

Outsourcing the Process Improvement Process

Did you know that the average quality level of process improvement plans is 16% in the very competitive electronics industry (average for 30 companies in 8 European countries)? Interesting enough, also the quality of implementing process improvement efforts is on an equally low level (16%). Moneywise, this transfers into an annual loss of approximately 20-50% of the revenue. However, there is no more time to spare for process improvement efforts than approximately 4% of the annual working time (incl. data collection, analysis, synthesis; education, training and implementation). In addition, at least 40% of the staff should understand in practice the philosophy, approaches and tools related to process improvement, before large-scale and sustainable gains can be achieved. Usually this figure is well below 4% even in the “best” companies.

The bad news is that nothing indicates that neither the quality of the plans nor the quality of the implementation will increase in the future. The improvement trend for most companies will continue to be more akin to general business trends and luck, not systematic and result-oriented efforts. The good news is that now there is a solution that will fix this huge problem.

Vitalize Oy offers in association with its certified partners outsourcing services regarding the management and running of the whole process improvement process (Figure 1).

This means that Vitalize Oy will provide continuously the means for improving the company's processes in a systematic and result-oriented way. The concept includes the people (seasoned experts), the required process improvement technology (see Figure 1), required material and information for running the process improvement process. It can be adapted to any organization and in any field of business.

The solution makes a mass customization of process improvement initiatives (education, training, consultation) possible leading to multidimensional advantages in terms of time, quality and costs. The gains may typically be realized in two different areas:

1. **The improvement efforts:** time -70...-90 %, total costs -50...-80 %, very high quality.
2. **The process:** lead time -15%...-25 %, variable costs -2%...-8 %, defects -30%...-50 %.

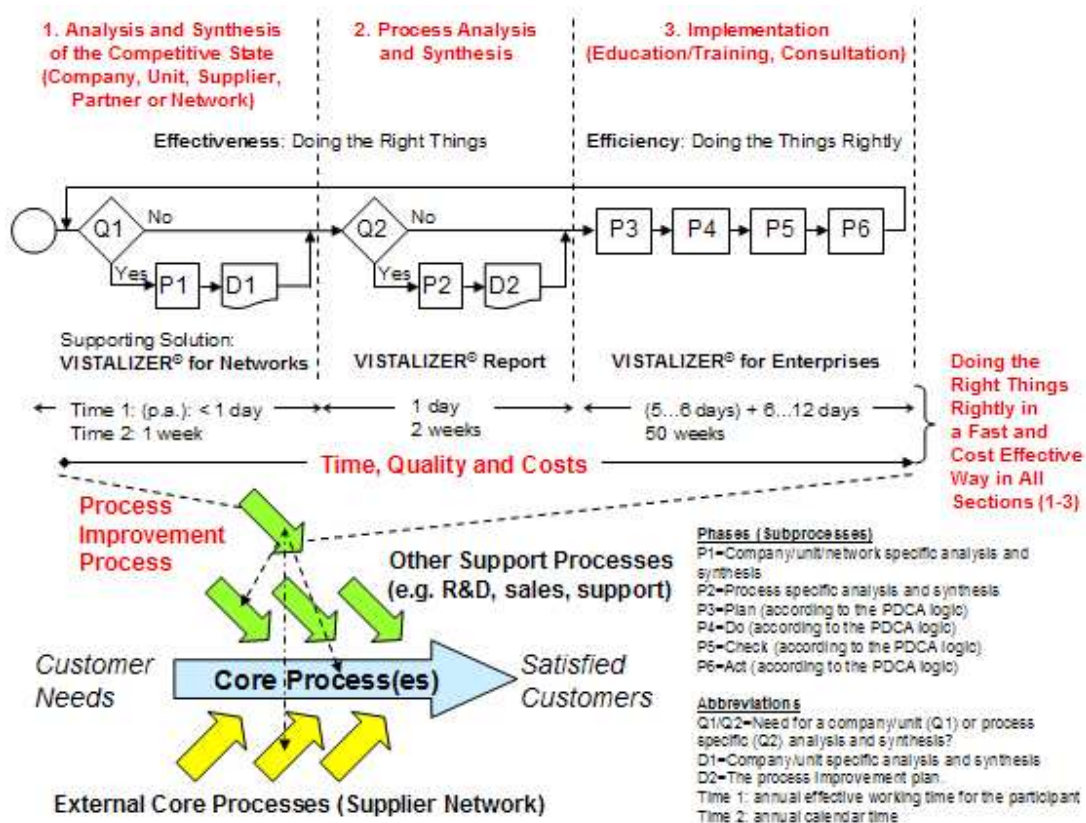


Figure 1: The generic process improvement process powered by VISTALIZER®.

Additional (strategic) benefits for the client company include:

- A highly competitive process improvement process that customizes the output according to verified needs and existing resources (time, money, knowledge/skills, motivation) – year after year.
- Flexible or fixed annual price models according to the magnitude/scope of the outsourcing.
- A process improvement process performance that can be predicted and guaranteed.
- Scalable solutions that can be applied in fast and cost-effective way to the whole value chain if needed.
- Up-to-date, high-quality documentation.

In many cases the improvement efforts are fragmented and badly managed “projects” that will only increase the burden for specific individuals working in the company. Likewise, many companies have internal experts that do not, after all, possess the technology, knowledge, skills and motivation to achieve sustainable and large-scale results (low effectiveness and productivity). Consequently, there has in many cases never even been a process improvement process in place, not to mention a functioning one. By taking advantage of the offering of Vitalize Oy, it is possible to get a highly competitive process improvement process and get it running almost instantly.

Supporting Solution (VISTALIZER® for Businesses)

In addition to the process improvement solutions discussed above, Vitalize Oy also offers a solution for assessing, defining, deploying, implementing and monitoring a high-class corporate strategy. Based on proven theory and practice this solution will assure that the corporation will perform better in terms of growth and profitability than the market fundamentals would normally allow.

Learn More

	<p>Further Reading</p> <p>Pastinen, Markus. 2010. High-Performance Process Improvement. Heidelberg/Berlin: Springer-Verlag.</p> <p>1. edition, 260 pages, hardcover (other formats also available)</p> <p>Language: English</p> <p>ISBN-10: 3642107834</p> <p>ISBN-13: 978-3642107832</p> <p>Http://www.springer.com/978-3-642-10783-2</p>
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How to Get Started?

Vitalize Oy provides in association with its partners a cost-effective service for designing a company specific process improvement concept based on the VISTALIZER® technology. The end-result of the consultation is a “road map” or master plan (incl. possible pilot projects and required resources) for rolling-out the technology (throughout the organization) in the specified time frame. This master plan provides a good basis for decision making at the executive or management team level.

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