

# More haste, less waste with a Lean approach

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**Adrian Shooter – Shared Services Performance Improvement, Department for Work and Pensions**



## Customer's Challenge

The Department for Work and Pensions (DWP) is the government department responsible for welfare reform and employment issues. As such, it currently employs around 115,000 staff to deliver support and advice to people of working age, employers, disabled people, pensioners, families and children.

In line with the findings of the Gershon review into public sector efficiency, the DWP wanted to set up a shared services organisation in order to achieve economies of scale and improve the efficiency of its back office processes. So, in preparation, it started to look at possible continuous improvement techniques that it could utilise.

Adrian Shooter, Performance Improvement, DWP Shared Services, explains, *“We conducted a review of different methodologies, including Lean, Business Process Re-engineering, and Six Sigma, and concluded that Lean was the best approach for us, based on the success it was having in other service organisations. Lean offered a way to assess our processes, get people involved, generate ideas and implement changes very quickly. It has also helped us to start to embed a culture of continuous improvement based on customer values.”*

The Performance Improvement Team worked closely with service lines to establish and facilitate a programme of Lean Rapid Process Reviews (RPR) and introduce devolved problem solving techniques based on the Six Sigma DMAIC (Define, Measure, Analyse, Improve and Control) framework. The devolved problem solving techniques are being introduced as an integral part of the Visual Management pilots.

To raise awareness of the potential of Lean a pilot RPR was run in DWP's Purchase to Pay department, which proved extremely successful, reducing processing time by 20% and clearing a backlog of 2,000 cases in just four weeks. *“The Lean pilot was a phenomenal success,”* confirms Adrian Shooter, *“but we knew that we had to ‘skill-up’ and develop our own internal Lean capability within the Shared Services Performance Improvement Team if we were to successfully roll-out the approach across the rest of the organisation.”*

## Fujitsu Solution

Following a competitive tender, DWP Shared Services chose to engage Fujitsu, working closely with its Lean partner Unipart, to educate its senior management about Lean in order to obtain leadership commitment to the adoption of this approach. In addition, Fujitsu was responsible for training the PIT and other selected staff in the Lean Sigma tools and skills needed to be able to achieve significant process efficiencies.

To initiate the project, Fujitsu organised a ‘Lean in action’ event, providing thirty senior DWP managers with a tour of Unipart's award winning site in Cowley, so that they could see Lean techniques, such as Visual Management Boards, in action. This not only helped to educate the participants about Lean, but it also initiated the process of identifying key processes and problem areas within DWP

## SUMMARY OF KEY FACTS

### Organisation

Department for Work and Pensions (DWP) Shared Services

### Service/s delivered

Training, coaching and mentoring in understanding and applying Lean and Six Sigma principles, tools and techniques, together with ongoing support and coaching

### Key Metrics

- Shared Services currently employs around 4,500 staff (DWP employs approx. 115,000)
- 8 members of the Performance Improvement Team (PIT)
- Seeking operational savings of 10% in 2007/8

### Benefits

- **Improved customer service** – enables faster and higher quality service delivery for internal customers and end-users
- **Greater staff satisfaction** – creates a culture in which people are more motivated and continually striving to improve
- **Improved productivity** – has contributed to a 10% headcount reduction, while also increasing the capacity of the organisation
- **Continuous improvement** – empowers people and unlocks latent potential to create a sustainable capability

## CASE STUDY DEPARTMENT FOR WORK AND PENSIONS

Shared Services' own operation. The result was a list of prioritised processes for future RPR events, and a portfolio of one-page Problem Solving Statements for the subsequent DMAIC training using real problems and issues.

*"The trip to Cowley was crucial,"* adds Adrian Shooter, *"because the people we were talking to were not senior managers, they were on the shop floor or team leaders, and their customer knowledge and enthusiasm for the Lean way of working was enlightening."*

The visit was followed by the implementation of two discrete training modules, which were highly tailored by Fujitsu to ensure that the Value Stream Mapping (VSM) and workflow techniques were specific to a Shared Service environment. The first provided an overview to key Lean concepts and tools using a simple process simulation; the second delved into detail on tools required for each phase of a DWP specific RPR, using tailored service environment scenarios as examples. Adrian Shooter adds, *"What was good about Fujitsu's training was the use of simulations and lots of practical exercises, which helped us to understand how to apply the tools and techniques in a live environment."*

On conclusion of the initial training, the participants completed the 'Define' phase of their assigned projects, with Fujitsu and Unipart representatives providing much needed coaching and support as the team got to grips with the new approach. This continued during the live project work, with a 'Master Black Belt' expert on hand to assist the participants with any queries or issues and to provide specific advice around the individual projects.

