

# **U.S. HR Service Center Transformation Initiative**

Initial Work Out

June 8-10,

Impact On:	Paper Flow	Email	Phones
<b>Customer Satisfaction</b>	<ul style="list-style-type: none"> <li>▪ Lost documents</li> <li>▪ No confirmation of receipt or action taken</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not answered in timely manner</li> <li>▪ Rely on email too much for communicating with employees</li> </ul>	<ul style="list-style-type: none"> <li>▪ In queue too long</li> <li>▪ Once picked up, put on hold too long</li> <li>▪ Voicemail's not responded to in timely manner</li> <li>▪ Pushed off to someone else</li> </ul>
<b>Service Center Employee Satisfaction</b>	<ul style="list-style-type: none"> <li>▪ Spending time looking for documents</li> <li>▪ Distribution of Mail</li> <li>▪ Uneven distribution of paperwork</li> <li>▪ Last minute submissions (hockey stick effect)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Too cumbersome</li> <li>▪ Difficult to manage volume</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phone takes away from "real" job</li> <li>▪ Retrieval and distribution of voicemail</li> </ul>
<b>Cycle Time</b>	<ul style="list-style-type: none"> <li>▪ Time from Receiving to delivery in Service Center</li> <li>▪ Timing of receipt of paperwork from sites</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not meeting SLA's</li> <li>▪ Logging into QSM</li> </ul>	<ul style="list-style-type: none"> <li>▪ Closure on escalation</li> <li>▪ Inconsistent levels of knowledge</li> </ul>
<b>Cost</b>	<ul style="list-style-type: none"> <li>▪ Fedex cost for Sites sending documents</li> <li>▪ Storage of paper</li> </ul>		<ul style="list-style-type: none"> <li>▪ Time and resources required to close calls</li> </ul>

- Provide training to Service Center Employees on basic Lean Concepts
- Develop overall team objective and desired outcomes
- Clearly define teams charter and accountability
- Establish operating boundaries
- Empower teams
- Establish a Vision – Workout #1 is first milestone in overall team transformation.

- **Value Added Activity:**

- transforms or shapes raw material or information to meet true customer requirements

- **Non Value Added Activity:**

- Activities that take time, resources or space, but do not transform, or add to the customer's desired, perceived value of a product

- **Waste Identification & Elimination:**

Anything that does not add value to the product is *waste* and must be reduced or eliminated

1. Overproduction
2. Waiting
3. Moving
4. Process Inefficiencies
5. Inventories
6. Unnecessary Motions
7. Defective products

- **Pull Systems (rather than Push)**

1. *Consumption* is the signal for activity
2. Signal is located in the producing area
3. Use Kanban (signals) when processes are separated
4. Producing area is buffered from extreme variation in demand (hockey stick, cut-offs)
5. Optimize Flow – reduce “Batch sizes”

- **5S Work Organization**

1. **Sort** (Organization)  
Distinguish between what is needed and not needed.
2. **Stabilize** (Orderliness)  
A place for everything and everything in its place.
3. **Shine** (Cleanliness)  
Cleaning and looking for ways to keep it clean.
4. **Standardize** (Promote Adherence)  
Share established standards and make standards obvious.
5. **Sustain** (Self-Discipline)  
Stick to the rules and maintain the first four S's.

Empower Service Center Team to redesign  
Service Center Workflow for Paper, Email  
and Phone to begin the service Center  
Transformation to become a High Performing  
Team in a Lean Operation that is focused on  
our Customers.

- Customer Service Mindset
- Lean and Simple
- High Employee Commitment
- Reporting accuracy
- World Class Performance – Calls, Email Response, Paper Processing

***One Team. One Focus. Service Excellence!***



# US HR Service Center Road Map to Organizational Transformation



- Customer Satisfaction issues regarding HR Service Center processes & interactions
- Employee Commitment Index is lower than Global average
- Lack of continuous process improvement initiatives over the past 18 months

<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
<ul style="list-style-type: none"> <li>▪ Work Out Design</li> <li>▪ 25- Lean Concepts Training</li> <li>▪ 27 - HR Partner Update</li> </ul>	<ul style="list-style-type: none"> <li>▪ 8-10 Initial Work Out</li> <li>▪ Update PDP's</li> <li>▪ Weekly Work Out Sub-team Results Reviewed</li> <li>▪ 24 - HR Partner Update</li> </ul>	<ul style="list-style-type: none"> <li>▪ Shared Vision building Session</li> <li>▪ Customer Mindset Assessment</li> <li>▪ 22 - HR Partner Update</li> </ul>	<ul style="list-style-type: none"> <li>▪ 16 - Close on Actions from Work Out #1</li> <li>▪ Implement method for Peer feedback</li> <li>▪ 2 - 20 Design Work Out #2</li> <li>▪ 26 - HR Partner Update</li> </ul>	<ul style="list-style-type: none"> <li>▪ 14 - 16 Work Out #2</li> <li>▪ Participate in Change Mgmt Training</li> <li>▪ Customer Training</li> <li>▪ 30 - HR Partner Update</li> </ul>			

