

ELIMINATING DELAYS, REWORK BETTERS ADMINISTRATIVE PROCESS

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Companies reducing administrative staff due to falling revenues must look for ways to reduce the workload on current staff while developing long-term solutions.

When companies are forced to make reductions, the increase in work on remaining employees frequently results in stress and anxiety causing productivity to suffer. Long-term solutions might lie in developing new and more-automated systems to handle the work. However designing and implementing such systems takes time and money, both of which are usually in short supply for a firm that's made staff reductions.

What such firms need is an effective way to reduce workload by analyzing the value- vs. non value-added content of work. The term coined by industrial engineers for this type of analysis is work simplification, otherwise known as load shedding or cycle time management. Reducing work content leads to improvements in quality and productivity

Every administrative activity can be viewed as a process. In production, the process is a series of operations that produces a product. Just as raw materials are converted in a conversion process and component elements are put together into a single item in an assembly process, administrative work has its counterpart processes. Paperwork is converted rather than raw materials. Data and information are assembled rather than components. Processing a customer order, creating an invoice, generating a variance report

and closing the books at the end of

the month are all processes using a series of steps. The invoice or the report can be thought of as the product. Quality considerations, such as inspection, rework and scrap, have their corresponding activities in administration. Proofing, checking and management approvals are forms of inspection. It's common to find more than 50% of customer orders or purchase requisitions have missing or incorrect information that results in rework. Denial of a capital appropriation or rejection of a mortgage applicant after weeks of work can be thought of as scrap. Production and administrative processes share inventory in the form of Work-in-process—everything that isn't finished yet. In production, inventory is manifested by queues, staging areas and warehouses. In the office, the equivalent of the queue is the in box, where work waits for attention. Representative of staging areas and warehouses are files that include data waiting to be processed or waiting to be used with other data.

The first step in any process-improvement effort is to map or create a flowchart of the current process. The purpose is to identify the non-value and the value-added steps in the process. Processes are often dominated by non-value-added tasks, such as moves and waits or delays.

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For example, a bank can take four to six days to process a customer statement, from the time the statement is printed until it gets to the Post office. An examination of the value-added activities finds the following: printing, 10 sec.; folding, 1 sec.; matching the statement to presorted checks and stuffing the envelope, 30 sec.; running it through the postage meter, 1 sec. That's a total of less than a minute of value-added activity in a six-day process. The same holds true in a manufacturing process.

Production and administrative processes can be significantly improved by using flowcharts. Overall cycle time can be improved by focusing on eliminating non-value-added waits, moves, rework and inspections.

The production process has seen improvement due to attention from engineers and other specialists. Administrative processes have received far less attention although they're usually simpler to improve. The greatest opportunities to improve overall business cycle time and competitiveness lie in the administrative process.



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