

# Business Excellence: Lean & Digitize

**Bernardo Nicoletti,  
Bruxelles, Oct. 28<sup>th</sup>, 2009**



# Agenda on Business Excellence



**“I Keep six honest serving-men: (They taught me all I knew) Their names are What and Where and When And How and Why and Who.”** *Rudyard Kipling*

- Why
- What
- When
- Where
- How
- Who

# Agenda on Business Excellence



- Why
- What
- When
- Where
- How
- Who

# Changing Environment ... The 4Cs

## Customers

Empowered and demanding  
Complex and confused  
Sometimes Malicious



## Computers

New Technology  
Network



## Costs

Inflation  
Complex Technology  
Outsourcing



## Compliance

Security Requirements  
Laws and Regulations  
GRC



Challenging Environment

# Agenda on Business Excellence



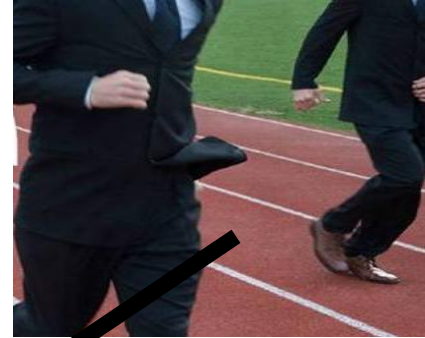
- Why
- **What**
- When
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# Business Excellence ... from the books



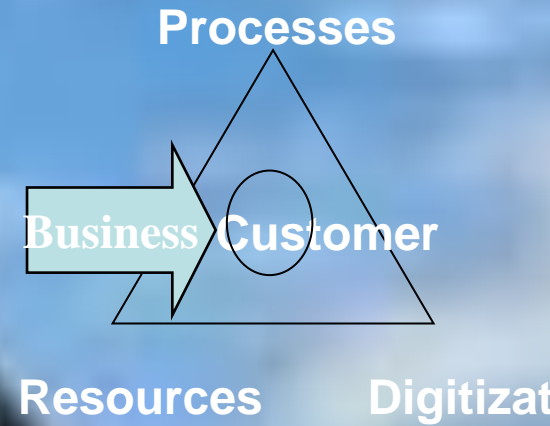
- The systematic use of quality management principles and tools in business management, with the goal of improving performance based on the principles of customer focus, stakeholder value, and process management. Key practices in business excellence applied across functional areas in an enterprise include continuous and breakthrough improvement, preventative management and management by facts. Some of the tools used are the balanced scorecard, Lean, the Six Sigma statistical tools, process management, and project management. (*Wikipedia*)
- Outstanding practices in managing the organization and achieving results, all based on a set of eight fundamental concepts." These concepts are "results orientation, customer focus, leadership and constancy of purpose, management by processes and facts, people development and involvement, continuous learning, innovation and improvement; partnership development, and public responsibility." (*EFQM*)
- An integrated approach to business in which the organization places the customer at the centre of everything it does.  
It is about exceeding customer expectations and not just meeting them, and in so doing enabling companies to develop and maintain long-term mutually trusting and profitable relationship with customers. (*Clark, M., and Baker, S., "Business Success through Service Excellence"*)
- You must produce a high-quality product or service. You need to have a solid handle on your financials. Change is inevitable. (*Spence, J., Achieving Business Excellence*)

# Business Excellence ... from the books



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# Business Excellence ... in a Simple Way





