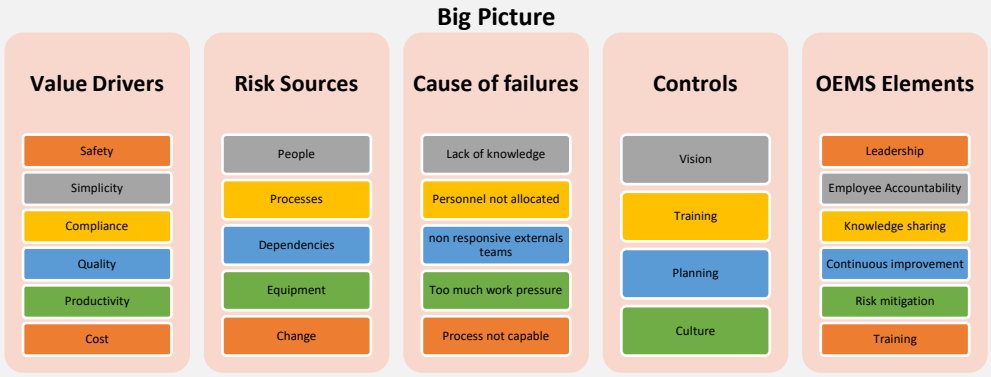
1.Background

The E2E Squad **(Appendix 1)** is a vital part of the human resource team in a reputable NZ Bank, which is providing immediate support to over 5000 employees. Squad is facing significant challenges in delivering operational excellence **(Appendix 2)** due to strict compliance procedures, adaptation of new software, and supporting various existing critical applications.