## Vision

Within 1 year, high performing, **committed** team in a **lean** operation **focused** on our Customer

## Initial GOAL



- Increase Customer's Positive Perception of HR Service Center
- Employee Commitment Index is improved by 5%
- Implementation plan from Workout #1 for cycle time reduction, elimination of waste completed by 8/16/2004

Stakeholders

- Employees
- Managers
- HR Business Partners

### Key Results:

1. Gain understanding of Lean concepts
2. Link Work Out activities with performance objectives
3. Accountability for results
4. Alignment to Team vision, mission, value proposition
5. Identify areas for customer focus initiatives
6. Promote teamwork and constructive feedback
7. Concepts of ongoing transformation
8. Potential budget implications for 2005
9. Understand change management methodology
10. Improve customer perception of the U.S. HR Service Center

## In Scope

- Moving away from pay group distribution
- Focus on Process Efficiency
- Eliminate Waste (NVA vs. VA)
- SLA Content
- Change must address needs of ALL ee's (remote, mfg., office)
- All inquiries regardless initiator or method of submission
- Process Timing (cutoffs, deadlines)
- Workload Management
- Current Service Center Budget
- Work Area Reconfig
- Service Center Processes & Approvals
- Changes to operating hours to support all ee's & business needs

## Out of Scope

- Separation of Duties Must Exist
- Recommendations Requiring Capital not in scope (short term)
- Additional Headcount
- Think of Process – Not People
- No decreases service levels
- Expense Process Content
- Processes and Approvals of Sites or Other Functions
- Programming changes to current hr applications – Hrizon, Kronos, etc
- No immediate changes to audit processes.



<b>Process Name:</b> U.S. HR Service Center Paper Process		<b>Timeline:</b> June 7 – August 15
<b>Project Objectives:</b> By August 16th, implement a sustainable Paperwork Processing Method that enables transaction speed, accuracy and completeness, provides a closed loop to customers, minimizes waste and enables work simplification and satisfaction within the HR Service Center.		
<b>Process Scope:</b>	U.S. HR Service Center (Paper Processing)	Timeline Start: Receipt End: Transaction record filed
<b>Empowerment Boundaries:</b> See In / Out of Scope, timing & method of receipt, all transactions regardless of of form of receipt, no immediate changes to audit.		
<b>Deliverables:</b> 1- Customer closed loop 2- Cycle time measurement method 3- Reallocated workflow from pay-group to process owners – new roles 4- Redesigned process, (remove waste, bottlenecks, optimize resources) 5- Updated Process Map 6- Training and Education as Needed 7- Implementation plan & status 8- Recommended Solutions for Future Investments / Work Outs 9- Visible Metric Reporting Process		<b>Effectiveness Measures:</b> -Process Cycle Times -Internal Customer Satisfaction -Employee Commitment-- + 5 pts -Reporting Accuracy 95+%
<b>Team Leaders and Members:</b>	<b>Facilitators:</b>	<b>Exec Sponsor: Champion:</b>

<b>Process Name: U.S. HR Service Center Email Process</b>		<b>Timeline:</b> June 7 – August 15
<b>Project Objectives:</b> By Aug, 16 <sup>th</sup> , find and implement methods & define new roles to respond to emails within 24 hours, enables reporting accuracy and results in improved Satisfaction levels for Service Center Employees, Internal Customers.		
<b>Process Scope:</b>	U.S. HR Service Center Email inquiries	Timeline Start: Receipt of approved form, inquiry, or transaction End: Response provided and logged – inquiries Transaction filed - forms
<b>Empowerment Boundaries:</b> 1. Service Center Processes & Approvals (Not Site), Solutions Do not require team in Toronto, Maximize use of existing tech (QSM, symposium, etc)		
<b>Deliverables:</b> 1 – Updated Email Process Map with Closed Loop to Customers 2 – Defined Roles 3 – Customer Feedback Loop 4 – IT solution (if appropriate) 5 – Training and Education as needed 6 – Action Plans & Status 7 – Recommended solutions for investments or Work Outs 8 - Visible Metric Reporting Process		<b>Effectiveness Measures:</b> -Process Cycle Times <24 hrs. -Internal Customer Satisfaction – survey -Service Center Employee Commitment +5pts -Reporting Accuracy>95%
<b>Team Leaders and Members:</b>	<b>Facilitators:</b>	<b>Exec Sponsor: Champion:</b>