*"We've now got a full RPR programme covering each of our five services lines and support functions. On average we are facilitating at least one RPR in each of these areas every month,"* confirms Adrian Shooter. *"The RPRs have been extremely successful and the staff are really enthusiastic about the outcomes, because they have contributed to the design of their new process. We've also got evidence that a continuous improvement culture in starting to develop, because teams have improved their processes even further, after an RPR event. In one instance, the RPR reduced the time taken to investigate a missing payment from 4 months to 11 days. The new process was implemented within one week of the event, however, the team are now processing 70% of missing payments on the same day that they are received, as a result of further improvements made by the team."*

### Benefits to our Customer

As a result of the work undertaken by Fujitsu and Unipart, DWP's Shared Services now has the capability to achieve:

- **Improved customer service** – the identification and resolution of key operational issues enables faster and higher quality service delivery for internal customers and, consequently, end-users
- **Greater staff satisfaction** – active and ongoing staff engagement creates a culture in which people are more motivated and continually striving to improve processes using their knowledge and experience
- **Improved productivity** – improvements in staff performance has helped Shared Service meet its 10% headcount reduction target, while also increasing capacity and capability to take on more work through growth opportunities
- **Continuous improvement** – empowers people and unlocks latent potential to create sustainable service improvements and build internal capability, based around realistic expectations of deliverables, timeframes and resource requirements.

*"The key to Lean is to understand customers' requirements, so that you can design a process that meets them, eliminating non-value adding tasks,"* comments David Pearson, Head of Performance Improvement, DWP Shared Services. *"That inevitably means quicker delivery and improved accuracy by removing waste. As a result, Lean provides a win, win, and win for everyone - our customers, the Department and Shared Services."*

Adrian Shooter confirms, *"Thanks to the guidance that Fujitsu and Unipart have given us, not only are we already achieving significant financial and operational performance improvements, but more importantly we are also developing a culture and a new way of working that will enable us to continue doing so, well into the future."*

### Our Approach

First developed in the manufacturing industry, Lean is a systematic approach for identifying and eliminating waste or unnecessary activities through continuous improvement of the product or service in response to customer needs.

Both Fujitsu and Unipart recognised the benefits that could be delivered from Lean principles and as such, developed their own award winning approaches for their individual marketplaces, Sense and Respond and The Unipart Way. Despite being unique to their own organisation's culture and history, Fujitsu and Unipart have seen the value that they can deliver to customers by bringing these two complementary approaches together.

Adrian Shooter agrees, *"Fundamentally Lean is all about people and team work. During RPR events we focus on small changes that are within our sphere of influence, not big IT changes. In fact, the most rewarding thing out of all of this is the enthusiasm of our people when they walk out of an RPR event, because they know they can control their own destiny, and are empowered to continue to improve their own process. That all filters down into new ways of working, based around how people think and behave, so the natural and inevitable effect of the whole Lean process is continuous improvement. Fujitsu and Unipart's work with DWP Shared Services has enabled us to understand that and put it into practice by giving us the necessary skills and techniques to take people on a journey and create that behaviour and enthusiasm."*

### Our Expertise

Fujitsu is the world's third largest IT company and has a proven track record in providing systems integration and management services, including Lean consultancy, that reduce costs, improve productivity and customer services and deliver a compelling return on investment. Unipart is the UK's largest independent supplier of car and truck components, and provides consultancy on supply chain and logistics as well as Lean principles across a variety of industry sectors.

*"We chose to work with Fujitsu and Unipart because they have strength in depth,"* says Adrian Shooter. *"Unipart has years of experience in proactively using Lean techniques and creating a successful Lean culture and capability. Fujitsu has extensive experience in service provision, considerable knowledge of Six Sigma and Lean and clearly understood our organisational needs. So the Lean Sigma partnership that they have created delivers a powerful approach to continuous improvement."*

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