
Lean Applications and Transactional Processes

Lean is a philosophy of continually reducing waste in all its forms. It is about designing what you do from a customer value perspective. The ultimate goal is to have a customer (internal or external) pull a quality product or service they want in a format they want, when they want it at a competitive price.

To apply lean to administrative (transactional) processes it is necessary to focus on providing value to your customer from beginning to end. Eliminating waste in your administrative processes is absolutely necessary to give your customer the best value. Value stream mapping is a lean tool that can help redesign your processes to eliminate non-value-added activities. Value stream maps can help you identify the following seven types of wastes:

1. Excess production or early production (printing documents or brochures before they are requested).
2. Waiting caused by unavailable resources or poor scheduling (delays due to the availability of an operation or specialist to complete the task).
3. Unnecessary movement of information, paper, etc. (routing forms for signatures).
4. Unnecessary processing (duplicative or redundant meetings).
5. Excess raw material and work in process (WIP) inventory (stacks of paper or emails in your inbox).
6. Unnecessary movement of people (travel when a teleconference or video conference would suffice).
7. Defective products (errors in documents or transactions resulting in rework)

There are a number of lean tools that can be applied to transactional processes:

Standardized Work is a way to ensure that each job is organized so that it is always done the same way, the most efficient way possible, ensuring quality no matter who does the work.

Continuous Flow can be used in the administrative environment to allow your staff to complete a sequence of individual tasks on demand instead of completing tasks in large batches.

5S Tools (sort, straighten, shine, standardize, and sustain) are useful for organizing your workspace so that you can find anything in that workspace in one minute or less and anywhere else in your area in less than 5 minutes.

Set-up Reduction is used to minimize the amount of time consumed changing from one task to another.

Poka-yoke (error/mistake proofing) is useful in helping you devise mechanisms to prevent mistakes from being made or at the very least make mistakes obvious at a glance.

Point-of-Use Storage is an approach to office layout where all supplies needed to do a job are stored where they are used.

Kanban is a simple visual system that pulls work from an upstream operation to a downstream operation to prevent documents from piling up at the downstream operation.

Kaizen is the philosophy of continual improvement that is applicable to any process.

Every organization must recognize that becoming lean is an important goal not only in production processes but administrative (transactional) processes too. Consider that 60 to 80 percent of all cost associated with meeting a customer's demand—whether it is a manufactured product or a work request (i.e. an insurance claim, employee job application, invoice, order, quote, or engineering drawing)—is an administrative function. It is absolutely essential that you apply the lean tools to your administrative functions to get more work through in less time and at a lower cost.