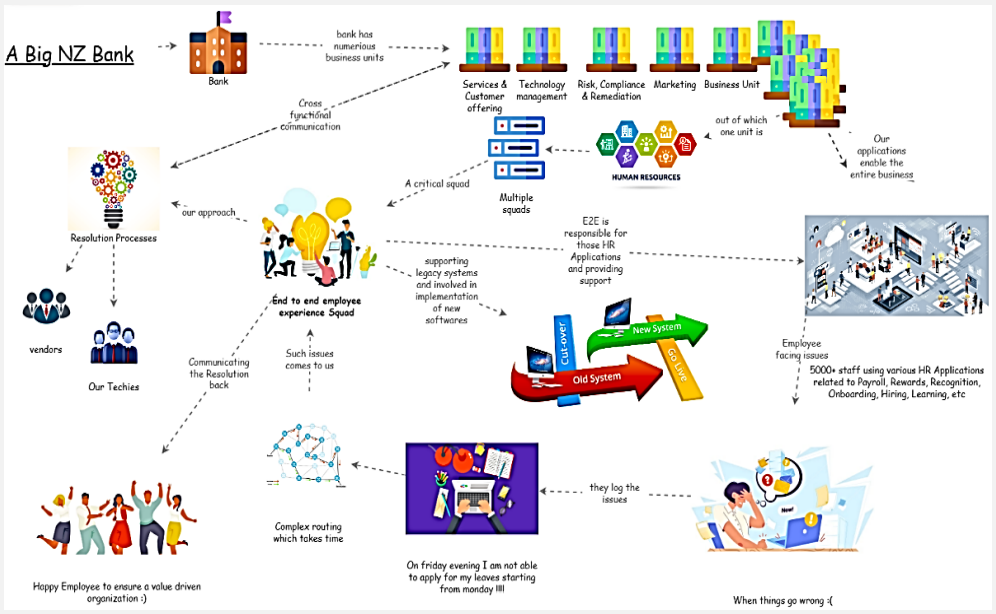
Big Picture



2.Current state

Not 100% Good organisation test score **(Appendix 3)** | CATOWE **(Appendix 4)**

Rich Picture

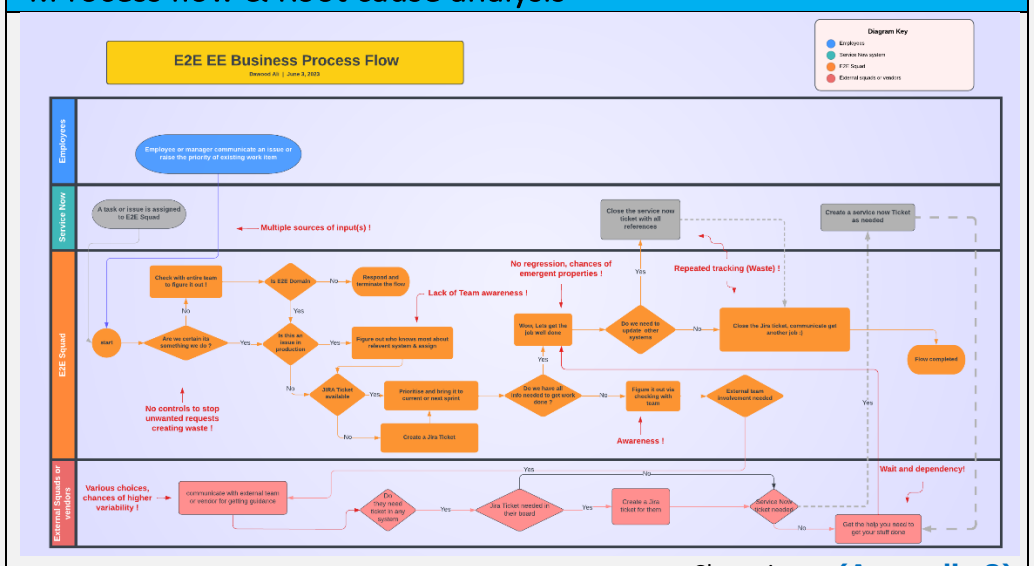


Our squad deliver somewhat what is needed but our turnaround time is higher, also due inadequate awareness of OE practices there is an opportunity to reduce waste and improve quality here. **(Appendix 7)**

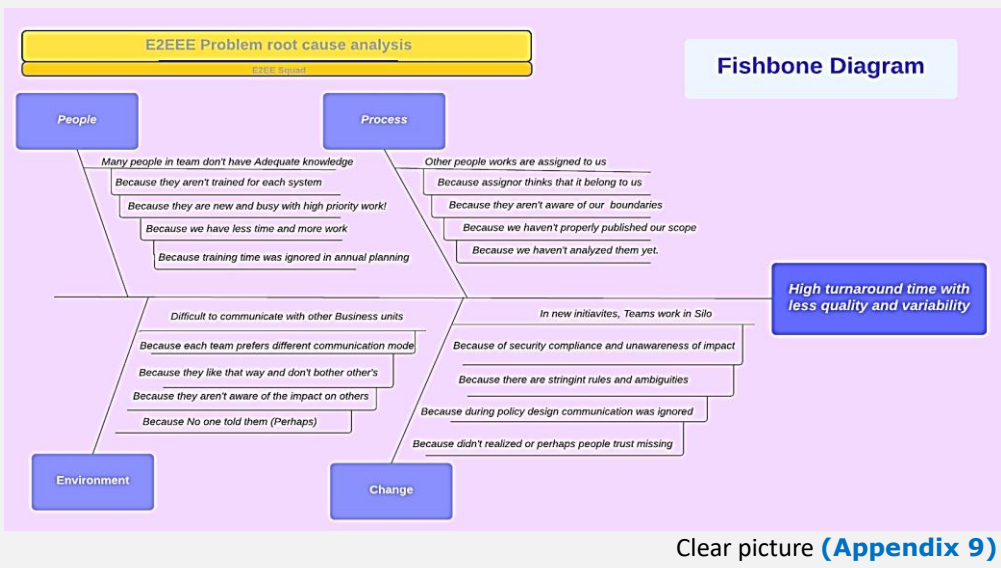
3.Vision for desired outcomes

- Well controlled pull-based system without UDE (Emergent Properties).
- Quality services with least variability that creates value for end customers.
- Reduction in operational cost in terms of time and monetary value.

