

## Team Exercise 4

### The Acme Insurance Company

You have just been hired by the Acme Insurance Company to improve their **claims processing service**. Customers are complaining about the long delays in receiving a claims check. Acme Insurance, Inc. has determined that they are losing money on this service. As such, the company is not inclined to contribute additional resources to improve the service. *The challenge is to figure out how to increase service productivity with FEWER resources AND significantly reduce the time it takes to get claim checks to customers.*

The number of claims per day averages 200, and a day is 7.5 hours (you will need to convert to equivalent minutes to calculate Takt time). You have captured the following activity steps in the processing of a typical claim at Acme Insurance. The following data has been collected.

Activity #	Activity Name	Activity Time	Dedicated Resources	Quality Level	Current Inventory / wait time / delays	Distance Traveled
1	Call Received	15 min.	6			
2	Enter Data	7 min.	4	50%	920 cases	
3	Wait for Available Adjustor	1.5 days			5 cases	
4	Adjustor calls customer to verify data	20 min.	13	89%	3 calls to reach customer over 2 days	
5	Customer submits 2 repair estimates	4 days		100%		
6	Adjustor travels to site	50 min.		95%		11 miles
7	Adjustor inspects damage, enters data	65 min.		75%		
8	Process Customer Check	4 weeks	3	94%	400 requests for checks	

### Instructions:

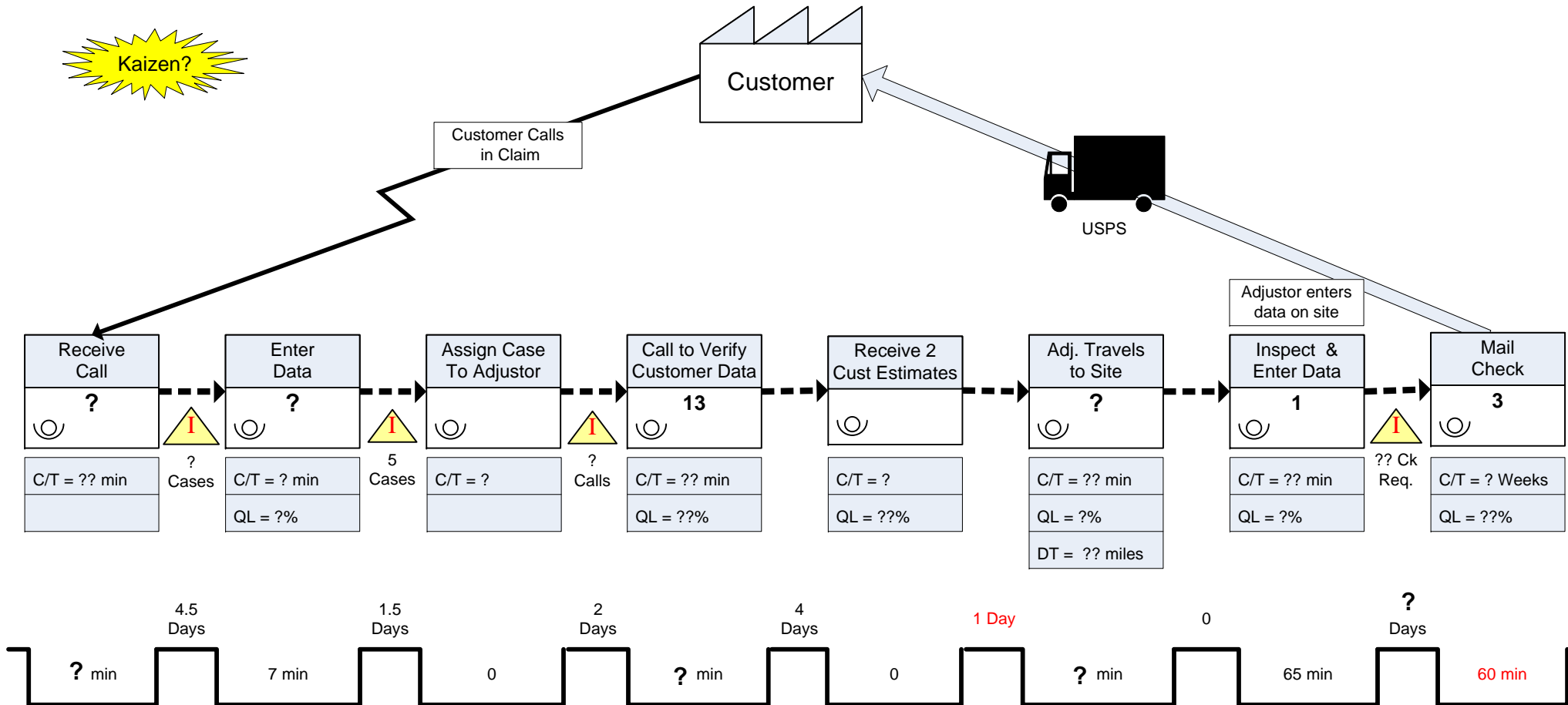
With the partial Value Stream Map (VSM) provided on the next page, **re-draw** the current state VSM for Acme Insurance Company using Visio, PowerPoint, OmniGraffle, or any other software (form does count). Fill in the missing data on the partial Value Stream Map where the question marks are (you will need to figure this out). Data indicated in **Red** on the VSM represents an assumption rather than hard data.

# Acme Insurance Company

## Claims Processing VSM

Kaizen?

Kaizen?



Takt Time =  $\frac{\text{Available Work Time per Shift}}{\text{Customer Demand per Shift}}$

= ?? Minutes

?? Claims

= ?? Claims (Cases) per Minute

Total Lead Time = ?? Days

Processing Time = ?? Hours