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The Three Step Guide to **Lean** **Operations**



The Three Step Guide to Lean Operations

Lean operations as a business practice has been around for decades. It presents a central business aim and a means of running an organisation that focuses on providing greater customer satisfaction, whilst using as few resources as possible. The whole organisation is effectively working towards the same goal – to be highly efficient, create value for customers and eliminate waste. Everything that doesn't meet this ultimate end goal is cut from the organisation – hence the “lean” part of lean operations.

In many ways this can sound like quite a brutal approach to business – cutting the chaff could be seen as cutting jobs. But what if there is a way of doing things more efficiently, whilst

maintaining staff? And does an organisation need to jump in and fully embrace the approach across all aspects of its business for leaner operations to start to work?

We at AUTO believe it's possible to become substantially leaner with a few simple changes. A lean approach to different departments, different key processes and aspects of the business can be achieved simply by using digital automation. Take your sales teams for example. Salespeople hate filling out paperwork – making it simpler and quicker with automation, transforms the process into a highly timesaving, more accurate and less laborious one for the team responsible. This frees up their time and energy to do

what they do best – sell more and grow your business. Consider the administrative burdens placed on the HR department. Onboarding and offboarding staff plus the day-to-day HR administrative tasks like payroll and annual leave requests are all process and time heavy, repetitive and still largely managed manually. Imagine how intelligent workflow automation of such processes has the potential to catapult the efficiency of the HR function to new heights.

Digital automation is a fast, friendly way to start to realise the incredible benefits of adopting a leaner approach to business. In this guide we

explore how ANY organisation, regardless of size, age, structure or industry can realise its full potential using digital automation to make its key processes leaner. We also aim to show you in practical terms a three step approach on how to achieve this, how it can change your organisation, create more value for your customers and eliminate waste for good.



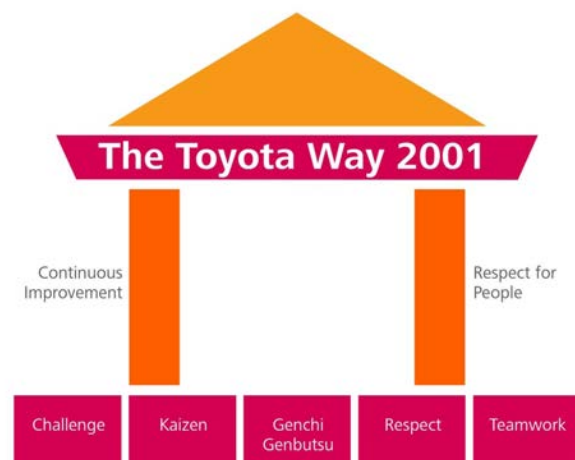
A bit about Lean Operations and Lean Management...



the success of the business. At AUTTO we love the addition of this pillar as it underpins much of our approach to digital automation – but more of that later.

Toyota's style of manufacturing has been copied by the World over. Companies such as Nike, Kimberley-Clarke and Intel are examples of other multinationals that have adopted a lean approach to their manufacturing. However, becoming "lean" is no longer the preserve of massive corporates and can be applied beyond manufacturing. Toyota has also developed into a more conceptual approach to business termed "lean management" – a focus of management that supports the concept of continuous improvement. It is a long-term approach to work that systematically seeks to achieve small incremental changes in processes to improve efficiency and quality. Its primary purpose is also to produce the best value it can for the customer by seeking to eliminate any waste of time, effort or money. It identifies each step in a business process and then revises or cuts out steps that do not create this value for the customer.

