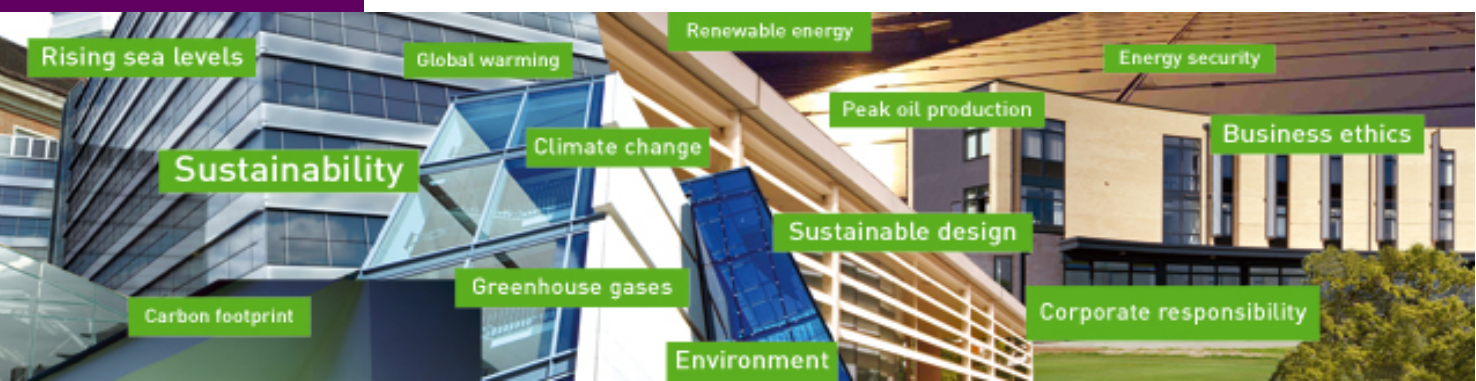


EXECUTIVE SUMMARY

Analysis of Lean Implementation in UK Business Schools and Universities

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Written by AtoZ Business Consultancy

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Executive Summary

The Lean implementation methodology (Lean) has its roots in manufacturing and particularly the automotive sector through the Toyota Production System. Over the last decade, Lean has expanded beyond manufacturing to become an improvement methodology firstly in the service sector and more recently in public sector organisations looking to improve efficiency and customer value.

It is within this context that AtoZ Business Consultancy undertook an analysis of Lean implementations across Business Schools and Universities in the UK. This analysis was undertaken using a case study approach of five diverse Higher Education organisations. The case studies included a combination of Russell Group and non Russell Group organisations, research intensive as well as teaching informed organisations and organisations with large non EU student numbers. The organisations were spread geographically across England, Scotland and Wales and included large metropolitan areas as well as smaller more rural locations.

There has been a driver for Lean in all public sector organisations as a result of draconian government budget cuts. Within Higher Education this has been further driven by the announcement of increased student fees following the Browne Review. Lean with its focus on value, customer, efficiency and effectiveness is sensitive to this context as well as other initiatives such as the sustainability and green agenda, supporting increasing the performance in the National Student Survey (NSS) and maybe most importantly allowing savings to be achieved.

There is little doubt that the Lean programmes undertaken in the case study organisations have had significant impacts. This includes:

- Creating an understanding of the need to change.
- Revising processes and practices which had been untouched for years.
- Engaging staff to enable them to challenge and question their working practices.

The main points highlighted from the study are:

- It is early days for Lean development and implementation in Higher Education. There is still a lot of opportunity for improvement and a lot to be learnt from the experience of other public service organisations.
- There is fragmented uptake of Lean making it difficult to identify some 'outstanding' examples of Lean implementation. However some of the early adopters are showing real signs of engagement and embedment.
- There was limited understanding of the key principles of Lean and how they should be driving the improvements.
- Lean appears to be driven by mainly administrative and support staff, who can see the benefits. However many are still distracted by the day job where they feel there is a lack of recognition / understanding of how Lean could support improvement.
- There is a focus on project based activities around one or two processes which are redesigned and then not always re-visited or monitored. There is less on developing a Lean culture.
- There is a need for more focus on developing the building blocks of Lean. This includes more senior management commitment to Lean, linking the Lean activity to the strategy and

a better understanding of the customer and processes, in order to sustain Lean improvements over the longer term.

