

WORKSHOP on SERVICE/PROCESS IMPROVEMENT

A 3-day workshop

Outline



Module 1: Introduction to Process Streamlining



Module 2: Define



Module 3: Measure & Analyse



Module 4: Improve & Control

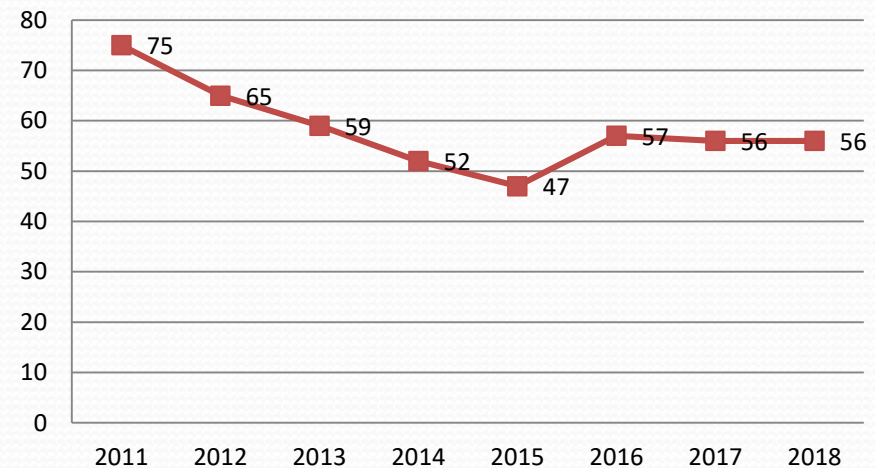


Why Do We Need Service Quality Improvement in the Public Sector ?

The Challenges

Top 10 Most Competitive Economies	
Rank	Country
1	United States
2	Singapore
3	Germany
4	Switzerland
5	Japan
6	Netherlands
7	Hong Kong SAR
8	United Kingdom
9	Sweden
10	Denmark

Philippines Global Competitiveness Ranking
from 2011-2018



Philippines ranked 56th in the 2018-2019 WEF Global Competitiveness Index 4.0

What is Competitiveness?

“Competitiveness refers to the ability of a nation to achieve overall levels of productivity that can sustain a rising standard of living in a complex world economy.”



Ease of Doing Business Ranking

The Philippines ranked **95th** out of 190 countries in the
World Bank's Ease of Doing Business Ranking 2019



Starting a business
(Rank 171)



**Dealing with
construction permits**
(Rank 85)



Getting electricity
(Rank 32)



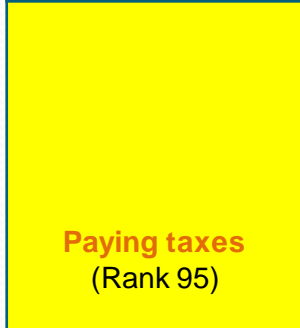
Registering property
(Rank 120)



Getting credit
(Rank 132)



**Protecting minority
investors**
(Rank 72)



Paying taxes
(Rank 95)



**Trading across
borders**
(Rank 113)



Enforcing contracts
(Rank 152)



Resolving insolvency
(Rank 65)

The Challenges

“The erosion of confidence in the capacity of our public servants to make the people’s lives better, safer and healthier”

Erosion of faith and trust in government

The Challenge



GQMP Response

Make services accessible, convenient and pleasant to the transacting public

- ✓ Reduce requirements and the processing time of all applications
- ✓ Certify QMS covering the streamlined processes

Source: Inaugural Address of President Rodrigo Duterte
Oath-taking of the President of the Philippines
Malacañang Palace | June 30, 2016

AO 25 s. 2011

Memorandum Circular No. 2020-1

“Streamlining and Process Improvement of the Agency’s Critical Services covering Government-to-Citizen (G2C), Government-to-Business (G2B), Government-to-Government (G2G) transactions as cited in the agency’s **Citizen’s/Service Charter”**





Matatag, Maginhawa at Panatag na Buhay

Filipinos live in a prosperous, predominantly middle class society where no one is poor.

Filipinos live a long and healthy life.

Filipinos are smart and innovative.

Filipinos live in a high-trust society.

The Philippine Public Sector Challenge



“MALASAKIT”

Enhancing the social fabric of public institutions

Outcome

Citizen-centered, innovative, clean, efficient, effective and inclusive delivery of public goods and services

Sub-Sector Outcomes

Citizenry fully engaged & empowered

Corruption reduced

Seamless service delivery achieved

Administrative governance enhanced

Civil service strengthened



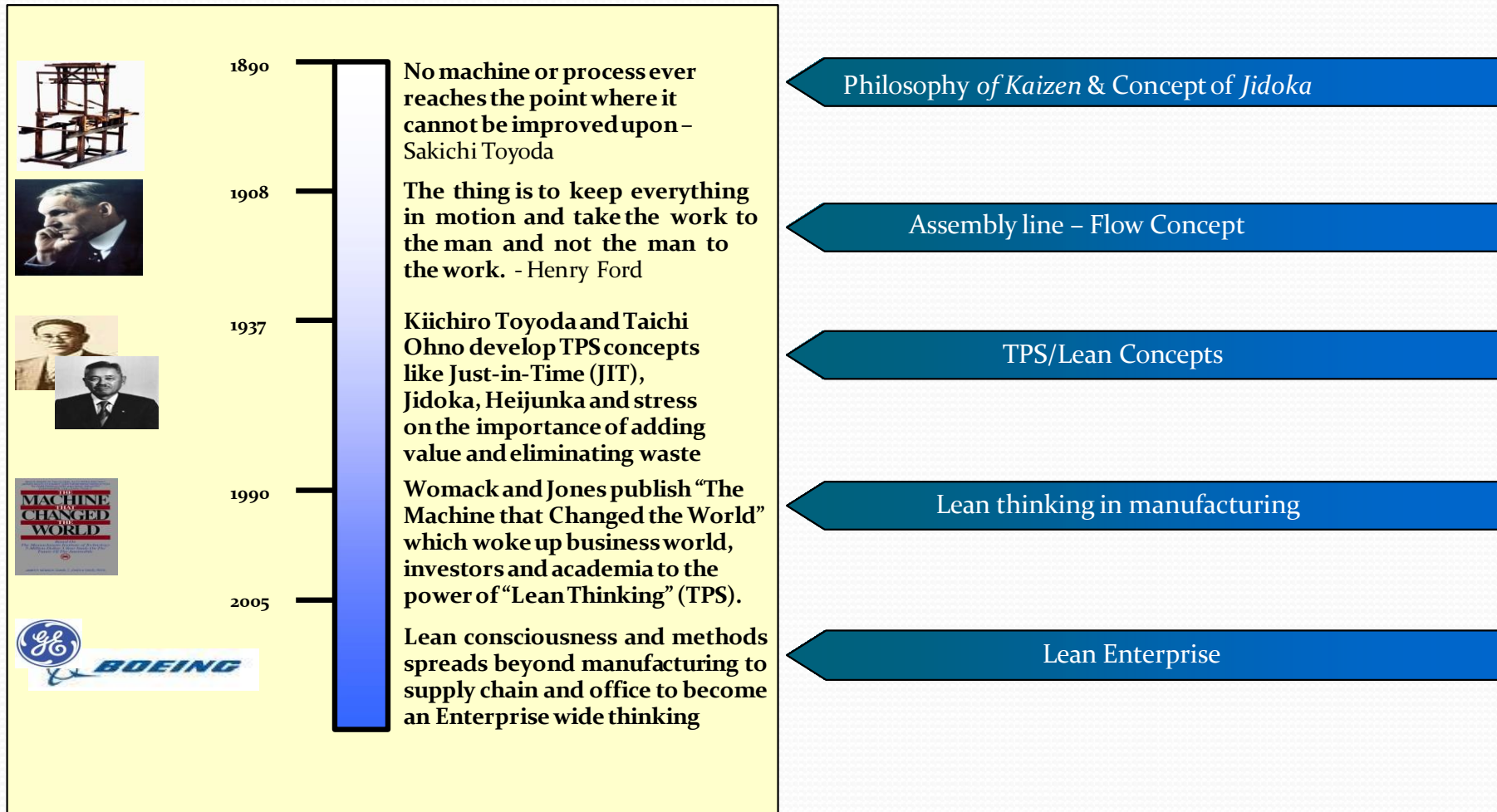
Improved citizen satisfaction driven by government-wide quality improvement

