



# Lean Service Management Class

## Lesson Plan



# Lean Service Management Class

**Designed by and for Service Management professionals**

The Service Management 101 Series of solutions are designed and maintained with the direct involvement of clients, industry consultants and subject matter experts. Each is completely configurable to support the needs of executive briefings, strategy design sessions, or Service Management specific training programs.

# Lean Service Management Class: Lesson Plan

## Service Management 101: Lean Service Management Class Summary

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# Lean Service Management Class: Lesson Plan

## Introduction

Traditional service management strategies call for a complex, resource and skill set intensive need to design, develop and deploy numerous key artifacts, including service agreements, a service catalog, and perhaps even a configuration management database. Many start with, or encourage a replacement of critical support software tools, such as used within a helpdesk organization.

According to recent surveys more than 75% of service management projects initiated by information technology organizations fail to deliver any tangible business benefit. Personal experience and the views from respected industry analysts indicate that the majority of organizations struggle from very early on, usually as a result of the a lack of know-how, pragmatic methodologies, unexpected complexity, cost, and a failure to identify and directly address issues that have an effect on customer satisfaction or service quality and cost.

The traditional approaches promoted by most interested parties are either a process improvement led, or maturity level improvement styled. Both lend themselves to the adoption and implementation of a solution framework that is often agnostic of customer issues and satisfaction levels. Both are expensive and extremely risk laden and require a significant upfront investment of resources and effort. Both typically require the organization at large to accept wholesale change and the responsibility to support an onerous best practice framework.

Consequently, management stakeholders, when aware of one of these framework based approaches being used, demand a lighter approach that delivers real benefit without the up-front burden of investing time and resources for an undetermined amount of time. The call for a lighter, leaner approach is heightened by the economic trends, whereby all project investments are subject to reprioritization.

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What is interesting is that non-IT organizations seeking improvements in their service-focused operations are using an entirely different approach – ‘Lean’. Lean Thinking and Lean based continuous improvement strategies are designed to place the focus squarely on the customer, their desired results, and the resources used by a service provider to ensure customer satisfaction and success. The no-nonsense techniques and proven methods are used to eliminate wasteful practices and maximize the effectiveness of the service provider resources.

In the traditional Lean world a repeatable step-by-step approach identifies significant problems and translates them into opportunities for (service) improvement, implemented as part of a continuous service management strategy. The need to create pre-requisite artifacts is obviated. The investment in resources is focused and best practices are deployed as part of a very targeted solution set.

Lean Thinking is a management approach and improvement method that was pioneered by James P. Womack and Daniel T. Jones in their book of the same name, squarely focused on the banishment of waste in all service related activities, and the creation of wealth and value for both the service provider and customer communities.

The Lean Service Management™ (LSM) program identifies and states waste as a ‘lean statement’ or ‘problem’, and the remedial action plan as an ‘opportunity for improvement’. The LSM program and certification class introduces and integrate Lean Thinking principles and methods into service organizations and service management initiatives. Lean Service Management is the most efficient and effective means of implementing service management strategies and best practice concepts – period.

The class explains in detail the principles of Lean Thinking and how to integrate the methods into a pragmatic service management strategy based around a number of repeatable steps. This class can also prepare the candidate for the Certified Lean Service Professional (CLSP) certification examination offered by the Service Management Society (SM-S) and its Service management Qualification Scheme (SMQS).

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## Six Key Principles of Successful Lean Service Management

Successful application of Lean Thinking to a service management initiative is grounded in six key principles common to both perspectives:

- Understand your organization is a service provider organization
- Understand your service excellence model
- Understand your service management system
- Understand your levers for change
- Understand your opportunities for improvement
- Understand the benefit to you of change

## Key Benefits

There are a number of significant key benefits to a Lean approach to service management:

- Less effort to design, develop, deploy and sustain a service management strategy
- Less investment to achieve a given level of service excellence
- Significant savings through elimination of the need to develop pre-requisite artifacts
- Less risk of project failure
- Faster return on investment
- Tangible cost savings and avoidance through targeted, specific improvements
- Fewer service issues
- Faster and more effective response to service issues
- More efficient and effective use of key service management processes
- Increase in business related benefits
- Ability to stop and restart strategy as required
- Lower cost of ownership for ongoing service management strategy
- Framework independence, no redundancy

## Lean Service Management Class: Lesson Plan

### **Intended Audience**

Any member of the service provider organization involved in the planning, operation or support of services and development and ongoing management of a service management strategy.

