

# In Plain Sight: 'Hidden Wastes' that Affect the Viability of Your Relocation Program

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*By using the Six Sigma quality methodology, says Bloom, we can remove hidden wastes in relocation programs, which actually are in plain sight, and employers and relocation service providers alike then can return to the issue of primary importance—meeting the needs of the corporate transferee.*

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Regardless of industry segment, every business enterprise has bottlenecks in some aspect of its internal processes. A bottleneck generally is seen as an item causing delays or unnecessary costs, and hinders the successful implementation of the service being delivered to the end-user.

This is true not only for those services being delivered to the transferee but also to the organization as a whole and its vendors. The primary reason why these bottlenecks exist is because the organization has not taken the time to look for them in an organized fashion.

So, if we have the time, how would we find these "hidden" bottlenecks? One way is to use the quality toolbox that was created by the proponents of the Six Sigma quality methodology. Beginning with the Toyota Production System and then to the process improvement efforts of the Motorola Corporation, the Six Sigma methodology lays out in an organized manner the steps to identify the root causes of the bottlenecks and how to improve the way we operate, resulting in a more streamlined, leaner, less expensive, and faster delivery time for our services.

## Six Sigma Primer

What is Six Sigma? The Six Sigma methodology as introduced by Motorola serves two purposes. The first is a statistical method by which we can measure how far off course we are from delivering an error-free process to our customers. The methodology states that if we can get our processes so they are 99.9996 percent accurate each and every time we use them, we are considered to be at Six Sigma capacity within the system. More important, Six Sigma is a business philosophy that focuses on continually improving how we do things based on the needs of the customer, analyzing the business processes, and instituting proper methods to allow the organization to measure how they are doing on the improvement roadmap.

The Six Sigma quality toolbox is laid out by establishing a scientific method-type design for the process review. Typically, this methodology is referred to as the DMAIC (Define-Measure-Analyze-Improve-Control) process. It begins with identifying that we have a problem and, once we recognize the problem, define the problem in concrete terms and identify needed resources, stakeholders, and the beneficiaries of the completed process. We translate the voice of the customer analysis into critical requirements of the process to be improved.

The second step is to measure the data regarding the process to gather information about the bottlenecks. During the measure stage, a number of statistical tools, charts, and graphs are used that identify those areas that are causing the waste or variations. In most cases, these manifest themselves from the environment in which they originate, from the people involved to the equipment being used to the materials being used, or the actual process that acts as a vehicle for service delivery.

The third stage is to take the acquired data and analyze it to determine the root cause(s) of the errors or process variation. The fourth stage is to generate solutions for improving the process in order to elevate the performance of the processes in question. It is at this point that we begin to look toward changing the process to improve the end result.

The next stage is to take our processes and improve them so that we remove the bottlenecks to a smooth delivery. The final stage is to control the process going forward so that once we remove the bottlenecks the process will run in the same fashion every time.

This is a simplified overview of the Six Sigma methodology; however, with the understanding of the basics we can begin to look at the relocation process and identify areas for improvement.

# Because That Is the Way We Have Always Done It

The waste examples in the relocation process are hiding in plain sight because we have not looked for them. Taking the time to look for waste offers an opportunity to make the relocation process run leaner, faster, and cheaper. The order in which we look at the sources of waste does not mean that any one source is more critical than the next because they all play a vital part of the whole. Below are the major divisions of the process and where some of the waste can be created:

**Vendors.** When we review the way the vendors contribute to our service processes, we find that they also contribute to the inefficiency in the way certain steps are executed, such as late delivery of reports and delays in contacting our transferees. Further, when we do receive reports and they are incomplete, or the vendors have failed to complete important steps in the relocation process, the result is an extended processing time and, in the long run, these vendor variables can cost the client time and money.

Another aspect of vendor involvement within the relocation program is how we handle those events where the vendor allegedly has mishandled the transferee. This unfortunate occurrence can require significant downtime for the entire team and the transferee to investigate and resolve. This is truly lost productivity (waste) for all involved as we become forced to take time away from value-added time to resolve the issues that are holding up the transferee returning to full productivity in the new location.

**Overprocessing.** As with the vendor involvement, it is likely that we are going to find that waste occurs when we do not have a clear picture of what the client actually needs, but rather we deliver what we think the client wants. The voice of the customer should dictate how and when we undertake each step of the process. Further, a real concern here is the question of redundancy. How many parts of the process are performing the exact same function extending the time needed to meet the needs of the client?

