A

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Abstract

This document contains details of the current situation facing the Procurement Department, the actions to be taken to help resolve these and a business case to explain why. and a business case to explain why.. It will help baseline performance from its current state and will be used to inform key stakeholders.

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# Foreword

In recent months, we have identified a range of issues and concerns within the UK Procurement Department. These issues and concerns range from process to people, culture to customer satisfaction, outputs and waste. Indeed, initial analysis of data produced by the Procurement Department have backed up claims around time taken to complete processes, unsatisfied internal stakeholders and staff turnover.

At this early stage of the process, it has become pretty apparent that the biggest problems are being faced within the key processes of this department. Indeed, the big inefficiencies, inconsistencies and waste within the processes are causing the problems identified above (poor culture, low customer satisfaction etc.) Given the impacts of these processes not working as they should, a process improvement initiative is required.

This document will contain details of the issues currently faced, the actions to be taken and the outcomes we want to see – all to give the reader insight to enable them to make an informed decision on the way forward. The aim of the document is to highlight the approach, timeframes and potential costs involved in order to get approval for this programme of work.

# Current state

To identify the current issues facing the Procurement Department at the moment, we have detailed some of the key indicators below (processes and type of data) to highlight:

* Where we are facing our most pressing issues.
* The processes with the most challenges.
* What the data is showing.
* Current targets vs. actual performance.

From this, we can see that the issues being faced by the Procurement Department extend across a range of processes, performance areas and specialities. These are impacting the delivery of service in terms of output and time taken, are impacting morale of team members and end users and are costing the business additional money and time.

## ***Key metrics – process performance***

To think about performance of the overall procurement process, we will break it down into its consistent parts. As we have identified time taken to complete activities as the key metric here, we will look at current targets and performance based on time taken (averages).

|  |  |  |
| --- | --- | --- |
| Indicator | Current target | Current performance |
| **PROCUREMENT PROCESS** | 26 weeks (6 months) | 44 weeks (10 months) |
| **Needs recognition** | 3 weeks | 4 weeks |
| **Purchase requisition** | 2 weeks | 4 weeks |
| **Review of request** | 2 weeks | 4 weeks |
| **Negotiation & contract** | 4 weeks | 8 weeks |
| **Quotation requests** | 2 weeks | 3 weeks |
| **Budget approval** | 3 weeks | 6 weeks |
| **Receive goods / services** | 3 weeks | 4 weeks |
| **Three way matching** | 3 weeks | 4 weeks |
| **Invoice approval payment** | 2 weeks | 4 weeks |
| **Record keeping** | 2 weeks | 3 weeks |

## ***Key metrics – data analysis***

|  |  |  |
| --- | --- | --- |
| Indicator | Current target | Current performance |
| **Customer complaints** | 5 complaints (monthly average) | 42 complaints (monthly average) |
| **Stakeholder complaints** | 2 complaints (monthly average) | 32 complaints (monthly average) |
| **Escalations** | No more than 2 a month | 28 a month (average) |
| **Errors** | <5 errors per process run | 50+ errors per process run |
| **Staff turnover** | 15% or < per year | 45% over past year |
| **Overtime claims** | $40,000 budgeted per year | $190,000 spent this year |
| **Customer satisfaction rate** | 90% satisfaction rate | 61% satisfaction rate |
| **Employee satisfaction** | 85% satisfaction rate | 44% satisfaction rate |

Given the challenges faced as detailed in the above metrics, we believe a process improvement initiative is now imperative.

# Strategic Objectives

Now that we are aware of the challenges that currently face the Procurement Department and have extensive data and feedback to back this up, we are clear on where we want this initiative to take us.

The central aims of this Process Improvement Initiative are going to be:

* To deliver the aforementioned metrics on or above target.
* To effectively root cause the issues causing the problems we are seeing.
* To identify the right solutions to fix these issues.
* To deploy these solutions within the timeframe of the initiative.
* To effectively improve the processes within scope.
* To remove the waste (time and financial) from the processes within scope.
* To automate, where possible, our key processes.
* To deliver an improved culture within the immediate team (organisational & change).

