

Metrics Boards

Evolution in a Service Industry Environment

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Objectives

In this session you will learn:

- The story of Liberty's Lean transformation
- How metrics are being used in a service industry.
- How and why Liberty's metrics have changed over time.
- What lessons they learned on the journey.
- The attributes of successful lean metrics.
- How to proceed with the implementation of metrics in your own operation.



Liberty Mutual P.M. Claims

- Servicing Personal Market auto and homeowner customers in all 50 states
- Primary objectives are optimization of customer satisfaction, loss control and expense control.
- 4000 employees in 30+ locations, handling over 1million claims per year.
- Service demands can vary daily
- Types of service can vary from claim to claim



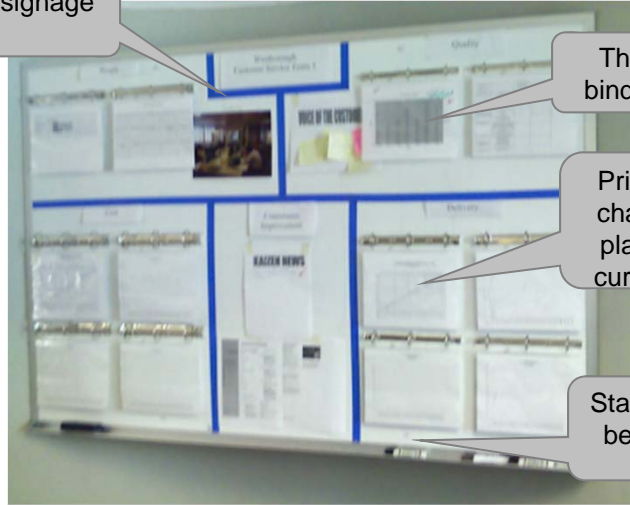
Our Journey

- 2008-
 - Introduction to Lean principles
 - VSM for Auto Physical Damage (APD)
 - Tested new processes in a laboratory environment
- 2009-
 - 2 concurrent pilots- multiple metrics board iterations
 - Roll out to 52 teams in 10 locations
 - Current board created in November
- 2010-
 - Managers trained to "Tell the story of the board."



