THE GLOBAL SIX SIGMA AND BUSINESS IMPROVEMENT AWARDS
Wipro – Nomination for Best Project in Customer Experience

1. About Wipro:
Wipro Technologies is the No.1 provider of integrated business, technology and process solutions on a global delivery platform. Wipro delivers unmatched business value to customers through a combination of process excellence, quality frameworks and service delivery innovation. Wipro is among the top 3 offshore BPO services provider in the world. Wipro manages some of the important business processes for its clients across the globe.

2. About the Client & Business process in scope.
Our client is one of the world's leading providers of communications solutions and services operating in 170 countries. It delivers network services to corporate customers across the world. Wipro manages a major part of Order to Cash for the client's Global MPLS products – high bandwidth B2B network services across more than 100 countries.

Since May 2007, Wipro was contracted to provide Order Management services to the client such as Order Entry into order management systems, ordering CPE and physical access lines with client's suppliers and overall Order Management. However Wipro does not exercise complete control over the Order Management cycle as major portions still depend on client as well as its 200 equipment and access suppliers across the world.

Wipro realized that crux of Order Management is the ability to fulfill the orders in time as this has a direct bearing on the revenue/cash flow (and hence the bottom line) of any organization. The three key elements in Order to Cash cycle is on improving:

- Revenue / Cash Flow.
- Customer Experience – providing flexible, and predictable service / lead times
- Fulfilling the order in a predictable cost base – Improving on Operational Efficiency by eliminating NVA and bottlenecks
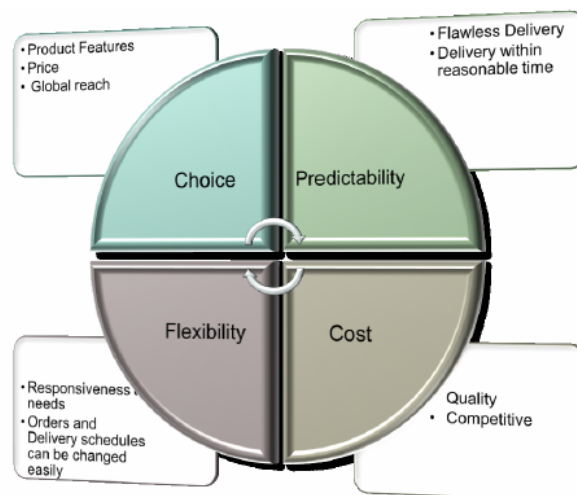
Customer experience is perceived through 4 key requirements that a telco (or any company) needs to deliver on. They are – a. Choice, b. Predictability, c. Flexibility, d. Cost.

3. Business Challenges
- Steady increase in backlog of orders to be delivered; reaching a staggering 22% by Jan 08. Traditionally these have been around 10%.
- Increase in "Access+" days (cycle time) on delivery thereby impacting the billing and hence the Revenue flow

This had a direct impact on:
- The Customer Experience with the Telecom Provider due to delays in delivery; which in turn impacted internal client projects
- Loss of confidence among customers; thereby having an impact on the brand

4. Project Timeline
Since the Business process size and scope was broad, this Business excellence project is being implemented as a program in a phased manner with project running till late 2010. Data collection

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started in Oct 2007 and project charter was presented to the client in Jan 2008. Once approved, the phase-wise implementation using Six Sigma and Lean concepts were kicked off. Benefits from initial projects were expected by late 2008.

5. Benchmarking and CTQ Drilldown

On a path to improve the Order Backlog, we did a Benchmarking exercise using a study done by Aberdeen Group of "Order to Cash" cycle of 232 companies across industries. This study indicated that Best-in-Class companies (Top 20% of performance scorers) delivered 97% complete and on time shipments. This means that best-in-class companies have an order backlog of less than 3% as against our order backlog of 22%.

Wipro adopted a two fold Focus to improve this situation (refer to CTQ drilldown diagram below)
- Cycle time – Improve the cycle time of clean orders (Straight through processing)
- Right First Time – Reduce rework in the orders (known as order rewinds)
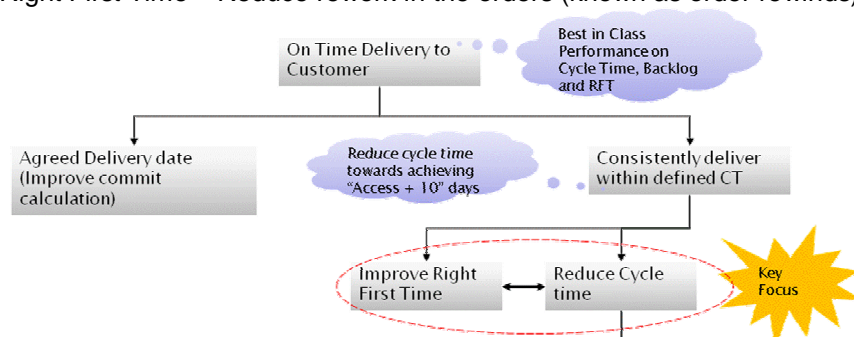
The entire Order management cycle is broken into multiple stages as listed in the diagram below