The above aims are the general objectives for the overall initiative. In terms of specific metrics to measure our success against, below we have indicated the current performance of our processes and datasets, and where we would like these to get to. They may be different to the current targets set, as we are using this as an opportunity to improve the overall performance of the department and with it, potentially the targets that were originally set.

## ***Key metrics – process performance***

|  |  |  |
| --- | --- | --- |
| Indicator | Current performance | Targeted performance |
| **PROCUREMENT PROCESS** | 44 weeks (10 months) | 26 weeks (6 months) |
| **Needs recognition** | 4 weeks | 3 weeks |
| **Purchase requisition** | 4 weeks | 2 weeks |
| **Review of request** | 4 weeks | 2 weeks |
| **Negotiation & contract** | 8 weeks | 4 weeks |
| **Quotation requests** | 3 weeks | 2 weeks |
| **Budget approval** | 6 weeks | 3 weeks |
| **Receive goods / services** | 4 weeks | 3 weeks |
| **Three way matching** | 4 weeks | 3 weeks |
| **Invoice approval payment** | 4 weeks | 2 weeks |
| **Record keeping** | 3 weeks | 2 weeks |

## ***Key metrics – data analysis***

|  |  |  |
| --- | --- | --- |
| Indicator | Current performance | Targeted performance |
| **Colleague complaints** | 42 complaints (monthly average) | 5 complaints (monthly average) |
| **Stakeholder complaints** | 32 complaints (monthly average) | 2 complaints (monthly average) |
| **Escalations** | 28 a month (average) | No more than 2 a month |
| **Errors** | 50+ errors per process run | <5 errors per process run |
| **Staff turnover** | 45% over past year | 15% or < per year |
| **Overtime claims** | $190,000 spent this year | $10,000 budgeted per year |
| **Colleague satisfaction rate** | 61% satisfaction rate | 90% satisfaction rate |
| **Employee satisfaction** | 44% satisfaction rate | 90% satisfaction rate |

For these objectives to be met, we are setting a 6 month target. Therefore, from when the activities to improve these metrics are completed, a 6 month window exists for these metrics to hit their targeted performance metric. This will also give us enough trend data to ensure the change has worked.

# The approach to be taken

We are going to take a targeted approach to this initiative. It will include:

* Process improvement
* Process reform
* Process reengineering
* Process design

We will take a 8 stage approach to ensure we collect all of the right information, at the right time and can utilise it in a way that benefits the initiative perfectly. This approach will also mean that everyone is aware of the work that is coming, and when. This approach will also ensure all problems and processes identified are in scope and no stone is left unturned. This will give us full confidence.

