



Lean

A Path to Excellent Customer Service

By Bernadette Britz-Parker and Mike Sibley

To achieve maximum value and efficiency from Lean methodologies, governments need to fully understand what excellent customer service means to each of their customers.

Who are your customers? The answer varies by position. If you are a city finance director, your customers are your city's constituents, of course, but they are also members of the city commission, employees in the finance department, and other department leaders. To achieve maximum value and efficiency from Lean methodologies, governments need to fully understand what excellent customer service means to each customer.

Organizations sometimes spend a great deal of time and money in pursuit of goals that aren't the main priority for its customers. Lean focuses on finding the most effective way of delivering value — that is, what customers really want — rather than what the provider *thinks* they want. To deliver on this promise, Lean uses a five-step process to find and correct the underlying causes of problems (termed “bottlenecks”) in a process. There is no such thing as a quick fix, although simple fixes may be possible once the problem is identified. Lean's goal is ensuring a consistent, ongoing approach to workplace improvement. Consequently, a significant part of a Lean process centers on answering these two questions:

1. Who is the customer?
2. What does the customer value most?

THE CHANGING DEFINITIONS OF ‘VALUE’

When using Lean, everyone in the process is both the customer of the last person who touched the process the provider for the next person in the process. The definition of “value” changes along with the individual's role in the process. The following example demonstrates this concept.

Process to Be Analyzed: Vendors are not paid within the agreed-upon 30 day timeframe, which may add costs for the jurisdiction, including finance charges and lost discounts for on-time payment.

Background: The finance department generally pays invoices within 15 days, but first they require an approved invoice from the department that contracted for the goods or services. This can take as long as 60 days, which means vendors wait as long as 75 days to be paid.

The Parties Involved: The vendor, the finance department, the requisition clerk, and the requisition department manager.

■ **Vendor:** *Customer of the government agency's finance department; provider to the agency.* The vendor becomes frustrated about not being paid on time and calls the finance department every week to ask the finance department secretary to follow up with the requisition clerk, who

hasn't processed the invoice, to get an account number and approval on the line item to be charged.

Highest value: Being paid on time.

- **Finance Department:** *Customer of the requisition department; provider to the vendor.* The finance department has to wait for approval before paying the invoice and frequently incurs the vendor's anger, which is bad for morale and ultimately over-all productivity.

Highest value: Paying incoming invoices without incurring additional charges.

- **Requisition Clerk.** *Customer of the department head; provider to the finance department.* The requisition clerk takes time away from other tasks and tries to get the required information yet again.

Highest value: Not wasting time on follow-up that could be used for other tasks.

- **Manager of the Requisition Department.** *Customer of the requisition department clerk; provider to the vendor.* The manager has a number of invoices awaiting approval and is distracted from completing other responsibilities when interrupted by requests to approve these invoices.

Highest value: Reducing the number of workday interruptions, keeping valued vendors satisfied.

- **Bottleneck:** The requisition clerk must wait to get an account number and a sign-off on the budget line item from the department manager before sending it to the finance department. This can take as long as 60 days.

Lean Process: Using Lean methods and tools, talk to everyone involved in the process, from clerks to department managers, to determine exactly where the inefficiencies are and figure out workable solutions.

The Solution. In this example, the problem is alleviated by:

- Assigning account numbers to all approved outside vendors.
- Maintaining a list of incoming invoices.
- Requiring the invoices to be placed in a dedicated bin in the depart-

ment manager's office and having the manager process incoming invoices within 36 hours.

- Placing approved invoices in a dedicated bin on the requisition clerk's desk.
- Having the clerk check off the item on his or her list and send it to the finance department within 24 hours.
- Creating a separate process for invoices that were not approved.

Result: The flow of invoices becomes regular and vendors are paid on time, creating great good will on the part of vendors. At the same time, agency personnel are happier with their jobs because their primary work gets done as scheduled.

CONCLUSIONS

Delivering better service with fewer resources is a hallmark of Lean. This is possible because "waste" is repurposed, allowing personnel to perform other tasks, and the dollars not spent on late fees and lost discounts may reallocated to providing additional services. It is a win-win situation for all the customers involved. ■

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