



Case Studies

Case Study Focus: Six Sigma Approach to Retail Operational Effectiveness

Client: Fortune 100 Company – Retail Customer Service Department

Client Profile

A major Fortune 100 institution adopted Iontas' Focus software suite as part of its Six Sigma initiative to streamline front office operations for their retail customer service. Established in 6,200 retail locations and with over 50,000 workstations, this company handles millions of transactions daily.

The Challenge

To its dismay, the company was experiencing a 60% annual turnover rate in customer service staff. This extraordinary churn was caused mainly by difficulties supporting the company's high transaction volume environment that dealt directly with the general public. In addition, executive management expressed concern with the lack of consistent procedures, improper training, and variability among staff execution styles, issues that negatively impacted operating expenses. So the management team took action to implement a new vision, in which operations ran at maximum efficiency and workers were consistently coached and trained in best practices.

With the end goal of reducing expenses, management assigned the organization's Six Sigma team to improve the customer service process and retain employees. As part of Six Sigma's standard methodology, the team needed to observe the execution of current processes, much like the manual time and motion studies of the 1920s. However, the company's existing monitoring technology, which consisted primarily of cameras, could not provide a complete representation of the standard processes due to network bandwidth limitations. In addition, the camera option could not scale to the level necessary to get the required baseline of data.

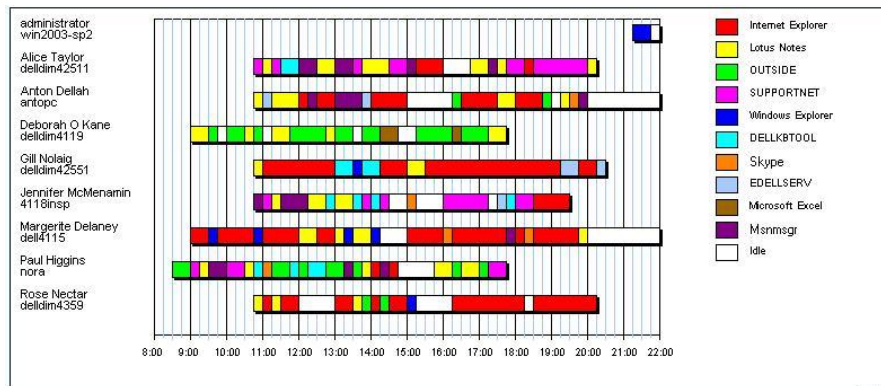
The Problem: How can we service more customers effectively, reduce costs and retain valued employees?

Other attempts to catalog and understand processes involved collecting select screen captures, logging key strokes, and reviewing events and application usage logs. However,

data bandwidth became a limiting factor, and the unstructured nature of this approach proved that structured data was necessary in order to implement the optimization plan.

The Solution

The company introduced Iontas' Focus software suite in a pilot project to provide baseline metrics on how its workers used desktop software to do their jobs. The pilot began in 2006 in one location with five desktops. The results shocked the executive management, because they exposed wide variability in the collected data. This level of detail could only come from the visibility provided by Iontas's Activity Focus. *The executives were so impressed that these baseline metrics drove the vision and business case for the entire future effort.*



The team expanded the next phase of the pilot to include five retail locations in a mid-American metropolitan area. This phase yielded results similar to the initial pilot: varying execution of processes was causing vast inefficiencies, a situation that was clearly revealed once the team had the ability to visually represent all activities with Focus. During this phase of the pilot, Focus also proved its ability to scale beyond these five locations to the company's 6,200 locations in the US.

Based on the pilot success, the company made the decision to deploy all three Focus products to 55,000 desktops. The data collected by Focus would allow them to do a careful visual analysis of the 55,000 different ways employees executed processes.

The baseline metrics captured by Activity Focus during the pilot drove the vision and business case for the entire business process improvement effort.

Six Sigma DMAIC Approach: Define, Measure, Analyze, Improve, and Control

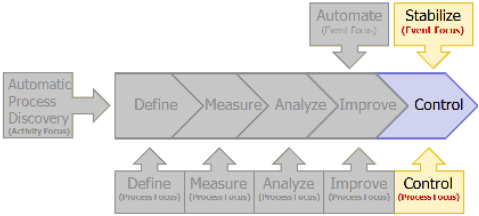
Focus provided the necessary support for the Six Sigma team to implement a much more thorough DMAIC methodology than they had previously been able to conduct.

