ONRAMP SOLUTIONS

The Lean Office

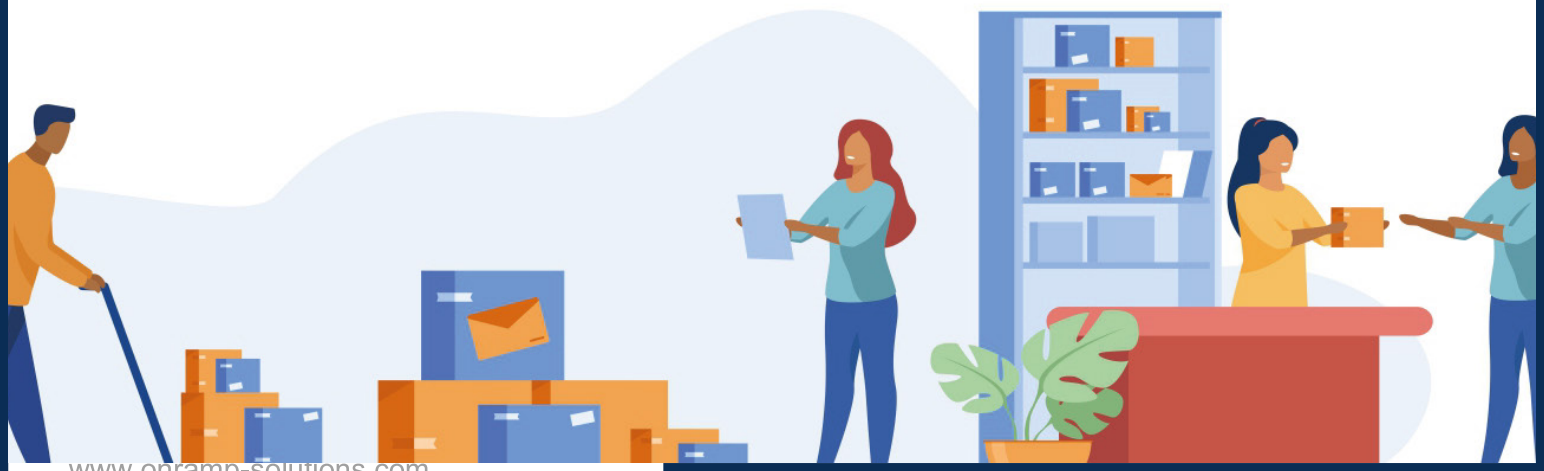
How OnRamp can help you improve the productivity of your office space

Introduction

An office environment can also suffer from the waste brought on by DOWNTIME.

Whether it is employees that are stuck running a process that is outdated or no longer efficient, processes held over from a poor IT implementation, or the added process clutter that comes from a merger, making your office LEAN is one of the measures that your company should look at to improve your productivity and your bottom line.

Figure 1: Kaizen 5S Method



The Culture of Clutter

The pile of work keeps climbing. Most of it isn't even really relevant to you and the bits that are you don't know what the priority is, or the due date. Reports and tasks added to your growing stack since the latest acquisition. The stuff your predecessor had micro-managed into his fold. Where is your pen? Another call to a meeting that could be solved with a well worded email. You need a review or an approval but you know the persons inbox is backed up so you'll have to print off the form and walk it over to get it actioned in a decent time, while your work waits. Why are you still shuffling all this paper around?

Everyone knows of these problems: Too many items on your desktop, too full an inbox, too much paper to review, too many meetings. Well, all these issues are expenses for your company. All the extra time spent on your inefficient office processes are creating waste that will cascade down through your business units.

Waste such as:

- **Defects** - Bad data that isn't caught that leads to production issues
- **Overproduction** - Excessive printing that leads to added expenses
- **Waiting** - Pending approval of a redesign that stalls production
- **Non-utilized talent** - Encumbered staff that leave matters unattended
- **Transportation** - Moving items between areas that could be sent electronically
- **Inventory** - Old reports & excess office supplies that take up space or get lost or stolen
- **Motion** - Getting up to retrieve an item that should be within reach
- **Extra-Processing** - Printing and emailing invoices that could just be emailed

The Issue at the Office

As you can guess, the answer to DOWNTIME waste at the office is the same as it is for the shop floor. Lean thinking.

But you have tried to clear up the cluttered office culture that you have by using LEAN methodologies, but it doesn't seem to be taking. While producing your widget has gone from 5 days to 2 days, it is still taking your pre-production team 10 – 20 days to submit a work order. At the end of the week, you aren't gaining that much on your competition because of all the waste in your office. So why isn't LEAN working?

