



Service Management University™

Education for Service Management Professionals

Course Title: Lean for Service Management™
And Lean for IT

Course Focus: Practical advice on how to apply Lean Thinking to the objectives and challenges of a service business, service provider organization, or IT organization performance managed as a service provider.

Classroom Duration: 2 Days

Version: 2.02a

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Course Description:

We live in a service experiential economy where products and services, and the organizations providing them, are differentiated by the experience they deliver. A service provider cannot deliver excellent service without understanding the service experience they plan to deliver, and are delivering. This requires prior knowledge of the customer's needs, behavior, and desired outcomes, and confidence you have the right people in the right jobs doing the right things.

Lean Thinking is a management approach and improvement method pioneered by James P. Womack and Daniel T. Jones in their book of the same name, squarely focused on the banishment of waste in all activities, and the creation of wealth and value for both the provider and customer communities. Lean has a long history of being recognized as offering the most cost effective means of transforming or improving an organization.

Customer actions and interactions drive the provider's internal work effort. Where services are involved, human contact and interaction is the greatest driver of the cost of providing a service. So, a service provider needs to understand where, how and why a customer interacts with the organization and its products and services, to continuously innovate, target and apply best practices to ensure the effectiveness and efficiency of their operations, and control costs.

Service management represents the systematic methods used to design, offer, contract, and support products classified as services, and ensure the right level of service is available to consumers at the right price. Service management commits an organization to be performance managed as a service provider, and to adopt a service excellence model based upon a combination of customer satisfaction, customer experience, quality of service, and cost of service criteria.

This course uniquely combines the concepts and methods of Lean Thinking, Outside-In Thinking, Service Management Systems Thinking, and Customer Experience Management, to explain and demonstrate how to learn to see and eliminate wasteful activities, and to ensure innovation and continuous improvement programs are customer relevant and centric.

This net effect is to allow you and your organization to align work, internal priorities, and ongoing improvement efforts with those of the business and your customer. This represents the very essence of service excellence.

The methods used in this course are *universally* applicable to any service organization operating in any service industry.



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Learning Outcomes:

Upon successful completion of this course, participants will be able to:

- Explain the driving factors behind the service experiential economy and its affect upon management imperatives;
- Understand why traditional process improvement and capability maturity led initiatives fail, and avoid making the same expensive mistakes;
- Explain the origins, genealogy, and key principles of Lean Thinking;
- Describe the origins of service and service management theory, and communicate what 'service management' is to various communities and stakeholders within an organization;
- Explain the principles of outside-in or customer centric thinking, customer expectation management, and customer experience management;
- Describe the key elements of a service management system and the major roles within a service provider organization;
- Apply Lean Thinking within any service industry and service organization, and specifically to propel a service excellence and/or continuous improvement program;
- Establish a Lean Service (Improvement) Office and supporting Lean focused organizational culture;
- Use Lean Thinking and its methods to assess any aspect of current service provider operations and Identify issues within existing practices, the impact of each issue, and select and apply correction actions from a Lean perspective;
- Prepare for, conduct, and report the findings of, a Lean Event (also termed a Point Kaizen);
- Define a problem, its impact, and recommended solution and improvement using the A3 Report format;
- Use the Kaizen Newspaper concept to help inform the organization and stakeholders about how problems are translated into opportunities for improvement, and the benefits realized from change;
- Use the Lean Service Management ten-step program as the basis for a transformation and continuous improvement initiative focused on **what** a service does for the customer in terms of enabling and supporting their '*Successful Customer Outcomes (SCOs)*'.



Learning Architecture:

This is a classroom based, instructor led course that uses a combination of tabletop simulators, presentations, and team assignments. This course combines traditional study lessons that provide information on basic concepts and terms, with progressive 'rounds' of workshop styled experiential learning activities.

The workshop elements of the course are designed to allow for progressive levels of instructor-facilitated activities designed to immerse the student in a realistic simulation. At set intervals, the facilitator will collate student feedback and generally respond to student enquiries in a question and answer format.