The roots of lean operations lie in the Japanese automobile industry, particularly Toyota. It started to take an approach in the 1950s to maximise the efficiency of the whole business to deliver the best product to the customer. It reduced all waste, kept inventory low and worked to a "just-in-time" style of manufacturing. Automation was (and still is) supervised by human workers to maintain quality control. Ultimately the whole operation of car production was made lean by eliminating all that did not add value. And it worked – significant improvements in efficiency, productivity, cost efficiency and manufacturing cycle time were made. Today it continues to work to the guiding principles of the "Toyota Way" now supported by two main pillars. "Continuous Improvement" remains key but the second, newer pillar is "Respect for People". This encompasses the business' belief in respect for all its stakeholders and the role individual effort and good teamwork play in





STEP 1

How to identify opportunities to be leaner and how to start implementation

So how, in practical terms, can smaller, mid-market organisations apply the concept of lean operations to its day-to-day business? It starts from the top down. To be successful, every part of the business needs to be bought into the fold but doesn't necessarily have to all change at the same time. Small changes can have an impact and then grow.

Every process of every department should be considered. Business owners should facilitate management to look in detail across every department and ask "does this add customer

value? Is there unnecessary waste created here?" This waste could be a physical element such as production, inventory or logistics or it could be staff time, talent, creativity and motivation. Next, the business should consider where changes can be made that have the biggest impact. It might be on the production floor itself if it is a manufacturing business or it might be the way sales are conducted or perhaps the way people are managed through the HR and legal departments in a service business.

DIGITAL AUTOMATION ADDRESSES MOST, IF NOT ALL OF THESE – SIMPLY PUT, IT WAS MADE FOR LEAN OPERATIONS!

Digital Automation provides the three pillars of Lean – improving efficiency, eliminating waste and creating value for customers. Automating key digital processes and workflows saves huge amounts of people hours, time that can be spent on providing a better service to customers. In addition, it responds directly to the “Toyota Way’s Respect for People” pillar which appreciates the role individual effort and good teamwork play in the success of the business. Take away the “time-rich, imagination-poor” boring but important daily tasks from staff by automating them and team motivation lifts. Accuracy improves as the human element is lifted; staff morale and empowerment improve as time is freed up for them to do focus on more creative, strategic ways of serving the customer base.

