Grant Thornton

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Lean in the back office: a platform to drive growth

Shannon Chamber briefing

November 2015

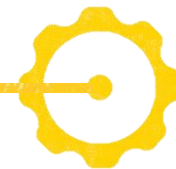Elaine Daly

Agenda

Lean in the back office
The Grant Thornton approach
Case studies
Q&A

Lean in the back office

a platform to drive growth

1

Organisation structure

Does your structure effectively and efficiently support the needs of your business?

Are your best people doing what they are best at?

2

Strategy and planning

Do you have a clearly defined and communicated strategic plan?

Are you in a position to measure the impact of strategic initiatives?

3

Business intelligence (BI)

Does your organisation operate blind or on inflexible, out of date information packs?

Do you make informed business decisions based on sound, timely information?
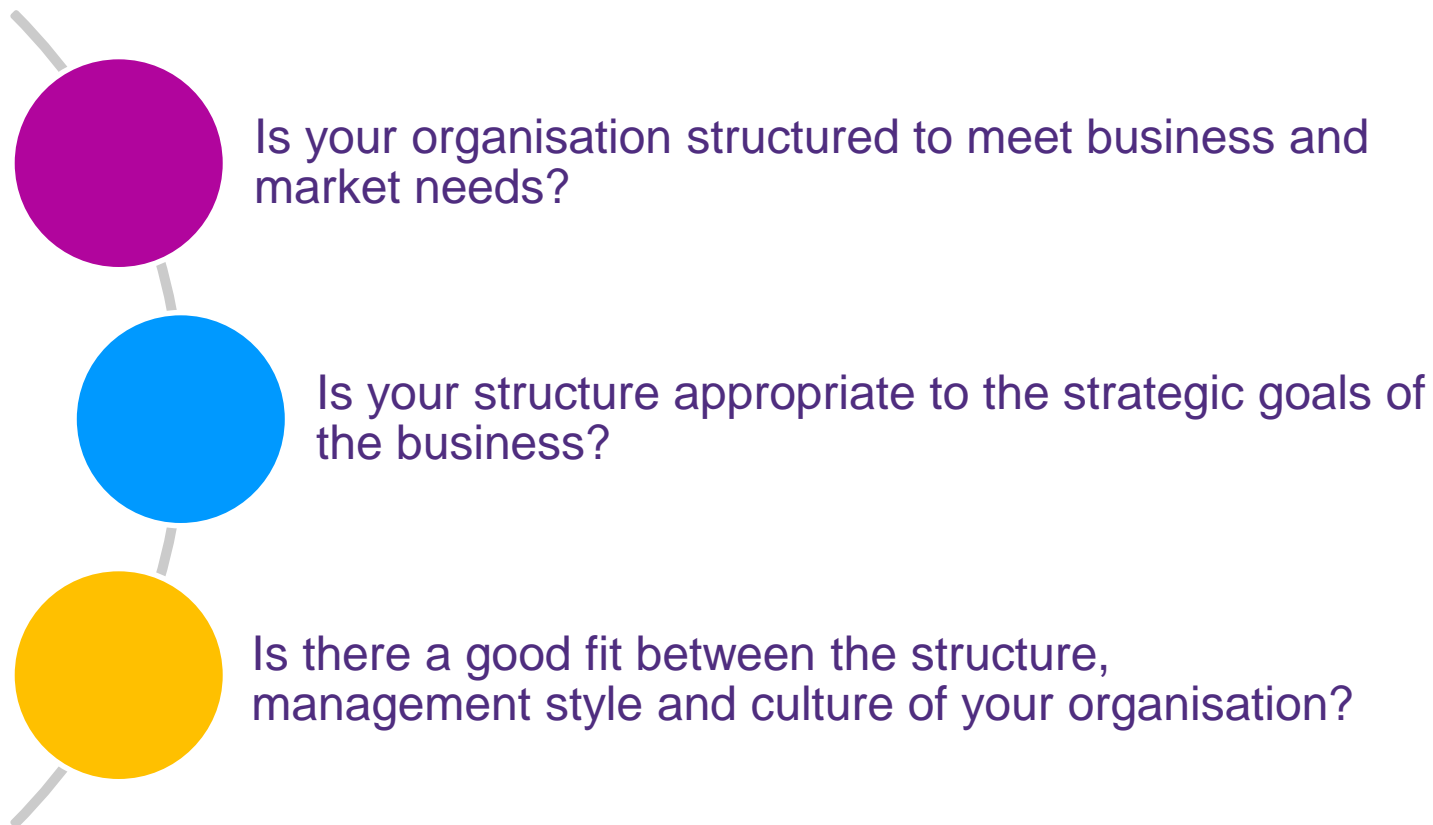
4

Process review

Does every step in your business process add value to your organisation?