What is Lean?

“A systematic approach to identifying and eliminating waste (non-value added activities) through continuous improvement by flowing the product at the pull of the customer in pursuit of perfection.”

Source: National Institute of Science and Technology, Manufacturing Extension Partnership (NIST/MEP), 1998

Lean History Timeline



Pillars of Lean

Continuous Improvement

Identifying opportunities for streamlining work and reducing waste in order to improve the speed and quality of value delivery



Respect for People

Respect for customers, employees and teams



Five Lean Principles

Specify value from the standpoint of the citizens

Identify the value stream (process) creating the value and remove the waste

Place value creating steps in **continuous flow**

Only make what is **pulled** by the citizens

Strive for perfection by continually removing waste

Benefits of Lean

“Do More with Less”

- ✓ Half the hours of human effort in the facility
- ✓ Half the defects in the service delivered
- ✓ One-third the hours of engineering effort
- ✓ Half the facility space for the same service
- ✓ A tenth or less of in-process inventories

Source: The Machine that Changed the World by Womack, Jones, Roos, 1990

Benefits of Lean

Lean Management in the Public Sector

- ✓ Needs of the customers/citizens and organization's goals and values drive the design of processes
- ✓ Elimination of waste, variability and inflexibility in the government agencies
- ✓ Social value and equitable provision of services

Promoting Lean Culture

- Problems are recognized as opportunities
- It's okay to make mistakes. But how can we prevent it from happening again?
- Expose the problems to solve it. NOT hide them.
- People are NOT problem – they are problem-solvers
- Emphasis on finding solutions instead of “who did it?”

Waste Defined

WASTE is anything that adds cost to the product without adding value as perceived by the customer.

8 Types of Waste

DOWN TIME



Defects

Efforts caused by rework, scrap and incorrect information



Overproduction

Production that is more than needed or before it is needed



Waiting

Wasted time waiting for the next step in a process



Non-utilized talent

Underutilizing people's talents, skills & knowledge



Transportation

Unnecessary movements of products & materials



Inventory

Excess products and materials not being processed



Motion

Unnecessary movements by people



Extra-Processing

More work or higher quality than is required by customer

Some Process Streamlining Opportunities in the Government

Reduction of transaction steps

Reduction of transaction costs

Reduction/elimination of substantive compliance costs

Reduction of the no. of signatures

Reduction in the no. of documents

Reduction in the turnaround time

Source: Interagency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (AO 25) – MC No. 2018-1

Lets' translate the 8 wastes into the public sector experience

- Defects
- Overproduction
- Waiting
- Non-Utilized Talent
- Transportation
- Inventory and work in progress
- Motions Unnecessary
- Extra Processing

D.O.W.N.T.I.M.E

	Office	Logistics
Defects	<ul style="list-style-type: none">• Data entry error.• Documents error.• Missing information.• Missing records	<ul style="list-style-type: none">• Defective goods received from supplier.• Receiving and outgoing document error.• Errors due to excess inventory in warehouse.
Over - production	<ul style="list-style-type: none">• Requiring reports no one reads.• Making extra copies.• More data than the next process needs.	<ul style="list-style-type: none">• Over ordering resulting to non-moving inventories• Obsolescence

D.O.W.N.T.I.M.E

	Office	Logistics
Waiting	<ul style="list-style-type: none">• Waiting due to batching• Waiting due to long queue• Waiting for emails, response, and/or advice presentations.	<ul style="list-style-type: none">• Waiting for supplies.• Waiting for PO amendments/approval
Non Utilized Talent	<ul style="list-style-type: none">• Employees not empowered participate in quality and productivity programs, or to make changes to the current systems.• Employees just waiting for instructions	<ul style="list-style-type: none">• Employees not empowered participate in quality and productivity programs, or to make changes to the current systems.• Employees just waiting for instructions

D.O.W.N.T.I.M.E

	Office	Logistics
Transportation	<ul style="list-style-type: none">• Bad office layout resulting to Retrieving, storing, or carrying documents to and from offices or shared equipment• Going to get signatures.	<ul style="list-style-type: none">• Long Lead Time from 3rd party process to Office
Inventory and Work in Progress	<ul style="list-style-type: none">• Documents waiting to be approved• Open projects.• Over withdrawal of office supplies.	<ul style="list-style-type: none">• Too many warehouses.• Large inventory quantities.

D.O.W.N.T.I.M.E

	Office	Logistics
Motions Unnecessary	<ul style="list-style-type: none">• Searching for files.• Unorganized desk resulting to extra unnecessary motions• Poor office layout	<ul style="list-style-type: none">• Unorganized Storage Area resulting to search and unnecessary motions when retrieving materials
Extra Processing	<ul style="list-style-type: none">• Excessive review and approvals• Repeated manual entry of data.	<ul style="list-style-type: none">• Repeating execution of job due to communication issue.• Poor management of ERP

Value

- Value is the opposite of Waste
- Value is what will make clients satisfied and happy



PQCDSM

The Continual Improvement Cycle

```
graph TD; PLAN[PLAN.] --> DO[DO.]; DO --> CHECK[CHECK.]; CHECK --> ACT[ACT.]; ACT --> PLAN;
```

DO.

Implement and monitor the solution/process improvement.

PLAN.

Understand the context of the organization
Determine customer requirements
Define process objectives
Document and analyze the process
Create process improvement

CHECK.

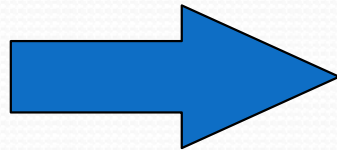
Review effectiveness of solution/process improvement.