<p>DEFINE:</p> <p>Once Focus provided the ability to see how the software applications were used on the desktops, the Six Sigma team looked for repeating patterns and defined those as a process. This ability to visually review repetitive patterns allowed them to effectively recognize 237 unique processes used within their institution, which would not have been possible without the visual insight of Activity Focus.</p>	
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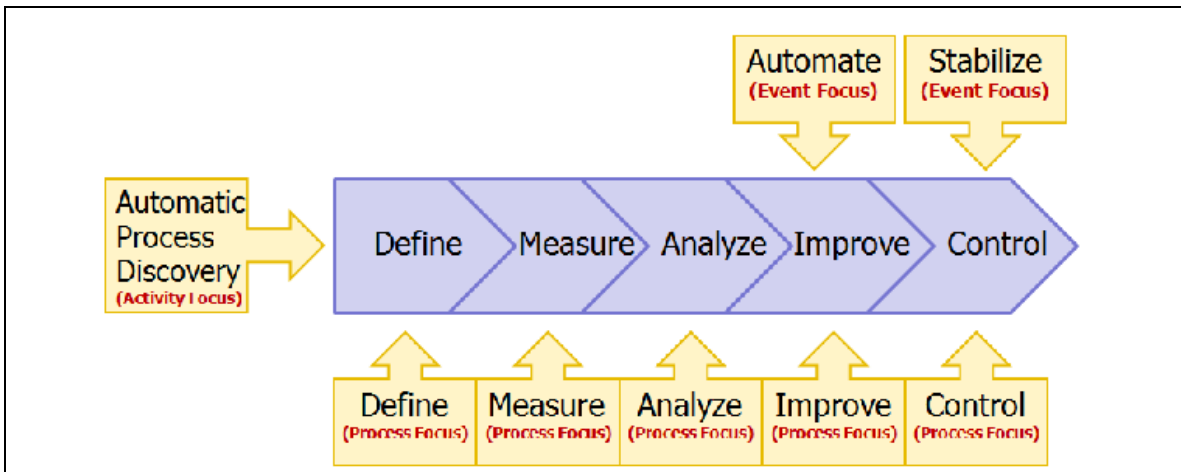
<p>MEASURE</p> <p>Once the team defined the processes, they analyzed process performance metrics based on geography, demographics of the workers, and size of the location. They discovered the best performers and learned how these workers were more effective than the others. They also uncovered training issues, unexpected compliance variations, and obsolete software that exposed previously-hidden costs. The team was then able to define and profile an ideal worker based on demographic analysis and best practices.</p>	
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<p>ANALYZE</p> <p>With facts in hand, the Six Sigma team was able to measure standard procedures against deviating procedures to determine the root causes for the workers' variant execution styles. They implemented Process Focus to monitor and analyse process execution.</p>	
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<p>IMPROVE</p> <p>Once best practices had been defined, the Six Sigma team developed an improvement plan to reduce the hidden software costs, define standard policies and procedures, and invest in training initiatives to deploy best practices throughout the 55,000 workers. Utilizing Event Focus, the process re-engineering team introduced just-in-time prompts and real-time alerts to guide users through tasks, not only improving efficiency but also increasing up-sell and cross sell opportunities within the organization.</p>	
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<p>CONTROL</p> <p>To ensure that the organization remained optimally efficient, the company wisely invested in ongoing training, including quarterly updates and refresher training. They motivated workers to follow the new procedures by offering rewards for achieving best practices. To further enforce best practices, they configured Event Focus to limit access to old practices. Activity Focus continually monitors user activity and ensures schedule adherence while Process Focus monitors process execution. Continued monitoring alerts the team to new or varying processes and to unusual activities.</p>	 <p>The diagram shows a horizontal arrow representing the Six Sigma process flow: Define, Measure, Analyze, Improve, and Control. Above the arrow, 'Automate (Event Focus)' points to the Improve step, and 'Stabilize (Event Focus)' points to the Control step. Below the arrow, five boxes labeled 'Define (Process Focus)', 'Measure (Process Focus)', 'Analyze (Process Focus)', 'Improve (Process Focus)', and 'Control (Process Focus)' point upwards to their respective steps. To the left, 'Automatic Process Discovery (Activity Focus)' points to the entire process flow.</p>
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The improved efficiency in retail operations delivered immediate savings. Executive management predicts \$8.5M savings through productivity improvement in 12 months.



Results

The Focus suite gave management the tools they needed to understand exactly what was going on in their retail operations, allowing them to make smart decisions that resulted in an extreme competitive advantage for their Customer Service group. The level of detail

and depth of the information available through the Focus software suite enabled insight into the very root causes of their problems.

Executive Management reduced costs, increased profit margins, decreased employee turnover, and experienced record levels of employee morale.

The Focus software suite tracks and analyzes specific software usage metrics that were previously unavailable in the market, such as:

- ✓ Process duration, including time required for each step
- ✓ Maximum, minimum, and average values for users and groups
- ✓ Number of times a process or step is executed
- ✓ Transaction values or account data at a given stage
- ✓ Time spent on combined processes
- ✓ Incomplete processes, including where in the transaction the process stopped

The Iontas Focus Suite

Activity Focus – Captures and logs detailed desktop activity, including application and module usage over time, idle time, log on/off actions, and more.

Event Focus – Captures any visible text and user actions within an application window. A rules engine allows managers to specify text or events that trigger alerts or actions in other applications.

Process Focus – Automatically recognizes and captures steps executed by users as part of a defined process, showing visible process progression and throughput on user transactions.

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