4.Process flow & Root cause analysis

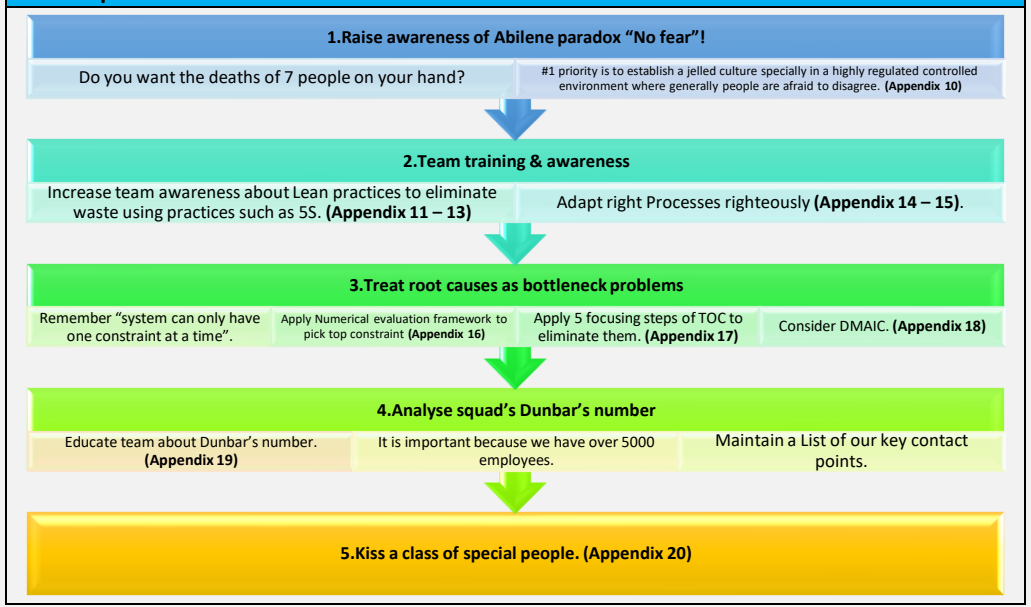


Clear picture **(Appendix 8)**

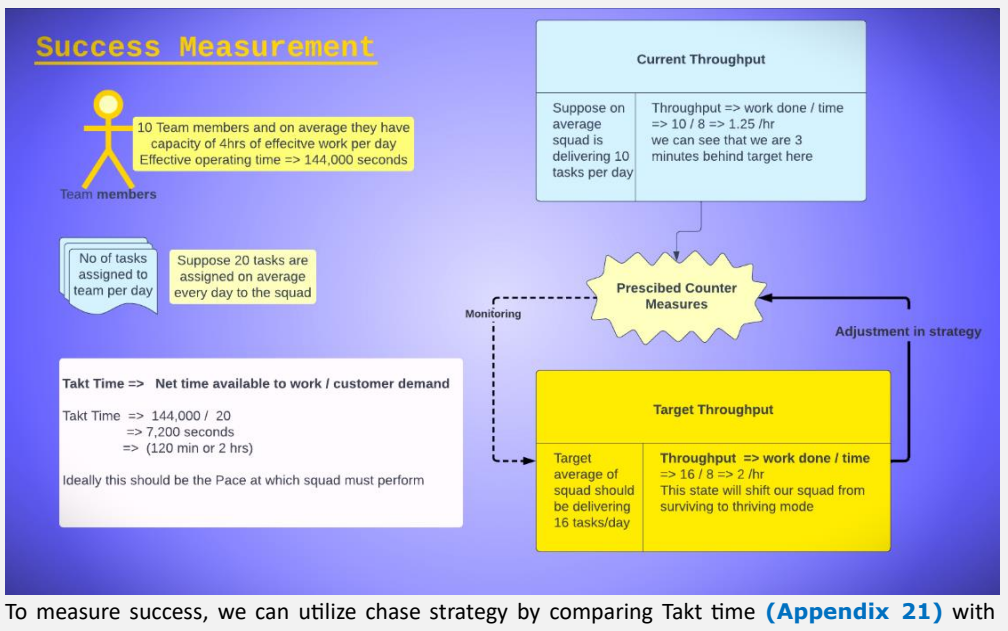


Clear picture **(Appendix 9)**

5.Proposed Counter Measures



6.Measurement



To measure success, we can utilize chase strategy by comparing Takt time **(Appendix 21)** with throughput, we can also harness the benefits of throughput accounting here as well to determine the profitability and worthiness of our squad. Please note that, values used in above diagram are arbitrary and are meant for illustrating the idea only.

7.Hypothesis

Strengthen: Strategically, we will be trying to strengthen our team position by raising their confidence, trustworthiness, knowledgebase, and capabilities via including everyone's feedback and criticism in line with Abilene paradox learning and then leveraging them with skills to adapt lean approaches.

Attack: With righteously selected tools and practices, we should be able to speed up our process with lesser waste, in deliverance of services for, e.g., avoidance of un-necessary meetings, avoidance of repeated work, or in nutshell avoidance of anything that does not add value.

Withdraw: Utilization of theory of constraint and DMAIC approach will not only ensure our continuous improvement but will also increase the throughput of our squad, which is critical in-service area, apparently it will enable us to deliver improved quality by allowing us to deliver more with our existing capabilities.

Defend: Finally, by appropriately utilizing the Geoff Cardwell four essentials we can ensure the failure safety of our system and processes, thus we will have no interruptions or undesirable events.

Nutshell: by doing above we will be having well controlled and efficient working arrangements with lesser variability and higher throughput, which consequently will result in higher quality and reduction in overall operational cost.

8.Plan

It is important to highlight that, to achieve operational excellence, we are required to drive changes with collaborative approach, involving all three pillars of Operational Excellence i.e., culture, leadership, and processes **(Appendix 23)** overall change process does require its due time with contribution from every stakeholder involved.

9.Follow-ups

- Regular monthly program follow-ups reviews
- Program completion meeting and outcome reporting + Documentations

Appendices

Appendix 1

BACK

E2EEE {End to end employee experience} Squad.

Role	Count	Responsibility
Service owner	1	Representative of entire squad, responsible for each entity and process within the domain and a key contact person for upper-level management.
Application Support Engineer	2	Responsible for monitoring and providing support to end users via triaging the issues with the technical team
Analyst / Programmer	2	Technical resource responsible for analysing and writing small computer programs to support various applications.
Integration Engineer	1	Technical resource responsible for overseeing the interconnecting system integrations and involved in various initiatives for inter system data exchange.
Solution Architect	1	Technical resource responsible for analysing the system architectures and providing the design prints for existing and intended systems.
Business Analyst	1	A key resource, responsible for overseeing the overall business process and ensuring their compliance with organizational standards.
Test Engineer	1	Technical resource responsible for testing and validating the applications that are being used and developed for end users.
Scrum Master	1	Responsible for conducting agile ceremonies and tracking the sprints to ensure the quality delivery of output over the agreed period.