# Agenda on Business Excellence



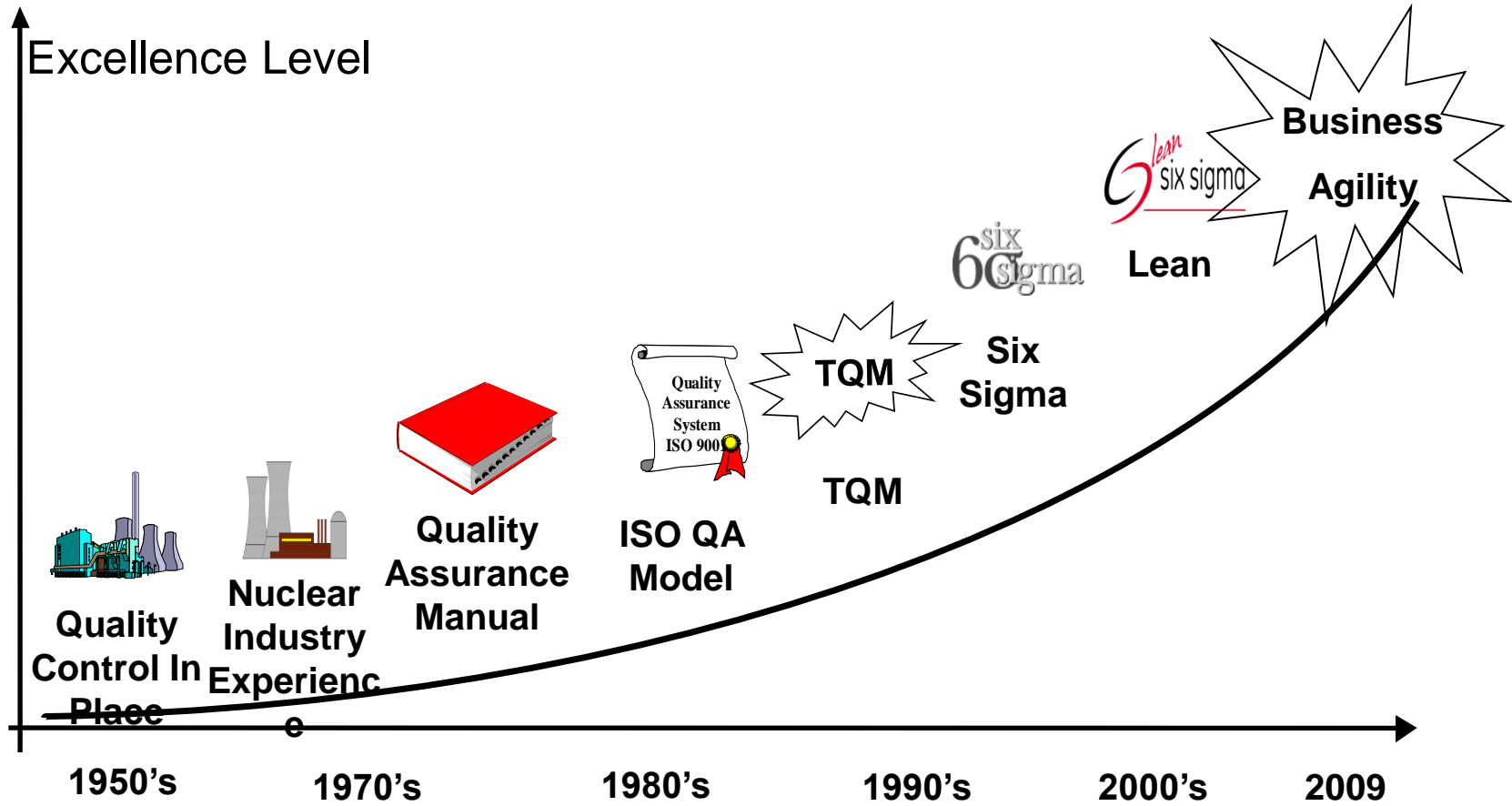
- Why
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# Crisis in Chinese

Problem



# Business Excellence ... a Darwinian Development



# Business Agility



# The 5 Objectives of Business Agility (the 5C)

- Evaluate the Context
- Respond to Change
- Criticize
- Enable change
- Commonize knowledge and expertise.

*“When things change you must be ready to change with them”, Paulson*

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# Net Promoter Score with your Customers

**Question:** “On a scale 0-10 (where 0 means you would not recommend under any circumstances, and 10 means you definitely would recommend), how likely would you be to recommend the Bank?”