**The 8 stage approach**

|  |
| --- |
| **First stage – Define**  We will use this time to define the current situation. This will involve:   * Analysing current datasets to understand any trends in the problems faced. * Interviewing team members to understand their perspective and experiences. * Interviewing end users of the Procurement Department’s services to understand their experiences.   We will leave this stage crystal clear on the problems, the experiences and the processes in scope. |
| **Second stage – Plan**  We will use this time to plan out what needs to be done in this initiative. This will involve:   * Identify any additional activities that need to be completed outside of this list. * Plotting all activities in a initiative plan. * Assigning the tasks to owners, scheduling the timeframe and scheduling updates.   We will leave this stage with a clear plan of what needs to be done, when and by whom. |
| **Third stage – Map**  We will use this time map out the current problems the team are facing. This will involve:   * Mapping the current state processes via process mapping workshops. * Identifying on the maps where the problems are occurring. * Making the data we have graphical and visual.   We will leave this stage with a clear visual on all in scope processes, problems and data. |
| **Fourth stage – Analysis**  We will use this time to understand why the problems are occurring. This will involve:   * Root cause analysis workshops to understand the why behind the problems. * Understand the *potential* causes and land on the *actual* causes. * Improvement workshops to identify waste within the processes. * Gap analysis of current state processes compared with potential future state processes.   We will leave this stage knowing exactly why the problems have been occurring, armed with a list of causes and knowledge of what waste exists, where and the potential to remove it. |
| **Fifth stage – Improvement**  We will use this time to identify the solutions and changes needed. This will involve:   * A workshop to identify all *potential* improvements to address waste and productivity. * A workshop to identify all *potential* solutions to be deployed to address problems. * A mapping workshop to plot all *potential* solutions and improvements to maps. * Work through the maps to transfer *potential* to *actual* that will be deployed.   We will leave this stage knowing exactly the changes and improvements to be delivered and which ones have been parked for now. |
| **Sixth stage – Preparation**  We will use this time to get the processes and teams ready for go LIVE. This will involve:   * Test the improvements and solutions using dummy data and scenarios. * Pilot testing the changes using a small sample size. * Plan for the full go LIVE of the changes, including an implementation plan.   We will leave this stage with full confidence that the changes and improvements are the correct ones and will land well on day 1 of go LIVE. |
| **Seventh stage – Deployment**  We will use this time to deploy the solutions and changes needed. This stage may take some time, depending on the types of improvement. This will involve:   * Deploying the changes as per the implementation plan built in stage 6. * Building new process maps to identify the new processes. * Communicating out the changes to all.   We will leave this stage with all improvements and changes deployed and the new situation LIVE. |
| **Eighth stage – Control**  We will use this time to ensure the changes deployed will last. This will involve:   * Adding the right controls into the amended processes (if not already done). * Set up the tracking / control charts to analyse long term performance data. * Compare the performance of the new processes with original baseline data. * Communicate out benefits realisation.   We will leave this stage with the process improvement initiative now completed and closed with full confidence the changes we have made will last the test of time. |

The approach we have devised means we can be respectful of the time we will require from key stakeholders and team members, minimising disruption and maximising time management considerations.

A further, more detailed breakdown of this plan, the activities that make up each section and the timelines around these will be forthcoming as part of the initiative. This will highlight more effectively the demands on the team.

# Timeline

We plan to run the initiative over a 5 month period, with the final stage (control) beginning during this period and continuing on post completion. The breakdown of this timeline is provided below:

|  |
| --- |
| **First stage – Define** |
| February 1st – February 14th (2 weeks) |

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| --- |
| **Second stage - Plan** |
| February 15th – February 21st (1 week) |

|  |
| --- |
| **Third stage – Map** |
| February 22nd – March 21st (4 weeks) |

|  |
| --- |
| **Fourth stage – Analysis** |
| March 22nd – April 18th (4 weeks) |

|  |
| --- |
| **Fifth stage – Improvement** |
| April 19th – May 15th (4 weeks) |

|  |
| --- |
| **Sixth stage – Preparation** |
| May 16th – May 30th (2 weeks) |

|  |
| --- |
| **Seventh stage – Deployment** |
| June 1st – June 29th (4 weeks) |

|  |
| --- |
| **Eighth stage – Control** |
| June 17th – June 31st (2 weeks) |

Given this timeline, we therefore need to have sign off from senior leadership by January 31st, ready for kick off on February 1st.

There may be some give on the deployment phase as we will need to get buy in for some solutions, secure funding and investment for any technical or system solutions and find the right 3rd parties to work with.

# Scope

To ensure we keep the initiative on track, deliver the right improvements to the right processes and maximise the impact of the solutions we identify and deliver, we must be clear on the scope of this initiative.

To do this, we will list all of the processes we will review, any datasets we will be looking at and any team members and stakeholders/departments to be engaged with outside of the Procurement Department.

For this initiative, the entire Procurement Department will be in scope (people and processes).

|  |
| --- |
| **Processes in scope**  The full end to end Procurement Process covering:  Needs recognition  Purchase requisition  Review of request  Negotiation & contract  Quotation requests  Budget approval  Receive goods / services  Three way matching  Invoice approval payment  Recording keeping |

|  |
| --- |
| **Systems in scope**  Direct procurement (iProcurement)  Indirect procurement (Procurement+)  Goods procurement (P+P Systems)  Services procurement (Procurement AD) |

# Not in scope

When defining the scope of an initiaitve, you can still suffer from scope creep. Therefore, it is really important at this stage to be clear which processes, departments and inidividuals will *not* be in scope.