Is there potential to automate, eliminate, streamline or simplify current process?

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Organisation structure

Organisation structure

Is your organisation structured to meet business and market needs?

Is your structure appropriate to the strategic goals of the business?

Is there a good fit between the structure, management style and culture of your organisation?

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Are your best people doing what they are best at?

winning competitive advantage through people

Attract
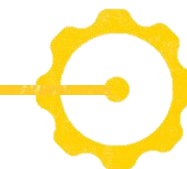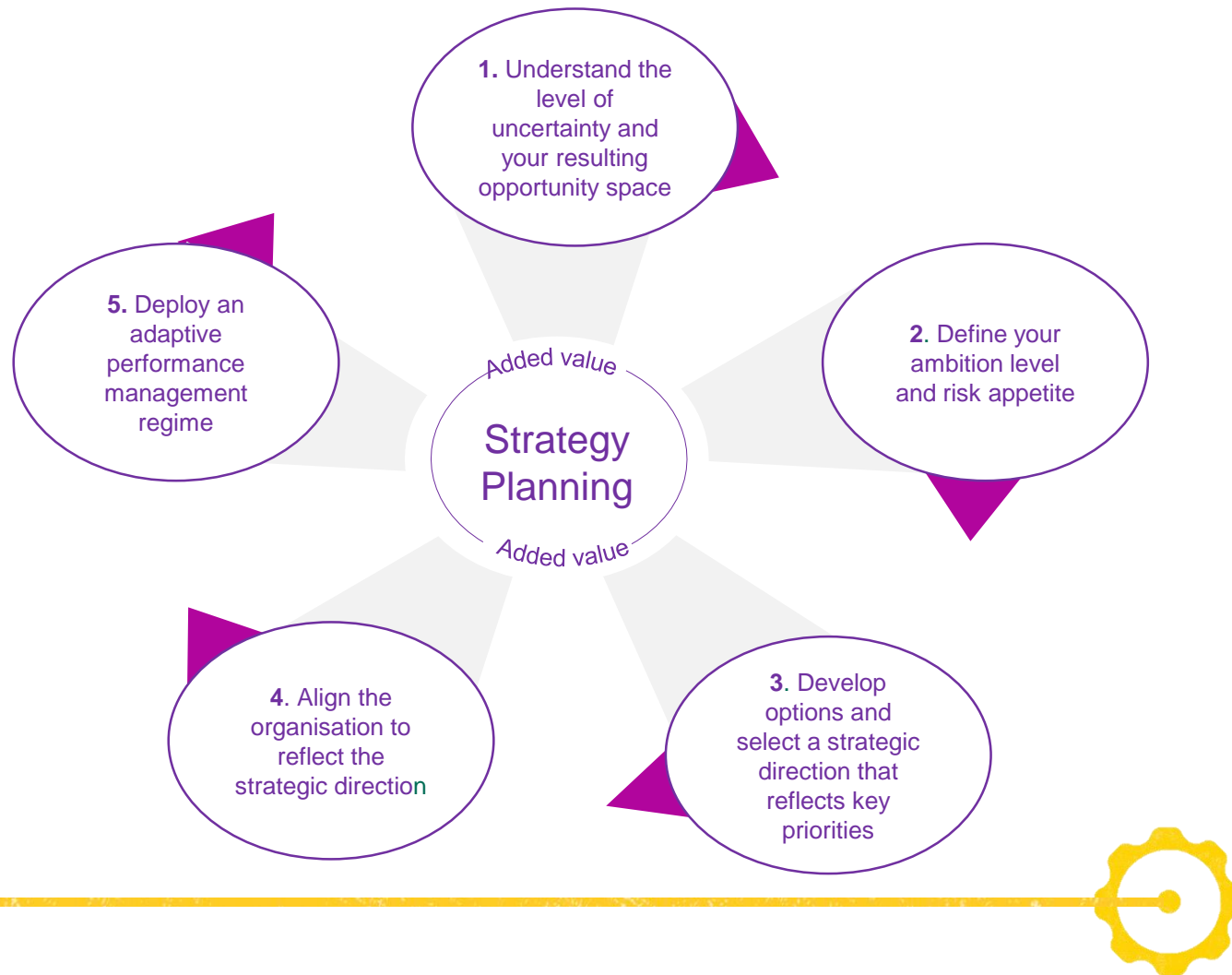
Retain