ACT.

Enhance solutions.
Develop process controls and mistake-proof solutions.
Implement agency-wide.

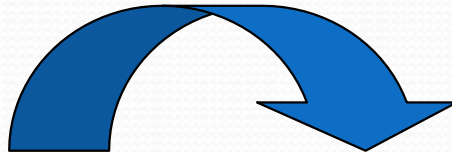
P&Q Improvement Approaches

Kaizen : The Gradualist Approach



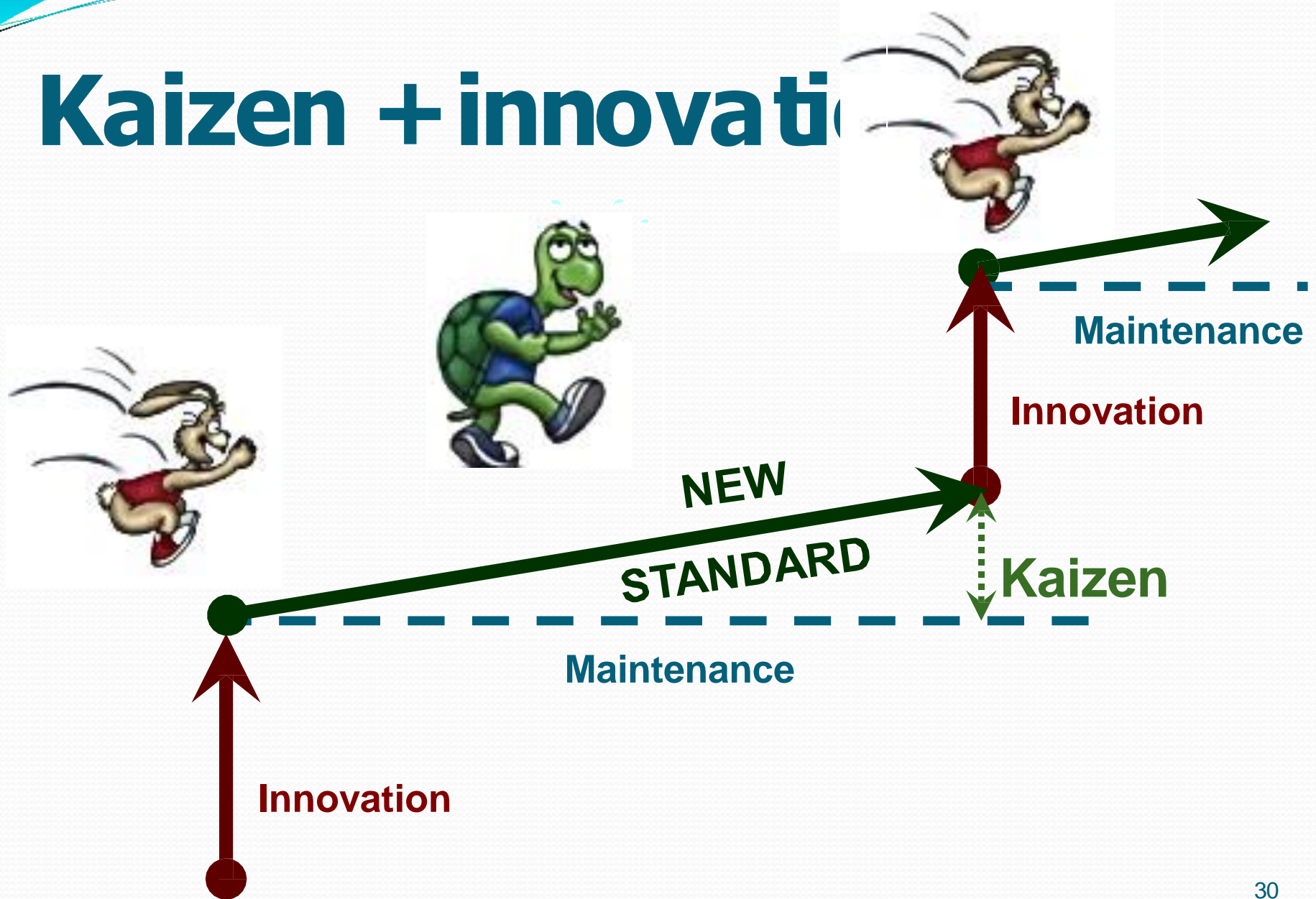
CONTINUOUS
IMPROVEMENT
INVOLVING EVERYONE

Innovation : The Great-Leap Approach



INVOLVES CAPITAL
INVESTMENT

Kaizen + innovation



QMS and Process Streamlining

“

**The organization shall
continually improve the
suitability, adequacy and
effectiveness of the quality
management system.**

”

- ISO 9001:2015 Clause 10.3



Reorganization

Process Streamlining is...

- ✓ Increasing an agency's efficiency by simplifying tasks, reducing unnecessary steps, and cutting wastes.



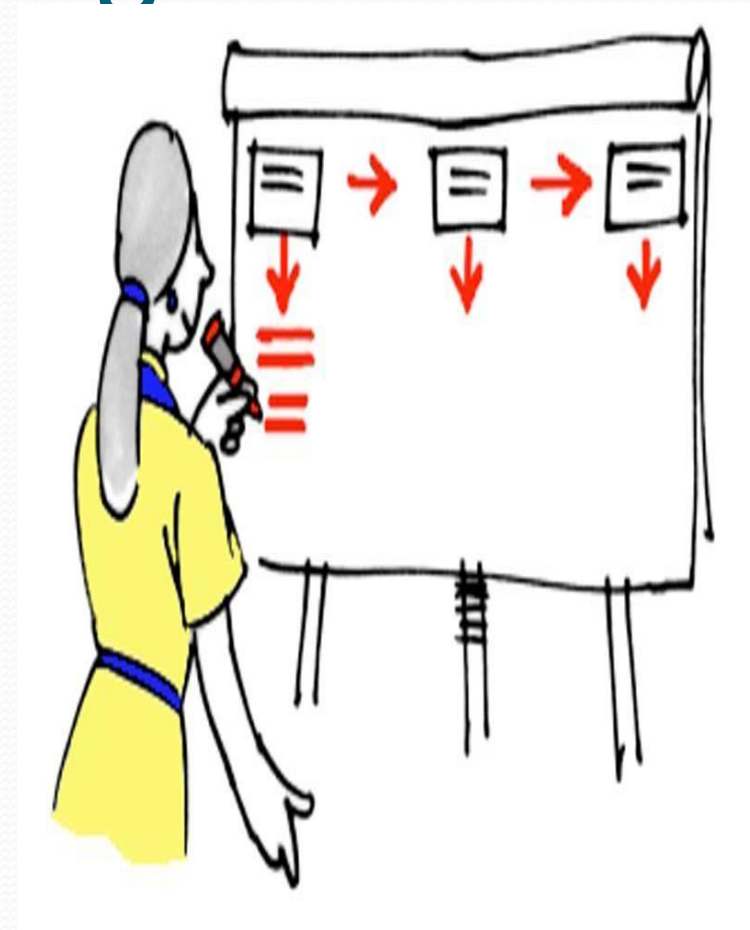
AO 25 MC No. 2018-1

- Sets the guidelines for the grant of the PBB for Fiscal Year 2018
- For FY 2018 Performance Targets (6.o)
 1. Streamlining and Process Improvement
 - No. of Steps for critical process
 - Transaction Cost
 - Substantive Compliance Cost
 - No. of Signatures
 - No. of Documents
 - Turn-Around Time (TAT)*