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| **Processes not in scope**  Workload Management process  Workload Assignment process  Case Management process  Finance transactions initiative work  BAU non-procurement process tasks |

|  |
| --- |
| **Systems not in scope**  Case ticketing system |

In terms of teams and departments, we will be liaising with key stakeholders from departments who work with and feed into the Procurement Department’s processes. This will be done on an as needs basis but with several weeks prior notice, taking into consideration the various diary constraints.

# Risk – of doing nothing

When considering a new initiative, we need to think through the risk involved. This risk is twofold. The risks around delivering the initiative and the risks associated with not delivering the initiative.

In terms of the risks associated with not delivering the initiative, these are pretty clear to see, given the metrics we have associated with the problems being faced by the Procurement Department.

|  |  |  |
| --- | --- | --- |
| Indicator | Current performance | Risk |
| **PROCUREMENT PROCESS** | 44 weeks (10 months) | Key risks of inaction include:   * The time taken to complete the process continues to rise. * The process becomes more disjointed. * Waste continues to be built in. * Rework loops are built in to try and solve problems. * Business objectives continue to slip. * Other departments have to change their deadlines. |
| **Needs recognition** | 4 weeks |
| **Purchase requisition** | 4 weeks |
| **Review of request** | 4 weeks |
| **Negotiation & contract** | 8 weeks |
| **Quotation requests** | 3 weeks |
| **Budget approval** | 6 weeks |
| **Receive goods / services** | 4 weeks |
| **Three way matching** | 4 weeks |
| **Invoice approval payment** | 4 weeks |
| **Record keeping** | 3 weeks |

|  |  |  |
| --- | --- | --- |
| Indicator | Current performance | Risk |
| **Colleague complaints** | 42 complaints (monthly average) | All of these indicators could continue to go in the wrong direction causing:   * Disruption. * Cost to business. * Loss of custom. * Significant time loss. * Loss of talent.   All in all, operational performance across this and related departments would suffer greatly. |
| **Stakeholder complaints** | 32 complaints (monthly average) |
| **Escalations** | 28 a month (average) |
| **Errors** | 50+ errors per process run |
| **Staff turnover** | 45% over past year |
| **Overtime claims** | $190,000 spent this year |
| **Colleague satisfaction rate** | 61% satisfaction rate |
| **Employee satisfaction** | 44% satisfaction rate |

# Risk – of conducting a process improvement initiative

Whilst it can be hard to see any real risk in conducting this process improvement initiative, given the challenges faced by this team, there will be some to note and keep in check.

|  |
| --- |
| **Risk 1:** Nervousness around the *why*   * Sometimes when it comes to change initiatives, or if consultants are brought in to support on initiatives, teams get nervous. * They get nervous about why they are *really* having to do this work. Is it because the business is restructuring? Planning to reduce headcount? Etc.   *Mitigation: Get the comms piece right. Establish this good comms early on in the initiative. Keep it consistent throughout the lifecycle of the initiative. Ensure any work done which could raise suspicions is thought through ahead of time and the optics are planned well.* |
| **Risk 2:** Fatigue after a period of time   * Given the duration of this initiative (being 4 months with some adjustment needed post this) there is a risk the teams involved and the wider business suffers some fatigue. * This could be especially acute if the changes take some time to be realised.   *Mitigation: Ensure the initiative is designed to secure quick wins as soon as practically possible, and that the approach ensures benefits realisation is not all confined to the end of the initiative.* |
| **Risk 3:** Resourcing and time allocation   * Given the duration of this initiative, there could be risk around availability of resource, staff turnover (new people needing to be brought up to scratch) and unforeseen events. * This work could also take away from the daily activities of those involved, potentially further exacerbating the problems we are seeing.   *Mitigation: We will deliver a time management and workload plan ahead of the initiative launch. We will set expectations around time commitment needed per person / team, use the right resource for the right occasions and identify level of support required (if we need to bring in temporary resource).* |
| **Risk 4:** Cost of solution(s)   * Given that we have a lot of workshops, process mapping and root causing to deliver, we cannot confidently say at the start of this initiative how much the potential solutions we identify are going to cost. * This can add a level of uncertainty to the initiative and the potential impact of it (if costs are rejected at the latter stages of the initiative).   *Mitigation: We will understand what potential budget there could be for solutions before the initiative starts. If none, we will ensure solutions are internal, process and people based ones only. We can also move the timings of the more costly solutions into the next financial year.* |

# Roles

To ensure the successful delivery of this initiative, we are setting out clearly at the start what the immediate initiative team will look like. This will highlight the amount and type of resource we require.

