

Every Beginning is Difficult

By Uwe H Kaufmann

New undertakings or experiences are always challenging at first. This is no different when Schenker Singapore (Pte) Ltd, a transportation & logistics company, decides to embark on something new like the Lean Six Sigma. It might seem to be even more demanding at the outset since the number of 3rd party logistics providers rising to this challenge is very limited. Best practices in this industry are not widely spread and hard to come by.

Beginning of 2008, Hui Bing was selected to participate in the first wave of Lean Six Sigma training and project work. After being nominated she did some readings on the web to figure out what Lean Six Sigma is about. The result was sobering: Lean Six Sigma is a tedious, time-consuming exercise that is based on lots of data and has been applied in preferably manufacturing environments. Equipped with a “Can Do” mindset, she attended the training and started working on a project together with her team members to increase efficiency in the outbound operations.

"Nothing is too small to know, and nothing is too big to attempt. Sometimes we give up at the exact moment when changes are about to occur for the better. If you know you are doing the right thing, keep going and you will get the results you are looking for."

Xie Hui Bing, Operations Manager at Schenker Singapore (Pte) Ltd.

The process became thornier when she tried to involve her warehouse staff in the project work. On one hand, they were interested in improving their own work environment. On the other hand however, every warehouse staff were scared of losing their income due to the project's benefits in overtime reduction. It took her a lot of courage and leadership skills to navigate through the early phase of the project work.

Over time, Hui Bing and her team members as well as her warehouse staff got captivated by a methodology that made sense, even in constantly varying logistics processes. Understanding the value stream and optimising the flow of the outbound operations – from receiving the order through picking and packing until ready-to-ship, revealed plenty of room for improvements. At the end, her team developed more than twenty improvement ideas of which seven were selected for implementation in phase one, leading to significant increase in efficiency, i.e. higher throughput in lesser resources.

Her project was successfully completed in 2008 and she was tasked to present it at an all-staff communication session together with the other pilot Green Belt, Rhoger Tan, Operations Manager at Schenker Singapore. Since then, Hui Bing has been mentoring another Green Belt on his project to successful completion.

In January 2009, Katherine and Serene were listening to Hui Bing's and Rhoger's presentations. The first impression was very encouraging; Both pilot teams were able to pull it off, i.e. on top of their daily workload, they learnt and applied some powerful new tools to their respective work processes, developed solutions and delivered remarkable results in processes and cost savings.

Not much later, the two together with a group of other Green Belts were commissioned to take on a Lean Six Sigma project for their respective operations. Whilst both were still under

the very positive impression of the pilot runs, Katherine had only one fear: “I cannot do it because I don’t know how to deliver savings in my process!” Serene had another concern: “I do not like statistics. I will not be able to use these tools!”

Master Black Belt, KH Tan, Lean Six Sigma Specialist at Schenker Singapore, responsible for Lean Six Sigma deployment could calm them down. He assured all second wave Green Belt candidates that the focus of Lean Six Sigma is not all about statistics. It is much more about analysing and improving business processes, with some proven tools to deliver results for businesses, stakeholders and customers. Whilst statistics can be helpful, it does not mean that Lean Six Sigma Green Belts become statisticians. Often enough, one of a team member will be able to help out. Using the power of the team of different people with complementary strengths helps through personal despairs.

“A major success factor in Lean Six Sigma is your ability to involve your staff. They know best how to improve their process. You just need to motivate them to tell you.”

Katherine Yap, Operations Manager at Schenker Singapore (Pte) Ltd

KH also made clear that the amount of savings a project delivers depends on the scale of the operations. In some projects, the benefits are not solely in terms of cost savings but also in achieving higher customer satisfaction and retention.

A general pitfall of Lean Six Sigma work lies usually in the scoping of project. Katherine started off with the target of improving both the inbound and outbound processes at the same time. After the first training session and discussions with her coach, she was convinced to begin smaller and to tackle the outbound processes first.

Although she had to do much of the project work after office hours, she could overcome fears and obstacles, was able to involve her initially reluctant warehouse staff and eventually delivered results. Now the warehouse is well organised with a reduced order picking time and even on financial savings. The best reward however lies in the compliment she received from her customer, “Katherine, you seem to have a brand new warehouse!” Throughout the entire assignment, Katherine has involved her team member Teh Ngee Hooi, Customer Service Executive at Schenker Singapore (Pte) Ltd such that now Ngee Hooi is able to roll out her own project for improving of the inbound processes.

“Use the power of data to convince others of changes necessary to deliver better results in your operations.”

Serene Kwan, Senior Operations Executive at Schenker Singapore (Pte) Ltd

Serene’s statement after she got “volunteered” to participate in the second wave of Lean Six Sigma was somehow like “No choice”. However, some interest was stirred up by the impressive job, Hui Bing and Rhoger could proudly present. Contrary to her apprehension at the beginning, she was able to master the tools. More importantly, she pulled her team together to deliver a successful project with dramatically reduced defects through standardisation of workflows. Her work was crowned by a striking presentation to the Management.

Now that the foundation is laid, the initial concerns and fears gave way for organisational courage to embrace the new methodology in additional waves of improvement projects. Reduced turn-around time for inventory, eliminated defects and significant increase in service level are the most noticeable results for DB Schenker’s customers.

This success is made up of some simple rules for change management: Start small. Trust people with the right mindset. Be persistent. Generate credible success stories. Publish accomplishments. Celebrate success!