* Also called Lead Time

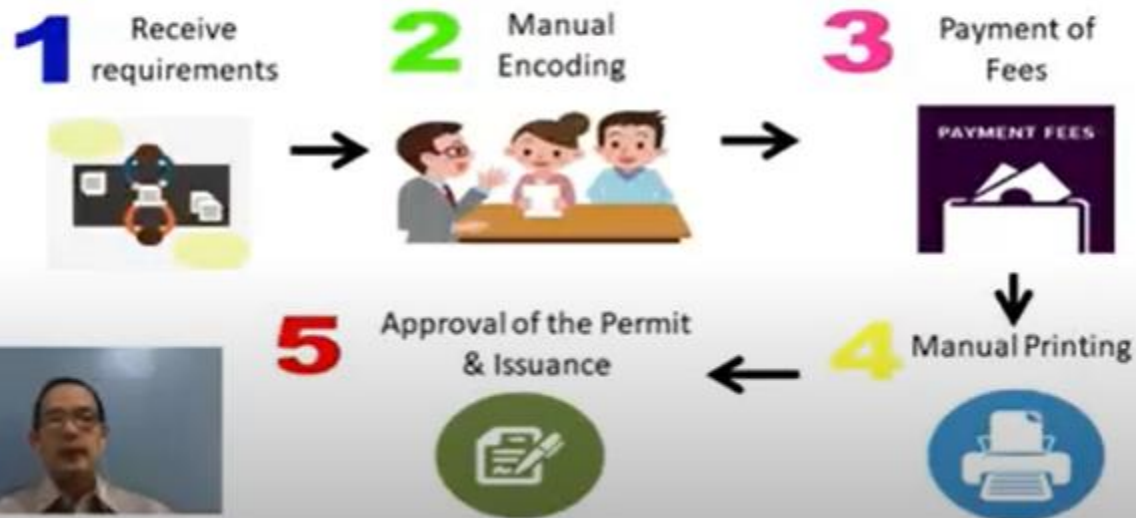
Process Streamlining

- Start with mapping the process
- Eliminate wastes
- Simplify and improve the process



Example of Process Streamlining

BEFORE: PROCESSING OF PERMITS



Example of Process Streamlining

AFTER: PROCESSING OF PERMITS



POINTS TO REMEMBER:



#1. Don't try to reduce cost by reducing quality.



#2. ... or by pressuring your employees to work harder and faster. Instead make your processes easier & faster.



#3. Look for delays between process activities.



#4. Beware of the Intangible Inventory.



#5 Eliminate Muda: waste is anything that does not add value which is perceived by the customer.

#6. Do not reduce the workforce as a result process streamlining.