9 - 10  
Promoters

10
9



7 - 8  
Passives

8
7



0 - 6  
Detractors

6
5
4
3
2
1
0



**% Promoters** -less- **% Detractors**

Net Promoter Score

(% NPS)

# Agenda

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# Traditional Lean Six Sigma

Six Sigma  
+  
Lean  
=  
Lean Six Sigma

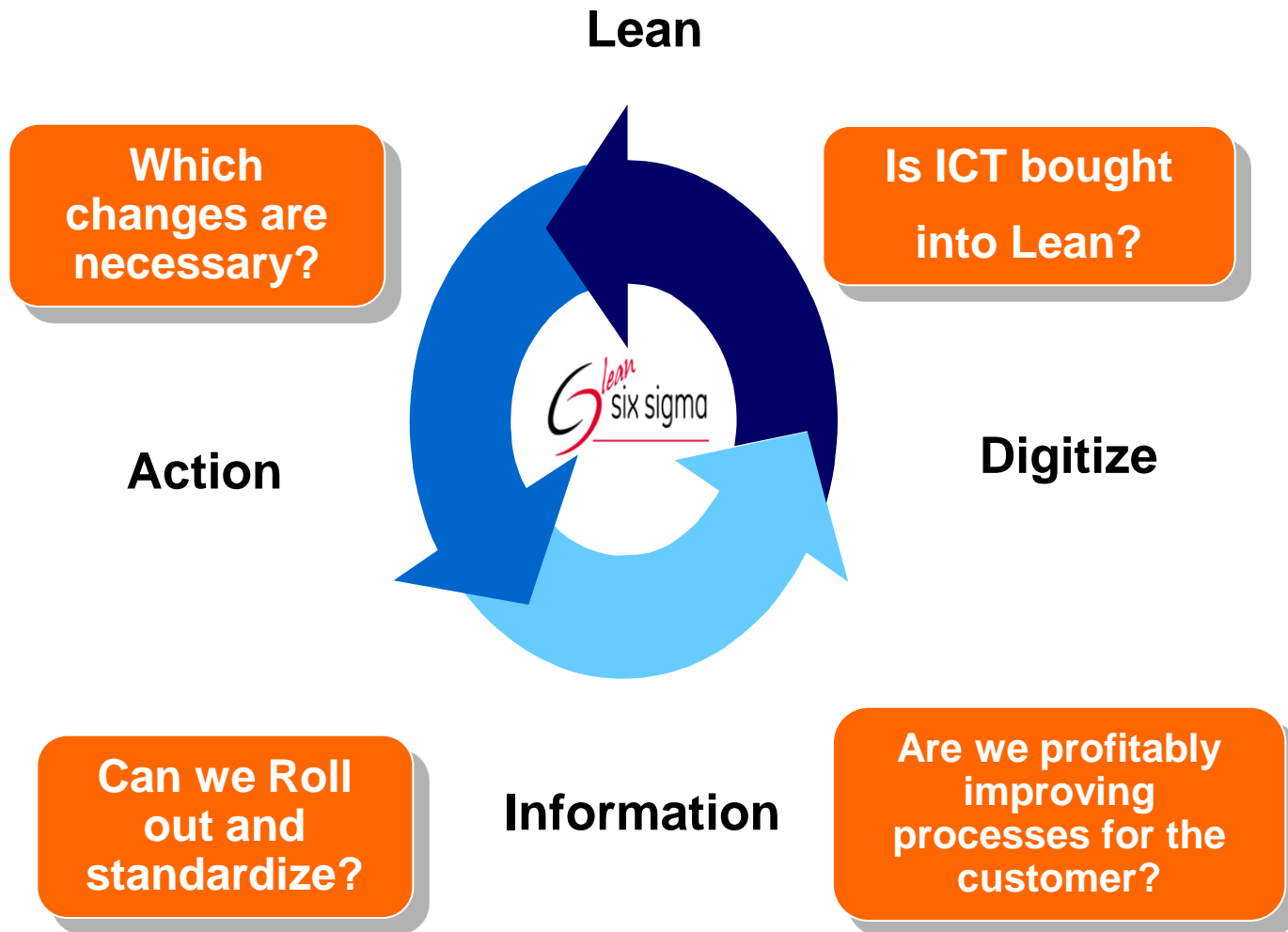
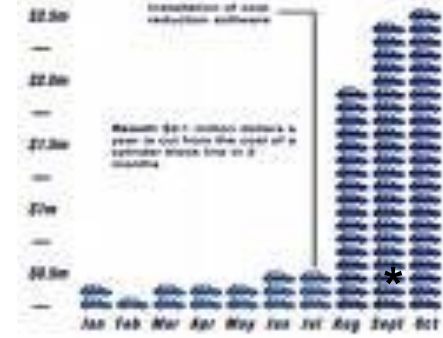
Speed  
Variation  
Variation+Speed