### **Duration:**

One Day 'Master Class': In this form specific subjects are addressed in an abridged manner as noted in each lesson description.

Two days: Standard delivery

Three days: Certification preparation is included.

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## Class Topics

The purpose of this class event is to instruct and inform class participants how to integrate Lean Thinking into a service management initiative focused on the customer, and avoiding the costs and risks associated with a traditional framework, process or maturity level approach.

The class includes a series of workshops and interactive sessions specifically designed to inform the participants of key elements of the Lean Service Management program, and proven methods used to design, develop, deploy and sustain a service management initiative focused on the desired results (outcomes) and mission of customers.

The sessions incorporate the very best practices promoted by commonly available frameworks, including ITIL® Version 3, and COBIT® V4.2 and at the core is the Universal Service Management Body of Knowledge (USMBOK™) and Lean Thinking for Service Provider Organizations. More specific information about that framework is available at <http://www.usmbok.org>.

The sessions can incorporate a central simulation and conclude each day with a question and answer roundtable. Each attendee will also receive a class completion certificate and credit towards the Certified Lean Service Professional credential. The class has a comprehensive and straightforward structure:

- Part 1 – Why the management demand for Lean Thinking
- Part 2 – How to translate Lean Thinking into Lean Action
- Part 3 – Establishing the Lean Service Organization
- Part 4 – Optional, preparation for the Certified Lean Service Professional examination

# Lean Service Management Class: Lesson Plan

## Part One - The Management Demand for 'Lean Thinking'

This part is one of familiarization with the key concepts fundamental to services and the management of services, the challenges of a service provider organization, and the principles of lean thinking. The session uses a basic simulation to help explore individual elements of the service management system, and how they combine to provide a cohesive system for offering, contracting and fulfilling service expectations. The module is comprised of 6 lessons:

- Principles of Service Management
- Elements of a Service Management System
- The Service Organization and its Challenges
- Lessons Learned from Traditional Improvement Programs
- Principles of Lean Thinking
- Lean Thinking for Service Organizations

### ***Lesson 00: Welcome and Introductions***

This lesson introduces the facilitator to the class attendees, the attendees to each other and to the objectives and scope of content of the class.

- Welcome and introduction
- Class objectives

### ***Lesson 01: Principles of Service Management***

Service management is a strategy, a method for managing services that has recently been more commonly associated with the information technology (IT) industry. Service management predates IT and is IT agnostic. This lesson explores the fundamental concepts and key principles of universal service management.

- The service industry explosion
- What is a service?
- The 'service experience or encounter' (also termed the customer 'moment of truth')
- What is service management?
- The role of the service organization
- Service management areas of expertise
- The Alignment Models – Enterprise, Customer and Service
- Respecting three vital service equations, (value, expectation, quality)
- Golden rules for service management
- Understanding the customer – Desired Results, Customer Satisfaction

*NOTE: Abridged in Master Class format.*

## Lean Service Management Class: Lesson Plan

### ***Lesson 02: The Elements of a Service Management System – Based upon the USMBOK***

Increasingly, the traditional command and control management method is being replaced by systems thinking. Services require a specialized system and this lesson explores in detail the working elements of a service management system.

- The Failure of Command and Control Management
- Introduction to the USMBOK service management framework
- Elements of a Successful Service Management System
  - Business planning framework
  - Performance management framework
  - Key service management system artifacts
    - Service governance framework
    - Service planning process
    - Service fulfillment plan
    - Service plan
    - Service portfolio
    - Service catalog
    - Service calendar
    - Service priority scheme
    - Service portal
  - Service Transaction Engine
  - The Service Lifecycle
  - The Service Requirement Lifecycle
  - The Service Request lifecycle
  - The Service Provision lifecycle
  - The Service Operations Lifecycle
  - The Operations Governance Framework
  - The Service Support lifecycle
  - The Service Revision Lifecycle
  - The Service Release Lifecycle
  - The Service Change lifecycle
  - The Service Performance Framework

*NOTE: Abridged in Master Class format.*

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### ***Lesson 03: The Service Organization and its Challenges***

A mandatory and influential component of a service management system is the human element – the service organization, also known as the service provider organization. Service organizations, irrespective of industry, face a set of common challenges, many of which are related to the touch points between the service organization and the customer. This lesson discusses the key concepts of a service organization, and its more common challenges:

- The Service Organization and Service Provider concept
- The Service Encounter
- Line of Visibility and Moments of Truth
- The Service Organization's Role Continuum
- Understanding Your Organization as a System
- Service Management Knowledge Domains – Roles
- Service Management Knowledge Areas – Knowledge, Skills and Abilities (KSA)
- The Service Governance Framework
- The service provider dilemma and top 10 challenges

*NOTE: Abridged in one day Master format.*

### ***Lesson 04: The Lessons Learned from Traditional Improvement Programs***

Traditionally, and especially within the information technology industry, two approaches to making improvements in the performance of the service organization have led the way: process and maturity level. This lesson discusses many of the lessons learned and common pitfalls of these two predominant approaches and the extent to which either can lead to sustained success.