Tools and Techniques in Process Streamlining

Tools and techniques in process streamlining

5S Good Housekeeping

Flow Charts

Time-Motion Study

Fishbone/Ishikawa Diagram

ECRS

SIPOC Diagram

Value Stream Mapping

5 Why's

Standard Operating
Procedures

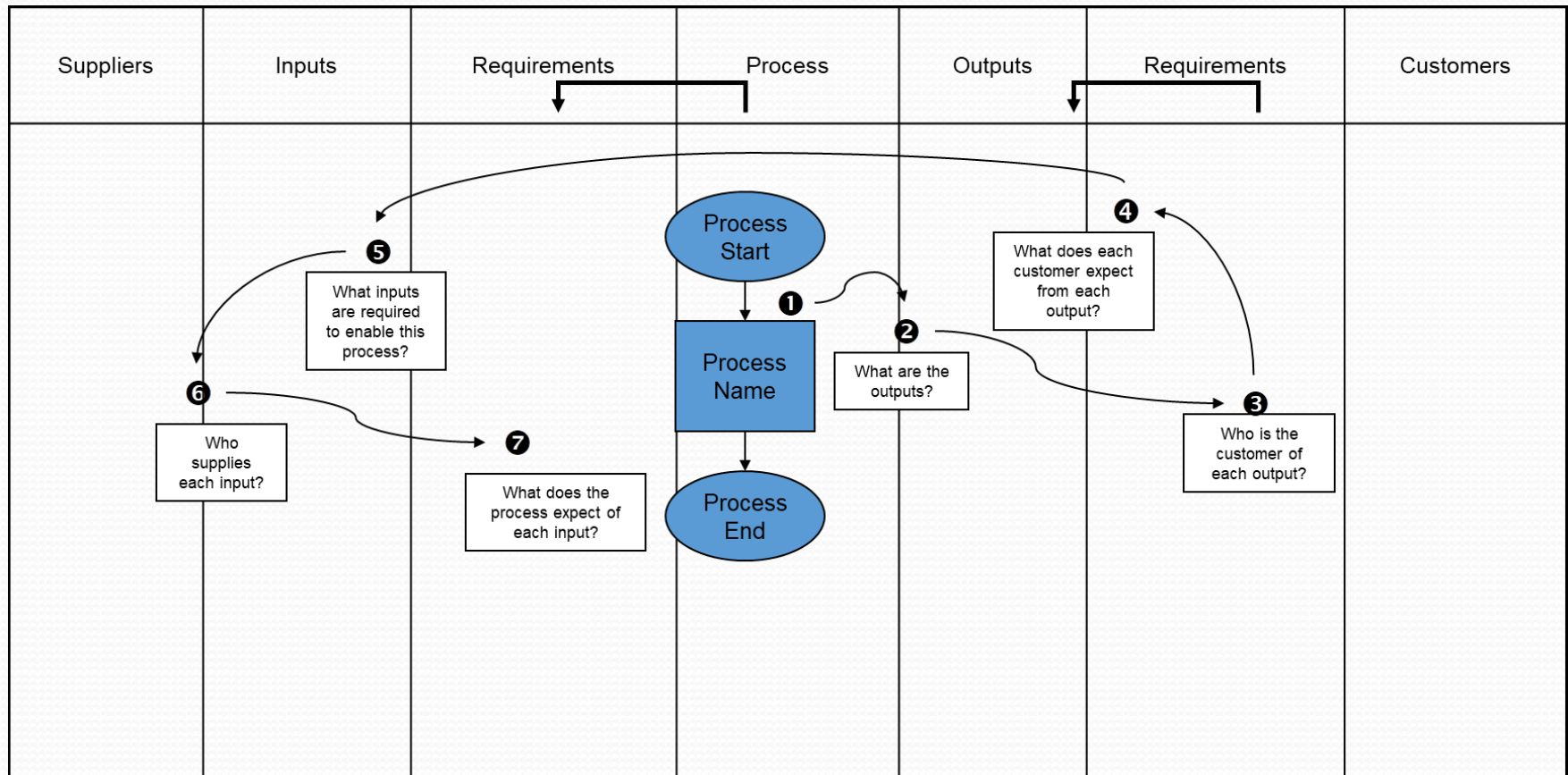
Swim Lane

One-Piece Flow

Workflow Dependency
Diagram

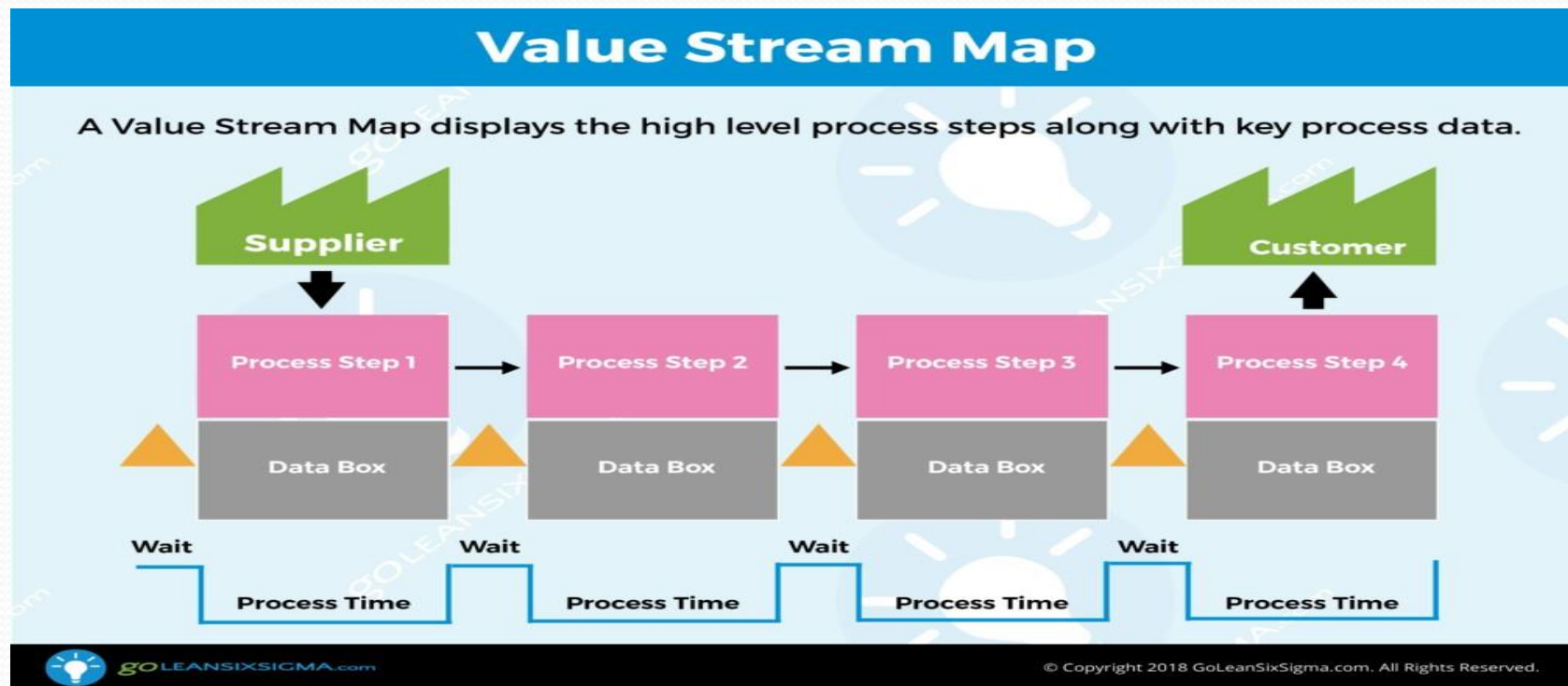
SIPOC Diagram

- A visual tool for documenting a business process from beginning to end.



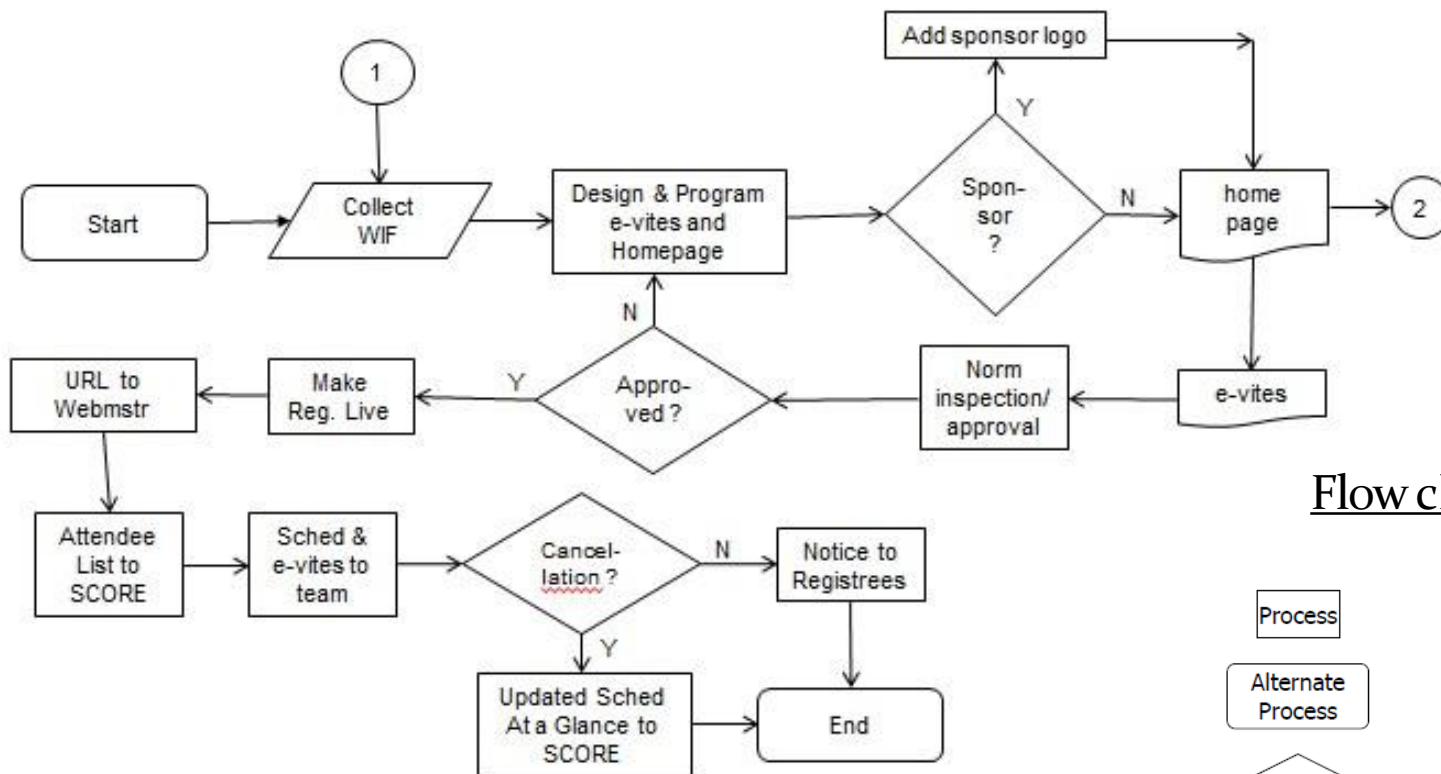
Value Stream Mapping

- Also known as **material & information flow**
- Current state map describes the process as it is today
- Future state map describe the ideal state based on applying lean principles