Manage
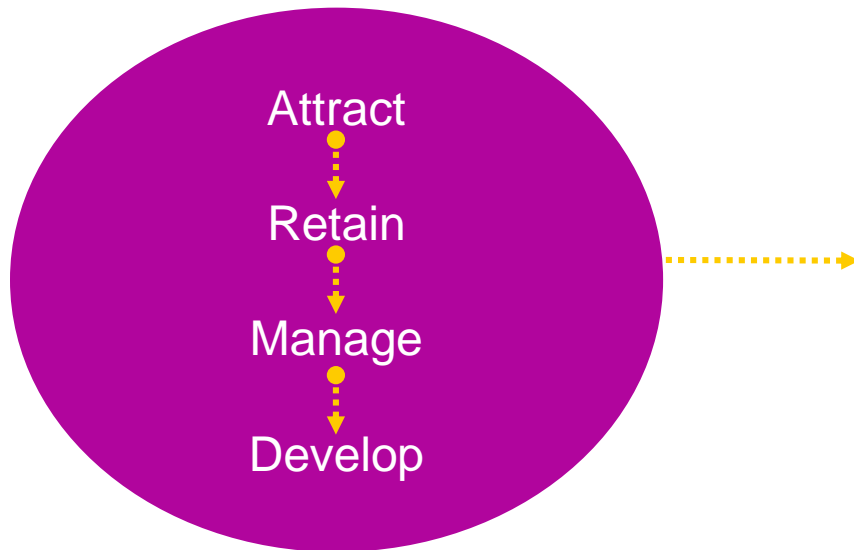
Develop

- building a high performance workplace
- a highly motivated workforce, with business goals that are shared and understood
- encouraging a culture of learning and development
- adding value to the 'employer of choice' and branding agenda and
- driving profitability and growth.

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Strategy and planning

Strategy planning

Steps for creating a strategic plan

1. Understand the level of uncertainty and your resulting opportunity space

2. Define your ambition level and risk appetite

3. Develop options and select a strategic direction that reflects key priorities

4. Align the organisation to reflect the strategic direction

5. Deploy an adaptive performance management regime

Added value

Strategy Planning

Added value

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Strategy planning

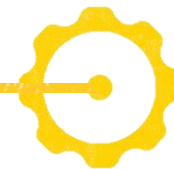## Translating your strategy into profitability

- Understand relative value of activities versus time and effort
- Understand peaks and troughs in workload
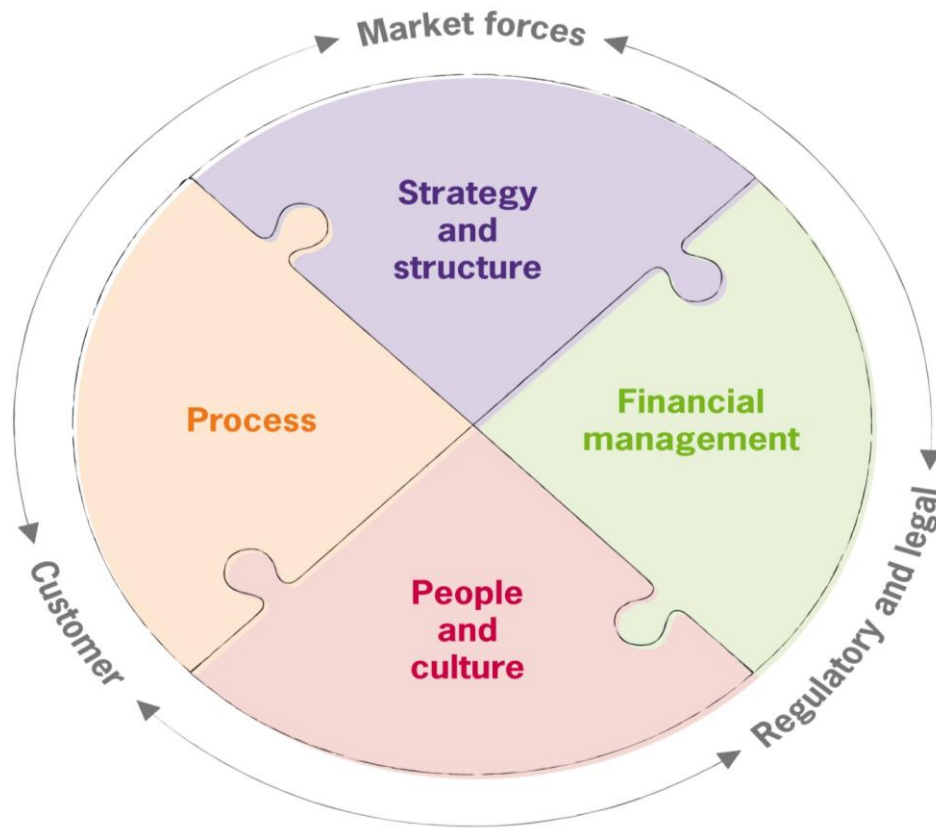- Eliminate waste
- Have the right data and KPI's available
- Proactively plan, remember the best plans change