**Initiative Team**

|  |  |  |
| --- | --- | --- |
| **Initiative Role** | **Person** | **Current job title** |
| Initiative Sponsor | … | Director of Global Procurement |
| Initiative Lead | … | Head of UK Procurement |
| Initiative Manager | … | Initiative Manager (External) |
| Change Manager | … | Change Manager (External) |
| Business Analyst | … | Business Analyst (External) |
| Initiative Coordinator | … | Initiative Support Analyst |
| Procurement Lead (SME) | … | Procurement Manager |
| Procurement (SME) | … | Procurement Analyst |
| Procurement (SME) | … | Procurement Analyst |
| PI Team Support | … | Process Improvement Lead |

**Wider stakeholders**

These wider stakeholders are those within the business who will need to be engaged with on some level in terms of the initiative progress, changes to be made and work to be delivered. Some of their teams may be pulled into workshops or be asked to assist on the BAU activities of the Procurement Department.

The level of involvement of these people, in terms of updates, engagement and getting involved in the initiative itself will vary depending on the team and requirements of the initiative.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Person** | **R** | **A** | **S** | **C** | **I** |
| **Carly Marks**  *Business Dev Lead* |  |  |  |  |  |
| **Hunter White**  *Construction Lead* |  |  |  |  |  |
| **Vibha Singh**  *PMO Lead* |  |  |  |  |  |
| **David Chaplin**  *Technical Lead* |  |  |  |  |  |

# The detailed plan for delivery

## ***Define***

|  |
| --- |
| **First stage – Define**  We will use this time to define the current situation. This will involve:   * Analysing current datasets to understand any trends in the problems faced. * Interviewing team members to understand their perspective and experiences. * Interviewing end users of the Procurement Department’s services to understand their experiences.   We will leave this stage crystal clear on the problems, the experiences and the processes in scope. |

The items below can be used as a checklist of items to work through as part of this initiative. They can also be added to your initiative plan by your Initiative Manager to work through throughout your initiative with timelines and deliverables assigned to them.

**Activities to conduct**

|  |  |
| --- | --- |
| Define what data is needed |  |
| Reach out to those who can provide said data |  |
| Collect relevant data required | This will include customer feedback / complaints |
| Analyse the data collected |  |
| Baseline the data collected |  |
| Identify trends in the data analysed |  |
| Present back the findings |  |
| Define the scope of the initiative |  |
| Identify key stakeholders within the team | Including Management |
| Identify key stakeholders impacted | Stakeholder analysis |
| Interview all stakeholders | These interviews will include pre-set, targeted questions to get the information needed |
| Redefine scope if new information emerges |  |
| Pull together a VOC survey for end users | Voice of the customer survey |
| Send out the VOC survey with 2 week deadline |  |
| Interview and meet with end users of service |  |
| Analyse survey results |  |
| Analyse feedback results and combine the two |  |
| Redefine scope if new information emerges |  |
| Build out your Initiative Charter | This will identify scope, problem, risks etc. |

At the end of this stage, the key deliverables will be:

* Voice of the customer analysis.
* Well defined scope.
* A initiative charter.

