



**Keystone Strategic
Advisors**

Your Value Creation Partner

STRENGTH MATTERS FINANCIAL MANAGEMENT CONFERENCE

Achieving Operational Excellence

Tulip Shah

Keystone Strategic Advisors

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Operational Excellence Journey

Milestones



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- 1 Learning to see Waste
- 2 Eliminating Waste
- 3 Defining and maximizing Customer Value
- 4 Value Stream Mapping
- 5 Streamlining the Service Delivery Ecosystem
- 6 Deriving Key Performance Indicators
- 7 Instituting a Performance-based culture



Operational Excellence: Key Outcomes



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Value vs Waste



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Value

Activities that directly achieve customer needs and customer is willing to pay for or perceives value



Waste

Activities that consume time or resources but do not directly address customer requirements

A Quick Exercise

- Rate your perceived level of operational efficiency for one of the following customer experiences on a scale of **1** (very inefficient) ----- **10** (very efficient)
 1. Ordering at Subways, Quiznos, Chipotles-type restaurant
 2. Drive-thru at McDonald or Burger King-type fast food restaurant
 3. Airline departure at your local airport from drop-off to being seated in the plane
 4. Ride sharing service Uber or Lyft
 5. Grocery shopping at Kroger's, Food Lion, Shoppers
 6. Doctor / Dentist visit from check-in to completion of visit
- Please also reflect and list all the factors that you took into consideration in establishing the rating



8 Forms of Operational Waste



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Talent

Underutilizing people's talents, skills, & knowledge



Inventory

Excess products and materials not being processed.



Motion

Unnecessary movements by people (e.g., walking).



Waiting

Wasted time waiting for the next step in a process.



Transportation

Unnecessary movements of products & materials.



Defects

Efforts caused by rework, scrap and incorrect information.



Overproduction

Production that is more than needed or before it is needed.



Overprocessing

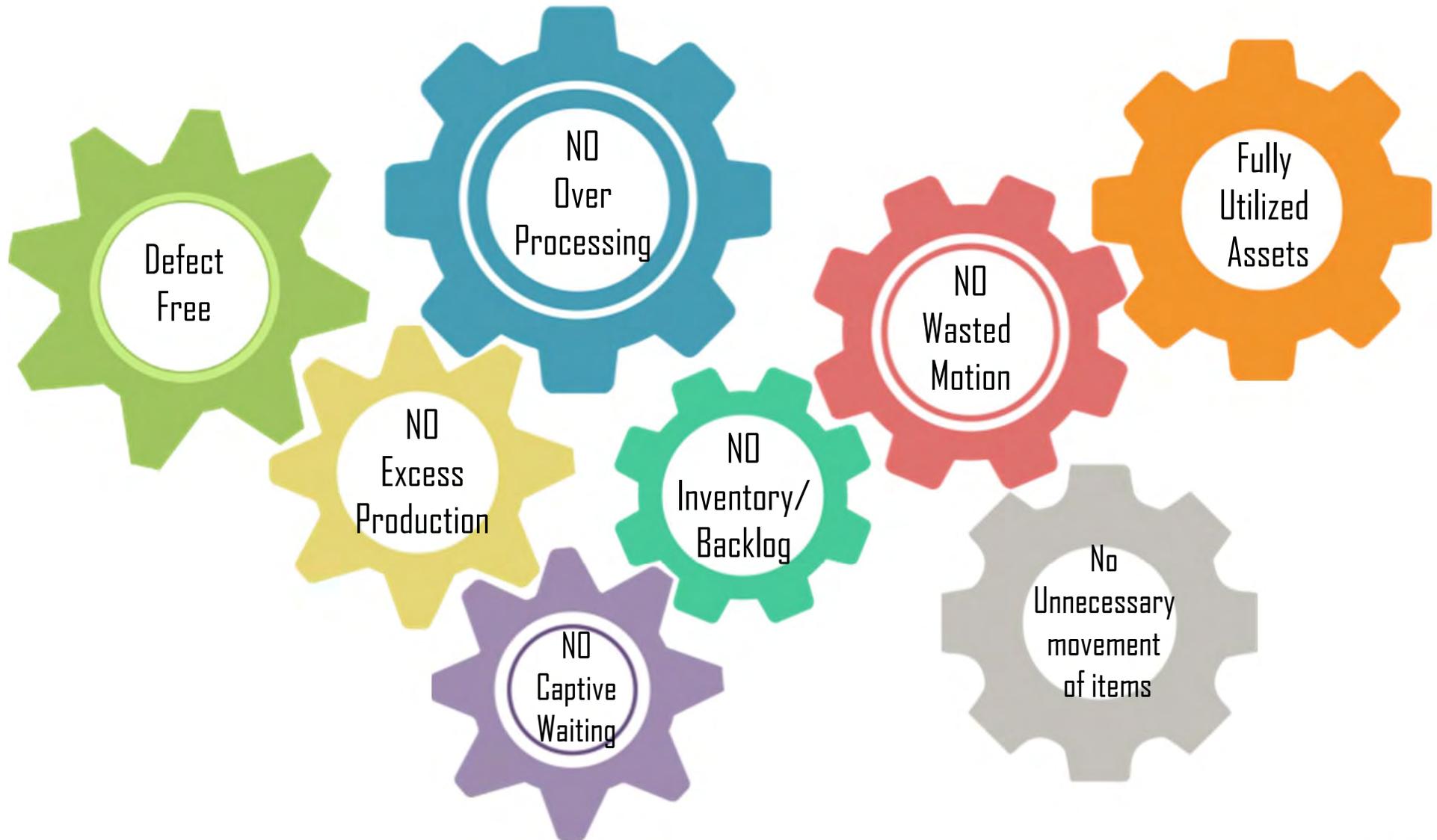
More work or higher quality than is required by the customer.

