

CASE STUDY – La Trobe University

"THE BENEFITS...MORE THAN COVERED THE COSTS ASSOCIATED"



LA TROBE UNIVERSITY ACHIEVES \$2.6 MILLION IN SAVINGS AND AN AVERAGE ROI OF 250% ON ICT PROJECTS

The ongoing Lean program has delivered major financial benefits to La Trobe University, with ICT (Information and Communications Technology) projects alone achieving \$2.6 million in savings after two and a half years. ICT staff have completed 41 projects from a total of 62, with an average ROI of 250 per cent per project.

The university started to see "real results and significant outcomes" after 18 months of working with Vative, says Peter Holland, ICT's Director of Business Engagement.

"I'm passionate about the whole Lean process, and I think it has added enormous value. The time required to train a fair proportion of our total team was quite significant, but we believed the benefits we could achieve across our operation would more than cover the costs".

"The value our team has received has definitely been worth the effort, and I think we are delivering some great outcomes to the university."

Vative and La Trobe began what Mr Holland calls the "Lean journey" in



Process improvement diagrams at La Trobe

April 2012. By late 2014, 79 people in ICT, eight in Finance and four in Human Resources had been trained as Lean Practitioners. In addition to the 62 ICT projects, Finance and HR identified and completed a number of projects that markedly improved processes.

ICT achievements

Projects involved:

- Improving infrastructure
- Increasing responsiveness of the service desk
- Improving the deployment of computers and apps
- Facilitating use of the student management system.

Parth Bommakanti, Director of Vative's Leadership Centre, says the assessment phase of the project involved extensive use of value stream mapping to uncover inefficiencies, delays and reworks. New value stream designs were developed, and the Lean tool 5S, was used to organise work spaces more efficiently, clean up email handling and optimise management of queues for requests such as password resets, apps and desktop assistance.

OVERVIEW

INDUSTRY

Education

CUSTOMER PROFILE

La Trobe University has been a leader in education for more than 45 years. Highly regarded both for its academic excellence and research achievements, La Trobe has some 21,000 students at its Bundoora campus in suburban Melbourne and more than 5,900 students at campuses in Albury-Wodonga, Bendigo, Mildura, Melbourne City and Shepparton. This includes some 7,600 international students from more than 90 countries.

BUSINESS SITUATION

Improving the way it does business right across the university has been a major focus for La Trobe for the past few years. Peter Holland, Director of Business Engagement in the Information, Communications and Technology (ICT) Department, was recruited to drive and support the change management process. Following a review of a number of consultants, Vative was retained to assist the ICT, Human Resources and Finance departments improve their business processes through Lean methodology and tools.

SOLUTION

After conducting workshops to introduce more than 90 staff to Lean concepts, Vative and the university identified key areas for improvement through Lean analysis tools including value stream mapping and value stream design. More than 60 projects were identified, training was delivered and the La Trobe teams set about implementation. After two and a half years, more than \$2.6 million in savings have resulted for ICT alone.



VATIVE

Vative achieves significant business improvement for clients through solutions which are simple, realistic and highly effective. Providing consultancy and training services, Vative's 45-strong team includes Lean and Six Sigma excellence coaches with extensive business management, academic, engineering and trade backgrounds.

"Lean was contextualised to the education needs," Mr Bommakanti says. "We needed to make the systems extremely easy to use, so administration and academics could deliver services quickly to students."

"The goal was to create a system and structure which the university can sustain and continuously improve without additional outside help."

Of the 79 ICT staff involved in the Lean projects and training, 41 have so far completed their practitioner certification with the international Lean Six Sigma Society of Professionals.

Finance outcomes

While the ICT Department tackled many projects on an individual basis, the Finance Department opted to take a coordinated, consolidated approach to Lean improvements.

"Michelle Marcantonio of Finance became a real champion for a united effort," Mr Bommakanti says. "She believed it would be far more powerful for the Finance team to look at its overall processes, prioritise them, then apply value stream mapping and value stream design."

The Finance team identified a large suite of business process improvement areas, including general ledger reconciliations and non-workflow general ledger journals.

The value stream designs for both

processes were workshoped with the goal of eliminating waste caused by waiting time, over production, over processing, defects and wasted motion, transport and space. In the reconciliation project alone, some 200 labour hours per month have been saved.

"The training and support Vative provided empowered us to handle this redesign ourselves, and start on a continuous improvement program that has made a significant difference to the way we run our service delivery," Ms Marcantonio says.

"It's given us substantial value in terms of the amount of time it has saved, but the best value of all is that it's changed the thinking of the people working for us. They now start thinking about their own processes and they're making independent decisions about how to streamline them."

Ms Marcantonio says the major wastage removed from the system was around reprocessing and multiple layers of approval. Where previously there might have been 10 steps and hand-off points in a process, this has been stripped back to as little as two.

HR automates processes

After analysing workflows, Human Resources redesigned a number of processes to achieve greater automation, reduce rework and cut double-handling in the on-boarding process. This resulted

"The benefits we can achieve across our operation, more than covered the costs associated... The size of the projects that people tackled has been quite variable. The biggest ones have delivered something in the order of \$1.9 million in bottom-line improvement."

Peter Holland
Director of Business Engagement,
Information & Communications Technology
La Trobe University.

in fewer errors, further reductions in dedicated HR time and greater satisfaction for staff joining the organisation.

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We are proud to present our business improvement initiatives to all organisations striving for operational and business excellence.