Appendix 2

BACK

Operational Excellence

Performance of effective and efficient work to fulfil the desired objectives in the delivery of product and services that satisfy customer's need with value and ability to continually improve the work.

Appendix 3

BACK

Nine tests of good organisation design

http://www.crestadvisoryafrica.com/wp-content/uploads/2016/02/20160113.CAA-Company-Profile.pdf
https://www.slideshare.net/mitter_nirvik/nine-tests-of-organisation-design

Appendix 4

BACK

CATOWE Checklist

Customers	• 5000+ Bank permanent and contractual employees
Actors	• E2E Squad, our vendors, and cross functional teams
Transformation	• Optimised service delivery time, quality and confirmity to the banking compliance requirements
World View	• In order to deliver higher value to our end customers, we must deliver value to our human resource by leveraging them with higher standard of services
Owner	• Though we have service owner but entire E2E Squad own all processes and held themselve responsbile for UDE
Environmental Constraints	• Stringent security compliance, Huge number of regular users, a very large size of external teams and lack of wider system awareness.

Appendix 5

BACK

UDE (Undesirable Effect)

A central concept from TOC thinking processes, which represents effects that prevent the system of interest, or organization, from achieving its goal.

Appendix 6

BACK

Difference between Production & Service processes

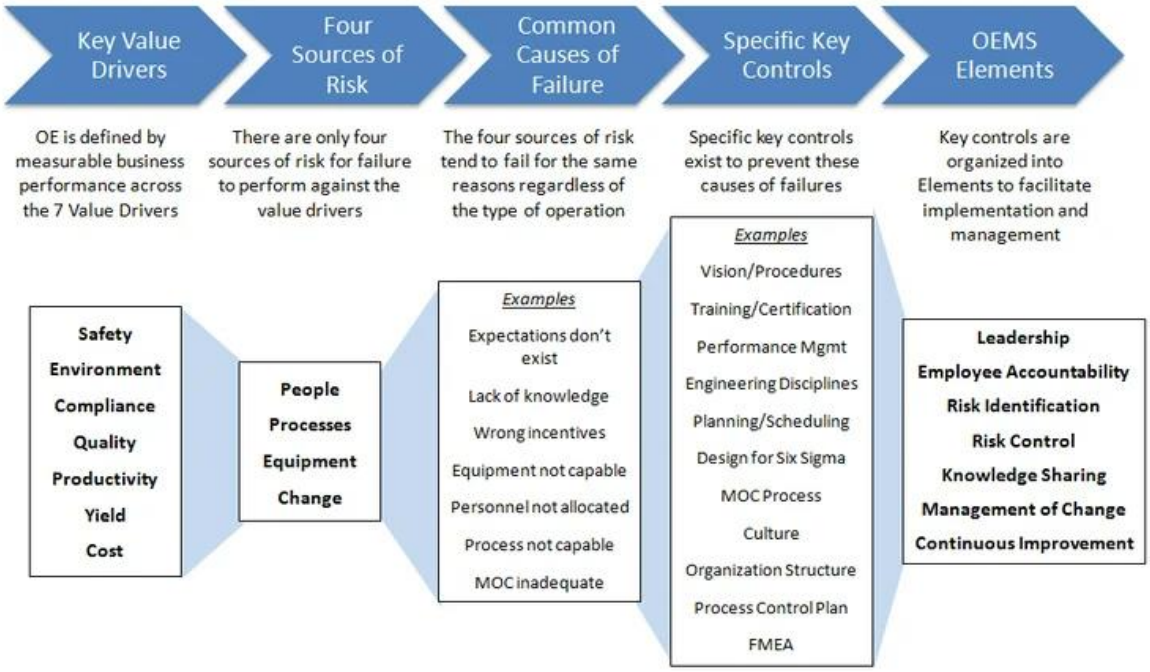
Manufacturing vs. Service

	Manufacturer	Service Provider
Nature of Output	Physical, durable	Intangible, perishable
Nature of Inventories	Can be inventoried	Cannot be inventoried
Customer Contact	Low	High
Response Time	Long	Short
Size of Market	Local ↔ International	Local
Size of Facilities	Large	Small
Capital Intensity	High	Low
Quality Measurement	Easy	Difficult

