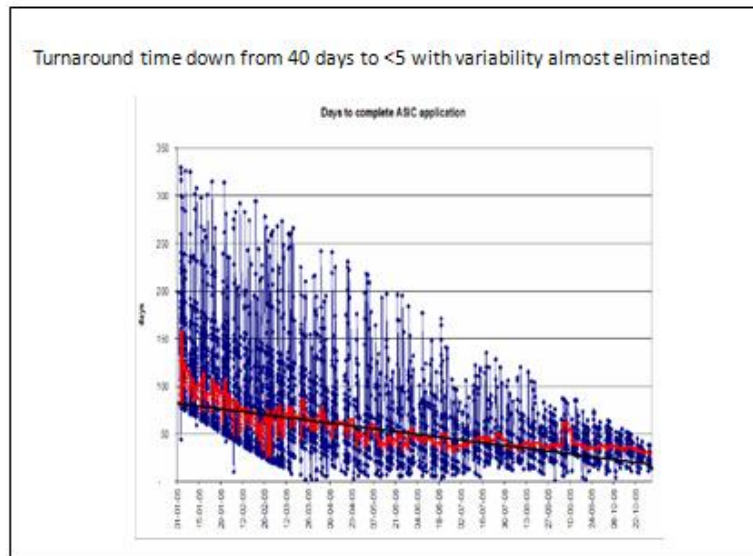
Fully addressing top 15 drivers (out of 97) would yield \$921,000 p.a. out of total salary bill of \$2.303m And this was just one of 15 business processes

Interface mapping does not take forever....

Action	Weeks	Deliverables
Interface map the business	3	Categorized functional and interfacing activity data base. Noise levels. Engaged staff with developing understanding of micro to macro principle.
Build each key process from data and analyse	2	Pareto list of drivers and agree priorities
Plan & conduct workshops with involved employees to develop solutions priorities	ongoing	implement
Monitor progress against measures	ongoing	

Expect – dramatic improvements in *customer service*

Customer Service



Civil Aviation Safety Authority

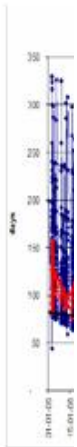
Business Outcomes:

- **Response time:**
85% reduction
(40 days to under 5 days)
- **Customer Complaints:**
Eliminated

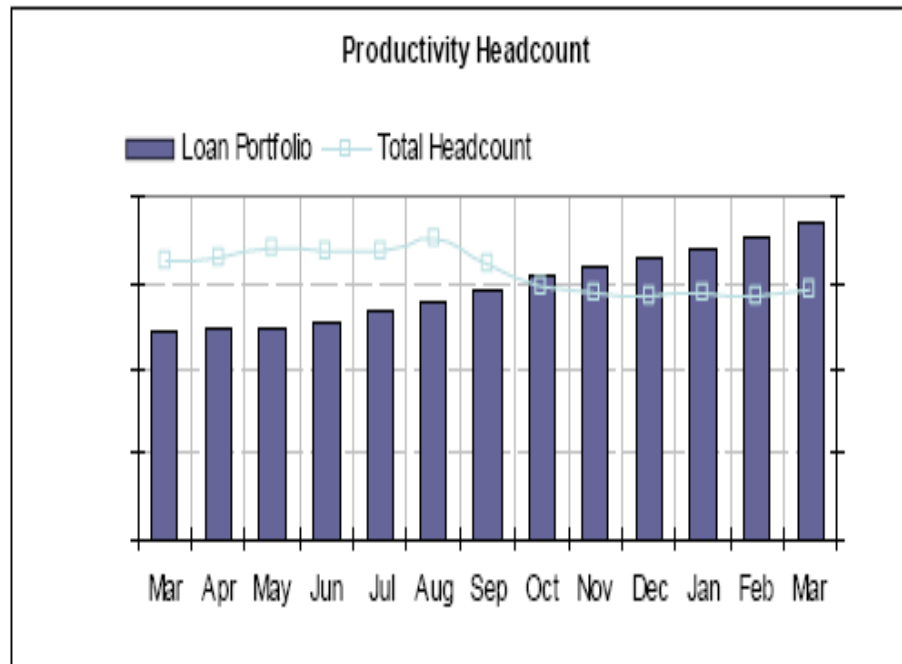
Expect – dramatic improvements in: customer service &/or productivity

Customer Service

Turnaround time down from 40 days to <5 with variability almost eliminated



Productivity



Unisys

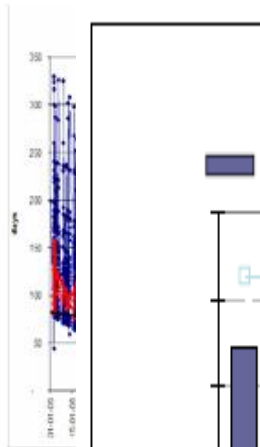
Business Outcomes:

- **Volume Throughput:**
11.3% increase
- **Cycle Time:**
15 – 42% improvement
(depending on service line)

Expect – dramatic improvements in: customer service,= &/or productivity &/or sales/margin growth