Business intelligence

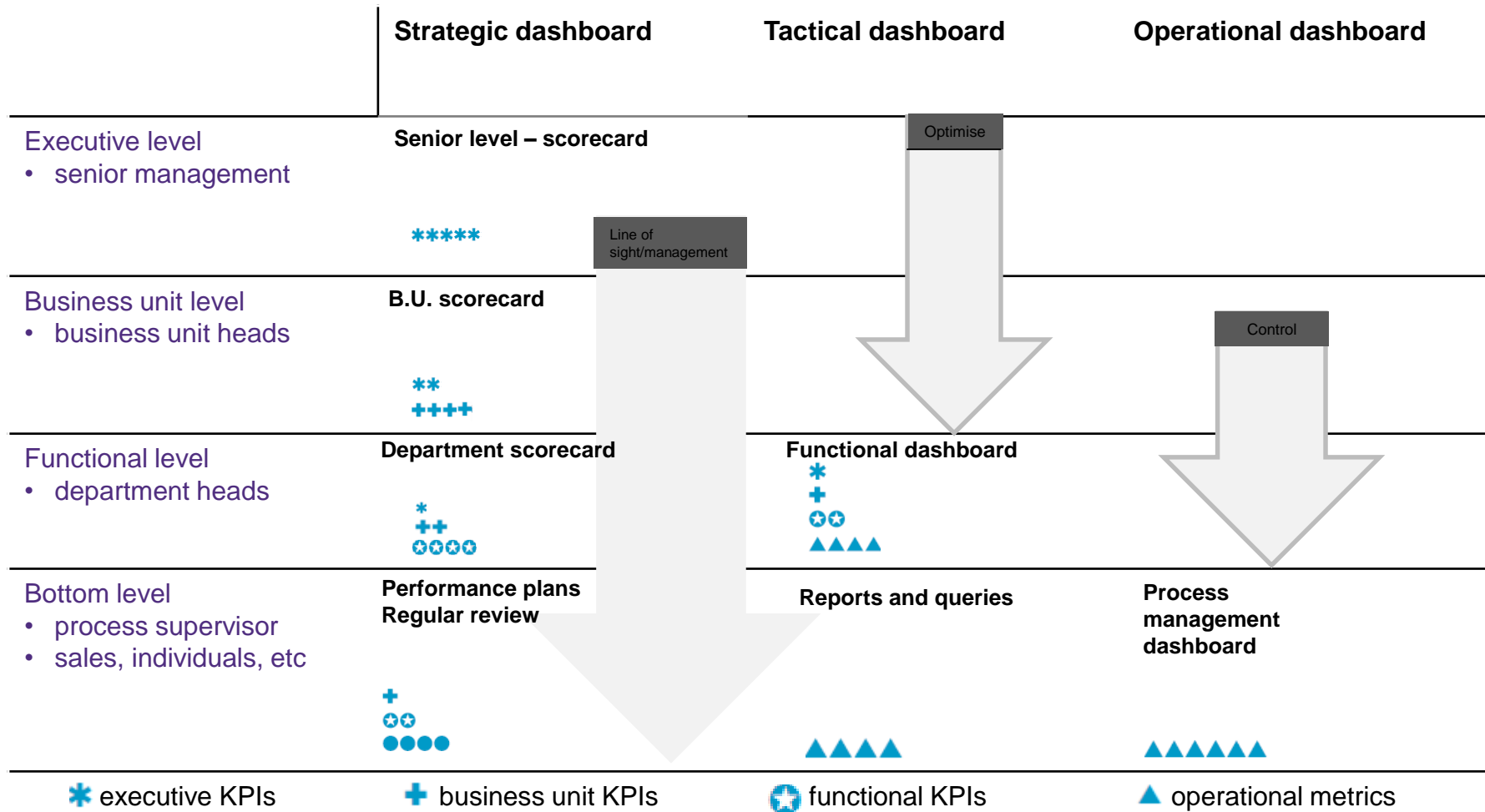# Smart businesses navigating complexity
the KPI approach

