

Achieving improved
performance through learning
how to tackle the right
problem

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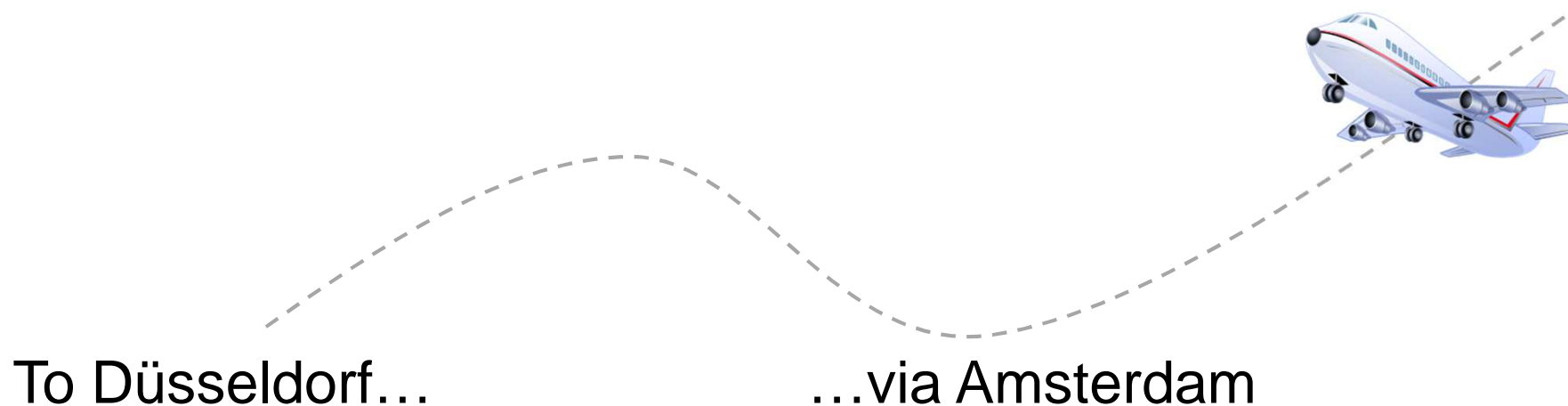


AGENDA

1. Solving the wrong problem can lead to bad performance
2. Thinking governs performance: Some theory about problem solving
3. Theory in action: Financial Service Case study
4. Framework to take action
5. Questions & Discussion



Solving the wrong problems can lead to bad performance and higher costs



...a customer experience



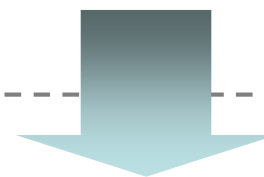
Thinking governs performance

- Standards reduce or control cost
- Customers would rip the company off
- We need to have control & consistency
- Management know, what the customers want
- We don't trust our staff to make decisions and solve problems

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- Standards/Procedures
 - Service Levels
 - Regulations/Audit

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- Customer is unhappy, problem not solved
 - Staff are frustrated, unhappy, cannot help and become disengaged
 - Airline spends more money €€€