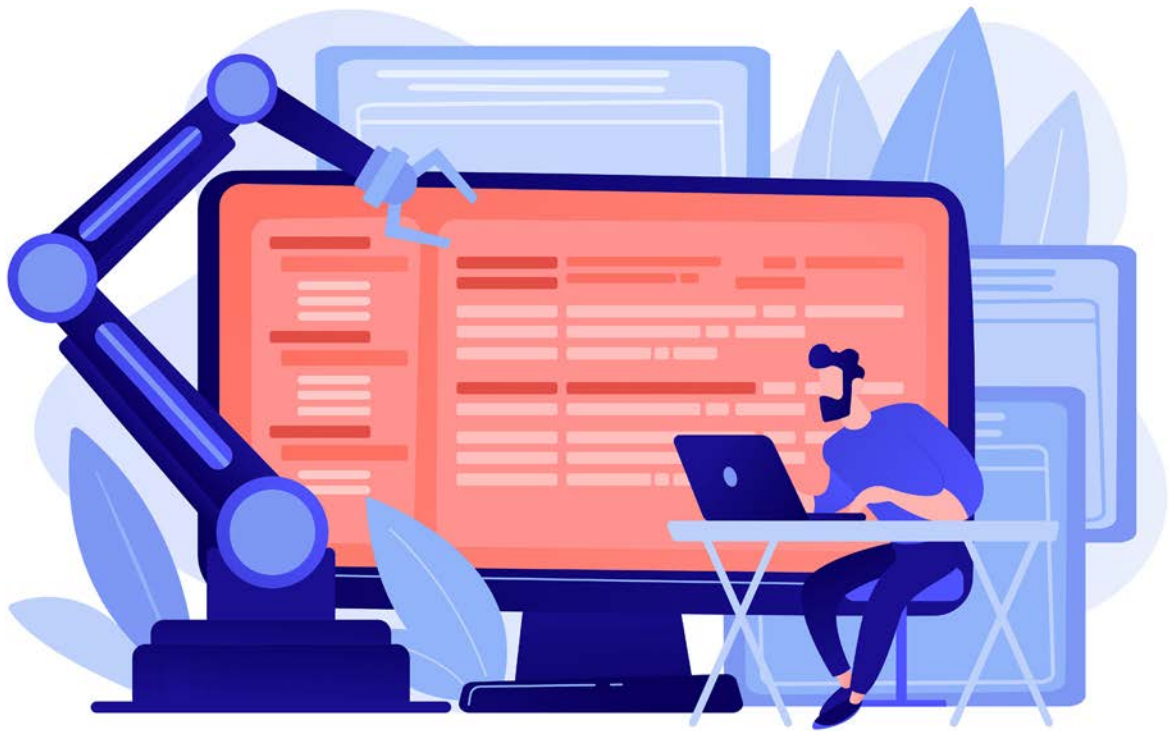


Imagine a sales department without paperwork – sales teams admit that they devote too much time to administrative tasks and spend only 34%¹ of their time actually

selling. Time-intensive tasks such as entering sales data, creating contracts, getting them signed, customer information sheets and quote generation can all be drastically simplified with digital automation. Consider the administrative burdens of taking on new staff. Digital automation removes the time and tedium involved in new employee contracts, creation of HR files, alerting payroll, creation of processes to ensure new hires have access to passwords, software, important files and keys. All the important yet time intensive work handled on day one – let’s face it there is nothing worse than arriving for a new job, full of excitement than spending the first day filling out files of forms.

Other examples could be a construction firm that spends unnecessary hours producing documentation to send between contractors for approval of jobs but desperately need staff hours to do more physical work; a legal firm with different departments that are continually wasting time (and billable hours) reinventing the wheel every time an NDA is sent to a client; a training organisation that creates personal development plans for individual clients using a framework that assesses wants and needs based on a standard set of questions. Each business is unique and we at AUTO recognise this. But each has processes that could be done substantially better. If leaders prioritise seeking out where these are in their business, they can start to change one process at a time. The results from this will be small, yet significant, and will provide the impetus to change every broken process. This is what ultimately catapults the business towards a truly “lean” state.

¹ Sales Force Third Annual State of Sales Report



STEP 2

How to use digital automation to get lean operations

So let's take a deeper look at what digital automation can do, how it can make individual departments leaner and some actual examples of where customers have used AUTTO to achieve this.

OPERATIONS DEPARTMENTS

- **Information Gathering and Creating Reports** For organisations that need to gather and compound large amounts of data to produce bespoke reports for clients, automation will transform their business. The time it would usually take to collect and collate info and create a relevant client document can be shortened dramatically with automation. That frees up time to grow the business. For example, small business consultancies, balance scorecards in the construction industry and talent management can all benefit from this.
- **Managing Approvals** Automation cuts down on time spent seeking complicated approvals across the business. Getting sign off for example for a PO over a certain amount or for a discount being offered to a client would usually require manual input from multiple people. Each of these can hold up the time taken and make the process open to human error. Automating this process makes it seamless, accurate and cuts time dramatically.

- **Audit Trail for Compliance** Many industries have regulations specific to them and must demonstrate compliance with certain processes – a lengthy and painful process. Automation takes the headache away by automatically providing an audit trail to prove compliance. At AUTTO, for example, we use our own software in-house to ensure and prove all new employees have had the information security training required to honour our ISO 27001 status.



At AUTTO we are working with FINTRAIL, an organisation that founded the FinTech FinCrime Exchange (FFE) to create a space where FinTechs can come together to address the global scope of financial crime. The FFE proved to be so popular that the process of registering new members increasingly took up more and more of the FINTRAIL ops team time. By using AUTTO's drag and drop workflow system, FINTRAIL was able to cut 160 hours of administrative work, a whole month a year, freeing up the coordinator's time to focus on and develop other key tasks in the organisation.

GENERAL COUNSEL – LEGAL TEAMS

By automating aspects of legal service delivery, not only can department efficiencies be improved but service delivery optimised and time on tedious legal tasks saved to free up time to empower staff to be more creative in customer service delivery – all pillars of lean operations.