KPI's: A set of quantifiable measures that a company or industry use to gauge or benchmark performance in relation to their strategic or operational goals

KPI – driving accountability, responsibility and reward

	Strategic dashboard	Tactical dashboard	Operational dashboard
Executive level • senior management	**Senior level – scorecard** ✳✳✳✳✳	Optimise	
Business unit level • business unit heads	**B.U. scorecard** ✳✳ ✚✚✚✚		Control
Functional level • department heads	**Department scorecard** ✳ ✚✚ ✪✪✪✪	**Functional dashboard** ✳ ✚ ✪✪ ▲▲▲▲▲	
Bottom level • process supervisor • sales, individuals, etc	**Performance plans Regular review** ✚ ✪✪ ●●●●	**Reports and queries** ▲▲▲▲	**Process management dashboard** ▲▲▲▲▲▲

Line of sight/management

✳ executive KPIs   ✚ business unit KPIs   ✪ functional KPIs   ▲ operational metrics

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Process review

Process review

Benefits of conducting a process review?

Why map processes?

- to describe the current way of working (As-Is)
- to engage employees and seek their views
- to analyse the performance of a process
- to determine roles and responsibilities
- to define risks and controls
- to capture 'best practice' for business processes
- to improve and redesign processes (To-Be)
- to serve as a 'blueprint' for implementation of a uniform, standardised way of working.
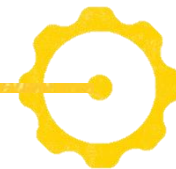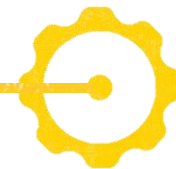
Introduction to process mapping