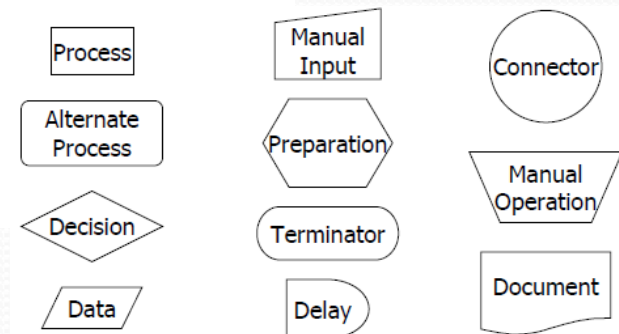


Flow Chart

- A diagram that represents a workflow or process.

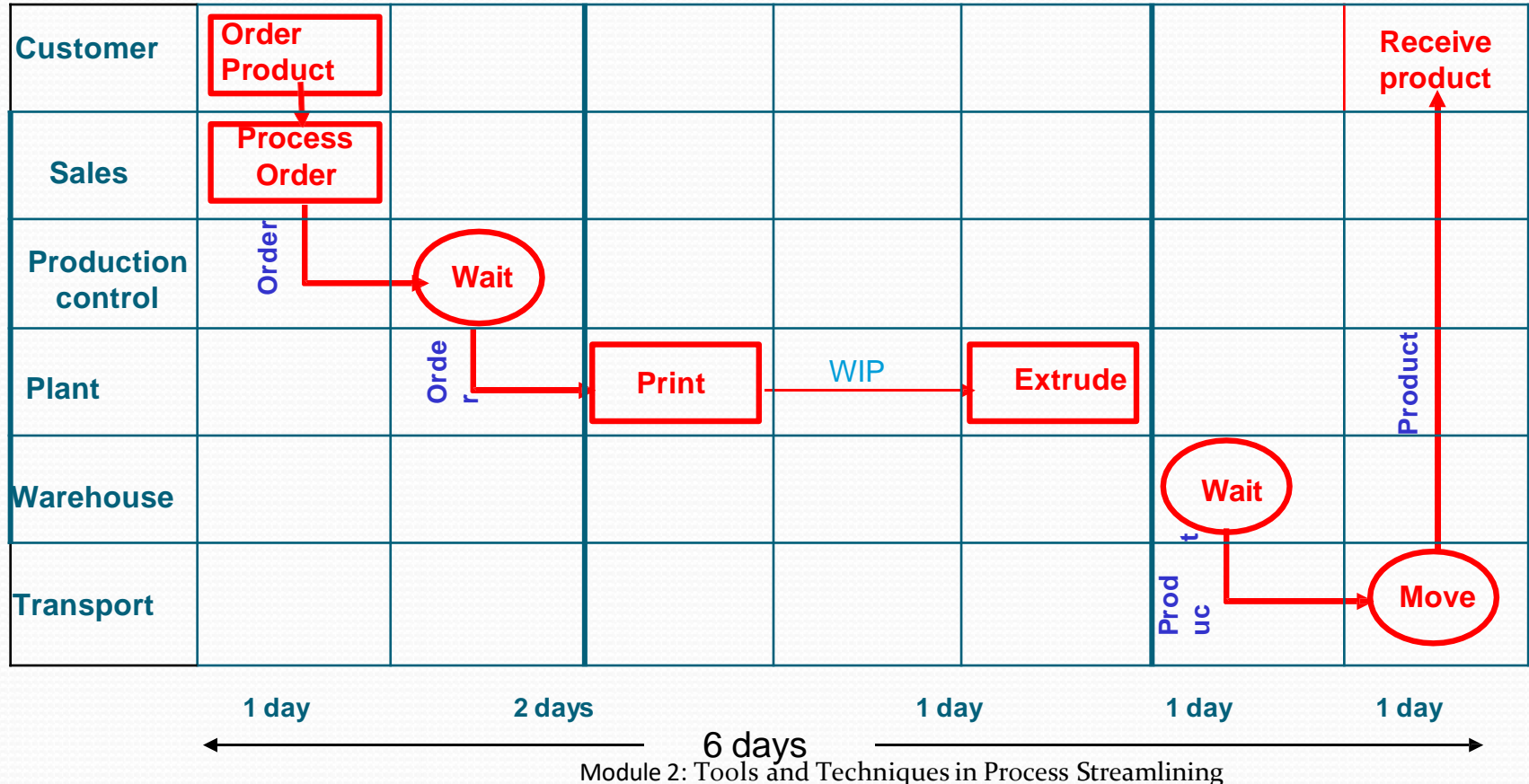


Flow charts symbols



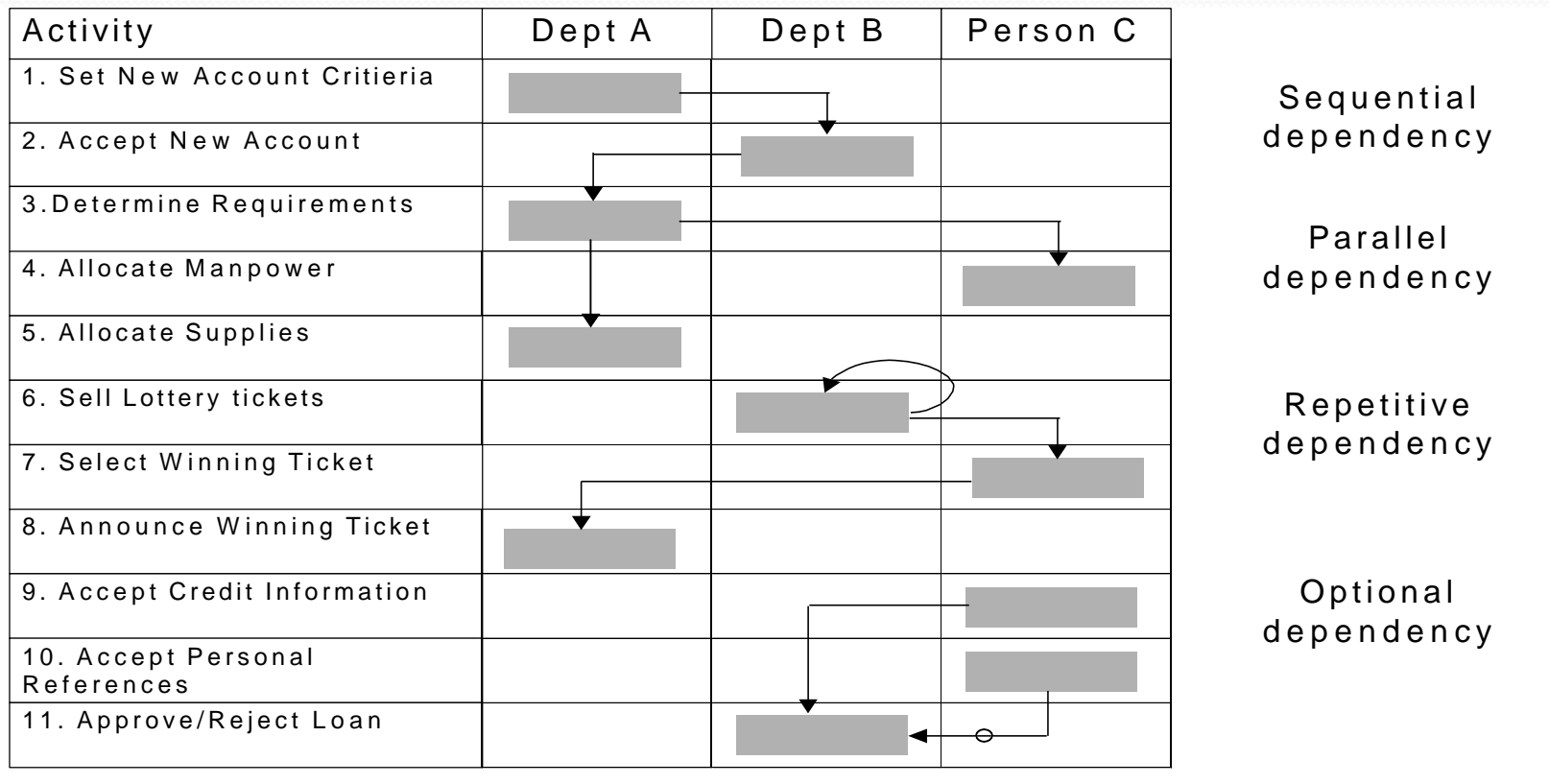
Swim Lane

- A type of flowchart that delineates who does what in a