**Transportation.** Typically, when we discuss transportation we seem only to talk about the household goods side of the process. However, in every organization, there exists the ability to reduce the transportation time through cutting back on the unnecessary movement of paper, people, and materials. For example, when involved in a marketing assistance program for a transferee-owned property, to how many different places does the final report get delivered? To how many places does the Broker Market Analysis or the appraisal end up being input? How many reviews of offers take place?

**Motion.** A cousin to the transportation question becomes the motion question. The difference here is that we are concerned with the needless movement of people, paper, and information. When a member of your staff needs a report, or to make a copy for the file, or has to talk to a supervisor, how far do they have to travel to complete the task? How much information is required to be sent “up the line?” How much of the survey data that is collected is actually used or ends up on someone’s shelf in their office?

**Inventory.** When someone asks me about inventory, my first thought is about the products a business has on hand to meet sales requests. In the relocation arena and, in fact, in any organization, inventory also refers to the way the organization runs.

Do we have too much inventory? Do we have 10 years worth of forms in stock? Do all those forms become useless if a change is made? How long are customer requests, either from the client or transferee, left unanswered? As an example of inefficiency, all I think of is the wasted time when an offer on an inventory home has to go through seven levels to get final approval before the sale could be completed.

**Waiting.** We already have referred to the problems of excess waiting time, but the same applies to delays in starting the file—delays in meeting the needs of the client because someone in the critical chain has sent on reports that did not fully comply with the requests from the client.

**Defects.** Waiting time is a major bottleneck in the completion of a relocation event. These defects come from missing information from the corporate client or the relocation management company to the grassroots of the process to the initiations lacking full complete data to the vendors returning reports that left out critical information as required by the processes in place. For example, several years ago, I encountered a real estate broker who returned a BMA with a marketing strategy section of a single sentence as to how they were going to achieve the price they recommended.

**Overproduction.** When we are relocating an employee, there is some basic information required to complete the process. This means that when we are receiving a completed report, it may not be necessary to include the mountains of information generated in the process of completing the report. In the same vein as the excess creation of reports, we sometimes generate more information than the client really needs to make a decision. Waste also comes from the overproduction of this data, especially if it sits on a shelf.

**Talent.** We understand that we are in a period of belt tightening by all segments of this industry in an attempt to control the costs of moving our human capital. But the staffing levels of our organizations also can be contributing to the waste in the process. Further, the talent waste comes from both sides of the spectrum. At one end, we have the scenario where we have employees who are sitting at their desks with nothing to do because they are waiting for approvals. At this end of the spectrum, we also have the aspect that employees may have idle time because we have overstaffed, expecting volume levels that do not

materialize. At the other end of the spectrum are the environments that, because of the workload, we have underestimated the human capital that we really need to meet the needs of the client base.

## **How Do We Improve the Process?**

We begin the improvement process by taking each segment of the process and asking a series of questions. These questions are simple in nature. We always begin with “why?” The usual response will be, “because that is the way we have always done it.” The next step is to ask “why” again. We keep asking this question at least five times. At the end of the process, we will have identified the root cause of the waste and can take the necessary steps to remove the waste and create the ideal process.

A worthwhile investigation may be to follow each report from start to finish, asking the question, “why is this step necessary and who is benefiting from this step?” The answers may lead to easily streamlining the report or process, which is a quick cost-savings win.

## **Summary**

To commence our efforts to make the process leaner, faster, and cheaper, begin by creating maps of each of the processes. This consists of visually laying out each step in the process. From the completed map, one should be able to identify steps that can be eliminated, thus removing the hidden-in-plain-sight wastes.

Further, look at the data points (time to complete reports, time for acceptance of offers, and sales prices) and, employing the toolbox, use the control charts to show whether the results of the processes are aligned with the expected results. If not, change the process to bring the results into control limits.

In this rapidly escalating technological world, another solution can be to fully automate as much as possible in each step of the process to eliminate the need for tons of reports when all parts of the transfer process can have instantaneous access to the data generated by the completion of each of the stages of the process.

These suggested solutions are just the tip of the iceberg of those available to relocation professionals. If we carefully analyze the steps we undertake, we should be able to add to the possible solutions.

The relocation industry was created on the basis of providing a service to employees of our client organization who are being thrust into a very dramatic time in their lives. The presence of these hidden wastes serves only one function and that is to extend the stress and commotion they are going through. By using the Six Sigma quality methodology, we can remove these hidden wastes, which are actually in plain sight, and return to our first responsibility—to meet the needs of the corporate transferee.

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