The Holy Grail of Operational Efficiency



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Eliminating Waste: 7 Waste Busters



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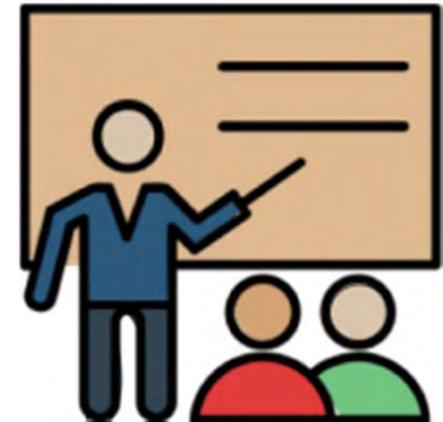
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Clear Expectations



Communications



Training



Ensure Compliance



Office Optimization



Challenge Status Quo



Problem Solve

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Understanding Value



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- ‘Value’ is the **antithesis of ‘Waste’**
- Best defined as the **satisfaction received by the consumer** of your product or service
- Value can be **measured in several ways**
 - e.g., ownership experience, friendliness, thoroughness, convenience, timeliness, thoughtfulness, clarity, transparency, easy to work with, and so on
- All activities and tasks that you perform should be **tested to ensure that they add value for the consumer** of your product or services

Who are your Customers?



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- Recognize **you have both internal and external customers**
- Internal customers are the departments that **support your service delivery** model
 - e.g., accounting, finance, marketing, procurement, business development, IT, etc.
- External customers are **more than just the consumers** of your service
 - e.g., local banks, citizens in your community, regulators, local businesses, lenders, brokers, etc.

The Ultimate Internal Customer Service Attitude





Two Facets of Customer Value

- **Desired value** refers to what your customer wants or the **functional benefits**
 - appeals to the mind
 - e.g., receive accurate and timely information
- **Perceived value** is how your customer feels or the **emotional benefits**
 - appeals to the heart
 - e.g., feels respected and empowered
- **Both are important and essential** elements of delivering customer value
 - Customer Requirements and Customer Expectations



3 Different Types of Activities



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- Every process has three types of activities that need to be proactively managed
 - Value Added activities
 - Non Value Added activities
 - Business Value Added activities

So, What Action to Take?



Activity Type	Action
Value-Added (VA)	???
Business Value-Added (BVA)	???
Non-Value-Added (NVA)	???

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Why Value Stream Map?



