

IT IS IN THE “HOW” WHERE THE DIFFERENCE LIES ON

Judith Armenteras

ABSTRACT

This project explains how to implement a business process improvement plan in a firm. Managers who are not aware of their current processes, are not able to detect errors or improvement areas. Acknowledgement of these, enable them to take better decisions addressed towards improvement of efficiency and customer satisfaction. Five steps compose the proposed implementation phases: plan, analyze, improve, acquire resources and implement. These steps are applied in a yogurt production firm called Granges Comas. During the first phase objectives are set. The second phase consists of analysing their operational activities: Forage, milk and yogurt production. The third phase is about thinking about changes that will ameliorate the existing process. The fourth phase is when the firm will have to acquire the resources needed. Finally, the fifth phase is aimed to apply the changes that will enable the firm to gain efficiency and customer satisfaction. Moreover, the firm will be trained to keep on with a non-stop improvement philosophy.

IMPLEMENT

Remind the benefits of the new process to avoid resistance or refusals

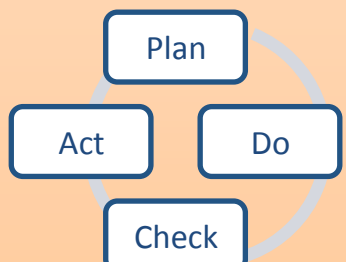
Let everyone understand each new phase

Communicate changes to everyone

Perform a first simulation

Implement a methodology based on continuous improvement as W. Edwards Deming proposed in 1950:

ACT: Decide on changes needed to improve the process



CHECK: Assess the measurements and report the results to decision makers

PLAN: Design or revise business process components to improve results

DO: Implement the plan and measure its performance

ACQUIRE RESOURCES

1. Packaging Machine
2. Labelling Machine
3. Final Packaging Machine

Required investment = 50,000 €

Interest Rate = 2%
72 months at a trimestral basis

Amortization:

$$50,000 = A \left[\frac{1 - (1 + \frac{0.022}{4})^{-4*6}}{\frac{0.022}{4}} \right]$$

A = 2,229.57 per trimester
After 6 years ; Final Value = 2,229.57 *4*6 = 53,509.75

Return on Investment:

$$ROI = \frac{53,509.75 - 50,000}{50,000}$$

Return on Investment: 7.01 % > 0 → Investment should be undertaken



Enterprise Resource Planning (E.R.P) system that will help them track their performance.

PLAN

SCOPE

Firms' operational activities: forage, milk and yogurt production.

GOALS

1. Serving customers more efficiently and quickly.
2. Reduce production time.
3. Lowering errors

SCHEDULE

1. Assemble a team to plan and execute the changes.
2. To define and examine their current operational processes.
3. Acquiring resources and carry on the implementation phases

ANALYSE

SIPOC TABLE:

Suppliers:
Entities that provide you with the goods and services needed in the process.