Thinking



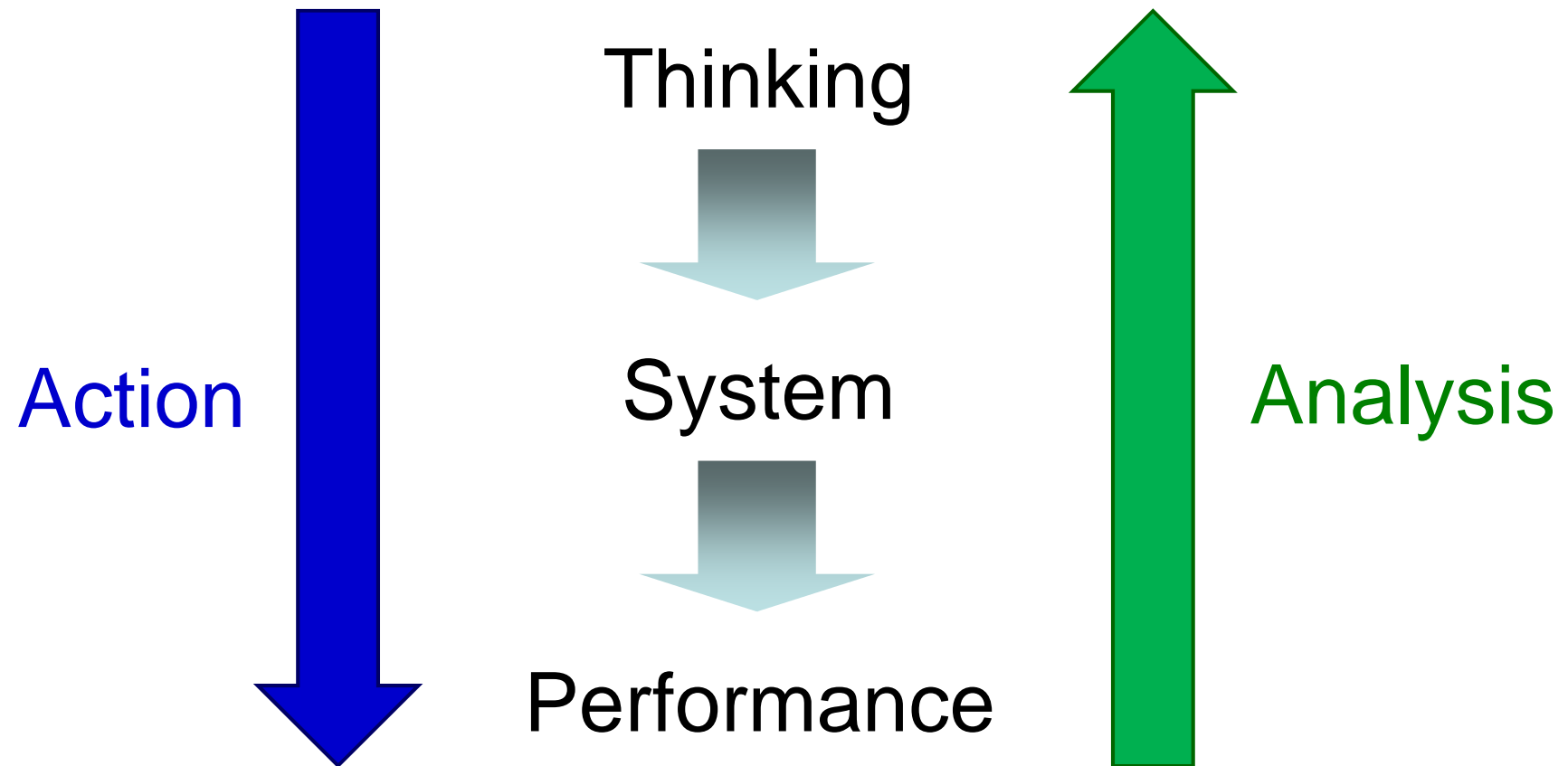
System



Performance

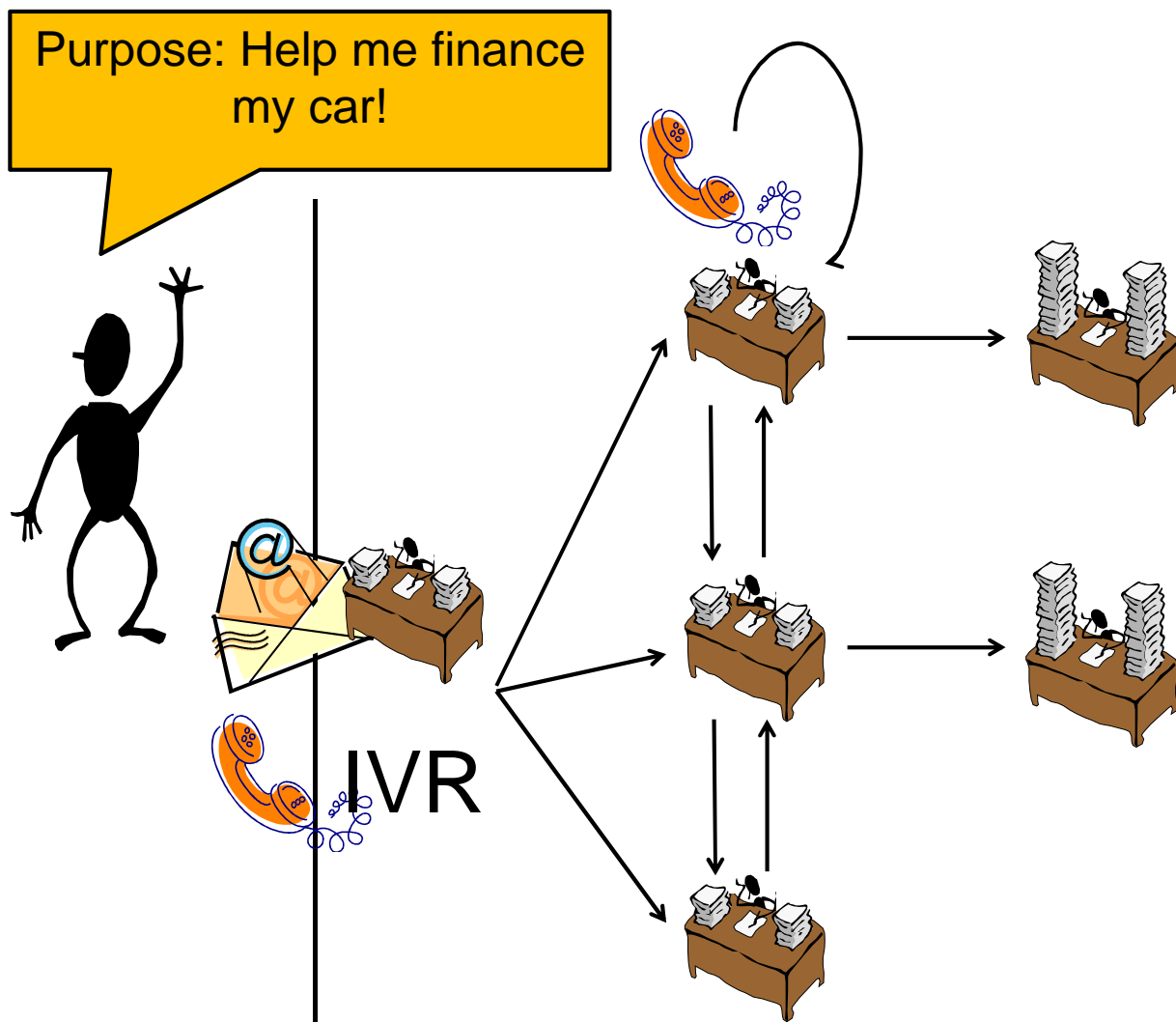


Thinking governs performance





Financial Service Case study



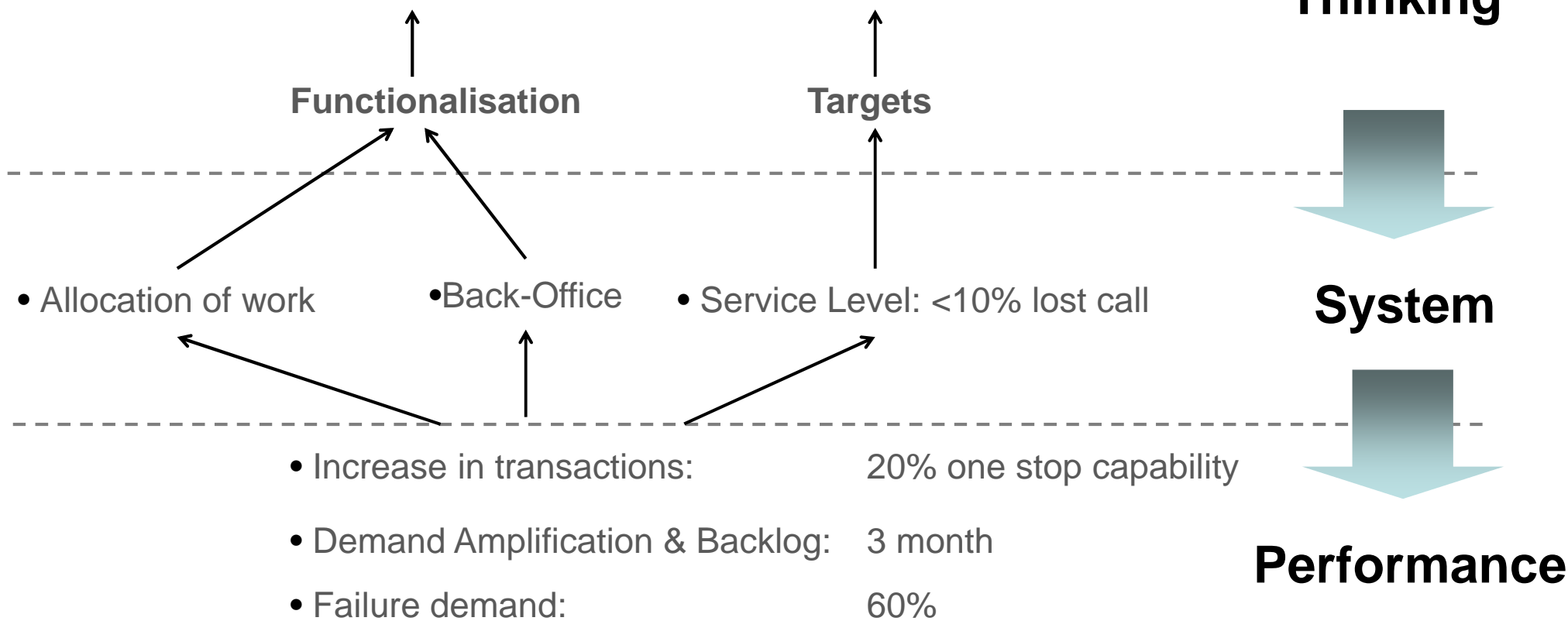
- Allocating work through
 - IVR – Interactive voice record (Press 1, if...)
 - Mailbox
- Service Level:
 - Response within 5 days
 - <10% abandoned call rate
- Back-office

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- ↓**
- Transactions 4x
 - Transactions 5x
 - Demand Amplification & backlog
 - Failure demand



Why did the system perform this way?

- Leave your brain at the door: simple repetitive tasks
- Specialist can do things faster
- Targets motivate people to work harder
- Targets increase efficiency





What was the consequence of changing thinking?

Before:

- Focus on Productivity /Activity
- Functionalisation leads to better efficiency
- Targets lead to higher Performance

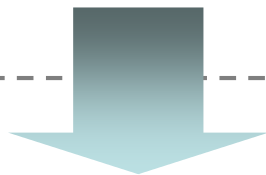
After:

- Focus on value work, act on failure
- Design against demand: Expertise to the front
- Eliminate waste and optimise flow
- Managers act on the system and engage staff in problem solving

Thinking



System



Performance

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- 5 functions
 - 14 mail boxes
 - Targets (10% abandoned call rate)