To understand why it's difficult to implement LEAN in the office, we first have to start by understanding the nature of office work. This difficulty can be summed by in the differences between the way a production floor and an office work. For example:

Production Floor	Office
Tasks are structured and repetitive *Eg: A machine operator will run the same task all day*	**Tasks are varied and infrequent** *Eg: An accountant may print checks and approve invoices in the morning and reconcile the books in the afternoon*
Controlled input and output *Eg: The machine operator knows how many parts to make from what raw material before starting to work*	**Varied inputs and difficult to control output** *Eg: A salesman receives a client email whenever it comes it and answering the email correctly can take 5 minutes or 3 days*
Simplified task and process *Eg: The LEAN production floor has simplified the operators process to moving a part and pushing a button*	**Multi-layered tasks and processes** *Eg: The production planner has to run the MRP for the BOM to prepare the work orders while confirming that the inventory is sufficient and placing purchase orders to vendors.*
Single machine operator, part of a team *Eg: The forklift driver has the task of moving skits and large parts around the floor to ensure the entire production team is working at full capacity.*	**Single or team effort to complete a task** *Eg: Engineering designs for a new part an researching raw materials for the BOM can fall entirely on one engineer or be under a team with a project manager*

Table 1: Differences in Production Floor versus Office work

As you know, your production processes are often setup to only have two or three tasks per operator and designed to minimize time and expense spent on that task. This means that most production processes can be grouped into one of the following areas:

- **Operate**
- **Monitor**
- **Recognize**
- **Give feedback**
- **Act**

These tasks grant limited autonomous action to the operator while automating the production line, also known as the Jidoka-principle, and need a rigid "wired control logic" in order to produce quality.

Jidōka translates to autonomation, a port manteau of autonomous and automation. It stands to mean intelligent automation, or automation with a human touch.

Your office, however will have a more complicated procedural grouping. The work that needs to be done is assigned in a more fluid way due to the nature of the possible work and the person it is assigned to. This means that the person assigned or assisting in the office processes have more grouping areas available:

- **Search documents/records (biggest non value-add position)**
- **Reflect**
- **Copy/scan**
- **Fill-out**
- **Conclude/execute**
- **Inquire/check**
- **Document**
- **Archive**
- **Communicate**

With your inputs and outputs being so varied, the management activities required to organize these processes consist of the following:

- **Confront, recognize**
- **Think**
- **Decide**
- **Act/communicate (write, read, call, discuss)**

This fluidity, or variability, means that processes can become wasteful if not monitored closely. The following table provides and excellent breakdown of a billing process at a cluttered office:

Person	Task	Time Spent (minutes)
Assignee 1	Manually retrieve information from shipping	480
Assignee 1	Review shipping data	10
Assignee 1	Enter amount in Excel	20
Assignee 1	Print Excel file	2
Assignee 1	Submit and await billing item approval	30
Assignee 2	Approve billing items	15
Assignee 1	Prepare invoice	60
Assignee 1	Copy invoice and attach to server record	10
Assignee 1	Email invoice and Excel file to client	10
Assignee 2	Review and approve invoice	15
Assignee 1	Send invoice via mail to client	5
	Lead Time	**657**

Table 2: Example of an inefficient process

In this case, requests for different actions were asked of the billing team with no one taking the time to see what parts of the process could be digitized, simplified, or cut. This meant that billing the client, a monthly process which should take minutes, became this 11-hour event.

This is the type of poorly managed process that generates waste in cluttered offices.

Why It's Hard to Declutter

Because of the nature of office work, using LEAN thinking to cut the waste becomes more difficult due to the complexities in tracking and reproducing results. While many of the processes will have similar tasks, the inputs and outputs of the processes are quite different and depend on the employee performing the task.

While the difference is understandable, the following table clearly shows how opposite the tasks performed by each work can be:

	Production Floor	Office
Kahneman thinking logic	Instinctive (system 1)	Deliberative (system 2)
Execution liberty	Low (SOP driven)	High (template driven)
Worker's function	Supports the process	Main actor of process
Execution	Structured	Contingent approach
Measurability	Easy	Difficult
Disturbance noise	Light and internal	Heavy and external
Control	Easy and assumed	Difficult and varied or hidden
Out-of-control cases	Rare	Uncommon or Frequent
Focus	Efficient completion of task	Effective completion of task
Deliverable	Repeatable & reproduceable quality output	Tasks performed as required to ensure high quality output

Table 3: Example of the differences in production floor vs office tasks

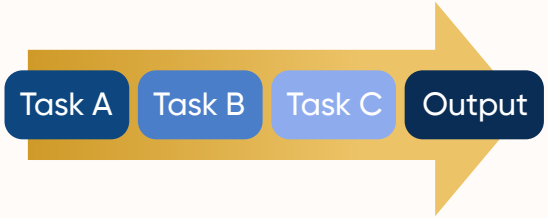
As you can see, the tasks performed by workers in the different areas are quite different:

- A **production floor worker** works more on instinct, with low freedom to change how they do things to ensure the output is quickly repeated and easily measured and their biggest distraction being their inner thoughts.
- An **office worker** has to take time to plan their tasks with the freedom to action their input as appropriate as long as their output is of high quality, even if it is difficult to measure, and their biggest issue is ensuring that other tasks, like emails, meetings, office banter, and calls don't disturb their work.

