



**PrimePay Uses the
Power of *LEAN* to
Satisfy Its Customers**



PrimePay.com

Introduction

Do you know what *LEAN* process improvement is?

In a nutshell, it's the process that Toyota uses to make cars in the most effective and efficient manner possible. However, LEAN isn't just a set of tools. It's a management philosophy committed to continuously creating and delivering the value that each and every customer wants, now and for the long haul. Because LEAN started in manufacturing, many service companies don't realize that they can use the same principles, practices and tools to benefit their customers.

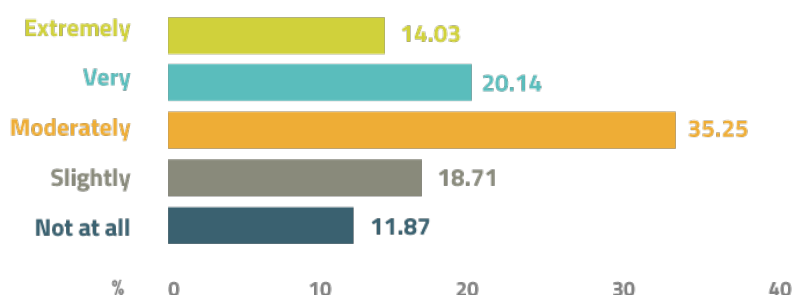
Not PrimePay. Always looking for new and innovative ways to create and deliver the peak service experiences their customers desire, PrimePay has engaged the power of LEAN process improvement across the organization for the past two and a half years.

Putting The *Toyota Way to Service Excellence* principles into practice at PrimePay.

Working with LEAN consultant and coach Karyn Ross, co-author of [The Toyota Way to Service Excellence](#), PrimePay began its LEAN journey where every LEAN journey begins: focusing on deeply understanding customer needs.

Relying on industry benchmarks wouldn't give a deep enough understanding of PrimePay's clients' specific needs, so a survey was created and conducted to learn more about what they valued. The survey also collected data on how well PrimePay was (or wasn't) meeting those needs. Of note was the question below. With this information, PrimePay's Benefit Services team spent considerable time and attention to quickly turn around a public knowledge base. They created 150 articles in three months. That's about 2.5 per day. This made it even easier for clients to find the information they were looking for.

If you had the ability to use an online help library to resolve your support request, how **LIKELY** would you be to use it?



At the same time, CEO Bill Pellicano embarked on an extensive internal listening tour. Visiting each office nationwide, Bill got to see firsthand the work being done. He spoke directly with the employees who serve PrimePay's customers on a daily basis.

Based on the results of both efforts, PrimePay's leadership team decided to focus on using LEAN principles, practices and tools to make sure that each customer received exactly the service they wanted and needed, right the first time. Success would be measured by increased client retention and satisfaction.

The right process produces the right results.

Flowing value is a basic principle of *LEAN*. Flow means that work moves quickly, easily and accurately from one step in a process to another. While many companies focus on results only, improving the flow of value means focusing on improving **how** those results are created, or doing it right the first time in each process step. Doing it right the first time also means focusing on only the things the customer values. This ensures each process step is both effective (good quality) and efficient (no waste or rework).

To make sure that everyone was focused on doing it right the first time, a policy of 'I don't make defects, I don't pass on defects, and I don't accept defects' was created.

As Joe Pellicano, Director of Strategic Initiatives said, "Focusing on 'doing it right the first time' has reduced rework, decreased cycle times, empowered team members, lowered support requests (and costs), and raised customer satisfaction."

To support this work, other company-wide strategic initiatives incorporating LEAN were undertaken such as:

- The internal process used by Client Success Representatives (CSRs) to make payroll calls was updated to be more customer-focused, flexible and proactive through a creative application of a LEAN Kanban system.
 - A Kanban is a way to 'signal' that something is ready to be worked on. Joe used this idea to create a process for CSRs to 'see' when a customer was ready to have their payroll processed, even if it wasn't the normal time. The solution is very flexible and customer focused.
- Leaders across the company learned how to recognize LEAN wastes (customer non-value-added activities that both increase the likelihood of defects and slow down response time) in processes and worked with their teams to find creative ways to eliminate those wastes.
 - PrimePay's Benefit Services team is a great example of process improvement at work. They are the true leaders behind the large technology, infrastructure and data-driven push in service. They were the first team outside of sales to fully adopt Salesforce.com, greatly increasing speed, organization and visibility of information relevant to clients and brokers.

