

Lean Enterprise Academy



LEA e-letter – January 2007

Wasting Customers Time

Dear Lean Community Member

Have you ever thought of sending an invoice to companies you have bought things from, for the amount of your time they caused you to waste trying to get their product or service to work properly? If you were to add up all this wasted time over the year and change it at your daily rate you would be owed a considerable sum! More important if many people began to do this it might prompt these providers to fundamentally rethink how they design their products and how they serve their customers.

Think also what you would do if your customers started doing this to you, particularly if you could see that their wasted time is mirrored in wasted time (and hence additional unnecessary cost) in your organisation. In most cases we simply can not see this potential win-win opportunity, preferring a quick and cheaper (possibly outsourced) fix we can forget about. Which is fine until your competitor sees how to turn this opportunity to their advantage.

Two very simple examples illustrate the point, but I am sure you can think of many others that you have experienced recently. First, try changing the name on a business bank account. This sounds incredibly simple. But after receiving three letters followed by four new but unusable cheque and paying-in books all with the right name on the cover and the wrong name on the cheques and you wonder whether this organisation can really be trusted to look after your money!

Almost certainly this is the result of a broken process rather than incompetent staff. Try to fix the problem in person the next time you visit the local branch and all they can suggest is that you waste even more of your time (and money) by sending the whole lot back with a letter of complaint! You can bet that no one is going to find the root cause of this probably often repeated error so that it stops happening.

This is not surprising when you realise that the right first time on time capability of most office processes as opposed to production processes is incredibly low, often between 10 and 30%. Yet this kind of problem happens all the time within and between businesses. How much of your and your customers' and your suppliers' time is spent on invoice reconciliation?

Second, the delight in getting a new PDA with all the latest functionality turns sour when you give up after two frustrating hours trying to get the software to synchronise with your other computers. You feel a bit better when the technical expert you call in (and pay for) takes a further three

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hours before finally getting it to work. Although it often feels like it, I am sure I am not alone in suffering these problems.

Which is staggering, when you think how many thousands of unnecessary hours must be being wasted installing the thousands of PDAs and other devices being sold every week. The problem here is that the feedback loop from the installation problem back to the designers does not work. Each expert tries to fix the problem and move on, carrying their knowledge with them till they come across this problem again. We have all experienced help lines that don't help. In many cases they are not even part of the problem solving loop back to product development.

Just as you can tell a great deal about an organisation and its management by observing what goes on the shop floor, you can also learn a great deal about how they think about their customers from observing the detail of your experience of using them. As customers we know there is little we can do to fix these problems apart from complaining. So we learn to quickly forget all the problems we encounter as we get on with managing our lives.

However for an organisation seeking to improve customer service and at the same time reduce its cost to serve this information is gold dust. Just think what you could do if you could get direct feedback from every problem from every customer. You could turn each of their problems into a Kaizen opportunity in your organisation.

Yours sincerely

Daniel T Jones
Chairman, Lean Enterprise Academy UK