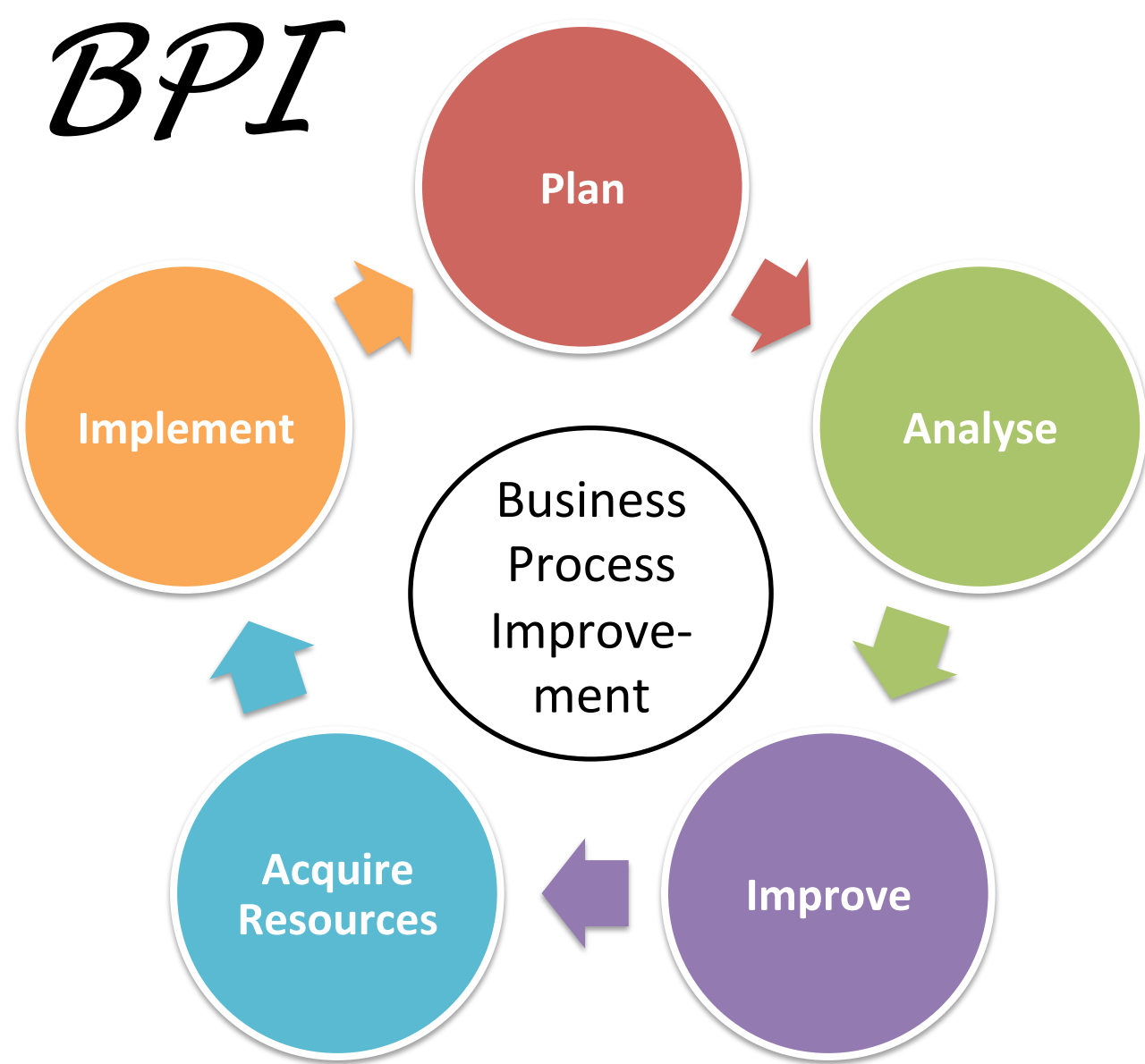
Inputs:
People, material, equipment and procedures required in the process.

Processes:
Transformation activities that will transform inputs into desired outputs.

