Productivity Problem: Rework

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At least once a month, we "go" shopping grocery – in the convenience of our living room. Logging onto the website of our favourite supermarket is easy, selecting the goods with a click on the mouse supported by predefined shopping lists is very comfortable, payment is done online as well and the merchandise is delivered within the next two or three days. Everything works like a breeze. Nearly everything.

Although being one of the few people who never check the receipt at the supermarket whilst paying, I recognised – thanks to the pedantic work of our domestic helper – that we ought to do it after receiving the goods from online shopping. We have learned that nearly fifty percent of the bills are wrong. Our online supermarket personnel usually apologise, agree to our complaints without any problem and offset the balance amount on the next bill.

The root cause for this lies in another problem: With one hundred percent certainty we will not receive all the goods we have ordered. About one day after each online shopping, we will receive a call telling us that item x, item y and item z are either not available or not on hand in the number we have ordered.

"You can deliver two or three days later, if this helps to get all the goods", I offered once.

"I am not sure whether we have it by then", was the reply.

"When do you expect these goods to be in stock?"

"I am not very sure", which means in Singapore 'I have no idea'.

It is not that we order an extraordinary cheese that has to be from a special cow in a certain village in Switzerland. This kind of goods would not be on the website anyway. Things that are often out of stock are very common goods like soft drinks or cereals. Honestly, I cannot remember any delivery without this inevitable call asking for change of order.

Assuming this supermarket has only one hundred online orders per day, they need to call nearly one hundred customers to amend the order, do the same one hundred times in the system and send one hundred confirmation emails to these customers. Dealing with fifty percent, i.e. fifty complaints due to wrong invoices adds even more rework to this business.

If our assumptions are about correct, at least one person is busy with this kind of non-value added work for a good part of a business day adding no value at all. This translates into a substantial lack of efficiency. Fixing the root cause by making sure one can only order what is in stock would immediately free up resources for value-added work and increase customer satisfaction – like ours – exponentially.

Conclusion

Especially in service organisations, productivity is usually quite low due to a lack of efficiency caused by a missing focus on the process. Often enough, some small changes to the process can increase efficiency considerably.

Conduct a value analysis in your processes and you will detect the potential for additional productivity you may need for growth – before you add resources.