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- Value stream mapping helps you to ...
 - Create a **common understanding** of your service delivery
 - Identify both **internal and external customers**
 - **Detect bottlenecks** in the process workflow
 - Identify **excessive hand-offs** within the process
 - **Spot where errors can occur**
 - Visualize all **value-add and non value-add** activities
 - Identify reasons for **long lead times**
 - Identify **over-processing, over-production and waiting**
 - Opportunities for **work load balance**
 - Estimate **overall cost** of providing a service
- Provides the basis for improving operational efficiency

Not Value Stream Maps!



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Financial Capability Intake Process

Sign client up for Financial Workshop

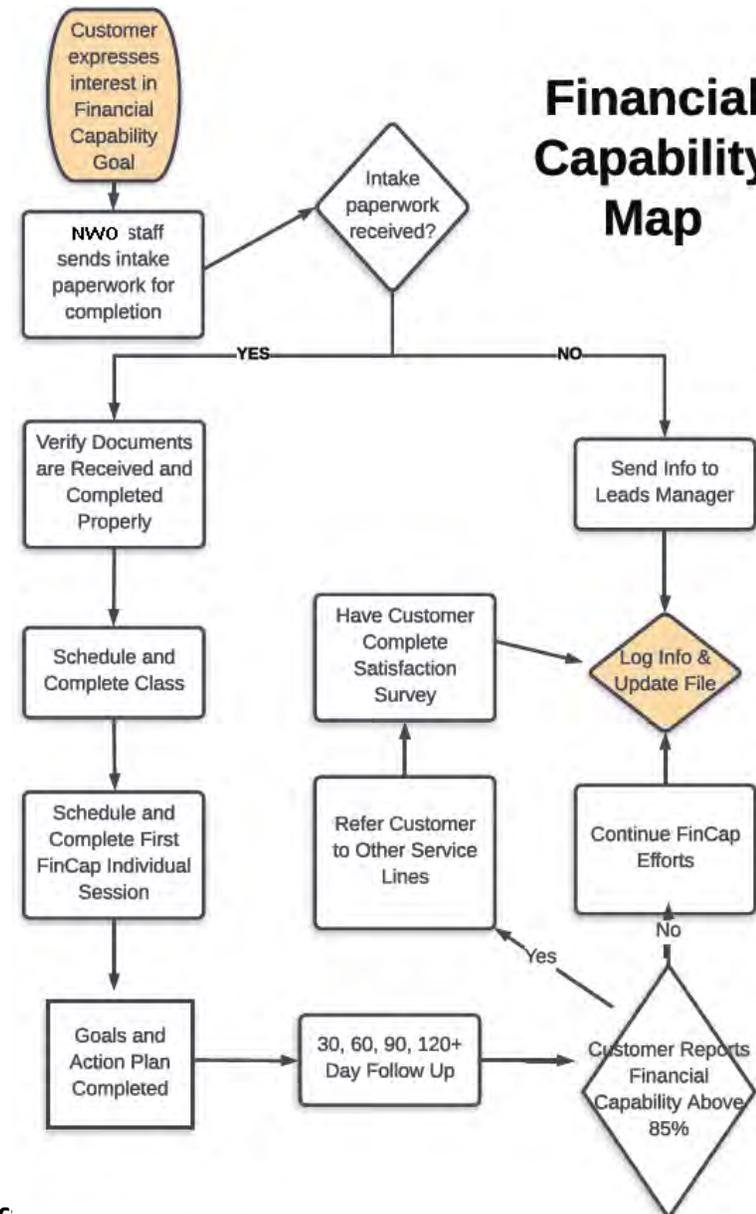
Information - Provide client with the intake packet request

Communication: Explain the reason the information is needed

Expectations: Communicate with the client that the session will take place once all required documents have been received