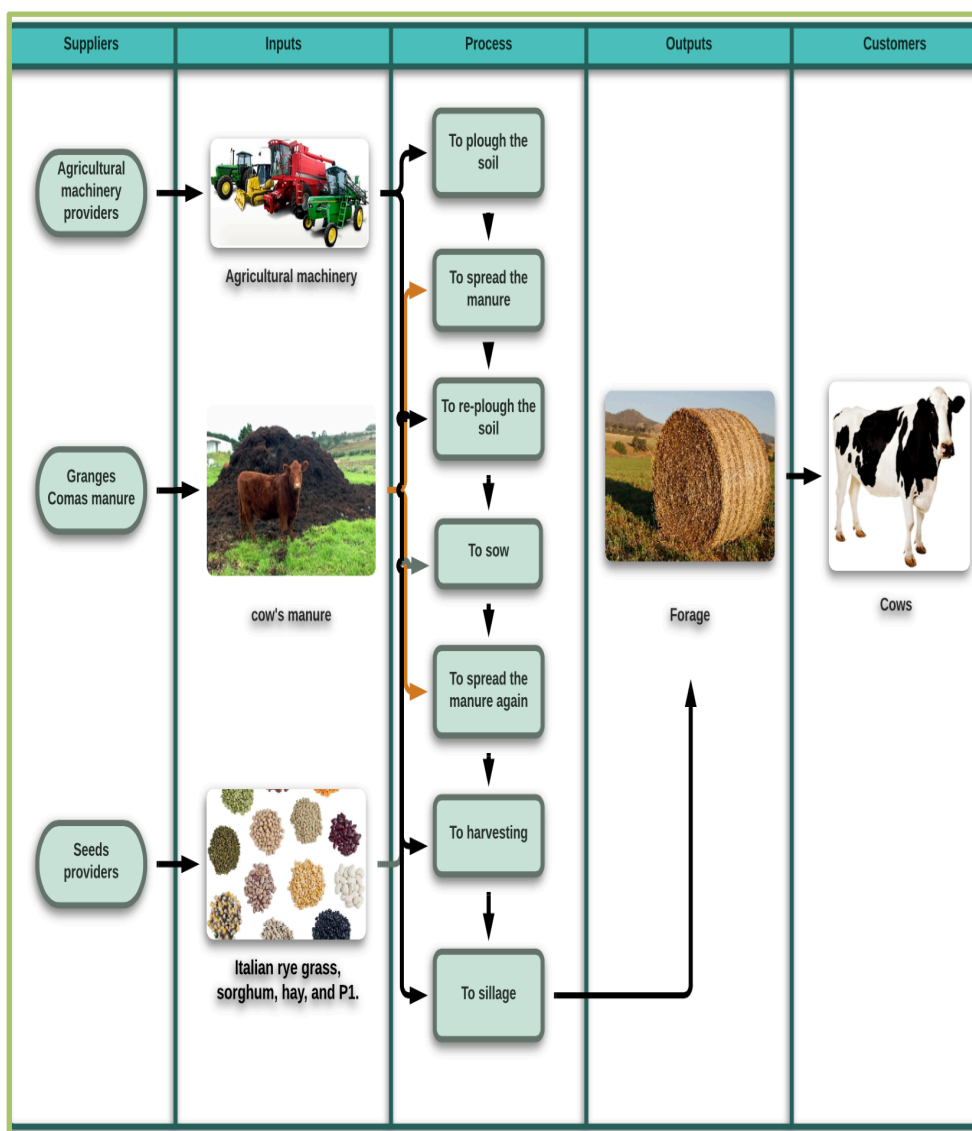
Output:
The result from that transformation activity.

Customers:
The stakeholders that will consume the output.