The basics – tools for the job
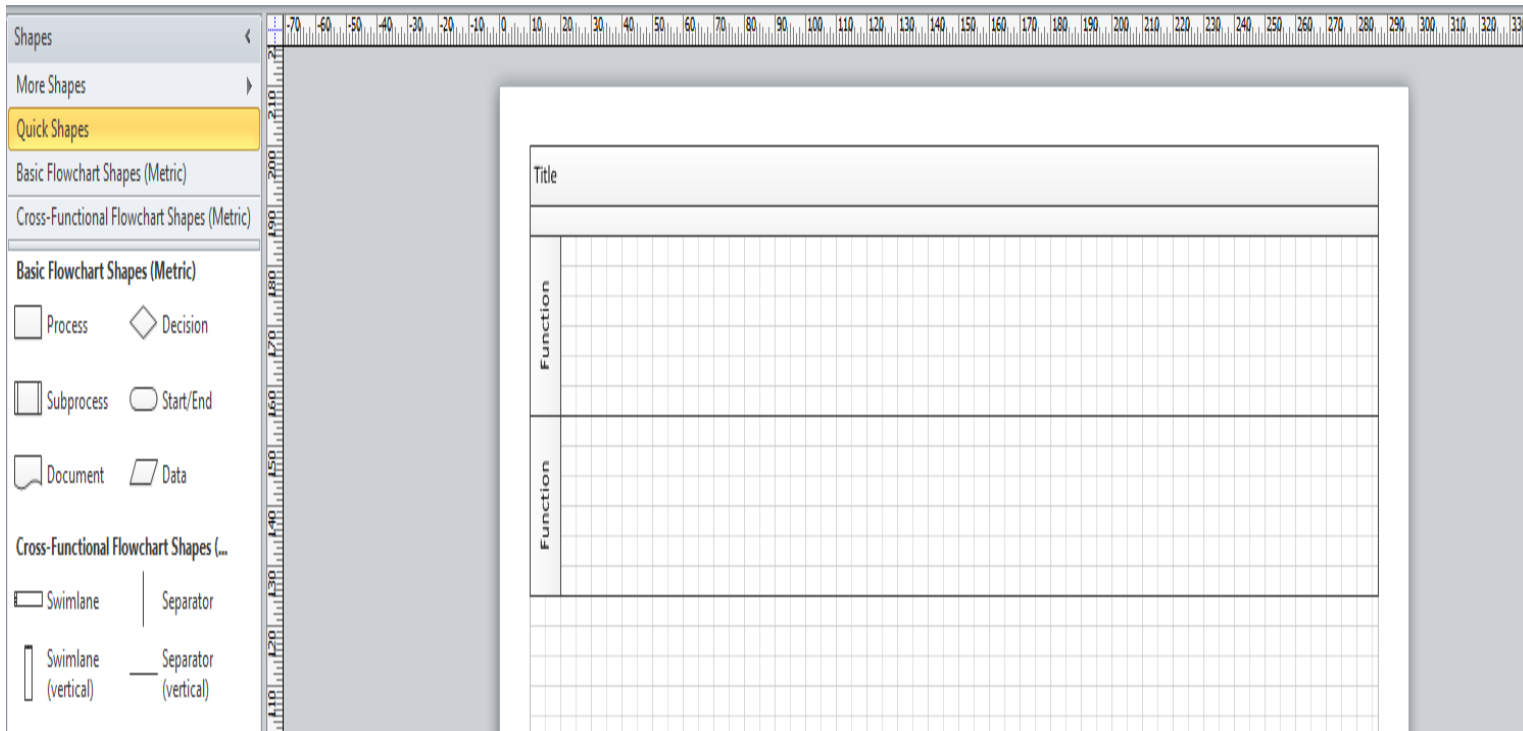
Keep it simple, start with pen and paper, then move onto a process mapping tool such as Microsoft Visio

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The
Grant Thornton approach

Five criteria for project success

1   senior leadership champion the project

2   employee engagement at all levels

3   there is a clear plan in place

4   staff are clear on tasks they are responsible for

5   mechanism in place to ensure the plan is executed.

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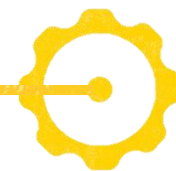
A methodology proven to meet your needs

robust DMAIC / Six Sigma approach

1

Define

What's important - what is the purpose and scope of the project?

2

Measure

How you're doing - how are things done currently?

3

Analyse

What's wrong – what are the causes of the current problems?

4

Improve

By fixing what's wrong – what is the plan to fix the problems?

5

Control

To guarantee performance – how to ensure the fixes stay in place?

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Lean in the back office - a cross-functional effort