Customer Service

Turnaround time down from 40 days to <5 with variability almost eliminated

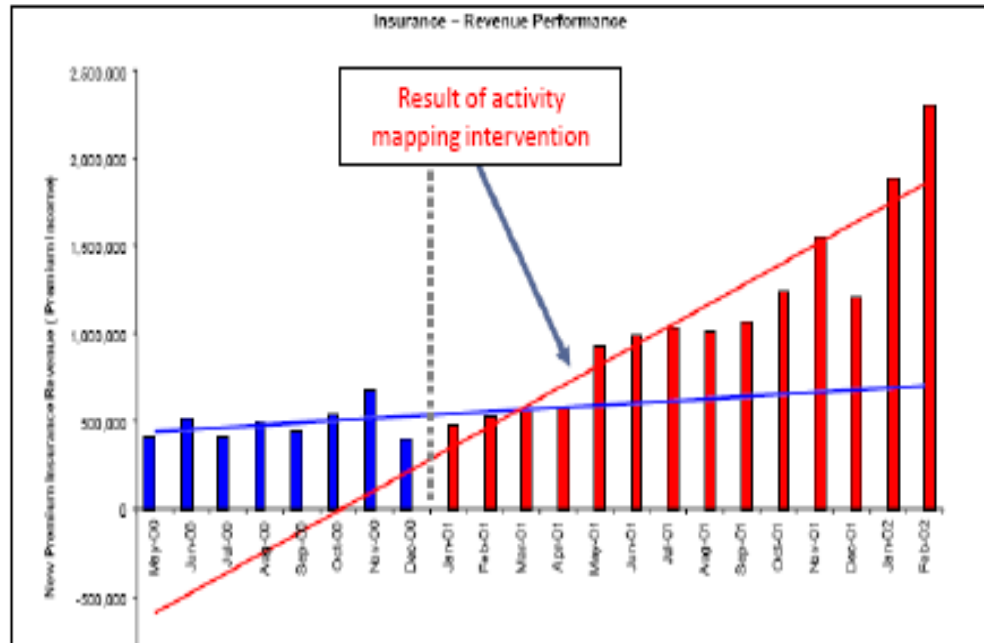


Productivity

Productivity Headcount



Sales/Margin Growth

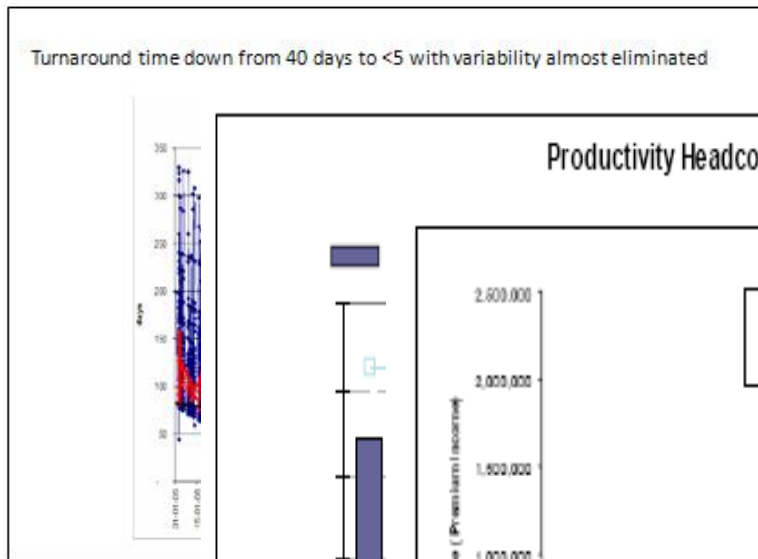


Insurance

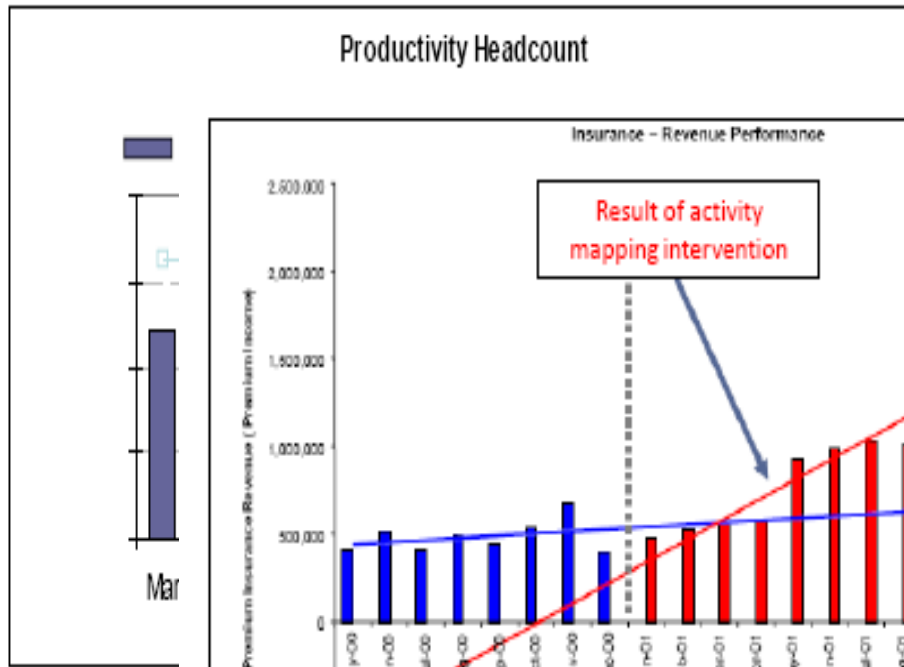
- Revenue: **450%** ↑

Expect – dramatic improvements in: customer service &/or productivity &/or sales/margin growth .. *AND ALWAYS* raise employee satisfaction & understanding.