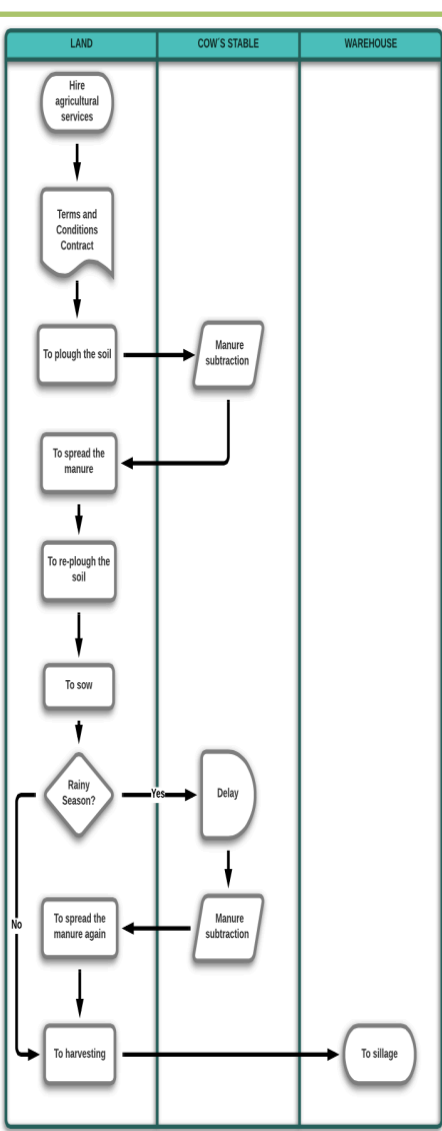
BPI



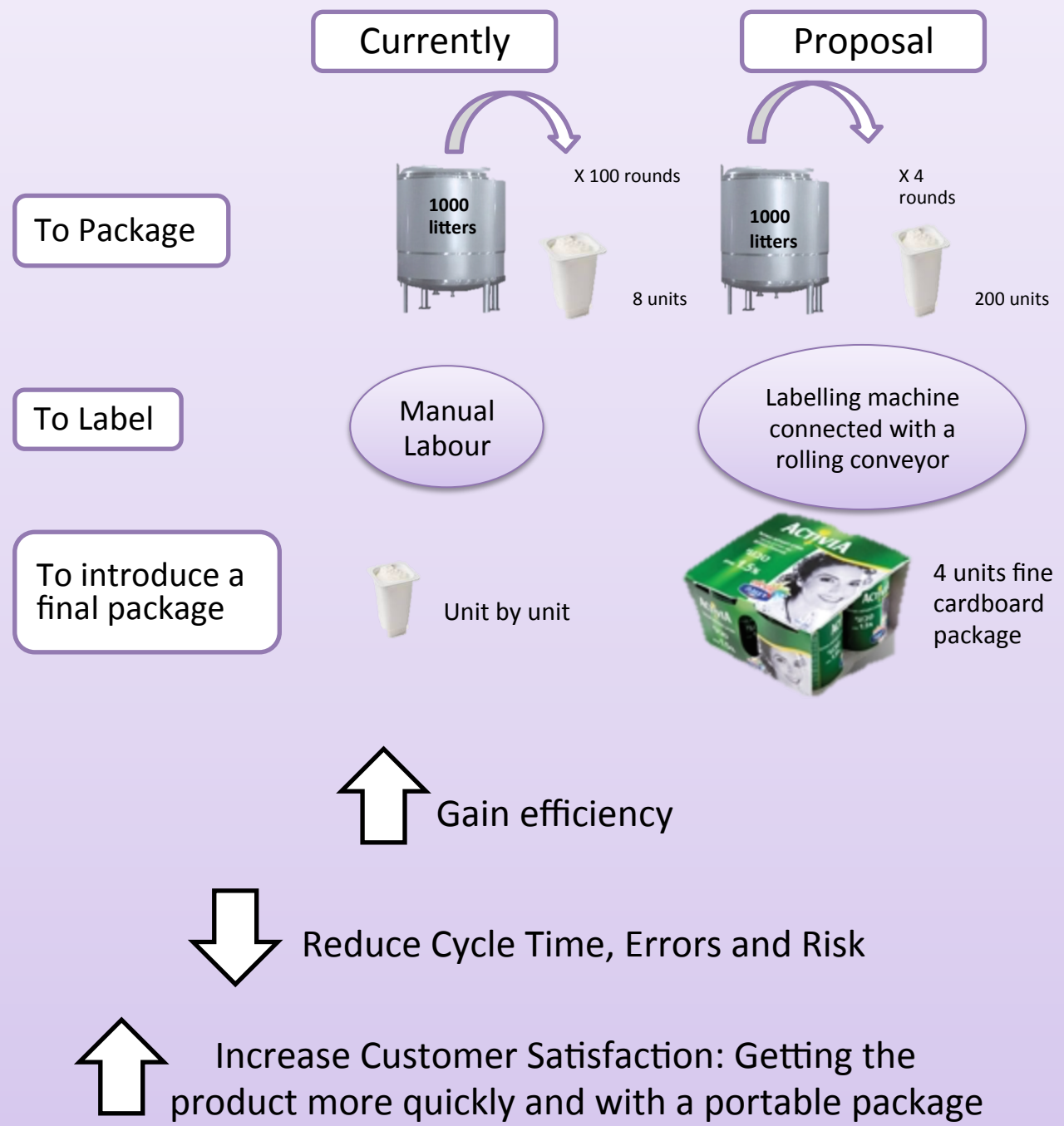
SIPOC: Agriculture: Forage Production Process