Prototype- First Iteration

Clear signage



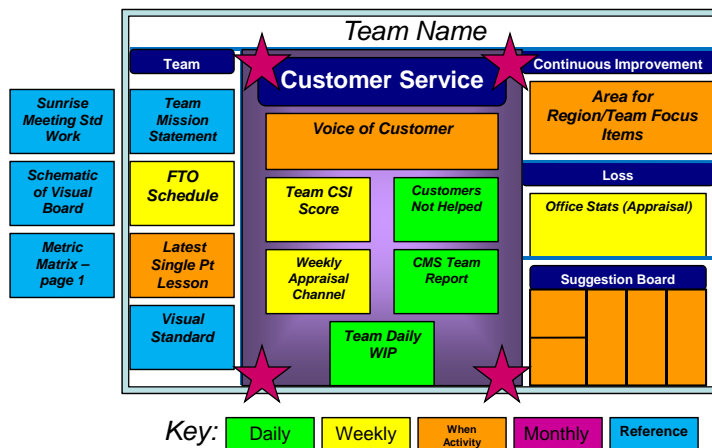
Three ring binder backs

Prior month's charts kept in place behind current month

Standard work behind each chart



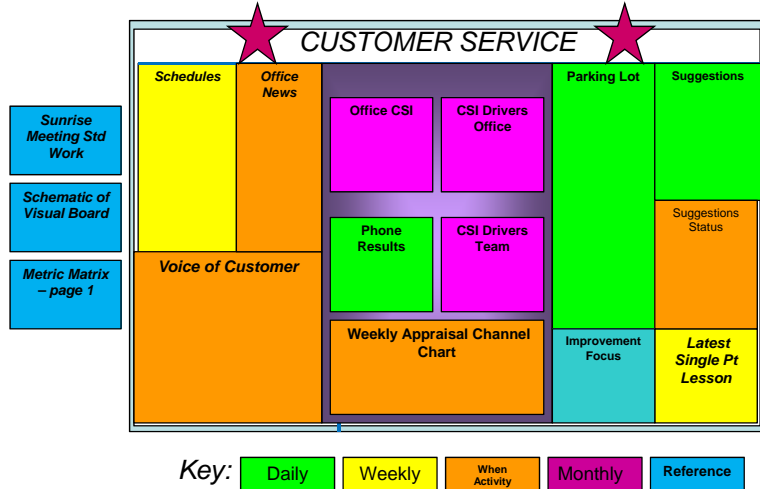
Initial Tier 1 Boards



Avoid Obfuscation



Second Tier 1 Board

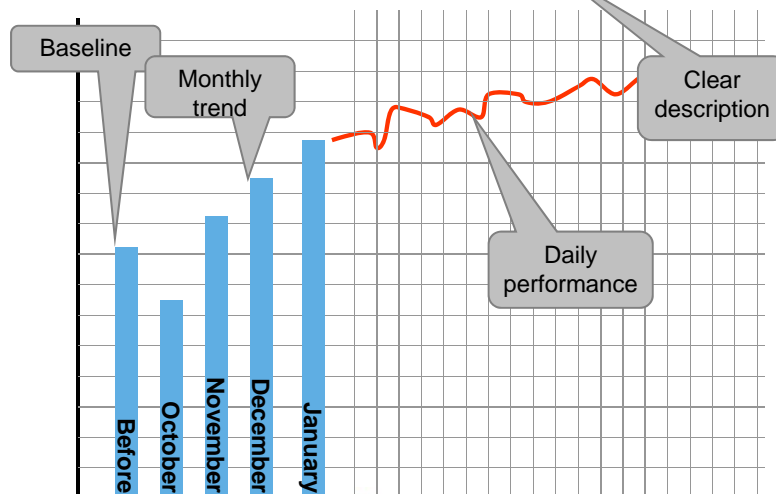


Current Tier 1 Boards

CUSTOMER SERVICE					
People	Office News	Daily		Weekl	
Schedule		Team Productivity	Phone Trends Office	Available Y FTEs	CSI By Team
Training Plan		Open Inventory (WIP)	FNOLs taken Per Total Daily FNOLs	Actual TL at FNOL	Cycle Time TL & Rep
Suggestions		Voice Mail Response Trend	At Risk Customers Maritz	FNOL Appraisal Channeling & QA Results	QA Call Evaluation Results
New	Status	Voice of Customer		Suggestion Trend Submitted/accepted	Single Point Lesson Plan



Lean Visual Chart Requirements



Lessons Learned

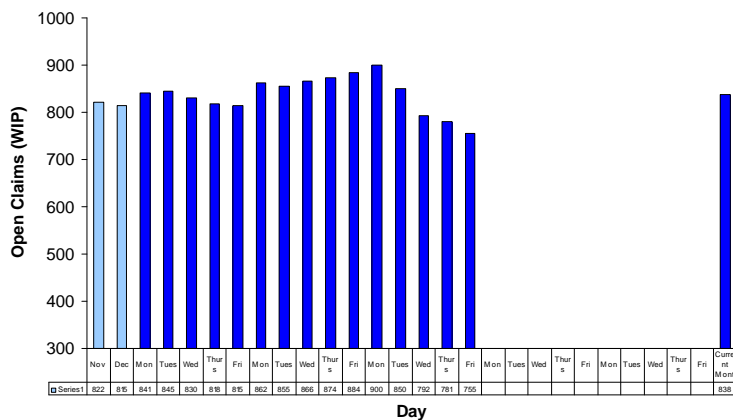
- Collectively the metrics should tell a story.



Lessons Learned

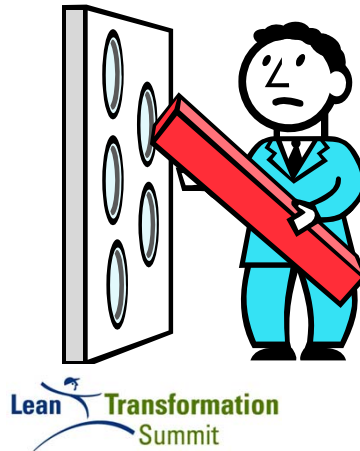
- No single metric is “perfect”

Open Inventory by Team



Lessons Learned

- Metrics can incent bad behavior.



Lessons Learned

- Metrics are part of an overall lean management system
 - Value stream maps
 - Standard work
 - Leader standard work
 - Visual controls and 5S
 - Root cause problem solving
 - Process improvement through suggestions and kaizens



Other Lessons Learned

- Metrics should be simple to update
- They should provide the most current information available
- Sensitive enough to show the impact of operational changes
- Focused on outcomes, not process adherence
- The same metrics should appear on all tier boards



When Metrics are effective....

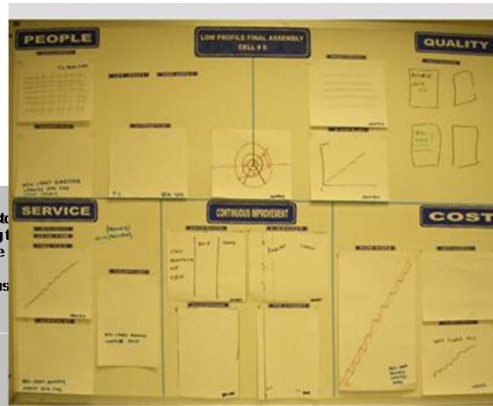
- Anyone reviewing the boards should be able to quickly identify the status of work within the team.
- Employees are engaged in updating at least some of the metrics.
- Employees understand the drivers of the metrics, and use the information to identify waste and suggest process improvements.



Exercise



Mock up a Process Performance board



<p>People</p> <ul style="list-style-type: none"> • How do we care for and add value to our people? • What is the plan for every person (training)? • How are we making a personal connection with our people? 	<ul style="list-style-type: none"> • Does the customer are resolving... • How does the quality? • What % of customer by errors?
<ul style="list-style-type: none"> • Are we, our agencies, and attorney firms meeting commitments? • Are we handling charge-offs with the right strategy in a timely manner? 	<ul style="list-style-type: none"> • What is being done to gather information on areas of waste and make it better? • How well are we executing our improvement activities? • How much have we improved so far? • What is the next improvement?
<p>Delivery</p>	<p>CI</p>

Q&A