- The traditional response – implement a service management best practice framework
- The traditional list of pre-requisite artifacts
- The clues and costs of common pitfalls
- Lessons learned from the 'process improvement' led approach
- Misinterpretation and misuse of 'plan-do-check-act'
- Lessons learned from the 'maturity level' approach
- The management demand for 'Lean'

*NOTE: Abridged in Master Class format.*

## Lean Service Management Class: Lesson Plan

### ***Lesson 05: Principles of Lean Thinking***

In a landmark book (The Machine that Changed the World), James Womack and Daniel Jones explained how companies dramatically improved their performance through the “lean production” approach pioneered by Henry Ford and Toyota, and extended these ideas as Lean Thinking. This lesson explores Lean in general, Lean Thinking and the key concepts that transform management theory into demonstratable , value creating activities.

- What is Lean and Lean Thinking?
- Lean Origins and American Roots
- What makes Lean so special?
- What Distinguishes Lean from Other Improvement Initiatives?
- A comparison of ‘Plan-Do-Check-Act’, ‘Six-Sigma’, and ‘Lean’
- The Genealogy of Lean
  - Lean Manufacturing
  - Lean Enterprise
  - Lean Production
  - Lean Consumption
  - Lean Provision
  - Lean Service Office
  - Lean Event
- Lean Fundamentals
  - Focus on the customer
  - Improve the value stream
  - Maintain flow
  - Pull through the system
  - Strive for perfection
  - Respect people
  - Services create value
  - Customer satisfaction is key
- Key Lean Concepts
  - A3 Report
  - Andon
  - Brownfield, Greenfield
  - Error, Mistake proofing
  - Failure demand
  - The Five Ss of the workplace
  - Flow
  - Forms of waste
  - Friction
  - Gemba
  - Kaizen, Point Kaizen
  - Level Scheduling
  - Perfection
  - Pull
  - Takt Time

## Lean Service Management Class: Lesson Plan

- Types of waste (muda, mura, muri)
- Value demand
- Value-add and non-value add activities
- Value stream mapping
- Value stream costing
- Waste reduction model

*NOTE: Abridged in Master Class format.*

### **Lesson 06: Lean Thinking for Service Organizations**

A noticeable disconnect exists today between customers and service providers. This lesson discusses how Lean Thinking has been extended by Womack and Jones latest book to address the needs of the today's business environments, dominated by services.

- Lean Thinking for Service Organizations
  - Lean Consumption
  - Lean Provision
  - Services create value
  - Lean Assessment
    - How Lean is our service?
    - Are we customer driven?
    - Are our customer surveys workings?
    - The value / failure demand ratio
    - What do our customers need?
    - What matters most to our customers?
  - The Lean Service Management operational model
  - Service level indicators – andons
  - Dashboards and scorecards (andon boards)
  - Incidents – causes of friction, Genjitsu
  - Service requests – Pull
  - Service encounter – Gemba
  - Service portfolio and service catalog - Gembutsu
  - Vital mission activities – Value Stream
  - Service request workshop – Point Kaizen
  - Controls and control barrier analysis – Poka-yoke
  - The service lifecycle – Flow, Heijunka
  - The Lean Service Professional - Sensei

*NOTE: Abridged in Master Class format.*

# Lean Service Management Class: Lesson Plan

## Part Two - Translating Lean Thinking into Lean Action

The purpose of this part's workshops and class activities is to demonstrate how Lean Thinking can be integrated into a service management initiative with dramatic and instant beneficial results. At the core of the activities is the Lean Service Management™ program simulation designed to provide an interactive, experiential learning environment.

### ***Lesson 07: The Lean Service Management™ Program***

This lesson describes the ten steps of the Lean Service Management™ program and includes a unique simulation. The program and this lesson span how to foster a Lean approach within a service organization, the establishment and operation of a Lean Office, through to sustaining a Lean based, selective, cost effective, continuous improvement strategy.