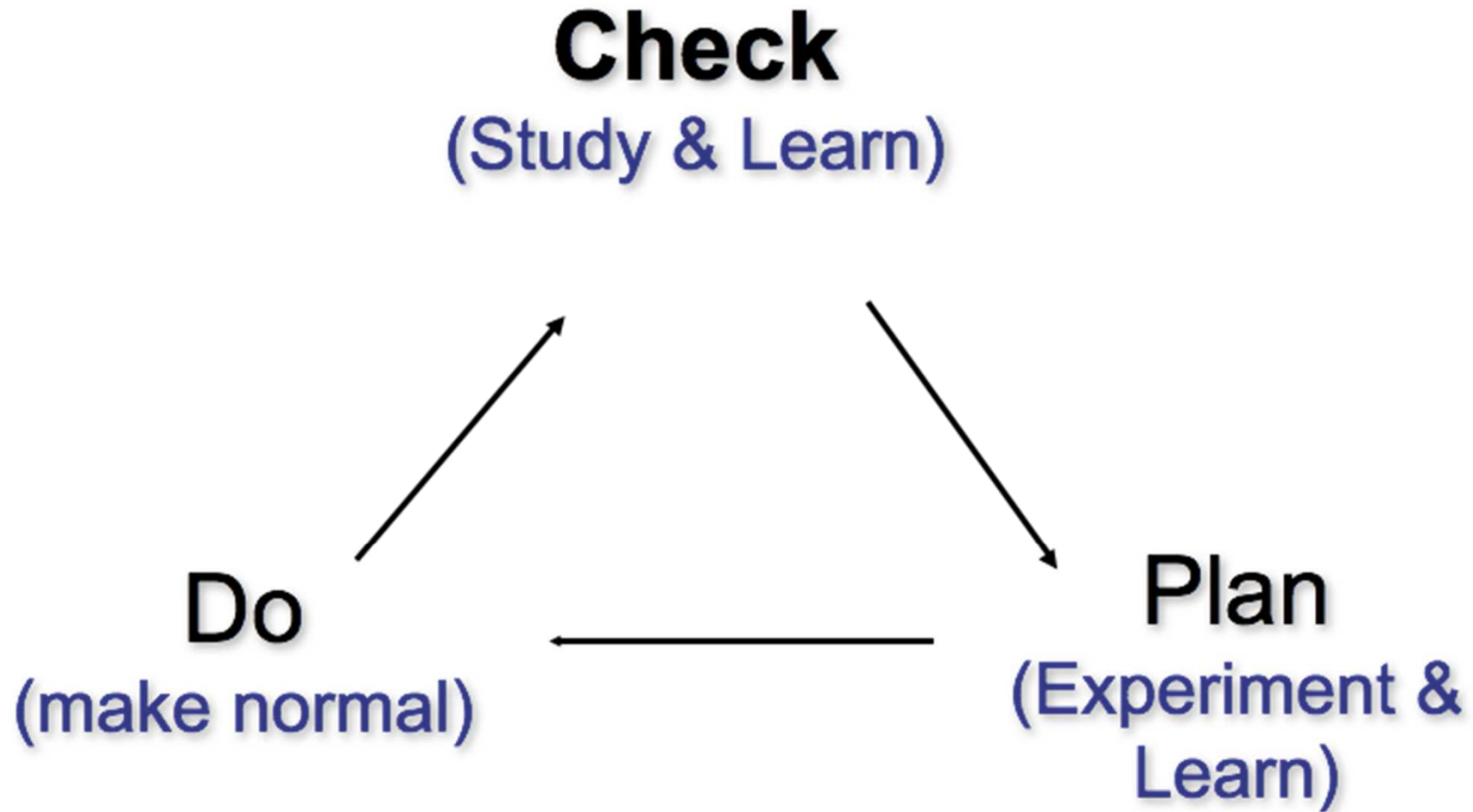
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- 1 function
 - 1 mail box
 - Measures to learn and improve (value/ failure; one stop capability)

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- Mails waiting in back log: 3 month
 - Staff were fire fighting
 - Plan to recruit additional staff

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- No back log
 - Staff morale went up
 - Existing staff took over new demands and proactive work



How can you challenge thinking?





If you don't challenge your current thinking...

...you solve the same old problems the same old way.

If you challenge your thinking....

...you solve different problems.



Thank You!

Interested to learn more?

www.vanguard-deutschland.de



www.vanguard-method.com





Back-up



The secret

- Rational
- Coercive
- Normative



What other traditional options do we have to solve the problem?

- New IT: Workflow management, CRM
- Outsourcing
- Paid telephone hotline
- Improvement tools
 - 5s
 - Kanban
 - Visual methods
 - Etc.