Working on:

- The process path
- The resource path

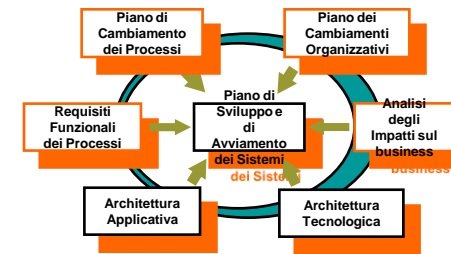
***This is fine for Processes and Resources .. And Technology?***

# Lean Six Sigma is not enough: Lean & Digitize



*PDCA including Digitization*

# The Lean & Digitize Methodology



- (Preliminary)
- Define & Measure
- Analyze & Process Design
- Architecture Design
- Build, Test & Deploy
- Verify
- (Replicate)

***“... information systems have to do more than manage huge amount of financial data...” Bill Gates***

# Lean & Digitize

## *Preliminary*



Context

Vision

**Culture**

Strategy

**Communication**

# Lean & Digitize

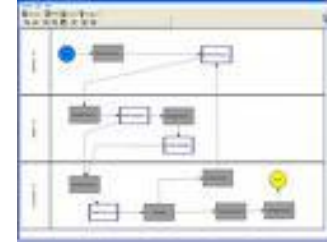


## *Define and Measure*

- Kick off
- Project team with a Business project leader and an IT project Leader
- The voice of the customer (“VoC”)
- As-Is process map
  - Process flow
  - Resource flow
  - Digitization flow
- Critical to Quality (“Big Y”) dependent on the variables of the process “x”

# Lean & Digitize

## *Analyze and Process Design*



- Elimination of non value added activities
- Redesign of activities that produce the 7+ wastes
- Simplification, standardization and automation
- Reduction of excessive and not controlled digitization
- Outsourcing of not core activities

## Lean & Digitize

### *Architecture Design*



- Design the To-Be (manual and automated) including
  - every activity that is part of the process, resource and technological flows
  - every interface between automated and manual activities
  - Regulate the process flow to make it digitally connected with the suppliers and the final customer
- Simulate digitally

## Lean & Digitize

### *Build, Test and Deploy*



- Based on the functional and technical specifications, there is the development of:
  - Process and Resource layout
  - New software
  - New interfaces
- Test individually
- Pilot
- Deploy