- Lean Service Management – Ten steps to beneficial continuous improvement
  - Integrating the Lean approach into an existing service management strategy
  - Step 1: Foster Lean Thinking
  - Step 2: Formalize, Socialize, Mobilize Lean
  - Step 3: Establish the Lean Office – the Service Opportunity Board
- LSM Step 4: Select a Lean Project
  - Targeting a customer community or line of business
  - Common problem areas
  - Listening to the 'voice of the customer'
    - Define the value statement and customer expectation
  - Establish the problem hypothesis
  - Finding and adding the evidence
    - Requests – the most important aspect
    - Incidents – a vital source of evidence
    - Problems – statement of impact, define the opportunity
    - Change – translating opportunity into action and benefit
- LSM Step 5: The Lean Event
  - Introduction to the service request workshop (SRW) – Point Kaizen
  - SRW pre-planning, operation, post analysis
  - Defining the service request
  - Mapping to customer results
  - Managing the phases of the SRW Lean Event
- LSM Step 6: Gain Visibility of Lean Consumption
  - The customer perspective – mapping lean consumption
- LSM Step 7: Gain Visibility of Lean Provision
  - The provider perspective – mapping lean provision
  - Mapping activities to problem areas
  - Determining takt time
  - Value stream costing
  - Making and reconciling observations
  - Classifying identified waste
- LSM Step 8: The Gen Principle

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- Just the facts - stating the problem
- Gemba – moment of truth
- Genjitsu – actual facts (observed data)
- Gembutsu – Actual product or service
- Linking Lean Event observations to problem statements
- Getting traction - adding the resulting impact
- The four key impact perspectives
- Cause analysis, types of causes, methods
- Task, change analysis
- Control barrier analysis – 80/20 rule
- The illusive root cause
- Defining cause statements
- Translating problems into opportunities for improvement
- LSM Step 9: Define the Solution (Improvement) Statement
  - Types of corrective actions
    - Jidoka – automation
    - Jishuken – learn by doing
    - Mistake Proofing
  - The solution list
  - Ranking and selecting the solution set
  - Define benefit statements
  - Drafting action plans
  - Defining the solution statement
- LSM Step 10: Deployment and Diffusion
  - Lean Deployment Models
    - Enterprise (business) transformation - default
    - Scalable (organization unit driven)
    - Targeted (Problem-solving)
    - Grass Roots (Bottom-up)
  - Implement, verify desired results
  - Apply the Solution Statement
  - Stabilize and Realize Benefit
  - Lean Diffusion

## **Lean Service Management Class: Lesson Plan**

### **Understanding the Lean Event**

At the core of this lesson is a prolonged use of a role-play simulation designed to immerse the attendee in the activities involved in the operation of a lean based service management initiative. The simulation uses a fictitious case study and problematic scenario to allow attendees to explore in detail the sequence of activities involved in facilitating a 'Lean Event', also known as a 'Service Request workshop; (SRW)'.

The six major phases of the simulation are representative of what occurs during the LSM program steps 5 through 8. In a Master Class format aspects of Steps 8 are abridged. The simulation phases are:

1. Define the Service Request
2. Define Customer Expectation
3. Map Service Request
4. Define Problem and Impact Statements
5. Define Solution Statement
6. Apply Solution Plan

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## Part Three - Establishing the Lean Service Organization

This part of this class discusses how to sustain and continuously operate a customer focused and Lean centered culture within the service organization.

### ***Lesson 08: The Lean Service Organization***

This lesson explains the principles behind establishing a Lean-focused culture within the service provider and customer communities, how to express the benefits of the program and its overall 'return on investment', and continuously operate and extend the scope of the Lean Office through ongoing promotion of the results achieved and potential issues that can be addressed.

- The principles of maintaining a Lean Culture
- Sustaining and selling of the benefits of Lean Improvements
- Running a continuous Lean Promotion

*NOTE: Not addressed in Master Class format.*

## Part Four - Preparing for the Official Examination

The final part of this class discusses how to prepare an attendee for the certification examination offered by the Service Management Society ([www.sm-s.org](http://www.sm-s.org)) and in process for eventual approval as a personal certification by the American National Standards Institute (ANSI®).

### ***Lesson 09: The Certified Lean Service Professional Exam***

The lesson also helps prepare each attendee for the optional Certified Lean Service Professional (CLSP) certification examination offered by the non-profit Service Management Society's Service Management Qualification Scheme.

- Introduction to examination process
- Exam taking techniques
- Exam practice
- Exam registration
- The official examination

*NOTE: Not addressed in Master Class format.*