LTAT.05.025
Business Process Management

Practice 2
Process Performance Measurement and Dashboards

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Warm up question

• Mike and Mary handle customer complaints and requests for refunds for an online shop that sells electronics, digital and home appliances online.
• The company serves on average 2000 customer orders per week.
• About 10% of these orders lead to a complaint or refund request.
• Each complaint/refund request requires 20 minutes of Mike’s or Mary’s time on average.
• Mike and Mary work normal business hours. They need to spend about 1 hour per day on other duties/tasks.
• What is their current resource utilization?
• What would the resource utilization be if the company hired a third customer service rep?
Exercise 1 (Little’s Law)

A fast-food restaurant receives on average 1200 customers per day (between 10:00 and 22:00). During peak times (12:00-15:00 and 18:00-21:00), the restaurant receives around 900 customers in total, and 90 customers can be found in the restaurant (on average) at a given point in time. At non-peak times, the restaurant receives 300 customers in total, and 30 customers can be found in the restaurant (on average) at a given point in time.

1. What is the average time that a customer spends in the restaurant during peak times?
2. What is the average time that a customer spends in the restaurant during non-peak times?
3. The restaurant plans to launch a marketing campaign to attract more customers. However, the restaurant’s capacity is limited and becomes too full during peak times.

- What can the restaurant do to address this issue without investing in extending its building? Apply Little’s law to estimate the effect of at least one potential change.
Exercise 2 – Measures & Dashboards

Consider the pharmacy prescription process we analyzed in Practice #1:

1. Identify 8-12 performance measures for this process covering time, cost, quality, demand & workload
2. Sketch an operational and a tactical process monitoring dashboards for this process.

Consider the viewpoints of each stakeholder in the process.

- Pharmacist: wants to ensure that the pharmacy service runs smoothly, that customers receive correct prescriptions, safely and in compliance with the law.
- Technician: wants to avoid stress at work, wants to see happy faces in the customers and not get into conflicts with anyone
- Process owner: oversees dozens of pharmacies distributed geographically. Wants to know how to improve their performance, particularly with respect to customer service, but without increasing costs.