Marketing

Customer Service

IT

Lean back office

Human Resources

Finance

Distribution

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Some of the tools we use

Puzzle pieces:
- Project charter
- Fishbone / Ishikawa
- 5 why analysis
- Value stream mapping
- Brainstorming
- Kaizen
- SIPOC / COPIS
- Pareto
- FMEA (Failure Modes and Effects Analysis)
- Control charts
- Kanban
- VOC (Voice of the Customer)
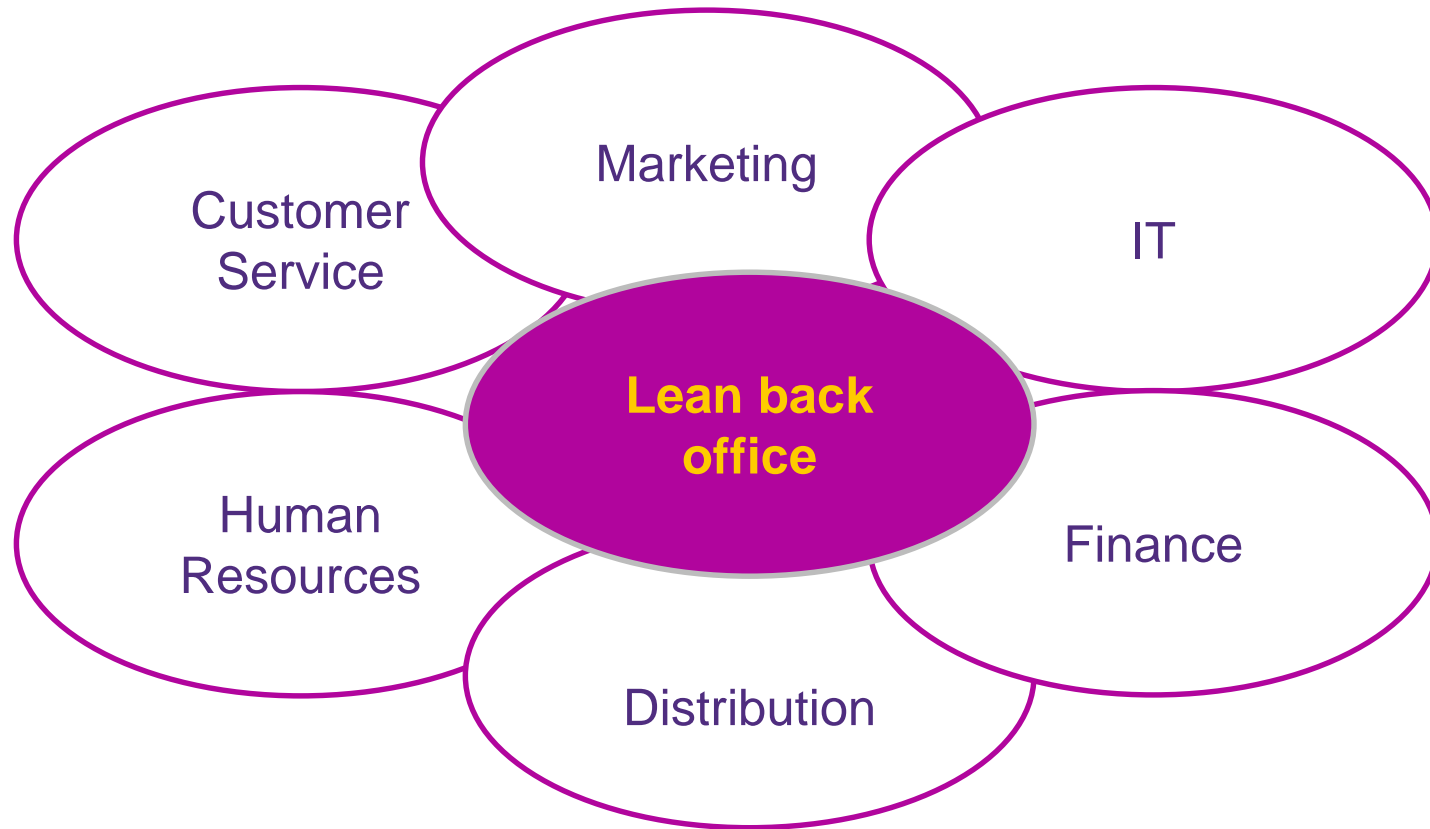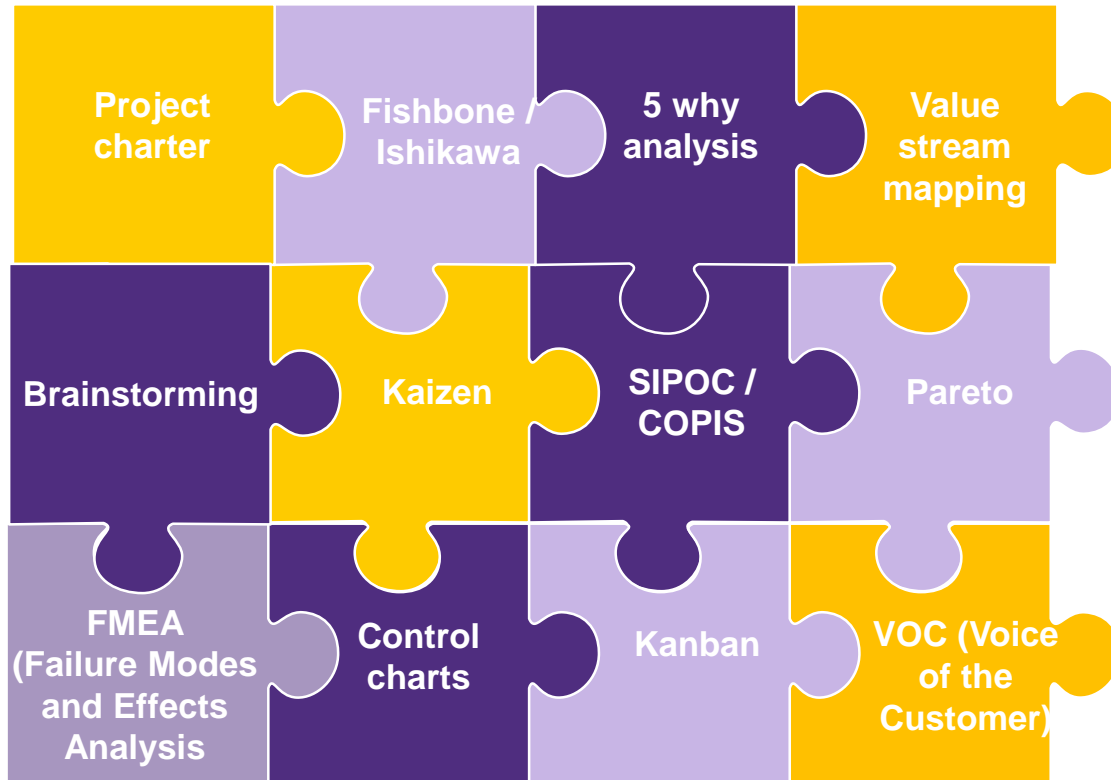
Case studies