## ***Plan***

|  |
| --- |
| **Second stage – Plan**  We will use this time to plan out what needs to be done in this initiative. This will involve:   * Identify any additional activities that need to be completed outside of this list. * Plotting all activities in a initiative plan. * Assigning the tasks to owners, scheduling the timeframe and scheduling updates.   We will leave this stage with a clear plan of what needs to be done, when and by whom. |

**Activities to conduct**

|  |  |
| --- | --- |
| Identify the needs of the team |  |
| Speak with key stakeholders & teams |  |
| Identify who will join the initiative team | Fairly simple task as others will identify |
| Review this list of activities to complete |  |
| Identify any gaps, based on work done so far |  |
| Transfer all activities over to a initiative plan |  |
| List out the activities in the order to be done |  |
| Add timeframes to each activity | This can be numbers or a Gantt Chart |
| Assign each task an owner |  |
| When complete, communicate the plan out | Send around initiative team and key stakeholders |
| Schedule the relevant update meetings |  |
| Build and schedule the status update |  |

At the end of this stage, the key deliverables will be:

* The final initiative team.
* A complete initiative plan.
* Update meetings scheduled.

## ***Map***

|  |
| --- |
| **Third stage – Map**  We will use this time map out the current problems the team are facing. This will involve:   * Mapping the current state processes via process mapping workshops. * Identifying on the maps where the problems are occurring. * Making the data we have graphical and visual.   We will leave this stage with a clear visual on all in scope processes, problems and data. |

**Activities to conduct**

|  |  |
| --- | --- |
| List out all of the processes in scope |  |
| Identify who needs to attend which workshop |  |
| Schedule the workshops |  |
| In the invites, detail the agenda of the workshops |  |
| Run the process mapping workshops | Have a facilitator, good mapping software etc. |
| Map out:   * The workflow * All activities * All hand offs * Who is involved * Which systems are involved |  |
| Run through the processes to check |  |
| Discuss / bring up problems identified before |  |
| Plot on the maps where these are occurring |  |
| Plot the extent of the problem | The size and scope in certain parts. |
| Use data to plot further information:   * Customer complaints * Delays to the process |  |
| Ensure the maps are colour coded | Red – Green depending on size of issue |
| Conduct process analysis |  |
| Identify rework loops or bottlenecks |  |
| Highlight risks |  |
| Highlight opportunities for improvement |  |
| Close workshops |  |
| Tidy up maps and send out for review |  |
| Finalise maps |  |

At the end of this stage, the key deliverables will be:

* Fully detailed, end to end process maps.
* A visual representation of the problem faced.
* A visual representation of all key data mapped.

## ***Analysis***

|  |
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| **Fourth stage – Analysis**  We will use this time to understand why the problems are occurring. This will involve:   * Root cause analysis workshops to understand the why behind the problems. * Understand the *potential* causes and land on the *actual* causes. * Gap analysis of current state processes compared with potential future state processes.   We will leave this stage knowing exactly why the problems have been occurring, armed with a list of causes and knowledge of what waste exists, where and the potential to remove it. |

**Activities to conduct**

|  |  |
| --- | --- |
| Review data and conversations had so far |  |
| List out all problems and issues identified |  |
| Pareto Chart the issues | This will identify if 80% of the issues are being generated by 20% of the causes |
| IF *many* issues to address, prioritise |  |
| IF *not many* issues to address, include all |  |
| Identify who needs to be in future workshops | These will be the root cause analysis workshops |
| Schedule root cause analysis workshops |  |
| In the invites, detail the agenda of the workshops |  |
| Run the RCA workshops |  |
| In the workshops:   * Root cause key problems identified * The causes of the causes * Use effective root cause tools | Tools to include fishbone diagram, 5 whys, drill down etc. |
| Identify who needs to be in future workshops |  |
| Schedule detailed analysis workshops |  |
| In the invites, detail the agenda of the workshops |  |
| Run the detailed analysis workshops |  |
| In the workshops:   * Plot on the process maps where improvements and opportunities can be found. * Plot the root causes. * Explain, in detail, why the improvements will happen there. | This will help in the future improvement workshops to come in the next phase of the initiative. |
| Close workshops | All issues must have causes associated with them |

At the end of this stage, the key deliverables will be:

* All problems root caused.
* *Actual* causes identified.
* Process maps containing further information.