- Value is being seen as process based with better processes leading to better value for internal staff. The concept of delivering value to customers (particularly students) needs to be developed further.

Key Successes

- All organisations implemented the majority of the Lean programmes themselves, either through building the internal capacity or increasing staff capability thereby ensuring greater engagement and buy-in to Lean from staff.
- Staff who have undergone Lean training appear to have benefited from this experience and had a good basic understanding of the Lean concepts in terms of making processes more streamlined and efficient.
- There was some discussions about matching capacity and demand, but not widely understood across all the organisations.
- It was encouraging to see that the concept of a customer is recognised and there is a perception of the need to provide a high level of service.
- There were examples of senior staff proactively engaged and driving Lean programmes.
- Revised processes were one of the key successes of the Lean programmes, which would be sustained even if the Lean programme ended.
- There was evidence of organisations communicating their Lean improvement work on their websites.
- The use of RIWs had enabled staff to understand processes in a different way, allowing opportunities and savings to be identified as well as a chance for staff to have their voice heard.
- One organisation had developed internal capability and using this resource to undertake RIWs. Having capability within the organisation to facilitate change ensures more ownership of change.
- Problem solving is being undertaken in some form in all organisations. This is mainly being done via brainstorming sessions in RIWs, but there are specific examples of problem solving tools being used in other Lean programmes.
- There were examples of visits being undertaken to other Lean organisations where those involved had witnessed Lean working in practice.
- All organisations recognised they were on a journey of continuous improvement with more work to be done on embedding improvement behaviours and robust processes and creating a groundswell of opinion to change the culture of the organisation.

Important Considerations

- Steering Groups and project teams are important in the design and roll out of Lean programmes such as communications, developing internal capability, designing and delivering training, tracking impacts, selling Lean to senior management and planning the next stage of the journey.
- There are assumptions regarding customer requirements and that the 'voice of the customer' has not been clearly articulated by direct involvement in Lean improvements, except in one organisation. There needs to be more evidence to support the quality and timing of information that would result in better processes and more satisfied customers.

- Senior management needs to be more actively involved taking on more responsibility and ownership of the Lean programmes. There should be an environment of 'go and do' as well as 'go and see' that includes Pro-Vice-Chancellors and Principals.
- There is scope for a better understanding of end-to-end processes (i.e. the student life cycle) to ensure that Lean was not seen only in terms of process-focused change but more in terms of a culture change in behaviours and attitudes. This would also support the defining of value and customer requirements.
- Better communication methods and media should be used to better inform all staff within organisations and there is significant scope for communication across organisations to share knowledge and best practice.
- More staff need to be involved in Lean events and follow through on implementation so that there is a greater understanding of Lean thereby impacting on the establishment and embedment of Lean.
- Visual management needs to be improved across all organisations. This should have a consistent layout across the organisation following the standard format of displaying information on people, performance and continuous improvement. Also the use of tracking information over time should be considered.
- All organisations should consider developing internal capability in order to create sustainability.
- There is a need to collect and monitor more data across all organisations, including information on time and cost savings as well as data indicating a change in culture as a result of process improvement.
- More training and development may be needed on problem solving techniques so that common lessons and learning can be transferred easily and more quickly between departments and teams.
- Managers need to 'go and see' Lean organisations as part of the training so that opportunities for transfer of learning can be achieved.
- Managers should learn how to challenge positively to further support a culture of continuous improvement.

Overall, the findings from the case studies show positive outcomes in terms of staff and student experience related to the delivery process. Very little evidence was found regarding the costs and savings of implementing the Lean approach – this is something that needs to be addressed to support the development and sustainability of Lean in the longer term.

The cases illustrate various ways to begin a Lean implementation – a programmatic approach or through RIWs; using external consultants or developing the skills of the staff in the organisation; taking an emergent or top down approach. Each have their pros and cons – but an important point is that there are different stages to the Lean journey and each has its own emphasis often starting with the tools but then developing the cultural to support continuous improvement. The key message is to start where is right for the organisation and then recognise the impact in terms of enhanced processes, reduction of waste, engaged staff and improved quality. In other words give it a go and recognise that it gives an opportunity to not just do 'more for less' but 'better for less.'

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