process by highlight redundancies between different lanes and identify bottlenecks, waste and other inefficiencies

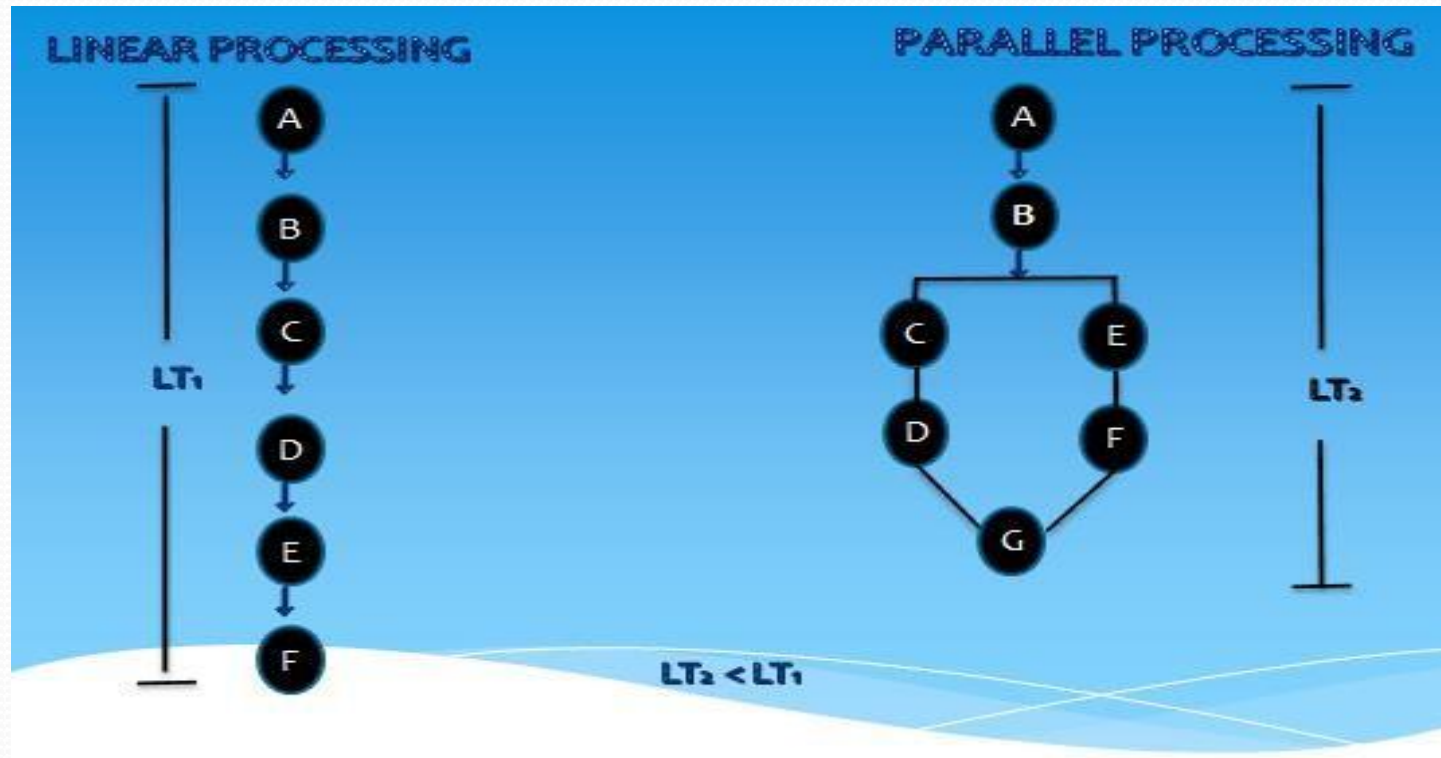


Workflow Dependency Diagram

- Identifies processes and their dependencies. It also shows responsibilities and location.



