

Process Improvement Analysis ideas



Example Scenario

You are a hotel manager responsible for applying immediate improvements to your guest's beach-time experience. Where is the best place to start applying improvements for the biggest win?

Looking at the photo at the top of this blog, areas that could benefit from improvement seem endless. To start on the right track, it is best to focus on an area of improvement that will provide the most value based on data, not a guess.

Define the Scope of Your Analysis

In our example scenario, the hotel manager recently reviewed the guest feedback report and noticed there were a significant number of complaints related to excessive garbage on the beach. Since this is of high concern to the hotel guests, we'll start our gap analysis on the Beach Refuse Management Process with the processing **START = when the beach opens for the day** and with its **END = when the beach closes for the day**.

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So now the picture of our properly scoped improvement area looks like this. Proper scoping makes it far easier to see the issues and where quick improvements can be applied to add more immediate value.



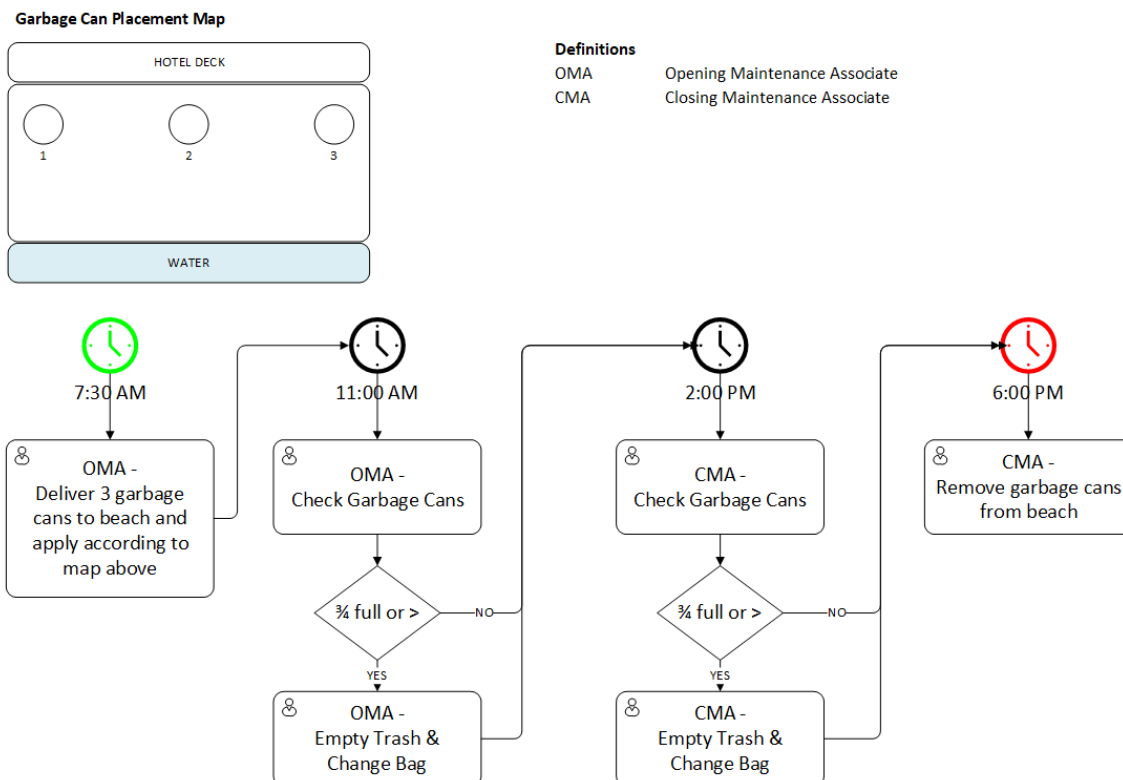
1. Start by modeling the process (current and/or future state)

Creating or reviewing existing workflows that support your analysis target area can prove quite valuable. Here is an example process model for Beach Refuse Management.