<b>Process Name: U.S. HR Service Center Phone Inquiry Process</b>		<b>Timeline:</b> June 7 – August 15
<b>Objectives:</b> By Aug. 16th, find & implement ways that provides each of our customers with a satisfying and effective experience whenever they call into the service center, enables reporting accuracy and Service Center employee satisfaction.		
<b>Process Scope:</b>	U.S. HR Service Center Any call to service center	Timeline Start: Employee initiates call End: Closure with ee & log file
<b>Empowerment Boundaries:</b> 1. See In/Out of Scope, Maximize use of existing tech (QSM, symposium, etc)		
<b>Project Deliverables:</b> 1 – Phone Call Protocol 2 – Effective Distribution of Calls 3 – Phone Strategy – How should we be organized to receive/respond to calls 4 – Updated Process Map (documentation) 5- Customer Mindset Changes & Reinforcement 6 – Reporting Accuracy (every call must be logged – during the call) 7 – Customer Feedback Measurement System 8 – Action Plans with Owners and Dates 9 – Recommended solutions for investments or Work Outs 10 - Visible Metric Reporting Process		<b>Effectiveness Measures:</b> - Customer Perception as Best in Class Service – Measured via survey -Confidence in The Answer They Received – Measured via survey -Minimal Time to pick up – (maintain or improve baseline) – -Minimum hold time – caller put on hold -First Call Resolution ->95% Reporting Accuracy (Case Log ..QSM Consistency)
<b>Team Leaders and Members:</b> )	<b>Facilitators:</b>	<b>Exec Sponsor:</b>

# 17 Recommendations came out of the Workout

Recommendation #	Description of Lean Solution	Issue
1	Separate Email Folders - 5S, Pull System, Kan Ban	Email: Clutter
2	Specific Subject Lines - 5S, Pull System, Kan Ban	Email: Clutter
3	Weekly Email Rotation - 5S, Visual Mgt	Email: Ownership
4	In Progress & Resolved Folders - Visual Mgt., Kan Ban	Email: Ownership
5	Visual Mgt. System - Metrics- Visual Mgt.	Email: Ownership
6	Phone Tree -- Pull System	Phone: Calls Not Directed
7	Reset Call Queue -- Pull System, Line Balancing, Visual Mgt.	Phone: Calls Not Returned
8	Training Skills Matrix - Multi-Skill, Line Balancing	Phone: Calls not Resolved First Time
9	Customer Service Training - Multi-Skill	Phone: Calls not Resolved First Time
10	HR Request "Clean-Up" - Poka Yoke	Paper : Forms Hard to Locate
11	Accessibility to HR Forms - Pull System	Paper: Forms Hard to Locate
12	Hr Request -- Esacate & Close Action to Fix Search Engine	Paper: Forms Hard to Locate
13a	Standard Form Design (Header) - Poka Yoke	Paper: Incomplete or Submissions with Errors
13b	Incoming Quality Policy - Poka Yoke, Shorter Feedback Loop	Paper: Incomplete or Submissions with Errors
14	Service Guarantee & Bin System - Pull System, Line Balancing	Paper: Hockey Stick - Extra Costs and Delays in Processing
15	Single Expense Spreadsheet and Upload -- Reduce NVA	Paper: Excess Steps & NVA
16	Inventory Log - Poka Yoke	Paper: Lost Documents
17	Script for Customer Response	Paper: Positive Perception, Consistency vs. Exceptions

- All 17 recommendations were actioned On Time
- 60 hours of work eliminated through process efficiency

Process	Total # of Steps	# of VA Steps	# of NVA Steps	Potential Waste Reduction	Work Out # 1 Expected Improvement	Actual Results
Paper	17	6	11	65%	25%	55%
Phone	8	4	5	56%	50%	40%
Email	10	3	7	70%	25%	29%

- 7 of the 17 recommendations focused on improved Customer perceptions
- Visible improvements in Employee Satisfaction
- Unanticipated outcome – ability to consolidate work resulting in the elimination of 2 positions (annual savings of \$90K)

## Participant Average Ratings:

Rate the overall effectiveness of the Work-Out Process.

Low High  
1 - 2 - 3 - 4 - 5

How confident are you that recommendations will be implemented?

Low High  
1 - 2 - 3 - 4 - 5

How effective were the facilitators in your breakout group?

Low High  
1 - 2 - 3 - 4 - 5

## Some Participant Comments:

*“Do these sessions more often with other groups. Share the wealth!”*

*“The pace of the program was excellent.*

*It kept us focused on identifying problems and then quickly moved us into the solution phase.”*

*“I appreciated the high energy, dedication, supportive teamwork and excellent ideas of both the leaders and the participants”.*

*“I enjoyed the constant forward progress that was being made throughout the process.*

*There was a measurable effectiveness dictating our direction and marking our end point”.*

*“Hope we can do more “.*

- Keep the positive momentum going!
- Focus on Execution
- Follow through with the *Activities* outlined on the Roadmap
- Identify Opportunities for next Workout