Case study 1: Lean Process Improvement

## Grant Thornton Corporate Audit department

100+ staff

15 systems

Problem statement

- The audit process involves 100+ staff, looking after 2,500 client companies, across a broad range of sectors
- Audits take from one week – six months
- We use 15 different software applications to manage the audit process
- Many of these applications do not 'talk' to each other, which causes duplication and inefficiencies

Project outputs

- Enhance the timeliness, availability, and accuracy of information. Clients expect rapid turnaround
- Facilitate additional analysis. There are five ways to look at a balance sheet.
- Enhance monitoring. Now a requirement of all stakeholders
- Reduce risk of controls being circumvented
- Enhance the ability to achieve effective segregation of duties by embedding security controls in programs

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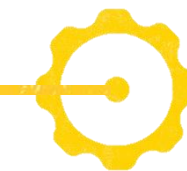
Case study 2: Lean Process Improvement

Client: HSE, Medical Card Application Unit

15,000
Medical card applications processed per week

Biggest
Application processing unit in the country

Problem statement

- Manual and paper based processes
- Online applications not supported
- Poor information sharing between Government departments meaning a greater volume of information required from the client to establish eligibility
- Frequent peaks and troughs in workload
- Underdeveloped KPIs
- Quality issues

Project outputs

- Greater use of IT including a document management system to remove paper based process steps
- Online offering in development with mobile app rolled out to support under 6's application process
- Discussions on information sharing on-going
- KPI's have identified a pattern in peak and troughs and workforce is scheduled around same
- Quality improvements experience as manual aspects of the process have been removed and quality leads appointed
- Increased staff morale and greater customer satisfaction

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Case study 3: Lean Process Improvement

Client: Transmission system operator, Ireland

Issue

Assessing applications to connect to the national grid

Increase

in applications by 30% required a process review

Problem statement

- The transmission system operator delivers a process to assess applications to connect to the national grid and execute contracts with respect to the applications
- The process and associated documentation were last reviewed in detail in 2011. Since this detailed review the environment in which the client operates has changed significantly. The number of applications received by the client increased by 30% since 2011 and the complexity of applications had also significantly increased.
- Grant Thornton were engaged to review and analyse the process in order to meet increased demand and complexity

Project outputs

- Assessed the 'as-is' process flow and benchmarked the current KPIs against requirements.
- Revised process documentation, including flow charts and updated report templates for each process step
- Standardised if and when meetings are required on the basis of the complexity of applications
- Introduced a change control process to be undertaken if a change is requested mid-process
- Outlined departmental roles and responsibilities for the end-to-end 'to-be' process and clarified capability and capacity levels
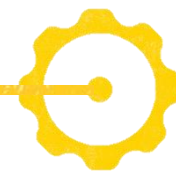- Implemented a new records management structure to reduce time spent locating documents

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The last word(s)

"An organisation's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."
Jack Welch

"The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow."
Rupert Murdoch

"A society's competitive advantage will come not from how well its schools teach the multiplication and periodic tables, but from how well they stimulate imagination and creativity. "
Albert Einstein

Questions

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