

SUCCESS STORY

Business Process Management Ends Waste in the Indirect Field

Aerospace





BUSINESS PROCESS MANAGEMENT (BPM) IN THE ADMINISTRATION

Ambitious goals clearly attained

With an ambitious goal of designing business processes in administration in such a manner that, for example, the number of processed orders over time unit can be significantly increased, Ingenics AG appeared a strong resource with a history of lean projects, internationally, in the aerospace field. Target improvement, apart from internal operating sequence, was public perception, referring to customer satisfaction. A few months into the project it was clear that the ambitious goals of this demanding project would definitely be attained.

Business Process Management

Ingenics defines Business Process Management (BPM) as the sum of a range of methods for steering the strategic alignment and development of business processes. Since, first and foremost, process-based management is a holistic and systematic approach to steering companies; with its help, automated and non-automated processes can be created, documented, measured and steered. The innovative approach of Ingenics is characterised by the evaluation of processes as regards time within the context of the projects. This is done, among others things, with the MTM method or with process evaluation possibilities that have been developed especially by Ingenics for the indirect areas. For the customers, this means maximal measurability of their process performance with regard to the resources to be deployed and the process time.

Based on the current example of the “Administration” project from a global aerospace sector player, the application and effectiveness of “lean” can be verifiably presented by utilizing business process management methods and tools. Most importantly, it can be demonstrated that by no means does BPM have to be rolled out immediately as a company-wide, division-spanning project right from the start.

In order to have a robust and representative target area, one process was singled out: the processing of incoming orders in a service area. Particularly ambitious goals were to increase number of orders taken as well as improve customer satisfaction, resulting in increased revenue. Additionally, response time was to be reduced to only a few minutes, all of these goals to be completed by the end of 2014.

To create desired process transparency – which was also essential to successful implementation – all process parameters, e.g. activities, inputs, outputs, key performance indicators, etc. had to be visualized. Additionally, with definition of the TARGET concept and in interests of attaining documentable and reproducible office shop floor management, measurability and planning capability of the process was guaranteed and stabilized.



The most important project results and Ingenics performances:

- › Reduction of the processing time (› 50 %)
- › 100 % process quality
- › Reduction of quality inspection (› 50 %)
- › Process monitoring established
- › Shop floor management in administrative and/or indirect area
- › Definition of the TARGET concept on the foundation of a well-founded actual state analysis
- › Demarcation of the project and communication objectives
- › Planning and execution of numerous lean workshops

Following demarcation of the project and communication objectives with middle and upper management, impacted operative areas were prepared for the project with the help of a multi-stage lean workshop that lasted two days. To start, an initial workshop conveyed mutual “lean” language. Subsequently, with the help of value stream mapping, participants were provided with a complete process overview.

Finally, in another half-day workshop, the entire process was visualized in the form of rough steps across all involved interfaces and with the help of a so-called “brown paper”. All in all, the review led to finding that, in the final process step – quality assurance – more than three quarters of overall processing time could be identified as concealed waste.

Elaboration of the TARGET concept followed the two month analysis phase. This was done together with the core team, in the context of a workshop. This approach was selected to ensure the greatest possible degree of acceptance of the implementation from the outset. The overall process was redesigned on the foundation of lean principles and in accordance with the present situation. The initial approach was a “clean sheet of paper” so as to not limit creativity and partiality of the workshop participants.

After four months, the design of new processes had resulted in a clearly notable increase in process efficiency. With regard to the

highly ambitious goals, it had to be noted that order processing in the initially targeted time was still not quite realistic, yet after implementation of about half of the measures, processing time could be reduced to less than 50%. With continued and consistent implementation of the new measures, and with a standardized, SAP-based “offer and order procedure” with targeted 100 percent quality, it is anticipated that yet another significant reduction will be attained. The inspection effort at the end of the process could also be reduced by about 50%. What is more, monitoring, which had been neglected to date, can now be performed without any anticipated problems in the future.

Planned objectives such as reduction of response time and increase of volume, customer feedback and increased quality are attained with the TARGET process. With this, potential for additional market growth is highly anticipated. In addition to this, a number of targets are expected to extend significantly beyond the project timeframe. Because of this fact, employees had to ensure further implementation themselves following the departure of Ingenics – to ensure continuing optimization in a defined CIP, and supported by defined KPIs. Utilizing this procedure, management is actively integrated in problem processing, escalation and controlling; performance dialogue is conducted based on parameters defined in the TARGET process.

“In the workshops we recognized fields of action and, in the TARGET design, focused exclusively on the value-adding activities. Thus, we were able to design an optimized process in which, among other things, process steps were shifted or even left out entirely.”

Jakob Hefele,
responsible Ingenics Partner

Efficiency improvement³ – Building sustainable business success



In a nutshell, the core services of Ingenics can be summarized in three words: Planning. Optimization. Qualification. Or, to put it simply, efficiency improvement³. Our main focus is on three central areas of business – factories, logistics, and organization. Ingenics' history in these areas has been sustained for more than 35 years.

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