

CASE STUDY

The benefits of SimPRO in creating an efficient business

By Ray Hodge

INTRODUCTION

Stimson Plumbing and Ray Hodge have worked together for the past fifteen months to reduce the bottlenecks they were experiencing in their business. Stimson's were struggling with overload, and the systems and procedures they had in place weren't keeping up with the growth they had been experiencing. Ray was requested to assist in streamlining their workflow as it related to their operations and integrate the existing **simPRO software** they were using into the process improvement.

Stage One: Analysis – Current process and results

In the early stages, we spent time ascertaining what the key challenges were and establishing the current results they were experiencing in the various areas they were struggling with. **simPRO** reporting was a key part of gaining the relevant data to measure the current results. It also helped us understand where the key blockages were. Once we had this information, a Key Performance Indicator chart was established with the prior year's performance included. Areas that were listed included:

- Financial information
- Plumbers personal productivity in percentage terms which demonstrated the amount of chargeable time against the actual time worked.
- Job cards waiting to be invoiced
- Error rates/complaints
- Job numbers
- Average dollar sale
- Quotes submitted to those won
- Sales levels in the various categories they were working in

Once this information had been entered, an average was taken of the previous period with improvement goals established.

A key part of this stage was to use a business mapping process to understand the current work flow in the organisation. Every process from the initial customer contact to the customers resulting satisfaction (or lack thereof) was documented with corresponding time frames attributed. It was found that an estimated 143 minutes were being taken to internally process a job from start to finish. Current job roles and the corresponding key tasks were also documented.

Stage Two: Process Redesign

The second stage of our work was to redesign the company's internal process in alignment to the customers' expectations and experience. **simPRO** was again, an integral part of this redesign and a detailed business process map was used in the redesign phase. We sought to eliminate all double handling and any wasted effort and time in the process. Some of the redesign areas included:

- Five major process stages reduced to four
- The redefining of employee roles
- Taking out all unnecessary steps in the process and combining steps where possible. An example of this was having reception logging the job directly into **simPRO** rather than writing on a piece of paper and placing in a tray for someone else to collect thus creating time delays and lack of control over jobs
- One person to schedule all jobs (rather than different people being involved)

The time taken to complete stages one and two was approximately six weeks. Having all the available data in **simPRO** amounted to a huge time saving in this phase.

Stage Three: Implementation

Once the business process mapping redesign had been completed, we then identified the key areas that needed to be acted upon first. The team at **simPRO** were involved in regular communication during this phase, assisting us in getting the process and data required for the implementation of the new processes to gain the maximum results we were after. The first six months were reasonably challenging for the whole firm as the changes took place. Some of the key changes included:

- The purchase and integration of the electronic **simPRO** pens for all plumbers
- Re-allocation of roles were implemented with a dedicated job scheduling position introduced (this was one of the major implementation challenges)
- Additional training was completed with **simPRO** to assist in the reorganisation.

Stage Four: Monitoring and recording progress

As things progressed through the implementation phase, recording the changes and monitoring the new process was essential. The initial Key Performance Chart from phase one was utilised to provide ongoing recording of results in the major change areas. Keeping up to date, relevant data (again sourced from **simPRO** assisted in the understanding of what changes were working and what required further development. Customer surveys were also reviewed to ascertain the impact that the internal company changes were having on the customers satisfaction levels.

Stage Five: Manage new processes

As the implementation and monitoring phases progressed, we continued to manage this by incremental improvements to the changes we had made. Other areas of management and analysis in this phase were:

- Analysis of sales in the various revenue categories
- Job profitability
- Quote to sale ratios and tweaking the quotation process

Results

The major results to date are as follows:

- An estimated saving of 83 minutes per job which equated to 51 hours per week of additional time available by current employees
- Major process bottlenecks removed
- All staff know EXACTLY what their responsibilities are with procedures and flow charts to follow
- Profitability increase for the 2012 year of 134% against last year's average
- Labour expenses reduced by 9%
- Cost of sales reduced by 6%
- Job cards waiting to be invoiced reduced by 29%
- Defined job roles in conjunction with the redesigned process map in conjunction with the **simPRO** system
- 17% decrease in aged receivables
- 55% decrease in cost of defects
- 7% increase in average dollar sale

It is also worthwhile to note that Stimson Plumbing, in 2010, won the Gold Category for business process for their Regional Business Excellence Awards and in the recent 2011 awards won Gold for the Information process category (which relates to the KPI work accomplished) and Silver in Business Process Management. Out of all submissions, they won the Silver award overall.

In the words of Jody Monaghan, General Manager of Stimson's, *'the combination of our desire for excellence and quality delivery of service to our clients, having **simPRO** as our central software system in conjunction with Ray's consulting work has taken our business to another level'*.

To find out how Ray can make your business more efficient, call Ray Hodge on 0403341105 or email him at ray@rayhodge.com.au