This means your office staff have a more relational, instead of procedural, work model.

Procedural Model

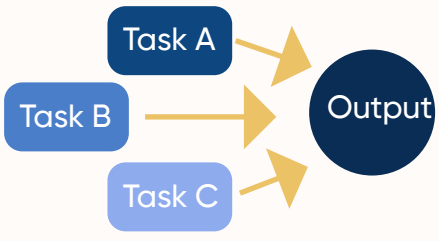
- Manufacturing (linear logic)
- Sequential algorithm
- Deterministic defined state
- Syntax governed



Procedural characteristics limit the operator view to a part of the process

Relational Model

- Transactional (situational logic)
- Functional algorithm
- Fuzzy defined state
- Semantics governed



Relational characteristics require the operator have a complete view of the process

Figure 3: Shop-floor versus Office work models

All of this can make tracking and improving processes difficult.

For example:
A client emails your service team saying the received order is wrong, but the data says it went out correctly. With no idea as to what is 'wrong', your service team must:

- **check with the customer as to what is wrong,**
- **why they customer thinks it is wrong,**

If the order was not as intended, where the misstep was:

- **Was it a sales order not processed?**
- **Shipping error?**
- **Manufacturing defect?**
- **Etc.**

This leads to another problem that many offices face: Employee push-back. These are usually the same things that come up when corporations try to implement LEAN on the production floor:

- **"It's just the flavour of the month management technique that the bosses will forget about by my next paycheque."**
- **"Where's the savings?"**
- **"Figuring out what I do is taking too long and it's not my job."**
- **"What's in it for me?"**
- **"I like the way I do things."**
- **"If this becomes easier, or I teach you, my job is on the line."**
- **"It's not my job to help."**

Making Your Office LEAN

All these issues can be difficult to overcome. There have been many who have tried and failed to streamline their office processes. But success can be found.

Due to the many challenges, starting with a traditional LEAN roadmap can often fail on office implementations since the project is abandoned before it bears fruit. What you need is to quickly show that even with the added complexities and paper shuffling that are being done on top of the day to day operations, the value-add is there and palpable.