Appendix 6.1

BACK

Foundations of the 7 Element OEMS: Key Controls & the 7 Elements



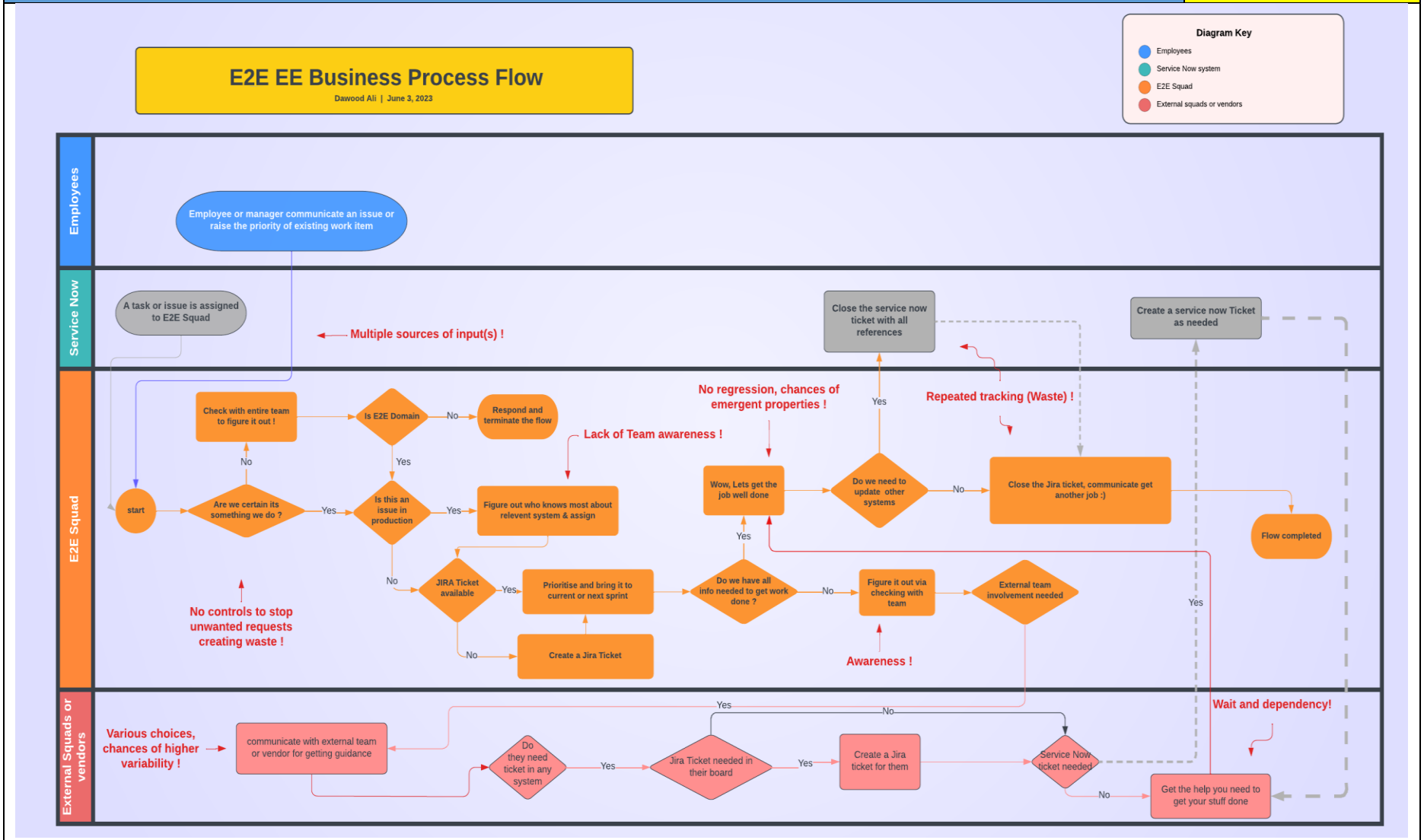
Appendix 7

BACK

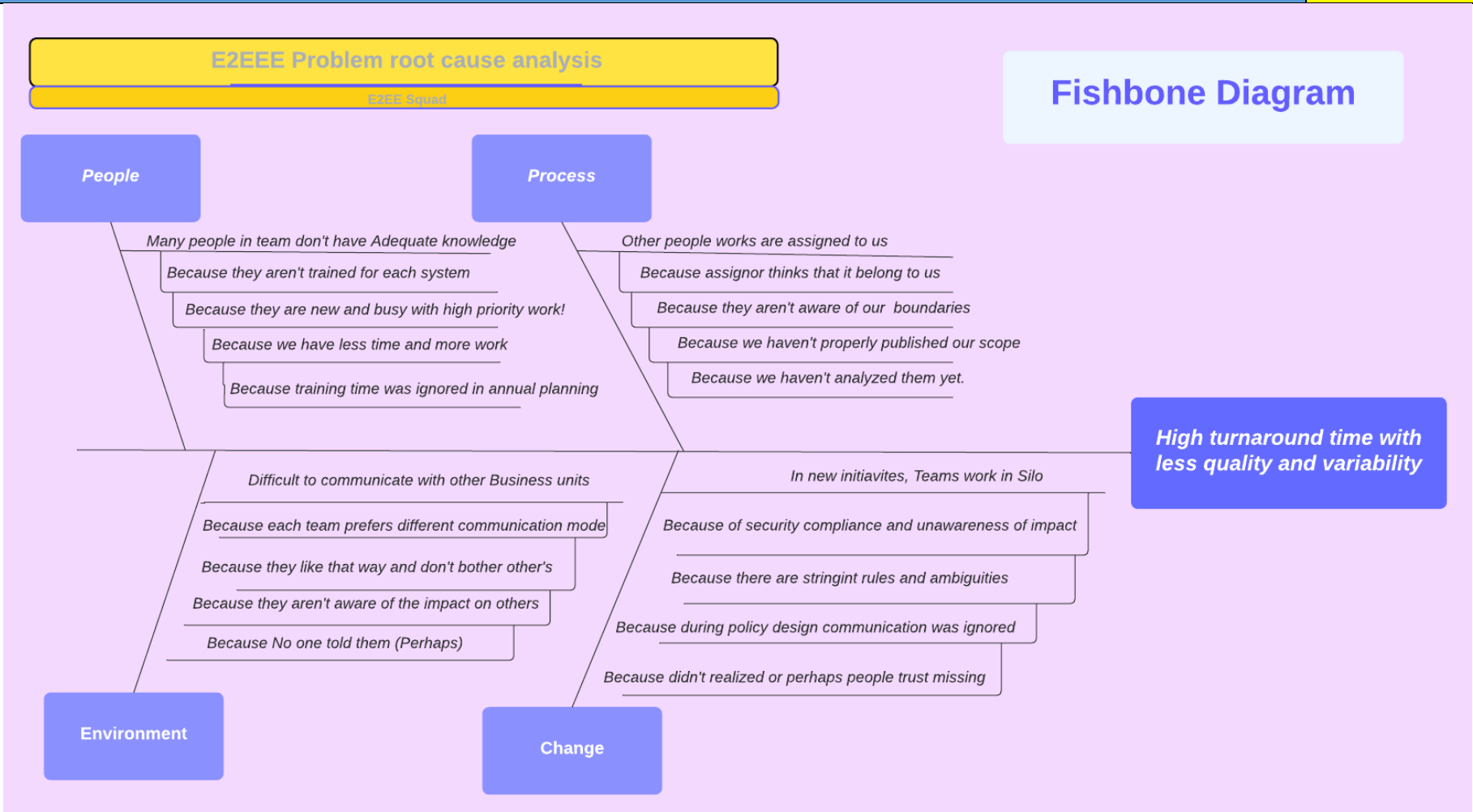
Itemised list of problems we are trying to solve here.

#	Problems
1	We can resolve the queries and issues, but the turnaround time is remarkably high
2	Various times the reported incidents are not related to our squad but got assigned to us
3	Not every person in our squad has adequate knowledge of every system that we support therefore we will have to rely at the mercy of subject matter expert within our team
4	Relevant squads from other business units prefer different mode of communication and it takes a while to decide the right business process to be followed on case-by-case basis
5	Strict compliance requirements in bigger organization require lots of time for due diligence
6	Sometimes in new implementations various teams operate in silo and just at the end bombarded our team with huge amount workload.
7	With little lean practices, adequate amount of waste is produced that bear no value.

