



# Case Study

How Visual Management can provide  
an effective overview of corporate  
performance

▶ UK national hire company

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# Summary

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➤ **Challenge**

UK national hire company wanted to improve quality and productivity, so as to become world-class hire company of choice in their market sector.

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➤ **Root Cause**

300 UK branches and distribution locations required standard approach to business process in order to effect improvement.

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➤ **Output**

Through the use of Visual Management, new policies and activities to achieve these aims were successfully communicated to staff.

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➤ **Results**

Brand new purpose built Engineering facility built in Manchester, growth from 12 employees to 30, revenue increased from £6M to £12M.

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Case Study

## Lean six sigma



## How Visual Management can provide an effective overview of corporate performance

### Overview

Whilst many organisations have recognised the wide-ranging benefits of becoming lean, very few companies truly understand exactly what it entails, resulting in the omission of critical lean elements. By contrast, authentic lean enterprises have commitment at all levels of the organisation, generating a top-to-bottom desire for improvement - and it is often said that *'the lean workplace is the visual workplace'*.

In this context, Visual Management provides a mechanism that depicts the current situation within an organisation, allowing anyone to understand that situation and take consequent action. This case study focuses on how Visual Management can be implemented across multiple sites.

### Define

- ▶ Client wanted to become world-class company of choice within its market sector.
- ▶ This required a standard approach at all 300 outlets.
- ▶ Lean systems were required, with Visual Management fundamental to improved productivity and processes. However, such proposals could create uncertainty amongst workforce.

Our client, a UK national hire company, wanted to improve their quality and productivity; by doing so they wished to provide world-class customer service and become the hire company of choice within their market sector. With around 300 branches and distribution locations throughout the UK, our client wanted to create and adopt a standard approach to their business processes.

With this framework in place, the customer could expect to receive the same high level of service at any company branch throughout the country - and since the majority of customers were national businesses, creating a standard approach to service was key to maintaining a high level of responsiveness and reliability.

Our client wanted to implement lean systems, and knew that Visual Management was fundamental to both enhancing productivity and improving processes. However, from the outset, our client was aware that such changes would probably create uncertainty and anxiety amongst the workforce. Consequently, the CEO made a video (posted on the company intranet) outlining the strategy and reasons for implementing lean systems and lean thinking.



## Measure

- 5s was correct tool for creating visual order – and Visual Control provided a framework for presenting process improvement proposals.
- Four standard boards and a bespoke *Refurbishment Operations* board covered topics to be communicated to staff.
- Recording of ‘lagging data’ was crucial, so that a shift could be made from ‘lagging’ to ‘leading’ indicators.

5S is certainly the correct tool for creating visual order, but how do you create Visual Control and measure the process? How do you create an effective communication forum between the front line and the management team? And how do you create a multisite standard approach?

Visual Control begins by re-visiting how the process is performed; then, by considering customer expectations (and who may be internal to your organisation), it is possible to select process metrics.

Having selected the metrics at each key process step, process measures can then be implemented. Selecting process measures is where most companies stop; by contrast, lean organisations put these metrics on a board and make them visible. However, more than making them visible, lean companies also establish a routine of standard work so that the metrics can be reviewed effectively.

With each board representing a key process stage, the client established a suite of standard boards that could be used in each of the company’s locations. Within this suite, there were four standard boards:

- |                        |                             |
|------------------------|-----------------------------|
| 1) Communications Cell | 3) Layered Audit Schedule   |
| 2) Employee Engagement | 4) Creative Problem-Solving |

Each site encompassed logistical, engineering and other functions, and each of the relevant departments had a suite of boards that had been tailor-made to their particular activities and duties (which were the same at every site).

The exception to this was *Refurbishment Operations*; this was a stand-alone site, so a bespoke set of boards and process measures was designed and implemented for this particular function and location.

It was crucial that these processes should not only measure and capture ‘lagging’ data, where possible leading indicators were incorporated into the design. Lagging measures report on matters that occurred after a specific event. Whilst this process does not necessarily allow the company to be proactive, it allows for data-driven process improvement - providing that the company identifies the root causes of why certain processes have failed.

By applying the Supplier Input Process Output Customer (SIPOC) tool to the Engineering, Logistic and Refurbishment functions, it was possible to determine where process measures should be placed, and what should be measured. As a consequence, downstream operations could look at the preceding steps and gain some insight into what was coming their way; thus there was a subtle shift from ‘lagging’ indicators to ‘leading’ indicators.



## Analyse

- Workforce trust was gained through respect and communication. Two-way exchange of views between Managers and front-line staff was vital.
- Having identified where process measures should be, exact measures were identified, plus targets and service level agreements were assessed.

## Improve

- The client wished to create a 'no-blame' environment, via a daily 'Communications Cell'.
- This allowed problems to be clearly identified.
- Team leaders were encouraged to design their own boards and take control of departments.

## Control

- New boards were piloted at a few branches, and then rolled out nationwide.
- Visual Management demonstrates how hidden problems can be made visible.
- Visual Management also removes barriers to effective and efficient business performance.



By treating everyone with dignity and respect, and by telling people what needed to be done, it was possible to gain trust and enthusiastic support from the workforce. The entire process was a two-way street, with Managers needing to know the problems front-line staff faced – whilst, at the same time, those front-line employees needed to know the direction in which the business was heading.

Having identified where process measures should be, it was then necessary to complete a deep dive into each process and identify the exact measure required. It was also necessary to review existing targets and service level agreements – and where these didn't exist, it was clear that they needed to be established.

The client wanted to create a 'no-blame' environment, and so began their deployment of visual management via a daily 'Communications Cell'. This was a place in which the team could meet in order to review performance against key indicators; furthermore, areas for improvement could be identified and matters of concern could be raised. Within the Communications Cell, a common comment by staff members was that *"No problem... is a problem"*, so everyone was encouraged to call attention to processes that weren't working, as well as highlighting matters that they didn't understand. The Communications Cell also served as a forum to quash rumours.

Having seen the Communications Cell in action, and having attended a relevant training course, the team leaders (or process owners) were encouraged to become involved in designing their own boards. They were thus empowered to take control of their departments and were able to advocate the usefulness of the boards within their peer group.

As the organisation's confidence grew, the daily Communication Cell became less frequently used - and instead, daily meetings took place at each department.

Once the boards were designed, they were piloted at a few branches – and, where necessary, they were adjusted and then successfully rolled out across the country.

Visual Management exists in many forms - and if not employed correctly, it can sometimes be misconstrued and criticised; however, if it is understood properly, and if it is carried out correctly, it is an extremely powerful way to make hidden problems visible. It also removes 'tribal knowledge' and brings process problems to the surface in order to help remove barriers to effective and efficient business performance.