Assign to a counselor

Follow Up



Proprietary and Confidential

12 Key Elements of Value Stream Mapping



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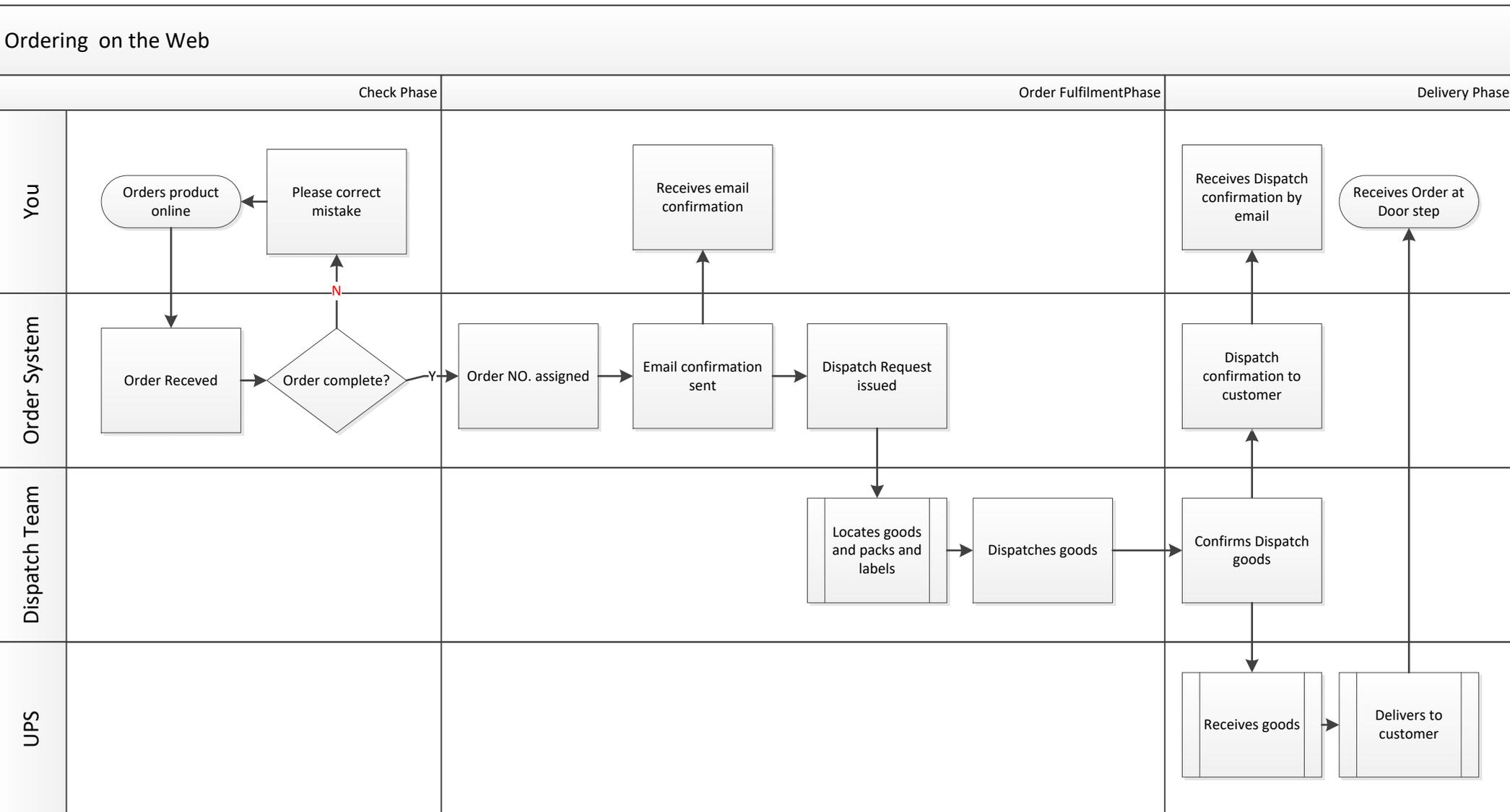
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- Who is the primary ‘customer’ of the process?
- What is the ‘workpiece’ or workflow unit?
- How is value defined?
- How is waste defined?
- What is the starting point?
- What is the ending point?
- What are the possible outcomes?
- Who are all the actors?
- What are all the process artifacts?
- What are the major activities/tasks performed?
- What are the distinct phases?
- What are the key milestones?

Example of Value Stream Map



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Final Thought: Service Delivery Ecosystem



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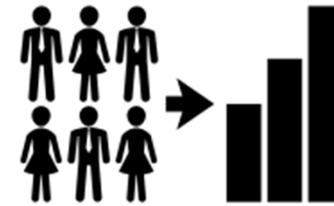
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POLICY



PROTOCOL



Demographic



PEOPLE



PROCESS



PLATFORM



Technology



PROCEDURE



Public & Private
Funds

Proprietary and Confidential

Thank You



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tulip@value-creator.com