

Simplification Brings Medical Device Supplier Closer to Customers | Case Study

Client

- › A privately held company that develops, manufactures and sells disposable medical devices, with clients in 90 countries.

Challenge

- › The company identified three goals for its in-house call center for new and existing customers: improve customer satisfaction, reduce costs and increase revenue.

Solution

- › The call center team used traditional LeanSigma practices and tools to identify “just-do-it” waste removal opportunities in the call center; streamline call routing; standardize work; and implement plans for ongoing training, measurement, control and sustainment.

Results

The company achieved short-term efficiency gains without a major reorganization. Company leaders say they are now closer to customers and able to roll out product upgrades and other client benefits faster.

Identifying and removing hard-to-see waste in the call center increases customer value and revenue opportunities.

Identifying waste — you could call it the first step toward process improvement. Look around for piles of parts or barricades of boxes. Time how long an operator searches for a missing tool. Count the number of steps someone takes to deliver information that could have been conveyed visually.

These typical wastes are easy to spot on an open plant floor where inventory is everywhere. But what if operators are on phones instead of a production line? Such was the setting for a customer call center when the company asked for TBM's help.

Stellar customer care is a key growth driver at this company. But as sales grew over the years, operations in the call center became increasingly complicated and less effective. Leaders suspected the potential to increase throughput and quality (more calls, more sales and a better customer experience). What was needed, they decided, was a way to apply LeanSigma tools and practices to this non-manufacturing operation.

“As we've expanded, we didn't look internally at our processes and ask, ‘Does this still make sense? And do our internal processes ultimately bring value to our external customers?’ ” explained a company spokesman. “With TBM's help, we were able to step back, evaluate our processes and answer those questions.”

Companies in high-growth sectors such as medical device and equipment manufacturing often unintentionally complicate processes as they expand. Fortunately, as this example demonstrates, traditional process-improvement tools and practices can be an effective solution.

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— Company spokesman

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Current State: A Complicated Path

The company's client-focused and nurse-focused associates are not typical customer service representatives (CSRs). Because of the highly personal nature of the diagnosis for which these devices are used, CSRs working directly with patients need to be able to provide encouragement and emotional support while answering questions, giving instruction and matching customer needs to the right products. This balance requires skills developed through experience. CSRs working directly with healthcare professionals who are caring for patients also need a high level of skill and experience, as well as clinical knowledge. These valuable employees give the company a competitive advantage.

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But despite the model's strengths, problems were uncovered when the call center team and TBM mapped the process of answering incoming calls and serving customers:

- Information flow was complicated: Caller information was being passed from one department that answered the phones to the CSRs. Also, a batch-and-queue process pushed callers to one group for processing their enrollments and insurance, and then back to the original phone-answering team to order product samples. The result was a long lead time between an incoming call and a satisfied caller.
- Inconsistencies and variations among coordinators and associate coordinators: No standard work. No best practices. Not even regular lunch-hour coverage. And there was variation in yield, which was not based on experience.
- Weak spots in customer service: Six percent of calls were dropped during transfers; the average time to answer a call was 17 seconds; and an average of 21 calls went to voicemail each day.

The findings revealed obvious improvement opportunities when mapped next to a future-state value stream, but company leaders were reluctant to move there directly. They feared that too much change too soon would erode brand recognition that had been carefully nurtured.

The solution was to design an "interim state" and create a six-month timeline to get there. Ultimately, a unit known as "Triage," which provided mainly back-office-type functions, would be eliminated and its duties absorbed by CSRs. Without Triage, incoming calls to CSRs would increase, so early kaizens focused on this challenge.

The work started with client-focused coordinators. Tasks and training were divided into a list of "just-do-it" items and creation of standard work for operators. Results after one week showed marked improvement in key customer-facing metrics and the potential to save 450 hours in work time annually.

Just Do Its:

(450 Hours Saved Annually)

Phone Enrollment to Electronic Form:

Projected savings of 275 hours

SSDP Lead to Electronic Form:

Projected savings of 160 hours

Fax Renaming:

Projected savings of 15 hours

Best-Practices Approach Accelerates Improvements

At first, the CSRs were resistant to create standard work. Each had their own practices that they felt cemented relationships with callers.

"They thought of themselves as developing a personal relationship with customers and said, 'We don't want to sound like robots,'" said Nero Haralalka, a TBM practice leader. "So we said, O.K., we won't make you sound like robots, but we can develop some best practices for everyone to use."

Standard-work documentation and training followed for voicemail greetings, introductions and messaging, customer titles, identifying the "why" for each call, addressing insurance questions, etc. In all, the group identified 22 must-have best practices used to create training documents, and 17 nice-to-have best practices that would become part of an online best-practices forum.

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The kaizen team also identified key metrics to measure their progress and a control plan that included weekly peer-to-peer meetings, a quarterly best-practices review meeting, and creation of a quick-reference guide for operators.

Additionally, they identified the time that callers are on hold as an opportunity for upselling (14,400 patients per year) and set a goal of increasing yield (patient enrollment) by three percentage points a year, which could mean more than \$650,000 in cost of goods sold.

	Pre-kaizen	1 Week Post-kaizen	5 Weeks Post-kaizen
Dropped Calls	6%	3.8%	2.3% (Goal 2.5%)
ASA (Average Speed to Answer)	17 seconds	9 seconds	13 seconds
Calls Going to Voice Mail	21	9	7

This strategy worked well based on results five weeks after the first kaizens.

The second focus area was the group handling incoming calls from nurses. The streamlining and efficiency work mirrored the first effort. Potential benefits identified included increased enrollment of 67 patients per year and new incremental revenue of more than \$400,000 a year.

A Plan for the Future

More powerful than short-term gain is that the improvements make the company faster and more nimble in the market. New strategies and tactics can be implemented faster, and added benefits will reach customers sooner.

“By eliminating some of the inefficiencies on the floor, taking advantage of multiple just-do-it initiatives, and embracing an overall sense of change, we have been able to expedite new strategies that will make us much more competitive in our marketplace,” said the spokesman. “Also, with this new practice, we are able to uncover revenue opportunities that were previously overlooked.”

Going forward, the company is confident team members can sustain the improvements they’ve made and identify and implement more as they move toward the future-state vision.

According to the company spokesman, “This process change has allowed us to handle more customer inquiries and makes for a better consumer experience when they call us. To that end, we will continue to evaluate the changes that we’ve implemented, while exploring new opportunities and better methods of executing the sustainment process.”