

## CASE STUDY

**Client:** Major Insurance Company

**Challenge:** Office Continuous Improvement with Lean Six Sigma



### BACKGROUND

A major insurance company, wanted to see benefits of using Lean with Six Sigma, in an attempt to achieve continuous improvement internally, at the same time as improving customer satisfaction. A single back office department was selected as a start point.

The document handling department, comprising of 53 staff handles endowment, life and other documents coming into the company, where they are entered onto electronic systems before filing away the hard copies.

The office had grown through demand and fire-fighting, rather than design. Whilst the office was reasonably tidy, it had grown over ten years and the department was split into two separate offices, on different floors, with another separate central filing room.

There was low morale at all levels and a strong feeling of apathy; staff simply wanted to get through the day.

## APPROACH

### 1. Foundation & Vision

Within a workshop environment, the departmental manager and team leaders were trained in the basic principles of Lean and customer focused elements of Six Sigma (DFSS).

Following individual guidance and coaching, a vision for the future was prepared and agreed.

### 2. Training & Application

The department was deconstructed into five natural work groups. Each group went through a three day training programme on Lean and/or Six Sigma; this comprised of two day's training, followed by one day application within their workplace.

Struck by the simplicity of the techniques and the speed of application, the groups quickly identified & solved everyday problems/issues, removing waste and simplifying processes, putting theory into practice.

Overall 41 possible improvements were identified. The whole team became animated and began to smile again.

The following tools and techniques were used: Lean Office/5S; Kaizen; Value Stream Mapping Six Sigma (DMAIC and DFSS)

### 3. Operation & Sustaining Improvement

New working practice and process flow, were designed for use between each of the five groups to form a single cohesive method for the department as a whole.

Measures for key performance indicators were established together with a review framework, to enable improvements to be measured and sustained long term along. This also enabled implementation of additional improvements and process agility improving the team's ability to adapt to future change.

## OUTCOMES

- **50% saving on office space.** Enabling team to work within a single office.
- **90% reduction in time** required to central filing room. A separate temporary filing section was established in same office and transferred to central filing once per week.
- **36 hours per month** saved from improved processing co-ordination.
- **Absenteeism reduced to 3%** (from 15%)
- **12 hours per month** saved eliminating unnecessary opening.
- **60% reduction in rework**
- **8% reduction in rejected items.**
- **20 extra hours per month** spent on customer service improvement.
- **£10k saving** from recycling and reuse of office materials
- **37 achieved out of 41** improvements identified.