Process Flowchart:

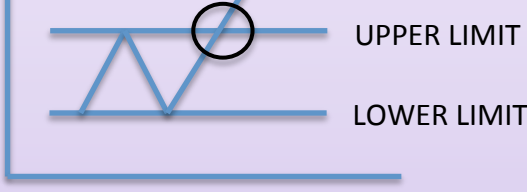
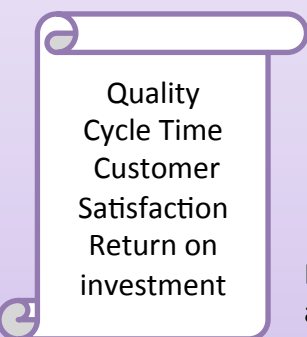


IMPROVE



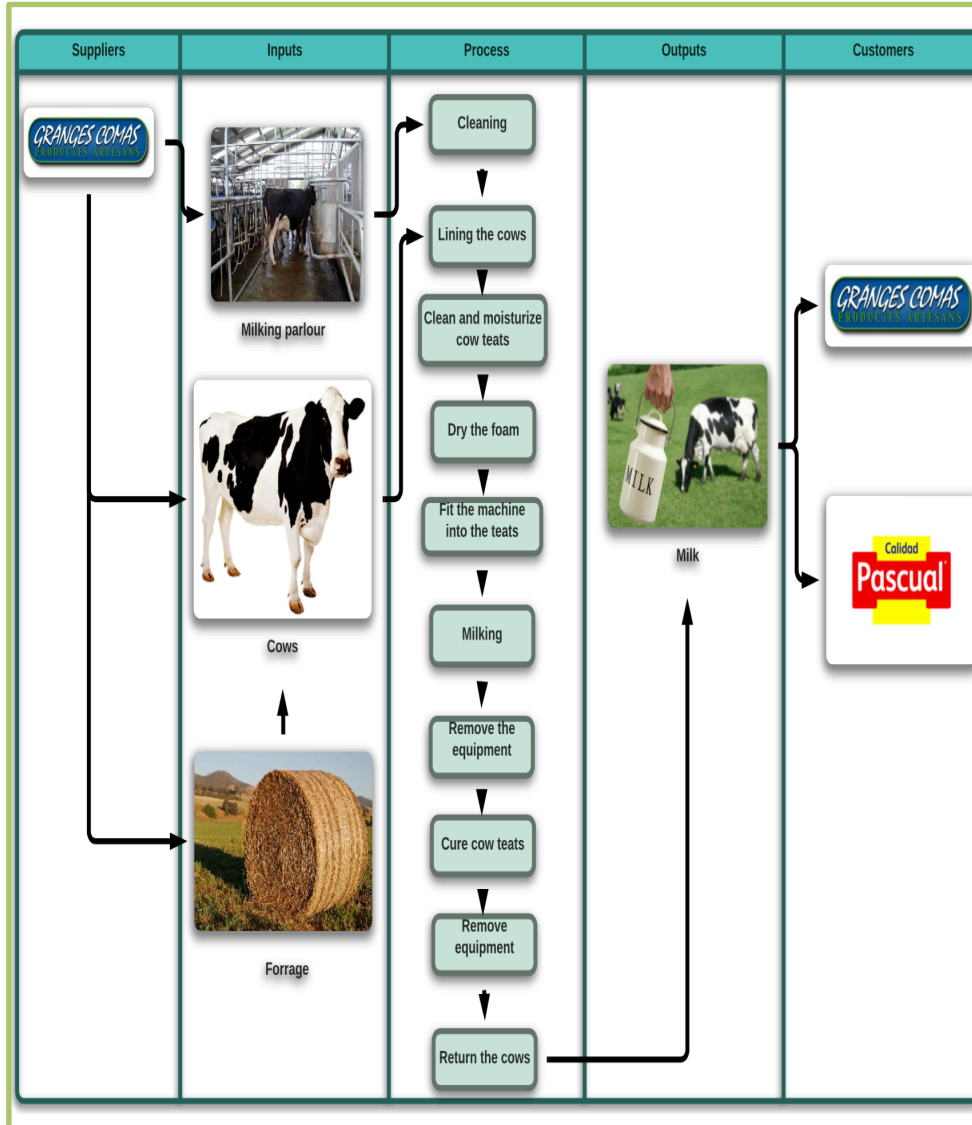
IMPROVE

KPI → Key Performance Indicators
Measure Improvements by measuring performance