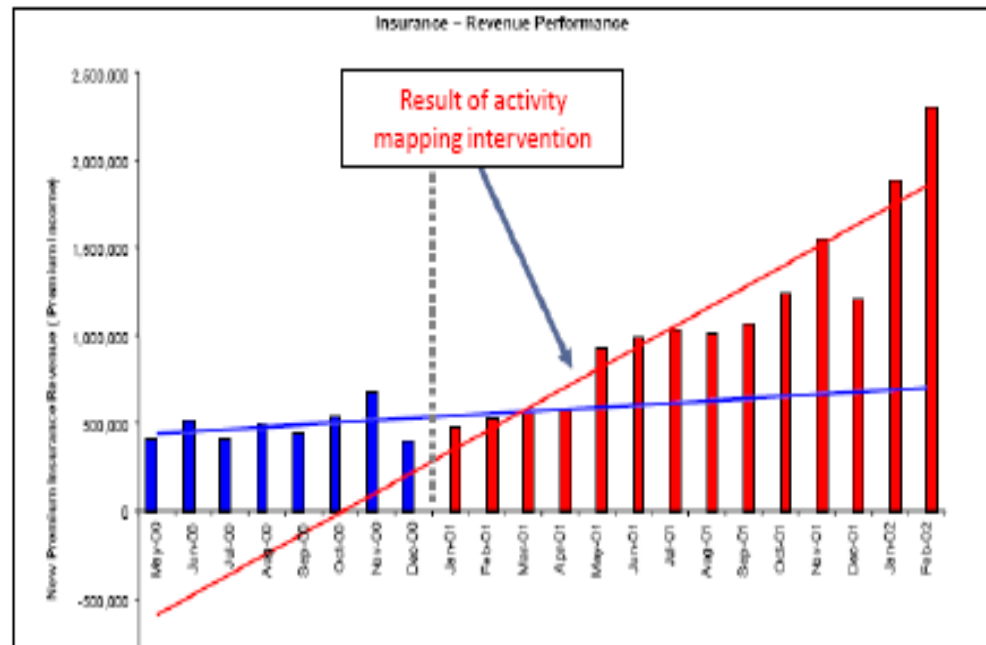
Customer Service

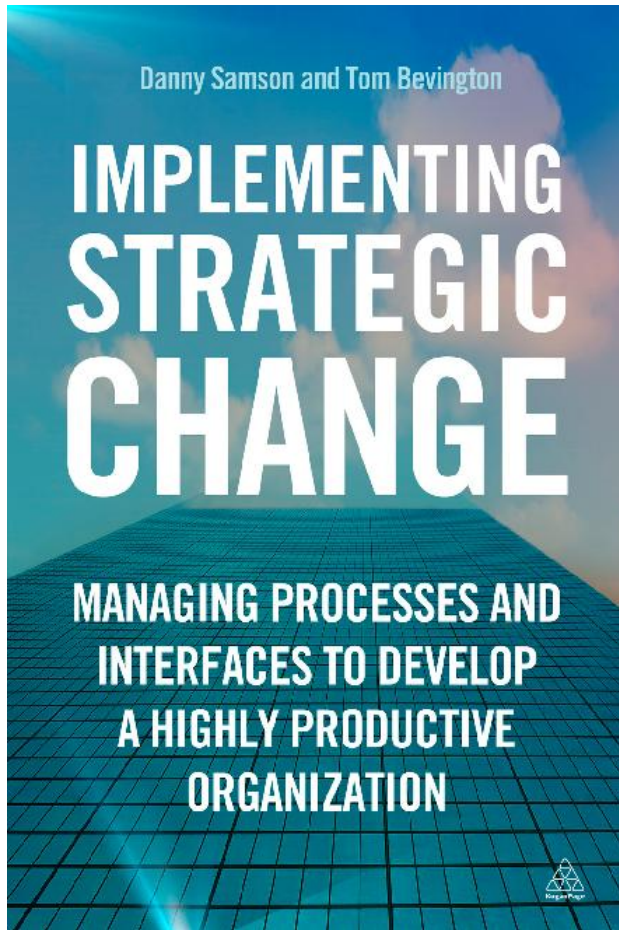


Productivity



Sales/Margin Growth





Supporting material for this booklet
from upcoming book,
Implementing Strategic Change.

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Kogan Page, London.

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BEVINGTON GROUP

PERFORMANCE OUTCOMES DELIVERED



**Australia and NZ patents apply to XeP3, US &
Canadian patents pending**

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