Parallel Processing vs. Linear Processing



Where applicable, this is a very simple yet a very powerful tool in cutting Lead times with very minimal to zero cost

Standard Operating Procedures

- Describes how operational processes are carried-out
- A fixed step-by-step sequence of activities or course action



Time and Motion Study

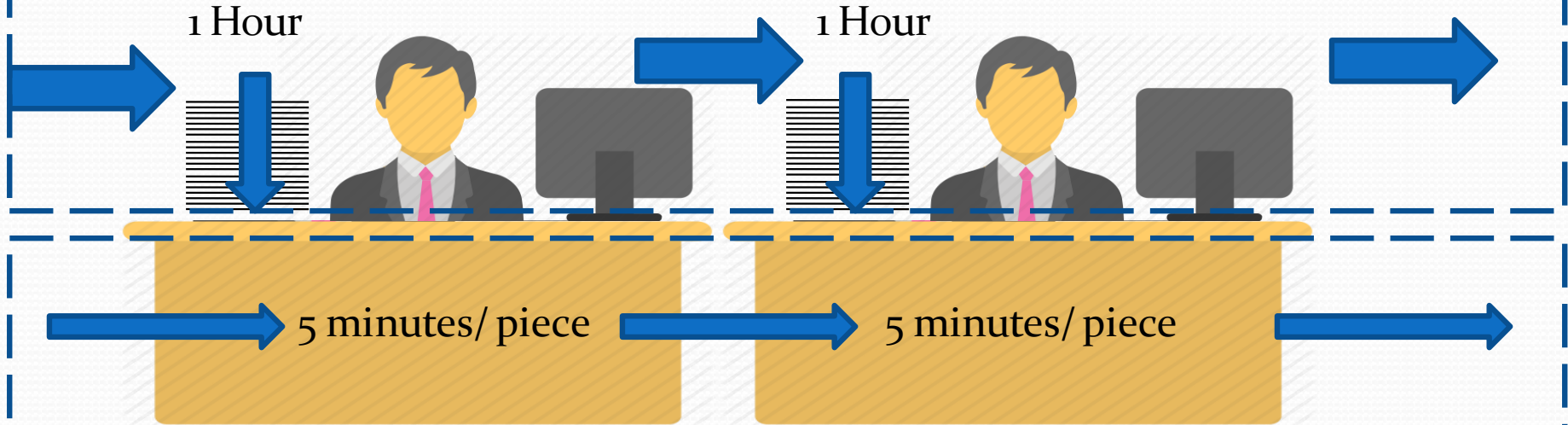
- Systematic observation, analysis and measurement of steps in performing a specific job for the purpose of establishing a standard time for each performance, improving procedures and increasing productivity.



One-Piece Flow

1 Hour Batch Flow

Comes out
after 2 Hours



1-Piece Flow

Comes out
after 10 minutes

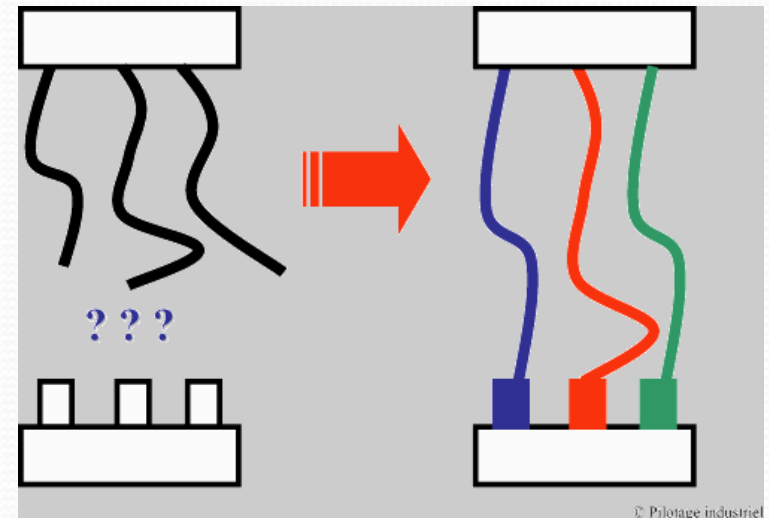
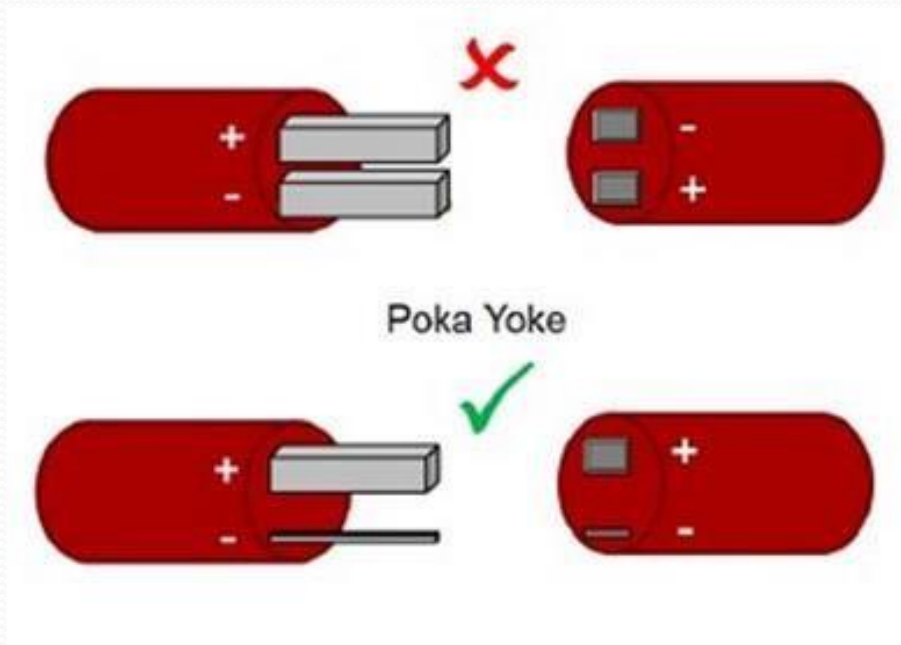
ECRS – what is it?

- ECRS stands for *Eliminate, Combine, Rearrange and Simplify*.
- This is an age-old Industrial Engineering process analysis method.
- ECRS is not a common approach in Lean, but is a practical framework for improvements.
- The key is to use the open-ended questions beginning in 5W1H (what, where, when, why, who, how / how much) so that the answer is not a straight yes or no but requires a positive identification of a Kaizen opportunity.

PURPOSE	What? Why?	ELIMINATE unnecessary part of the job
PLACE	Where?	COMBINE wherever possible or REARRANGE the sequence for better result
SEQUENCE	When?	
PERSON	Who?	
MEANS	How?	SIMPLIFY the operation

Pokayoke/Foolproofing

- A mechanism that aids operators avoid mistakes and human errors as they occur



5S not only Good Housekeeping

Seiri

SORT
SURIIN

TAKE OUT
UNNECESSARY
ITEMS AND
DISPOSE



Seiton

SYSTEMATIZE
SINUPIN

ARRANGE
NECESSARY
ITEMS
IN GOOD ORDER



Seiso

SWEEP
SIMUTIN

CLEAN YOUR
WORKPLACE



Seiketsu

SANITIZE
SIGURUHIN
ANG
KALINISAN

MAINTAIN HIGH
STANDARD OF
HOUSEKEEPING




Shitsuke

SELF-
DISCIPLINE
SARILING-
KUSA

DOING THINGS
SPONTANEOUSLY
WITHOUT BEING
TOLD





Eighty-five percent of the reasons for failure are deficiencies in the systems and process rather than the employee.

The role of management is to change the process rather than badgering individuals to do better.

THANK YOU!