For ease of implementation and showcasing the proof of concept, the projects were initiated first in those stages that were under Wipro influence.

6. Baseline – Cycle Time & Right First Time (Rewinds)

In Apr 2008, mean cycle time of the Order delivery was 74 business days and median was 60 business days. During the data base-lining, we observed that 57% of the orders were rewound (reworked). More than 26% of total orders were rewound more than once.
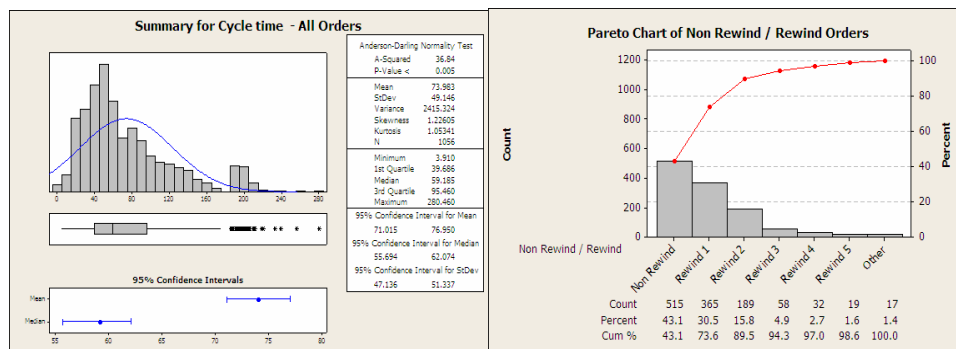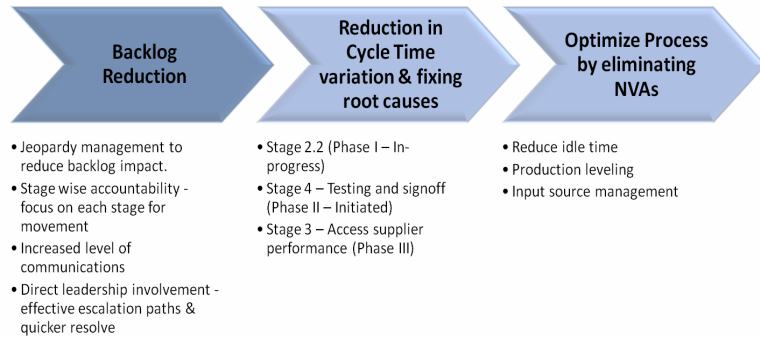

Baseline Performance- Cycle time

Baseline Performance - Rewinds

7. Root Causes Analysis & Solution Implementation Roadmap

To understand the root cause of long cycle time and Rewinds in orders, we did a brainstorming exercise with experts participating from Wipro processing teams as well as client teams. Following tools were used in root causes:

- Fishbone / Root causes analysis – to find reasons for rework (order rewinds)
- Value stream maps - to find Non Value Added steps / wastes in the Order Cycle time.
- Multi-voting – to select the top reasons for further investigations

Backlog Reduction
- Jeopardy management to reduce backlog impact.
- Stage wise accountability - focus on each stage for movement
- Increased level of communications
- Direct leadership involvement - effective escalation paths & quicker resolve

Reduction in Cycle Time variation & fixing root causes
- Stage 2.2 (Phase I – In-progress)
- Stage 4 – Testing and signoff (Phase II – Initiated)
- Stage 3 – Access supplier performance (Phase III)

Optimize Process by eliminating NVAs
- Reduce idle time
- Production leveling
- Input source management

Solution Implementation Roadmap

Wipro team proposed the process improvement ideas to the senior management of client. The Business excellence projects were championed by senior management from client as well as Wipro. These ideas were aligned with the client's strategic objectives and reviewed on a regular basis. Process improvement methodology like Six Sigma, Lean and Kaizen were used in areas of improving Cycle time (CT) and Right First Time (RFT). The objective was not only to improve the overall O2C cycle time but improve the predictability and the Customer Experience.