Objective: set a desired outcome under an upper and lower limit

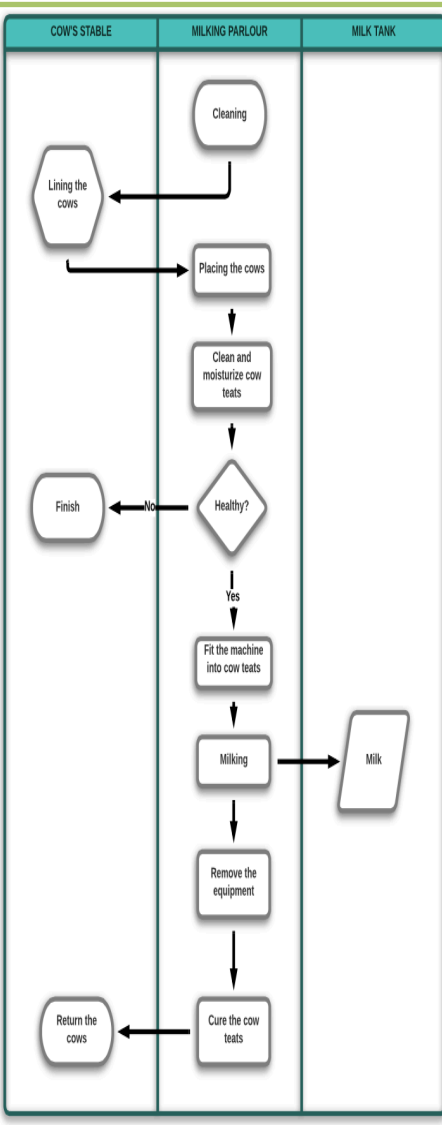


Each indicator enables the firm to find out the non-achieved objectives and as a consequence find the possible improvement areas

