Basic Stability within Service Systems

A management summary by Barry Pappot (CChL)

Although Basic Stability is the fundament of Lean it is still pretty unknown within services organizations. In my experience Basic Stability can have a lot of impact within services organizations, maybe even more than in manufacturing organizations. In 2017 a Belgium services provider made a Lean turn-around just by applying Basic Stability. This article describes what happened during this turn-around.

Turn-around

In 2017 I supported a Belgium services provider. During this year we were able to reduce the operational stock with more than 80% and also improved the revenue with 25%. This was the result of hard work and applying the concepts of Basic Stability. By the end of the year the culture changed and the performance was stable, making it possible to start the next steps in our Lean journey.

Basic Stability

When searching on the internet for 'House of Toyota' you find many pictures which show Stability as the fundament of the house. This is exactly what it is, the fundament of Lean. To be able to start with concepts like flow, quality systems or waste reduction, you need to have a stable operation.

Basic Stability is not only a set of Lean tools, it's also a mindset. The mindset of being able to deliver the right quantity and quality on a daily basis.

Stability is needed throughout the year. Because once we are running behind schedule or can't deliver the right quality, more waste is introduced. For example waste caused by rework, complaints, extra stakeholder management and most important firefighting.

As stability is an improvement itself I advise to stabilize the operation first, rather than to hunt for waste, which unfortunately is a popular and not so successful approach within the Lean community.

Work cells

In 2017 our first step was to implement work cells. Work cells are small teams, with around 5 team members, which tightly work together. With hardly any hand-overs between the work cells, the work cells became responsible for serving their customers.

Work cells are like little companies within a company. You can imagen this can be quite a culture change for the team members. Therefore, in this phase, day to day coaching is very important. Working with work cells also requires a different role of the manager. No longer is the manager directly telling the team members what to do, but rather managing the conditions the teams are working in.

Rhythm

The teams were categories by rhythm using the Runners-Repeaters-Strangers concept. In this concept the Runners teams got the high frequent requests which took little time. The Repeaters teams got the requests with a lower frequency which took more time. And the Strangers teams got requests which were unique and took a long time to finish.

For each team the basic standards were implemented. Which meant that every team member knew, each day, what to do and in what order. Also everyone knew what goal needed to be accomplished by the end of the week. A simple whiteboard was introduced to visualize the progress of each team member.

Levelling

After a while everyone knew, at any point of the day, which team was on schedule or running behind. This provided us the information to start Levelling. Levelling is a concept in which we try to have the right capacity at the right place and at the right time.

First this was done by looking at the size of teams from time to time. Later we also started to create more day to day flexibility. When a team was running behind, a signal (an Andon) was given so work could (over)flow towards other teams. To create this system, people had to be trained and a capacity buffer was created within the teams.

Standard work
Next to the basics standards each team got a set of procedures. These weren't lengthy documents with lots of details, but a couple of A4's with the basic steps of the process. Each step describing what to do in what case.

The way these documents were created and implemented depended on the team. For the Runners teams the standards were written by an experienced team member, while we used a group process for the Strangers teams.

Go and see
Once the performance was getting better, we asked the managers to get a better picture of how the work was done by each team member. This could be done by spending more time sitting next to team members and observing their handlings. These insights were the starting point of new improvements, like day to day coaching, starting Problem Solving A3's (Kaizens) or implementing a quality system.

Clearing the Clouds
One of the goals of Basic Stability is having a simple and logical organization. Complexity introduces a lot of waste and makes it hard to improve. Throughout the year I spend a lot of time coaching the management team in the concept of Clearing the Clouds (which, in my opinion, is part of Basic Stability). This fairly unknown concept deals with removing the complexity within the management of the organization, like: unclear responsibilities, long and tightly connected processes, slow decision making, not enough focus, doing too much and last but not least a vague mandate.

About the author
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