Appendix 8 BACK



Appendix 9 BACK



Appendix 10

BACK

Why Abilene

Courtesy Syndicate D MBA Cohort 20

Appendix 11

BACK

Lean 5s

https://www.leanproduction.com/5s/

Appendix 12

BACK

Waste

Appendix 13

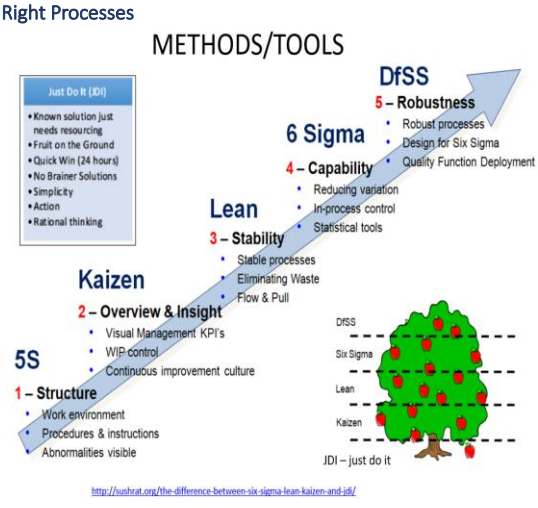
BACK

Avoid Meetings

Appendix 14

BACK

Right Processes



Appendix 15

BACK

Insightful process comparison

	"JUST DO IT" (JDI)	KAIZEN	LEAN	SIX SIGMA (DMAIC)	DESIGN for SIX SIGMA (DfSS)
Complexity	Simple	Moderately simple (may be urgent)	Moderate	Complex and / or chronic	Complex
Nature of Problem	Known problem; well understood; quick win; low-hanging fruits	Mainly process-related New pattern of complaints Competitive inroads Problem is know	Existing process is inefficient Easily identifiable waste Many non-value-added activities Long cycle times	Existing process is ineffective Not keeping process up to date: complacency or sudden change in competitor performance Too many defects, excess variation	Ad hoc process (different every day) Fix a process that is too broken to be improved without radical change. Create new process, product or service
Data	None	Little/limited	Limited	Extensive: input / process / output	Moderate to extensive: Mainly customer and competitor focused
Root Cause	Causes are known or suspected	Root causes unknown (there may be insights)	Root causes unknown	Root causes unknown; requires data to validate based on y=f(x)	N/A: "clean sheet" approach is appropriate
Solutions	Solutions are known and/or intuitive: fast/easy/cheap	Solutions unknown (but there may be SME insights)	Solutions unknown	Solutions unknown: need to determine with higher probability of success	Customer and competitor data available & relatively easy to gather. Solutions pursued through market research, VOC and several alternative concept designs.
Time Involved	Quick: less than a few weeks	1 week for Kaizen Event. 1-2 weeks for implementation.	Varies according to complexity of the value stream considered (1-2 months typically)	Usually 3-6 month to complete (based on complexity, scope and ability to gather data)	Variable based on complexity. For new processes typically 6-18 months to complete
Benefits	Typically low	Moderate	Moderate to high Includes $$ benefits	Moderate to high Includes $$ benefits	High Includes significant $$ benefits

Jonas Aust MEM 2017 CHCEC

Appendix 16

BACK

Numerical Evaluation Framework

Numerical Evaluation: Holiday Destination

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R		
A	A3	A3	A3	E2	F3													9	23%
B		B1	B1	E3	F3													2	6%
C			C1	E3	F3													1	3%
D				E3	F3													0	0
E					F3													11	29%
F																		15	39%
G																		**38**	
H																			
I																			
J																			
K																			
L																			
M																			
N																			
O																			
P																			
Q																			

A. Bay of Islands

B. Golden Bay

C. Nelson

D. Stay @ Home

E. Bali

F. Norfolk Island

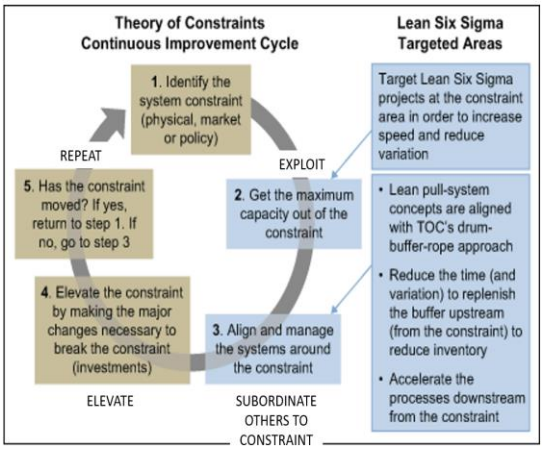
Evaluation Weight Factors
1 = Minor difference in importance
2 = Medium difference in importance
3 = Major difference in importance

Courtesy Piet Beukman

Appendix 17

BACK

Five steps to eliminate constraints.

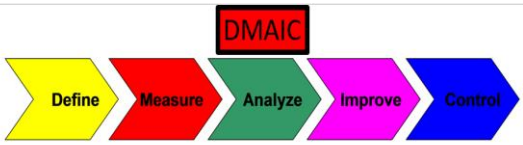


https://www.leanproduction.com/theory-of-constraints

Appendix 18

BACK

DMAIC



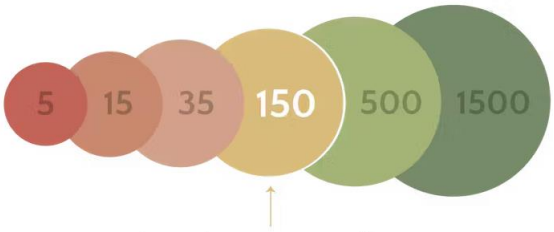
What is the problem?	What data is available?	What are the root causes of the problem?	Do we have the right solutions?	What do we recommend?
What is the scope?	Is the data accurate?	Have the root causes been verified?	How will we verify the solutions work?	Is there support for our suggestions?
What key metric is important?	How should we stratify the data?	Where should we focus our efforts?	Have the solutions been piloted?	What is our plan to implement?
Who are the stakeholders?	What graphs should we make?	What clues have we uncovered?	Have we reduced variation?	Are results sustainable?

https://blog.iil.com/dmaic-process-six-sigma/

Appendix 19

BACK

Dunbar's Number theory



Dunbar's Number

the max number of relationships a person can maintain

https://www.funktionevents.co.uk/team-building/blog/dunbar-number-theory

Appendix 20

BACK

Four essentials for failure prevention

Failure Prevention

The Four Essentials for Failure Prevention

E1 – Keep it Simple System Structures (KiSSS)
Systems may be complex but their structures must be simple to be easily understood by everyone. This ties in with Systems Thinking and the Learning Organisation

E2 – Classification of Systems and Components (Risk Allocation) PRIORITISE Fail Impacts
Importance levels are assigned to product and service systems and components for closer monitoring, better resource allocation and effective risk management.