Key areas can include:

- **Turnaround time for contracts and NDA's** – So much time is wasted in understanding which contract templates should be used and then communicating with all parties including legal to get sign off. Automating these empowers teams to have the right contracts to share with their customers at their fingertips, reduce the amount of time spent gathering paperwork and shuffling it between departments and legal. Repurpose this time wasted by teams on contract admin by turning to technology to automate it. It takes care of the lot – from customising contracts, sending out notification emails to get other departments connected to obtain the layers of approval required right up to digital signatures
- **Approvals** – automating the approvals workflow creates a quicker route to revenue generation. It can massively cut the legal contract process time, resulting in greater overall efficiency and accelerated sales cycles.



At AUTTO we are proud to be working with Olive AI, an innovative technology healthcare provider. Olive's General Counsel uses AUTTOs to optimise the efficiency of commercial contracting, as well as streamlining internal processes to reduce time, improve accuracy and minimise unnecessary paper shuffling associated with such a legally intensive business.

HR DEPARTMENTS

- **Streamlining Onboarding** - This must be the most obvious and strongest argument for automation. With a third of senior HR management believing they are trying to create a better candidate experience for new employees but only 12%² of employees strongly agreeing their company does a great job onboarding, something is clearly going wrong. Employee satisfaction starts from day one and facing a day or more of endless form filling when starting a new role does not set the right tone. We would recommend using automation to improve, for example, all new joiner and user forms, IT equipment set up, HR profile creation and orientation scheduling.
- **Employee day-to-day administration** - In our opinion, the second most obvious area to automate. Imagine a department where the following is seamlessly processed and takes a fraction of the time it currently takes : employee data entry and change of status updates, annual leave requests, payroll, audit checks and tax form generation.

The benefits of automating these paper-heavy repetitive tasks for HR are enormous. Some of the key ones we can see include:

- Greater employee satisfaction, less frustration and time wasted and improvement of reputation as a good 'people place' valuing its employees which in turn can attract higher talent. This is a key driver in the present time when research is considered – one in four of the British workforce are considering a career change in 2021 and a 2020 study demonstrates 80% of managers are concerned about retaining valued employees. Broken down over half (47%) worry about how much staff morale has suffered in the past year and how heavier workloads are leading to burnout.
- Time saved on admin which can be used on more complex strategic tasks internally within the department
- Reduction of human error and the complexities solved in correcting these
- Improve poor audit trails – automation automatically generates audit logs to ensure compliance and reduce error
- Produces analytics to validate HR decisions
- Replaces ageing systems that don't integrate or "talk" to other systems across the enterprise



² Sage "The Changing the Face of HR Research" report at gallup.com/workplace/242252/employee-experience.aspx



STEP 3

Adapting to new ways of working

Business is continually evolving but the catalyst of the past few years has meant many have had to make rapid, painful changes to survive. To shift away from survival mode to make progress and prosper, now means becoming leaner across the board.

Applying digital automation may start with small changes - particular departments running specific processes, but it must be part of an overall strategy to apply it universally where waste can be saved and customer value added. Not taking this approach runs the risk of just using it to paper over the cracks. Continually throwing random, numerous technologies at a problem without an overall strategy means all that happens is an organisation ends up with more tech rather than a solution - just a bunch

of legacy systems that clog up the system. Companies need to rewire all their business processes to truly transform into a leaner operation - an integrated automated system that cuts out waste and puts customer value up front is the future.

As they map the way forward to a leaner business, managers may need to be asking themselves what they want their teams to focus on - managing, running or growing the business. This can provide the priority areas for targeting with lean analysis and implementation.

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At AUTTO, making your operations leaner using digital automation is what we are all about. If you want to make the steps to be leaner, cut waste and deliver superior customer value, we can help you on that journey. Contact us to talk it through and set up your free trial.

[BOOK A DEMO](#)

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