OTTEN ANALYSIS

Beach Refuse Management



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2. Define the Suppliers, Inputs, Outputs, Customers, Requirements and Gaps

With our process modeling complete we are ready to perform the next step, which is to assess where we are not currently meeting key input, output, customer, and supplier requirements.

This phase our process improvement analysis shall be facilitated through a stakeholder collaboration session with a cross-functional group of stakeholders. This means we may want to work with the maintenance team doing the work, a management representative, and at least one hotel guest representative.

Through this stakeholder collaboration session and considering all applicable inputs and outputs, we will create a matrix using a spreadsheet as shown in the example below. *Gaps highlighted in yellow are good candidates for improvement!*

For this analysis and to minimize the chance of missing something important a good practice is to execute our analysis using the following 6M's of the Six Sigma Methodology as our input/output categories. It's best to come up with a least one for each category, but having more is even better!

Man	Machine	Material
Measurement	Method	Mother Nature

Example Gap Analysis Data Set

Inputs			
Title	Category	Supplier	Requirement(s)
Opening Maintenance Associate	Man	Maintenance Dept	Has the knowledge and tools to perform the required refuse management tasks
Closing Maintenance Associate	Man	Maintenance Dept	Has the knowledge and tools to perform the required refuse management tasks
Trash Compactor	Machine	WMX Technologies	Non-recyclable trash pulled off the beach is compacted, so fewer loads to the landfill are required
Trash Can	Material	Hotel	Plastic 40 gallon cans
Number of Garbage Cans on Beach	Measurement		Three (3) total
Refuse processing	Method	Maintenance Dept	Refuse taken from the beach is separated into recyclables and non-recyclables
Proper Waste Disposal	Method	Guest	Before they leave the beach for the day each hotel guest properly disposes of their refuse
Bad Weather Beach Refuse Maintenance Plan	Mother Nature	Maintenance Dept	The Maintenance Dept has a current and up to date Bad Weather Beach Refuse Management Plan in place
Outputs			
Title	Category	Customer	Requirement(s)
Total daily weight of beach waste not in garbage cans	Measurement	Maintenance Dept & Hotel Management	=< 10 pounds with an acceptable variance of +/- 2lbs
Guest complaints associated with beach refuse management	Measurement	Maintenance Dept & Hotel Management	=< 3 per month

Under the **Inputs** section, the following gaps and reasons why were agreed upon:

1. Proper Waste Disposal – Currently not all guests are picking up after themselves.
2. Bad Weather Plan – This doesn't currently exist and needs to be developed.

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Under the **Outputs** section, the following gaps and reasons why were agreed upon:

1. Total daily weight of beach waste not in garbage can – This report/metric does not currently exist.
2. Guest complaints associated with beach refuse management – Not currently meeting the requirement.

3. Calculate the Opportunity Cost

With the opportunities for improvement (gaps) now uncovered the next thing to do would be to calculate the cost if nothing is done over the next 12 months to mitigate each gap. This cost can then be used to scope improvements based on the appropriate investment level. For example, if you find that the Maintenance Department is spending 1,500 hours per year picking up beach trash at \$60 per hour ($1500 \times 60 = \$90,000$) you could use \$90,000 as a budget for your improvement knowing that if you stay at or below this number you would realize your ROI within one year.

4. Solutioning (out of scope for Gap Analysis)

Solutioning is a whole other analysis activity, but just to close the loop on the example scenario here with \$90,000 potentially to spend on a solution to improve the guest satisfaction score related to beach refuse management, the hotel could invest in interactive/technological garbage cans that made it more fun to throw away the trash and perhaps offered refuse weight metrics that could be used for refuse reduction projects. This could change the behavior of the hotel guests where they are excited to put the trash in the cans and if the Maintenance Department can omit the time they spend picking up trash they can invest this time into more value-added activities that better the hotel property.

We hope you find this blog useful and of course, if you have any questions or you would like to hire Otten Analysis Inc to conduct a gap analysis please contact us.

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