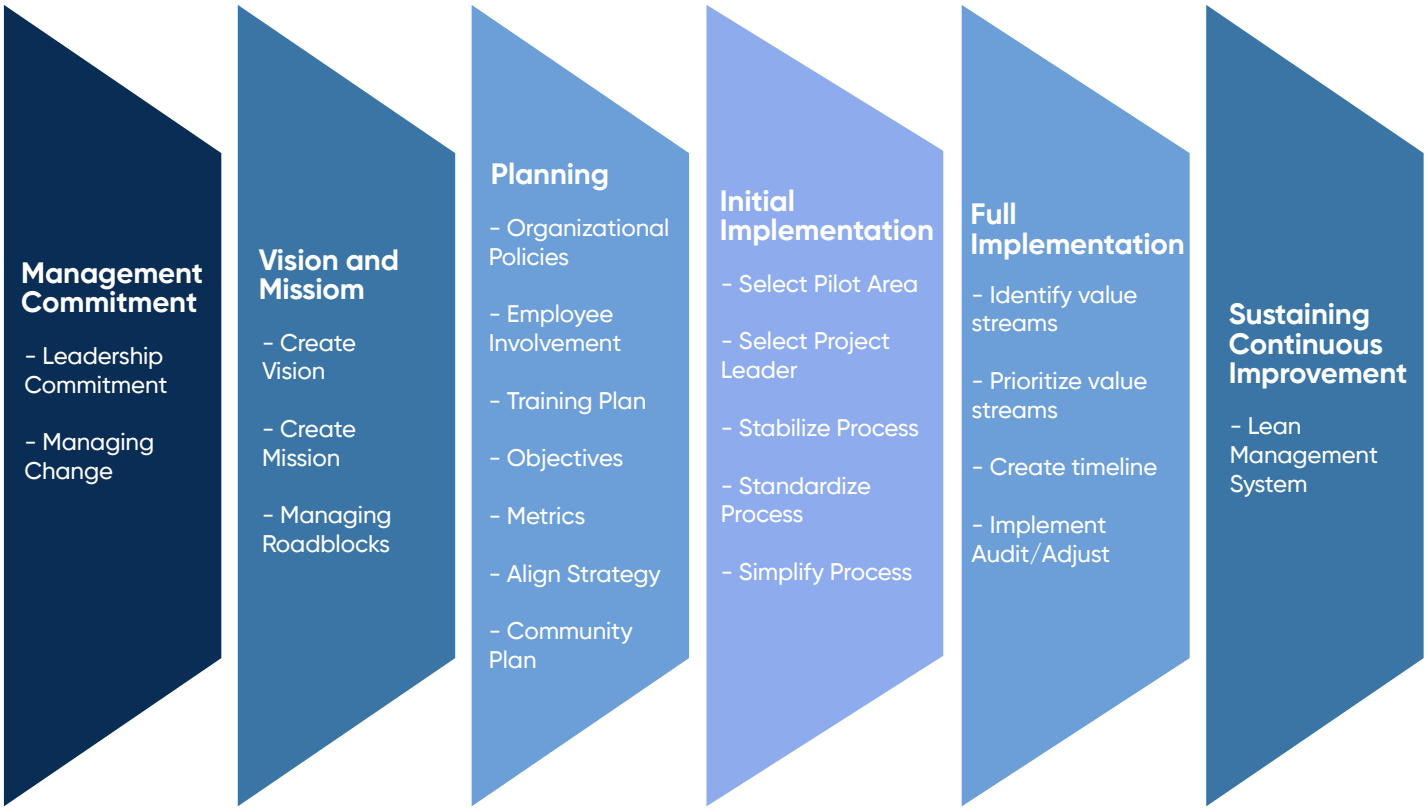


Figure 4: Example of a traditional LEAN roadmap

Researchers have found the most successful way to lead your team toward a LEAN office: Process mapping. Once management is on board and the vision is clear, process mapping grants your office workers an immediate view of what steps are taken and what can be cut.

While your production line setup usually means the next step is the Planning phase, when it comes to the office, skip to the Initial Implementation. Perhaps because of the creative nature of office work, seeing a process mapped out and working well motivates workers to question why a task they perform in their area is done and how to improve it and their processes.

If you remember our billing process from page 6, here is it now:

Person	Task	Time Spent (minutes)
Assignee 1	Review digitized shipping data	15
Assignee 1	Validate items in database	10
Assignee 1	Submit and await billing item approval	5
Assignee 2	Approve invoice	5
Assignee 1	Generate invoice (auto-attached to client record)	2
Assignee 1	Send electronic invoice via email	3
	Lead Time	**40**

Table 2: Example of an efficient digitized process

Conclusion

Implementing LEAN thinking for procedural improvements in the office space requires a rethink of how the methodology is implemented due to the nature of office work.

Once old tasks and processes are reviewed via the LEAN method, firms saw a decrease in time spent on tasks with improved office worked productivity that led to lower labor costs and improved production floor operations.

Where OnRamp Helps You

OnRamp is a single point database ERP system that was designed from the ground up to touch all your business units and improve their processes and communication with each other.

During your OnRamp ERP implementation process, one of the key steps is mapping all your processes and OnRamp's goal is to help you onto the LEAN path on your production floor and in your office and keep you there.

OnRamp Solutions has decades of combined experience in making both production floors and offices adhere to the LEAN methodology. And backed with an ERP built to work in tandem with LEAN means that cutting DOWNTIME waste is part of our nature. Our best-in-class ERP has no added IT systems, no other vendors, no messy 3rd party plug-ins, and no added costs. All your data instantly shared with all your business units. And to help you get started quickly and with your best foot forward, OnRamp's consulting team has decades of combined experience in manufacturing and implementing proven management methodologies that will improve your bottom line. Whatever you make, we can help you make it better.

We know manufacturing.

And we want to work with you to make it better.

OnRamp's ERP software can help to:

Here are some of the things that OnRamp can help you improve:

PRODUCTION FLOOR:

Shop monitors with production entry capacity	Engineering document and drawing management	Warehouse management system
Storage system management	Production planning	Work order management
5S audits	Inventory management	Shipment management
Maintenance management, including preventative maintenance management	Worker skill management	Plant issue/ suggestion tools
Detailed capacity planning	Gateway queues	Work center scheduling
Online inspection software	Task automation	Quality management system
Scrap management	Quality alerts	MRP
Order policy suggestions	Finite scheduling	EOQ calculations

FRONT OFFICE:

A single database for all records	Paperless approval and sign-off	Customer request management
Easy to access files and data	Team communication tools	Paperless accounting
Lead time and inventory management	Vendor relations portal & management	Project management and approval
Training and skills gap analysis	Notification systems	Server run software with a locally installed shell
Customizable reports and documents		

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