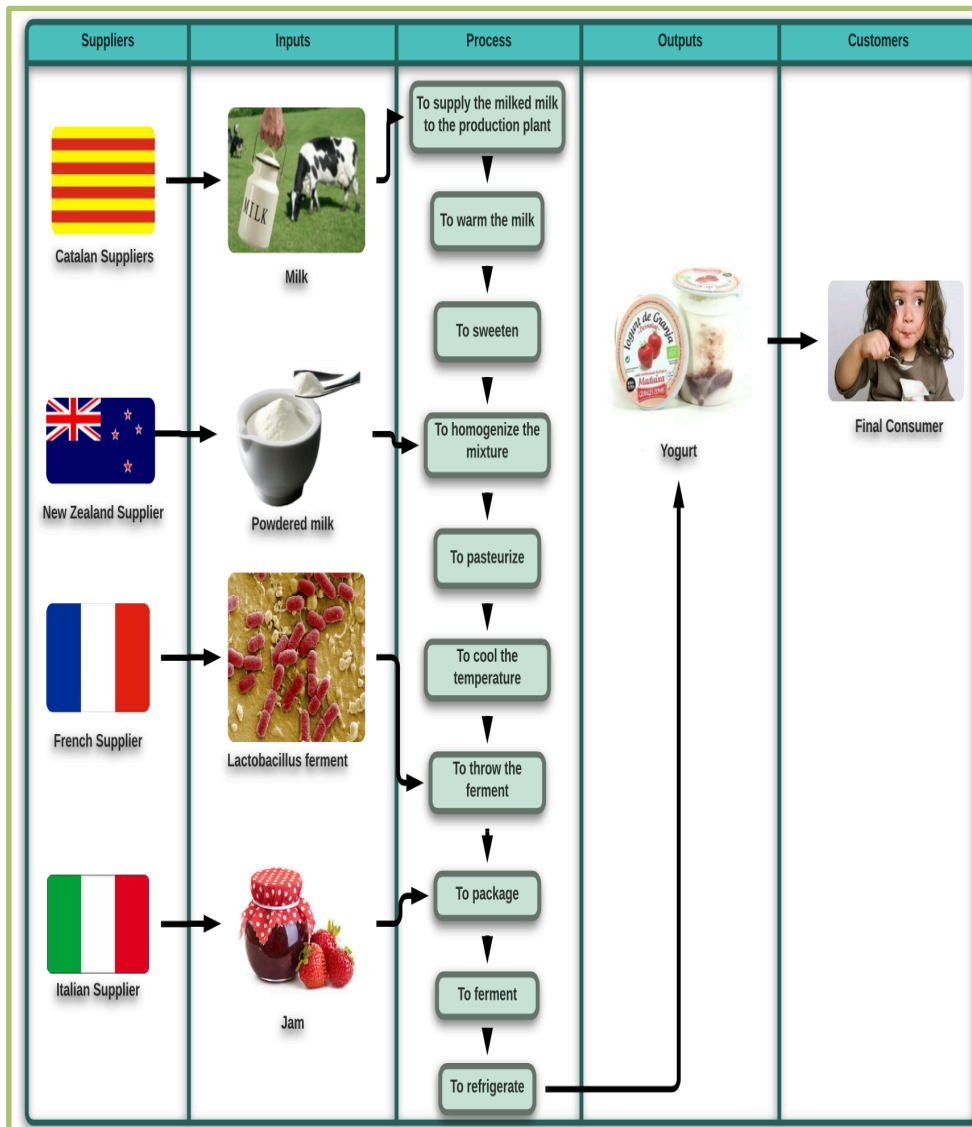
SIPOC: Livestock Farming: The Milking Process



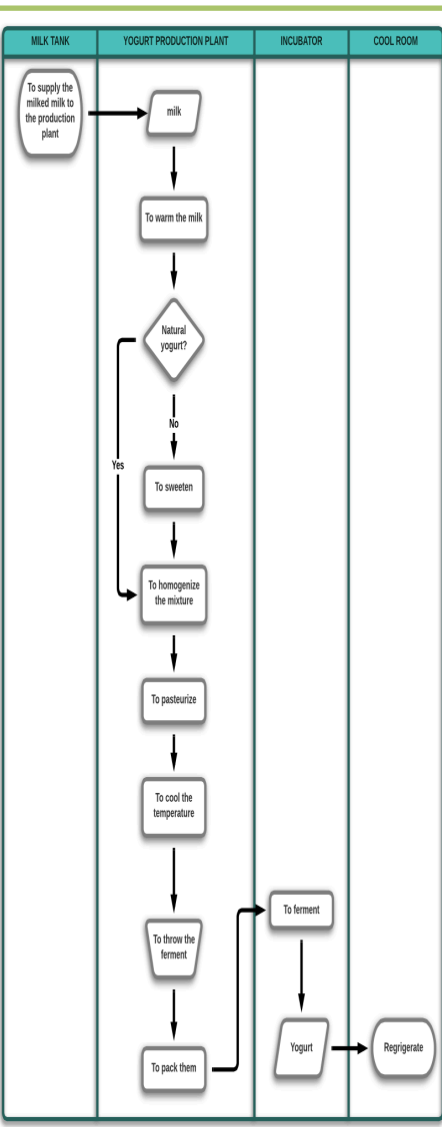
Process Flowchart:



SIPOC: Yogurt Production Process



Process Flowchart:



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