



eBook

How to improve your processes
and reduce waste

By Rich Dale, CEO

Why do businesses fail to reach their potential? Inefficient processes, inadequate systems, silo thinking, wasted effort and poor quality information are common answers to the question. Your business might have a huge market opportunity, but without clear and effective processes, supported by a tailored solutions, you will never realise your potential.

So how do you improve your business, and make sure your team is operating efficiently across the whole business?

At Flowlens, we help companies to improve their business processes, reporting and communications, resulting in better results and reduced costs. These are some of the key tactics we employ with our customers. Turn to section 5 for an action plan with key steps to follow.

Quality in a service or product is not what you put into it. It is what the client or customer gets out of it.

Peter Drucker
Management Consultant

1 - Understand Your Customer

The Customer Lifecycle is the journey your customers follow to discover, consider, and buy your product, and afterwards, the steps in building loyalty, repeat sales and referrals.

By understanding your Customer Lifecycle, your business can design the optimum process to support the customer, removing unnecessary steps and making it easier to buy from you.

Customers today are ever more sophisticated and prudent in making buying decisions. Your product might be the best on the market, but it may never reach the customer if the journey causes frustration or doubts.

The secret is to empower your team to continually seek ways to improve the customer experience.



A simple way to reduce waste and errors, is to ensure that the key functions of the business communicate and share data effectively, supporting the customer journey.

Misunderstandings between departments rank amongst the highest causes of rework, errors and customer frustration.

Does your business think in silos? Sales, Production, Service, Marketing? This insular approach comes about very easily as businesses grow, and the need to get things done quickly trumps the need to do things right. Over time, ad hoc ways of working become embedded and ingrained.

To overcome these issues, and eradicate silos, your team needs to understand your customer journey.

2 - Review Key Performance Indicators

Your strategy will drive the Key Performance Indicators (KPIs) that tell you how you're doing. In turn, these KPIs should drive the reports you generate, and the data you create throughout the business.



Most businesses capture lots and lots of data that is never used. It never appears on any report or customer document, yet over time it's easy to accumulate forms and fields through the sales process, production and service.

All of this redundant data costs time to create and store, worse still, it reduces the focus on the important data that really matters.

By reviewing your KPIs you can focus on the reports and data that matters.

Each business has different metrics that chart progress:

- Lead Generation
- Pipeline Value
- Conversions
- Production / Delivery Targets
- Profitability
- Up-selling and Cross-selling
- Referrals

3 - Map Your Processes & Identify Bottlenecks

For most businesses, processes develop organically over time through trial and error. They're often undocumented, and they're passed to new team members informally.

When a business is growing, the team is simply too focused on getting orders and then fulfilling them, to reflect on how well things are being done. Even when problems are occurring (and recurring) it seems like there isn't time to improve the process and reduce bottlenecks. This will have serious implications for growth and competitiveness.



The action plan below describes how you can simply map out and document your processes. Having done this you'll quickly see the bottlenecks: delays, wastage, confusion, rework, complaints, unexpected costs.

4 - Adopt a Common Language

Having charted your customer journey, it will probably become clear that you do not have a common way of referring to the things that make up your business.

The markets and sectors you target, the customer roles you serve, your departments, even the products and services you offer. If this makes things confusing internally, imagine how your customers feel!

Adopt a common language for your business, by ensuring everything has one name, and that the whole team uses the same terminology.

Almost all quality improvement comes via simplification of design, manufacturing... layout, processes, and procedures.

Tom Peters
Business Author

5 - Action Plan

Adopting a customer-centric approach cannot and should not happen overnight. Change needs to be carefully planned. The key steps are:

Empower your team

Top level leadership needs to empower teams and individuals to invest time in business improvement. Without this direction, even the most committed and proactive person will prioritise delivery over improvement. Armed with clear authority from the leadership, and building on a new understanding of the entire customer journey (see point 1) teams can start to look at their processes, and collaborate with other departments to streamline and simplify the customer journey.

Bring people from across the business together.

Ensure you have committed team members from each function of the business, particularly those with strong customer insights. Make sure you do this away from the office, so the team can concentrate on the improvement process without distractions.

Chart your customer journey.

What does it feel like to be a customer of your company?

Where do the silos exist?

Does the customer experience feel the same between the functions of your business?

Does the customer feel looked after and understood?

Where do complaints typically arise?

What about your competitors... do they provide a better experience than you do?

Typical stages in a customer journey include:

- Website content and education
- New customer enquiry
- Follow-up and Qualification
- Sales Engagement & Fact-finding
- Solution Development
- Quotations and Presentations
- Negotiation
- Decision to Proceed
- Planning & Change Management
- Project or Production Management
- Handover and Training
- Support and Information needs
- Maintenance and Spares
- Feedback
- Upgrades
- New Requirements

Review your Key Performance Indicators

Define the numbers that matter for your business. Review how this information is currently generated, and understand how different people interpret the metrics.

- strategic KPIs
- board reports
- management and sales reports
- customer reports
- service and issue management report

Identify the gaps in these reports, what information do you need that isn't being captured? Review how the data is currently captured for each of these reports. Look for:

- the same data captured in more than one place (duplication)
- data captured that doesn't actually get used

Identify and Prioritise the bottlenecks

Where are the bottlenecks in your business? By identifying these blockers you can often gain 'quick wins' by reducing paperwork and unnecessary data duplication. Often bottlenecks occur in one department due to inadequate or incomplete information capture earlier in the process.

For example, if your sales team issues quotes based on agreed Bills of Materials, instead of educated guesses, then Production can accurately plan purchasing and scheduling of work.

Adopt a common language

Using whiteboards or post-its, ask these people to write down all the terms they use to describe:

- | | |
|--------------------------|----------------------------|
| ■ customer groups | ■ company / group division |
| ■ markets | ■ sales process |
| ■ customer / buyer roles | ■ production stages |
| ■ products | ■ service contracts |
| ■ services | ■ issues |
| ■ departments and roles | ■ ... |

Next compare how different roles and functions of the business refer to the same things. You can now agree upon a common language, then choose the terminology that is most appropriate, and most effective in enhancing the customer experience.

As you continue to review your processes, you'll uncover further inconsistencies in language. By creating a single 'dictionary for your business' you'll empower your team to continually refine and develop it. This not only improves the customer experience and reduces waste and efforts, it'll also make it easy for new team members to get up to speed.

5 - Summary

- work with members of every department and customers, map out your customer journey, thinking outside in
- define the KPI numbers and reporting that truly matter
- map key processes, working backwards and forwards into adjacent departments to identify internal bottlenecks and opportunities to improve the customer experience
- adopt a common language for your business, and reduce confusion
- ensure the processes generate necessary KPI reports, without going overboard and measuring everything that moves!
- empower your people, communicate your strategy and get buy-in from the whole team

About Flowlens

We help businesses to improve their processes and reduce waste, supported by our user-friendly, tailored software. This unique combination of business improvement skills and technology enables us to achieve better results for our customers.

With Flowlens, customers have achieved significant return on investment: such as 20% reduction in sales admin time and 40% reduction in operational admin.

We specialise in helping manufacturing, engineering service and asset management firms.

The Flowlens platform unites the CRM and ERP functions needed by SMEs, avoiding the costs and risks of larger alternatives:

- critical real-time dashboards and performance analytics
- tailored processes and reporting
- profitability and efficiency metrics
- a single view of the customer
- modular and scalable, only pay for what you need!

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