In general the course has the following format:

- Instruction element, introducing or explaining a topic, concept or theme;
- An introduction to the assignment to prime round activities;
- A round of activity, where a situation is experienced, and one or more assignments completed using the tabletop simulator materials - the interactive mapping exercise;
- Breakout groups for analysis and use of data;
- A post-round experience sharing lesson;
- Opportunity for questions and feedback;
- A optional 'Check Progress' quiz or test, offered at the end of each module, designed to test the student's understanding and recall of key information discussed during the module;
- A course conclusion or summary lesson.

Where assignments are scheduled, each round of practical activity will have the following approximate timings:

- 5-10 minutes orientation of objectives and operation of the round;
- 20 minutes of round related activity;
- 10 minutes to collate round results;
- 10 minutes to present feedback;
- 5 minutes questions and answers.

Each round has a total duration of approximately 50-55 minutes.

Each student will receive a copy of the workshop workbook, which includes basic forms and templates that are completed during the operation of the workshop.

What are the delivery options?

- This is a 2-day course is delivered as a public event and is available for onsite, dedicated delivery for up to 24 delegates.



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Intended Audience:

This course will significantly benefit:

- Any professional interested in how to apply Lean Thinking principles and methods to the challenges of managing a service organization in any service industry;
- Any individual wishing to enhance their career by developing Lean centric knowledge, skills and methods;
- Any individual interested in, or responsible for, transforming an organization from one focused on infrastructure management, to one focused on customer service, value, experience, and satisfaction levels;
- Any service industry professionals who needs to understand the key concepts of the service experience and how to map, inspect and innovate this as part of a customer focused service management strategy;
- Any service management professionals responsible for the, design, development, introduction and operation of a customer focused service management strategy;
- Staff, consultants, or service management professionals interested in programs designed to improve the quality or cost of providing services
- Anyone responsible for the design, implementation or improvement of a service management system, or the roles within a service provider organization;

Prerequisites:

- None

Contact Hours:

- This course requires 14 student contact hours.

Certification:

- A certificate of completion is offered upon successful completion of this course.
- This syllabus is compatible with Service Management Qualification Scheme managed by the Service Management Society™ and accrues education credits towards credentials offered by examination through that scheme.

Related Courses

- The Outside-In Service Management Foundation;
- Service Experience Design Workshop.

References:

- The Guide to the Universal Service Management Body of Knowledge (USMBOK®), Ian M. Clayton
- Lean Service Management Program workbook, Ian Clayton
- The Service Management Manifesto™, co-authored by Ian Clayton



Course Outline:

The following course outline is designed to provide as much detail and information as possible about the scope of the topics covered in this course. Each lesson is approximately an hour in duration and many include brief assignments using a combination of tabletop simulators and a fictitious case study.

Day One: The Management Demand for 'Lean Thinking'

The first day provides a familiarization with the rationale for applying lean thinking, introducing key lean and service management concepts, discussing the challenges of a service provider organization, and the principles of using lean to improve the provision of services. The lessons include:

- Why Lean? What makes Lean so special and distinguishes it from other improvement Initiatives?
- Principles of Lean Thinking
- Principles of Service Management
- Elements of a Service Management Framework and System
- The Service Provider Organization
- Lean Thinking for Service Organizations

Lesson 01: Why Lean?

This lesson sets the scene by exploring the drivers of change in today's service dominant society, introduces the concept of 'continuous improvement', the lessons learned from traditional improvement approaches, and the reasons behind the management demand for a leaner option. The lesson begins with a case study situation and the topics discussed include:

- Starter: "All I need to do is...."
- The constant need to adapt to change, improve, and provide value
- Red Queen Principle: "in this place it takes all the running you can do, to keep in the same place."
- The Improvement Principle: "a lack of defined problems implies missed opportunities to improve"
- An introduction to 'continuous improvement', and the traditional approaches
- Misinterpretation and misuse of 'plan-do-check-act'
- Lessons learned from the traditional 'process improvement' led approach
- Lessons learned from the 'maturity level' approach
- The management demand for customer centricity and a 'Lean' approach