## ***Improvement***

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| --- |
| **Fifth stage – Improvement**  We will use this time to identify the solutions and changes needed. This will involve:   * A workshop to identify all *potential* improvements to address waste and productivity. * A workshop to identify all *potential* solutions to be deployed to address problems. * Work through the maps to transfer *potential* to *actual* that will be deployed.   We will leave this stage knowing exactly the changes and improvements to be delivered and which ones have been parked for now. |

**Activities to conduct**

|  |  |
| --- | --- |
| Identify who needs to be in future workshops | These will be improvement workshops |
| Schedule improvement workshops |  |
| In the invites, detail the agenda of the workshops |  |
| Run the improvement workshops |  |
| In the workshops:   * Identify all waste within the process * Identify all opportunities present * Identify the improvements you want |  |
| Identify who needs to be in future workshops |  |
| Schedule solutions workshops |  |
| In the invites, detail the agenda of the workshops |  |
| Run the solutions workshops |  |
| In the workshops:   * Identify all *potential* solutions * Plot these within the processes | These are to fix the problems and issues we have been seeing. |
| Schedule mapping workshops |  |
| In the invites, detail the agenda of the workshops |  |
| Run the mapping workshops |  |
| In the workshops:   * Using current maps, map future state * Add improvements and solutions in * Conduct a gap analysis | These will be the proposed future state maps to be deployed in the business. |
| Close workshops |  |
| Take maps away to amend and finalise |  |
| Send maps out for review |  |

At the end of this stage, the key deliverables will be:

* All improvements and solutions identified and mapped.
* Future state process maps completed.

## ***Preparation***

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| --- |
| **Sixth stage – Preparation**  We will use this time to get the processes and teams ready for go LIVE. This will involve:   * Test the improvements and solutions using dummy data and scenarios. * Pilot testing the changes using a small sample size. * Plan for the full go LIVE of the changes, including an implementation plan.   We will leave this stage with full confidence that the changes and improvements are the correct ones and will land well on day 1 of go LIVE. |

**Activities to conduct**

|  |  |
| --- | --- |
| Build a testing plan |  |
| Gather and set up the dummy data and processes |  |
| Set up the test scenarios |  |
| Run the test scenarios |  |
| Analyse the results of the test scenarios |  |
| Repeat the testing as many times as needed |  |
| Schedule the pilot test |  |
| Choose the small sample to test |  |
| Identify who will be involved in this testing |  |
| Communicate out what this will entail |  |
| Run the pilot testing |  |
| Review the results of the pilot testing |  |
| Repeat the test as many times as needed |  |
| Fix any issues identified |  |
| Close the testing |  |
| Update future state process maps to NEW   * Add in any changes made |  |
| Build the implementation plan |  |
| Communicate out the implementation plan |  |
| Schedule any meetings, sessions required |  |

At the end of this stage, the key deliverables will be:

* Testing and piloting results document.
* An implementation plan.
* All new process maps.

## ***Deployment***

|  |
| --- |
| **Seventh stage – Deployment**  We will use this time to deploy the solutions and changes needed. This stage may take some time, depending on the types of improvement. This will involve:   * Deploying the changes as per the implementation plan built in stage 6. * Ensuring Change Management in check. * Communicating out the changes to all.   We will leave this stage with all improvements and changes deployed and the new situation LIVE. |

**Activities to conduct**

|  |  |
| --- | --- |
| Activate the implementation plan |  |
| Deploy all process changes as per that plan |  |
| Communicate out that the work is happening |  |
| Monitor the performance throughout delivery:   * Keep an eye on data * Keep an eye on feedback |  |
| Ensure all change is managed efficiently |  |
| Build out communications to send throughout |  |
| Send out comms before, during and after | Communication is absolutely critical here. |
| Ensure new process maps are readily available |  |
| Formally close the implementation stage |  |

At the end of this stage, the key deliverables will be:

* New processes / changes LIVE.
* All teams and departments well informed.