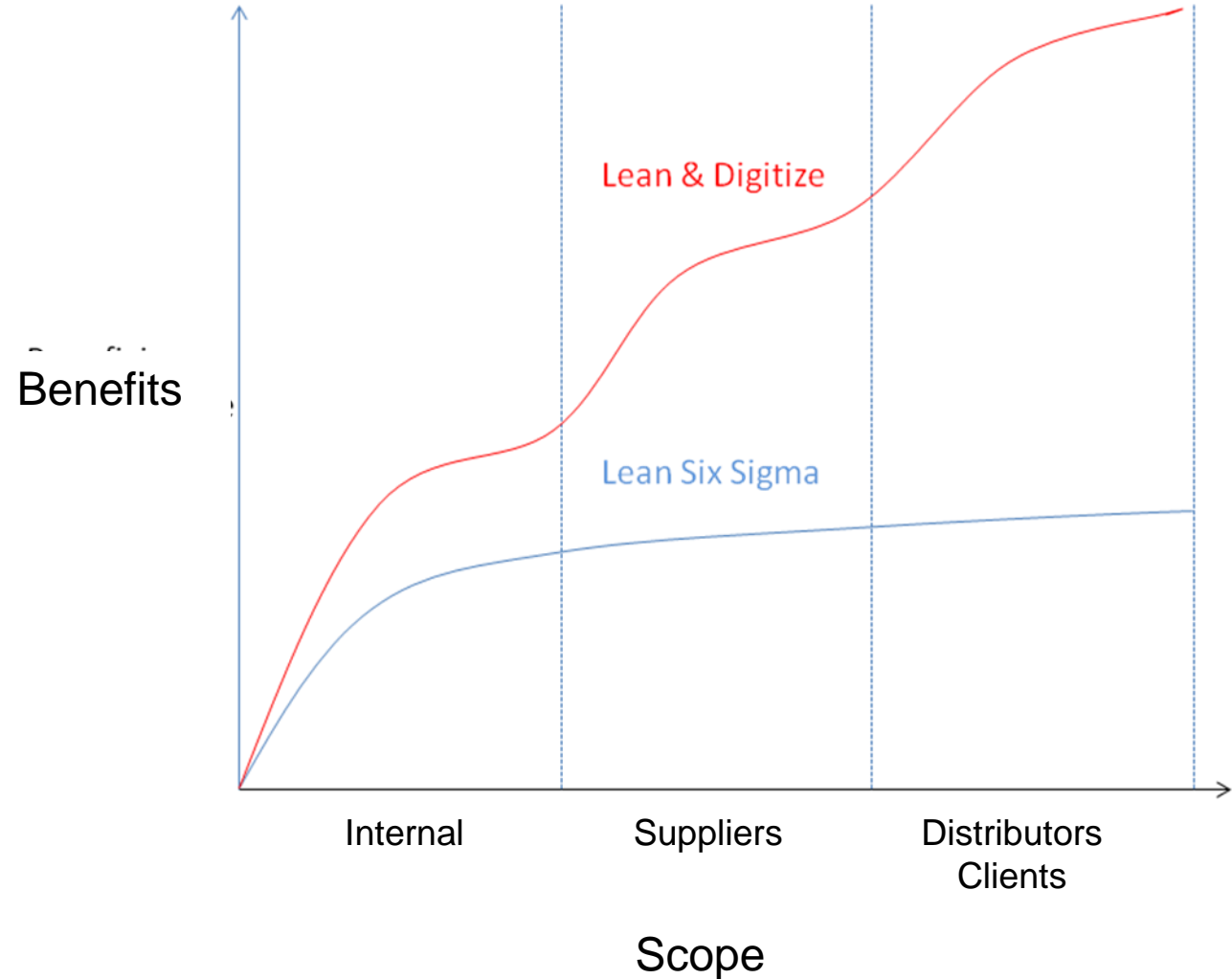
## Lean & Digitize

## *Verify*

- Measure Lean & Digitize effectiveness
- Sustainability assured by Digitization
- Roll-out
- Lessons learnt
- **Celebration**