Lesson 02: Principles of Lean Thinking

This lesson explores the history of Lean, introduces the principles behind Lean Thinking, and the key lean concepts and vocabulary. The lesson references the Lean Service Management pocket guide and Lean Navigator™ tabletop. The topics discussed include:

- A brief history and the genealogy of lean
- A comparison of 'Plan-Do-Check-Act', 'Six-Sigma', and 'Lean'
- The five key 'Consumer' principles
- The 'Learn to See' principle
- The 'Right Thing, Done Right' principle
- The 'Pursuit of Perfection' principle
- The Respect for People principle
- The Lean vocabulary
- Common mistakes made when leveraging Lean



Lesson 03: Principles of Service Management

This lesson explores the fundamental concepts and key principles of universal service management. The lesson references the Lean Service Management pocket guide and Service Management Navigator™ tabletop. The topics discussed include:

- Case study: “What is it you need to do, and how can I help you?”
- The service experiential economy
- The relationship between customer expectation, outcomes, experience and satisfaction levels
- Key differentiator – design and management of the ‘service experience’
- The service excellence equation
- An introduction to service management and its vocabulary
- The Service Encounter (Moments of Truth, Moment of Need)
- The service provision model concept, three common models
- The alignment models – Enterprise, Customer and Service
- Respecting the vital service equations, (value, expectation, quality, experience)

Lesson 04: A Manifesto for Service Management

This lesson explores the rights and responsibilities of the actors in a service economy. The topics discussed include:

- Golden rules for service management
- The consumer perspective;
- The provider perspective;
- The vendor perspective;
- The professional perspective;
- The association perspective.

Lesson 05: The Service Management Framework

This lesson introduces the elements of a service management framework. The topics discussed include:

- The service management framework for a service business;
- The service product element;
- The service management system element;
- The basic service provision model.
- The service provider organization element;
- The workforce management system element;
- The consumer management system element;
- The service excellence and continuous improvement element.



Lesson 06: Elements of a Service Management System

This lesson introduces the elements of a systematic method to manage the provision of services, from offer through to fulfillment and support. The lesson uses a case study situation and the Service Management Navigator™ tabletop to explain the elements, and the role of the service request in causing provider work effort. The topics discussed include:

- Service management as a system
- The singular input to the system – the service request
- Business planning & Performance management frameworks
- The role of key system artifacts, including: Service governance framework, Service planning process, Service fulfillment plan, Service plan, Service portfolio, Service catalog, Service calendar, Service priority scheme, Service portal
- Service Transaction Engine and the Service Lifecycle
- The Supporting Lifecycles, including: the Service Requirement Lifecycle, the Service Request lifecycle, the Service Provision lifecycle, the Service Operations Lifecycle, the Operations Governance Framework, the Service Support lifecycle, the Service Revision Lifecycle, the Service Release Lifecycle, the Service Change lifecycle, the Service Performance Framework
- The Service Request Pathway

Lesson 07: The Service Provider Organization

This lesson discusses the key concepts of a service provider organization, and its more common challenges:

- The role of the service provider organization
- Understanding Your Organization as a System
- The Role Continuum
- Service Management Knowledge Domains – Roles
- Service Management Knowledge Areas – Knowledge, Skills and Abilities (KSA)
- The Policy Management and Service Governance Frameworks
- The 'management imperatives' and top challenges



Lesson 08: Lean Thinking for Service Organizations

This lesson explains the relationship between key lean thinking concepts and methods, and those of service management. The topics discussed include:

- Perfection, Continuous Improvement
- Types and Forms of Waste in a Service organization
- The 5S plus 3 of the Service Scape
- The concepts of Lean Consumption and Lean Provision and the Service Request Pathway
- Lean 'learn to see' and service experience design
- A3 Report, Problem-Impact-Benefit-Opportunity (PIBO) Model
- Andons and Service Level Indicators
- Andon Boards and Dashboards and Scorecards
- Causes of Friction (Genjitsu) and Service Incidents and Complaints
- Pull and the Service Request
- Gemba and the Service Encounter, Interactions, Touchpoints
- Gembutsu and the Service Portfolio and Service Request Catalog
- Value Stream and Vital Mission Activities
- The Lean Event, Point Kaizen and the Service Request Workshop
- Poke Yoke, Controls and Control Barrier Analysis
- Flow and Heijunka, and the Service Request Pathway and Authorized Response Plan
- Kaizen Newspaper, Continuous Improvement Status (Problem and Opportunity Queues)
- Sensei and the Service Management Professional



Day Two: Translating Lean Thinking into Lean Action

The purpose of this day's activities is, through practical hands-on work, to demonstrate how Lean Thinking and its methods are used and integrated into a service excellence initiative. Using a common fictitious case study, and guided by the Lean Service Management Navigator tabletop simulator, participants work individually and as part of a team to complete a series of assignments designed to translate the theory learned on day one into repeatable practice.

The day begins with two brief introductory lessons, providing additional insights into customer centricity and the ten-step Lean Service Management program. Lessons 9 through 14 incrementally introduce and allow the participant to explore each step in the program, resulting in a comprehensive and complete picture of how to apply Lean Thinking within a service organization as part of a continuous improvement effort. The lessons include:

Lesson 09: Principles of Outside-In Thinking

This lesson introduces the key concepts of 'outside-in' or customer centric thinking. The topics discussed include:

- Principles of Outside-In, customer centric thinking
- The relationship between problem management, continuous improvement program, lean thinking, and outside-in thinking
- Ensuring you measure, record and hear 'What Our Customers Are Saying (WOCAS)'
- Elements of the service experience
- The experience equation
- The outside-in, inside-out continuum

Lesson 10: The Lean Service Management Program

This lesson describes the driving principles of the Lean Service Management™ program, and an introduction, prior to the practical session, on how they can be integrated into an existing service management system as part of a ten step, repeatable program. The topics discussed include:

- Six key principles of Lean Service Management
- Step 1: Foster Lean Thinking
- Step 2: Formalize, Socialize, Mobilize Lean and select a relevant service management body of knowledge
- Step 3: Establish the Lean (Service Excellence, Continuous Improvement) Office
- Step 4: Select a Lean Project
- Step 5: Define the Consumer Scenario
- Step 6: Define Consumer/Customer Expectations
- Step 7: Learn to See the Service Request Pathway
- Step 8: The 'Gen Principle – State the Facts
- Step 9: Define the Improvement (Solution) Statement
- Step 10: Deploy and Diffuse Improvement



Lesson 11: Step 5 - Define the Consumer Scenario

This lesson starts the practical session and using a case study and the Lean Navigator tabletop simulator guides the participant through steps 5-10 of the ten-step Lean Service Management program and explains how it is integrated into a continuous improvement program and service excellence system. The concepts explored in this step include:

- Targeting a customer community, line of business, and consumer scenario
- Understanding the consumer/customer situation, use of 'undercover boss' and 'mystery shopper' tactics
- Listening and incorporating the 'voice of the customer', and defining the successful consumer/customer outcome (SCO)
- Identifying or hypothesizing common problem areas and forming a problem hypothesis
- Finding and adding the initial evidence
- Requests – the most important aspect
 - Incidents – a vital source
 - Problems – statement of impact
 - Change – an occasional cause
- Consolidating your findings in an A3 report format

Lesson 12: Step 6 – Define the Consumer Expectations

This brief lesson uses assignments to explain how to define the consumer value and expectation statements as a basis for determining the importance of the consumer scenario, the constituency for the 'Lean Event', and the likely impact of any issue uncovered during the subsequent 'learn to see' step. The concepts explored in this step include:

- Defining the consumer value and expectation statements
- Gembutsu – Define the actual product or service
- Identifying interested parties
- The SCO constellation map
- Scoping the 'learn to see' workshop
- Lean Event pre-planning, operation, post analysis

Lesson 13: Step 7 - Learn to See the Pathways

Using what lean would recognize as a 'Point Kaizen' approach, this lesson demonstrates how to conduct a 'learn to see' session, or Lean Event (also termed a service request workshop). The concepts explored in this step include:

- Elements of a service experience map
- The consumer, provider and service request pathways
- Mapping the consumption (consumer) pathway
- Mapping the provision (provider) pathway
- Service Delivery Channels
- Touchpoints, interactions, line of visibility, support processes
- Walking the Gemba – Identifying moments of need and moments of truth
- Applying the 16 types of observations
- Value stream costing
- Determining takt time
- Defining customer satisfaction levels
- Classifying identified waste
- Consolidation the findings of the session in an A3 report format



Lesson 14: Step 8 - The 'Gen' Principle – State the Facts

This lesson explains how to take the findings of the previous step and develop a comprehensive statement as to the facts, and the likely problems and their impact upon one or more stakeholders. This lesson also provides a rudimentary overview of cause analysis due to its specialized and extensive methods. The concepts explored in this step include:

- Just the facts – describing the 'Lean Statement'
- Genjitsu – actual facts (observed data)
- The combined effect of the Gembutsu, Gemba and Genjitsu concepts
- Defining the problem statement
- The four key impact perspectives
- Defining the impact statement
- Confirming the impact and gaining traction and support for change
- Creating and sustaining your 'Kaizen Newspaper'
- Principles of cause analysis, types of causes, methods to discover
- The key stage of Control Barrier Analysis
- Justifying a cause analysis effort
- Task and change analysis
- The illusive root cause
- Defining cause statements
- Consolidation the findings of the session in an A3 report format

Lesson 15: Step 9 - Define the Improvement (Solution) Statement

This lesson explains how to translate the problem and impact statements – the first part of the 'Lean Statement', developed during the previous step, into a fully formed statement that includes the Solution and Benefit Statements, and representing an opportunity to improve – or 'opportunity statement'. The concepts explored in this step include:

- Four types of corrective actions
- Containment procedures and workarounds
- Defining solution statements
- Defining benefit statements
- Defining action plans
- Defining resource statements
- Ranking solution statements
- Selecting best solution set
- Defining the opportunity statement
- Gaining stakeholder approval
- Creating and sustaining your 'Kaizen Newspaper'
- Consolidation the findings of the session in an A3 report format



Lesson 16: Deploy and Diffuse the Improvement

This lesson explains how to apply the improvement described as a Lean Statement using a change management system, how to review the success of the change, and how to determine and publicize the benefit realized as a result. This lesson concludes the ten-step practical work. The concepts explored in this step include:

- Using the change management system to implement the improvement
- Obtaining change approval
- Scheduling and resourcing an improvement
- Applying an improvement as a change
- Stabilizing the outcome
- Reviewing the desired results
- Realizing and 'banking' the benefit statements
- Resetting consumer and provider expectations
- Reflecting progress in your 'Kaizen Newspaper'
- Consolidation the findings of the session in an A3 report format

Lesson 17: The Service Excellence Program

This final lesson explores how the Lean Service Management program can be integrated into a service excellence and continuous improvement program. It also discusses briefly the principles behind establishing a Lean-focused culture within the service provider and customer communities, how to express the benefits of the program and its overall 'return on investment', and continuously operate and extend the scope of the Lean Service Office through ongoing promotion of the results achieved and potential issues that can be addressed. The topics discussed include:

- The service excellence equation;
- The purpose and scope of a service excellence system;
- How the system uses the service quality 'gap' model;
- Running a continuous Lean Promotion as part of a service excellence and continuous improvement initiative
- Sustaining and selling of the benefits of Lean;
- Reflecting progress in your service excellence system.