Stage wise project implementation has been represented below:
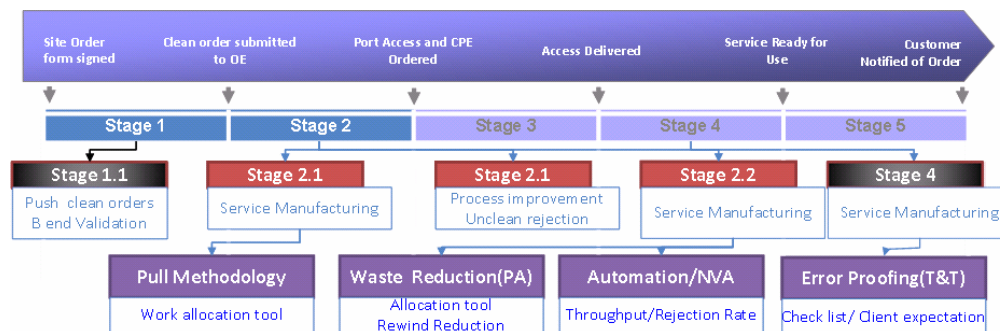
8. Organizational Impact of Business Excellence project.

Wipro's client delivers high bandwidth solutions in more than 100 countries across the globe. The entire service delivery success hinges on delivering ontime to its customers.

Following is the list of impact of the projects implemented:

Stage	Type	Performance (Mean)	Apr-08	Jan-09	% Improvement
2.1	Cycle time	Order Entry (in days)	2.0	1.1	43.0%
2.2	Cycle time	Supplier Order Processor (in days)	14.2	1.9	86.6%
2.2	Cycle time	Access Ordering (in days)	19.8	14.5	26.8%
2.2	Cycle time	Port Allocation (in days)	14.5	6.1	58.1%
Overall	Rework	Order Rewinds (in %)	57%	37%	35.1%
Overall	Cycle time	Overall Cycle time (in days)	74.0	55.0	25.7%

Process Improvement initiatives that have been already completed are listed here:	
Order Entry	• Reducing the number of incomplete orders from 35% to 25%. • Same day order launch – 100% Clean orders launched the same day
Port Allocation	• Reduction in errors and delay in re-allocating ports for rewind orders from 83% to 22%.
Access Suppliers	• Fixing SLA's with the suppliers for delivery timelines (This was done along with client support). • Reduction in delay from suppliers from 42 days to 33 days
Testing	• Reduction in failure during testing. Failure down from 60% to 30%.

9. Benefits

Critical success factor in this ongoing program is Improvement of ontime delivery from 78% in Jan 2008 to > 99% in Dec 2008 (i.e. % of Backlog orders reduced from 22% to less than 1% in Dec 2008). This is inline with Best-in-Class performance in Order to Cash across various industries.

Backlog Trend
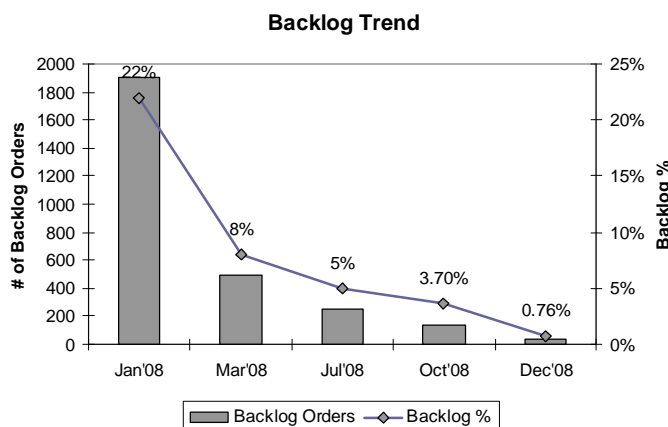
In its annual report for FY 2008-09, client announced that it won USD 13bn of new orders last year. It also won an award from industry analyst Telemark Services for delivering the best ever customer satisfaction amongst telecom providers.

10. Organizational Learning and Engagement

Some of the learning from the Business Excellence program has been:
- Efficient management of people: employees trained in the most efficient and lowest cost way of doing things
- Management of efficient transactions: promoting culture that abhors waste and with focus on improving the throughput.
- Dedication to measurement systems: providing the right measures and end-to-end visibility and not just functional performance

On an ongoing basis, Wipro is deploying programs like Customer Centricity and applying manufacturing principles to the process to further identify and work on improvement opportunities. This is playing a significant role in the journey of improving Customer Experience for the client.