## ***Control***

|  |
| --- |
| **Eighth stage – Control**  We will use this time to ensure the changes deployed will last. This will involve:   * Adding the right controls into the amended processes (if not already done). * Set up the tracking / control charts to analyse long term performance data. * Compare the performance of the new processes with original baseline data. * Communicate out benefits realisation.   We will leave this stage with the business improvement initiative now completed and closed with full confidence the changes we have made will last the test of time. |

**Activities to conduct**

*Please note, some of the work around building in controls to the processes would have already been done. If so, you can pass over those steps.*

|  |  |
| --- | --- |
| Identify where controls may be required | This will be based on work done so far and performance of new processes so far. |
| Build out a control plan |  |
| Work to add these controls in |  |
| IF controls already in place, assess the need to tighten these |  |
| If required, tighten said controls |  |
| IF not already done, set up:   * Control tracking * Process performance tracking * Control charts |  |
| Compare baseline data with new data |  |
| Conduct a lessons learned exercise |  |
| Send out the benefits realisation piece   * Includes benefits of initiative * Outcome of all work done * Baseline vs. new performance data |  |
| Formally close the initiative:   * Thank the team involved * Ensure all documentation is updated * Highlight outstanding recommendations |  |

At the end of this stage, the key deliverables will be:

* A control plan.
* Lessons learned pack.
* Benefits realisation piece.

# End

By delivering the plan detailed above, we have completed a Process Improvement initiative to fix all stated problems, reduce baseline poor data. Below is the stated performance at the start of this initiative, the targets set and where we have landed post completion.

## ***Key metrics – process performance***

|  |  |  |
| --- | --- | --- |
| Indicator | Current performance | Targeted performance |
| **Procurement process (end to end)** | 44 weeks (10 months) | 26 weeks (6 months) |
| **Outcome performance** | |
| 26 weeks (6 months) | |
| **Needs recognition** | 4 weeks | 3 weeks |
| **Outcome performance** | |
| 3 weeks | |
| **Purchase requisition** | 4 weeks | 2 weeks |
| **Outcome performance** | |
| 2 weeks | |
| **Review of request** | 4 weeks | 2 weeks |
| **Outcome performance** | |
| 2 weeks | |
| **Negotiation & contract** | 8 weeks | 4 weeks |
| **Outcome performance** | |
| 4 weeks | |
| **Quotation requests** | 3 weeks | 2 weeks |
| **Outcome performance** | |
| 2 weeks | |
| **Budget approval** | 6 weeks | 3 weeks |
| **Outcome performance** | |
| 3 weeks | |
| **Receive goods / services** | 4 weeks | 3 weeks |
| **Outcome performance** | |
| 3 weeks | |
| **Three way matching** | 4 weeks | 3 weeks |
| **Outcome performance** | |
| 3 weeks | |
| **Invoice approval payment** | 4 weeks | 2 weeks |
| **Outcome performance** | |
| 2 weeks | |
| **Recording keeping** | 4 weeks | 2 weeks |
| **Outcome performance** | |
| 2 weeks | |

## ***Key metrics – data analysis***

|  |  |  |
| --- | --- | --- |
| Indicator | Current performance | Targeted performance |
| **Customer complaints** | 42 complaints (monthly average) | 5 complaints (monthly average) |
| **Outcome performance** | |
| 3 complaints (monthly average) | |
| **Stakeholder complaints** | 32 complaints (monthly average) | 2 complaints (monthly average) |
| **Outcome performance** | |
| 2 complaints (monthly average) | |
| **Escalations** | 28 a month (average) | No more than 2 a month |
| **Outcome performance** | |
| 2 escalations (monthly average) | |
| **Errors** | 50+ errors per process run | <5 errors per process run |
| **Outcome performance** | |
| <5 errors per process run | |
| **Staff turnover** | 45% over past year | 15% or < per year |
| **Outcome performance** | |
| <10% per year (on course) | |
| **Overtime claims** | $190,000 spent this year | $10,000 budgeted per year |
| **Outcome performance** | |
| <$10,000 per year | |
| **Colleague satisfaction rate** | 61% satisfaction rate | 90% satisfaction rate |
| **Outcome performance** | |
| 94% | |
| **Employee satisfaction** | 44% satisfaction rate | 90% satisfaction rate |
| **Outcome performance** | |
| 92% | |