E3 – Special Process Qualifications (4M Process Variables) EXCEPTIONS/ VERIFY
The 4Ms (Manpower, Method, Material and Machines) resources are approved prior to regular use to ensure these processes are kept in control.

E4 – Competent and Happy People (Human Factors)
These are crucial for achieving your goals and guarding your company's quality reputation. Human factors are often overlooked in today's competitive world.

Kiss a Class of Special People

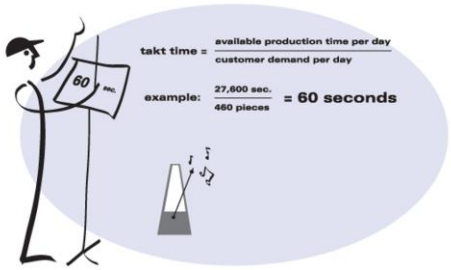
Geoff Cardwell

Appendix 21

BACK

What is Takt time

Takt Time – Rate of customer demand
German: Takt = "pulse"

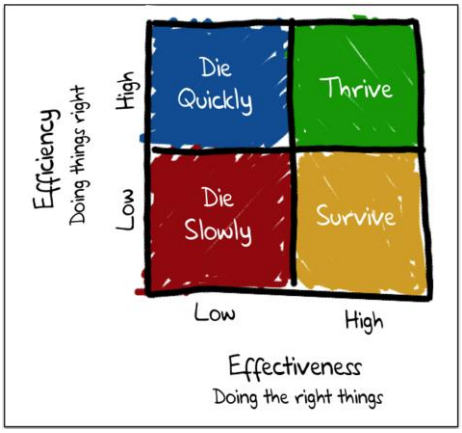


An example of calculating takt time.

Appendix 22

BACK

Die, Survive or Thrive?



Appendix 23

BACK

OE Structural elements

Operational excellence

- The operations Management System (MS) is used to define what the Process will achieve and how it should be controlled and when by Management
- Correct Behaviours ensure that the MS is functioning as needed and is used to control the process according to the criteria set in the MS
- The Process is where the work is done, its capability is used to define the targets set by the MS

EXCELR8 MANAGEMENT CONSULTING

References

What is Operational Excellence

https://sixsigmadsi.com/operational-excellence/

CATWOE Checklist

https://www.benchmarksixsigma.com/forum/topic/39328-catwoe-checklist/#:~:text=CATWOE%20is%20a%20simple%20checklist,view%20%E2%80%93%20Owners%20%E2%80%93%20Environmental%20constraints

UDE (Undesirable Effect)

https://www.igi-global.com/dictionary/innovation-leading-organizations/102136#:~:text=A%20central%20concept%20from%20TOC,organization%2C%20from%20achieving%20its%20goal

PCRM

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Abilene paradox

https://www.betterup.com/blog/abilene-paradox

Theory of constraints

https://www.leanproduction.com/theory-of-constraints

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DMAIC

https://www.simplilearn.com/dmaic-process-article

What does OE Looks like

https://www.juran.com/blog/introduction-to-operational-excellence-opex

Key Principles of OE

https://www.smartsheet.com/content/operational-excellence

The Four Essentials for Failure Prevention in Quality Systems

https://6phealthsystems.files.wordpress.com/2015/11/cardwell-4-essentials-nzoq-paper-2001-v2.pdf

Acknowledgement

Briefing session with Westpac Ways of working team including, Vanessa Bodo {Product design lead} & Alex Albert {Ways of working coach}
Reviewed and discussed confidential Westpac BCRM & PCRM models.

- BCRM "Business Capability Reference Model"
  a. https://wiki.cac.washington.edu/display/EA/Business+Capability+Reference
- PCRM "Processes & Controls Referencing Model"
- Value change management at Westpac
  a. https://www.youtube.com/watch?v=JDSFhbvCRD4
- Introduction to Westpac Business capability Models
  a. https://www.youtube.com/watch?v=8duJMKxV1Lo
- Ownership & Accountability at Westpac
  a. https://www.youtube.com/watch?v=ZqmJGgUmDnc
- Overview of Process Hierarchy & Value stream at Westpac
  a. https://www.youtube.com/watch?v=O6L0XdvVehU
- The Business Component Reference Model "BCRM" at Westpac
  a. https://www.youtube.com/watch?v=Drgdg9lY8WQ