# Benefits



# Agenda for Business Excellence



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# Personal Excellence

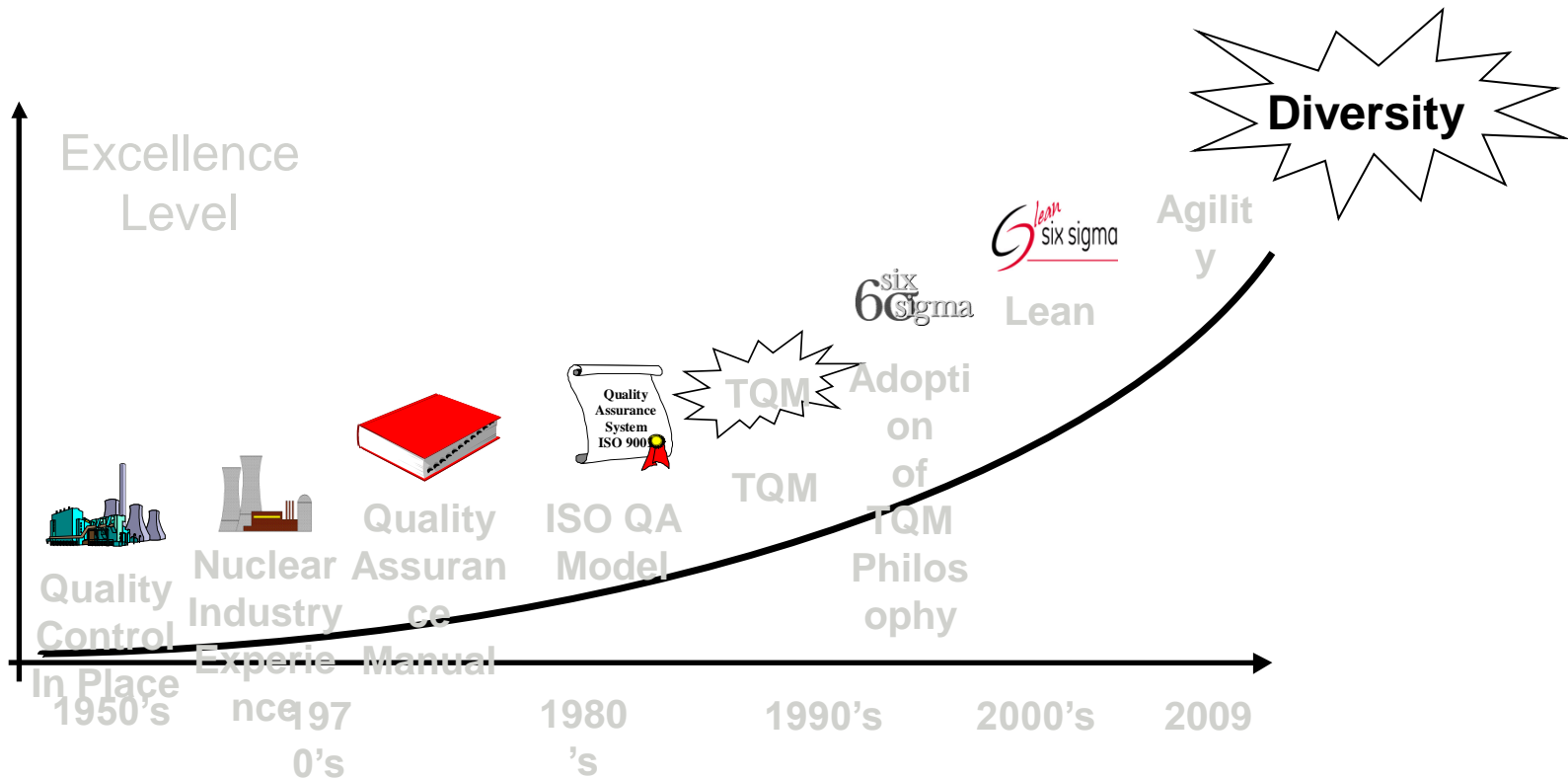
- Communication
- Accountability
- Visibility
- Incentives



# Agenda for IQPC 2010



# Business Excellence ... a Dynamic Approach



# Thank You – Any Question ?



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