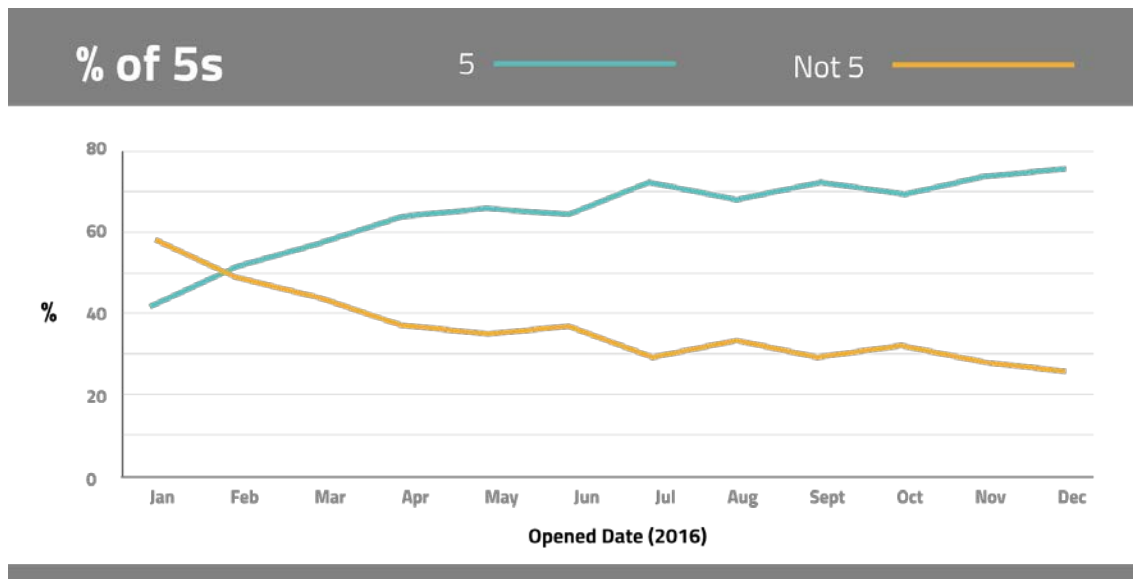
- Standardized work was created to make sure that best practices were captured and shared so that all customers could benefit.
- Service teams of 4-5 people were created and defined to a geographic area based on client count. Ex. Team 5 had the largest geographic territory, almost everything west of the Mississippi but had the same client count as Team 3, which just covered Pennsylvania.
- A completely automatic, electronic, 60 day renewal process was created. Emails were sent every eight days for 60 days and phone calls were assigned to the team lead starting at day 30. The email message was only two sentences long with link to the online survey where they are asked a series of relevant questions about their renewal. Upon response, the answers were automatically directed to the team. This eliminated the most time consuming, least-value add time in the renewal process, making first contact. Teams could now spend more focused time on completing the customer's renewal, ensuring accuracy.

Team members were empowered to work with colleagues to correct the underlying processes if defects were being passed on to the next process step.

The results?

By improving each step in the process, PrimePay has seen an extremely positive effect on customer retention, satisfaction and internal efficiency.

- From Jan. 1, 2016 - Dec. 31 2016, PrimePay collected over 10,000 transactional surveys from customers who submitted a support request. The rating system was based on a scale of 1-5 regarding the level of support they received, and anything less than a 5 was seen as a defect. The reporting looked at percentage of 5s. Here are the results during that time frame:



- Productivity
 - Also during this time period, PrimePay increased the percentage of tickets that are responded to within four hours by 50% (from 54% to 82%) and increased the percentage of tickets solved within 24 hours by 82% (from 39% to 72%).
 - Retention.
 - In 2015, payroll retention was 84%. 2016 was 85%. However, this year PrimePay is currently at 91%, a 7% jump.

Conclusion

Today's customers want it all: Hassle free, LEAN processes, competitive pricing, and service with a personal, human touch.

Understanding that service excellence is today's differentiator, PrimePay is committed to continuously finding the best ways to flow value to customers. This is done by using *The Toyota Way to Service Excellence* principles, practices and tools. The PrimePay team knows that this will help them fulfill their goal of empowering small businesses to succeed. That's good for PrimePay and for each of their clients!

Takeaways

Want to give *LEAN* a try? It's easy. Here are a couple of simple suggestions you can use to easily get started right away with value flowing:

1. Is your team constantly chasing down missing information from customers? That causes delays for customers and wastes time for your team. Try creating a checklist of information needed right away that you can send to customers in advance of your first meeting. That way everyone will know what's needed upfront.
2. Ask your team members what part of their work is hard to do. What makes them go "argggghh" every time they have to do that part of their job? Then have them brainstorm a few different ways to accomplish the outcome your customer needs. Try out the ideas and see which works best.

Take Advantage of PrimePay's LEAN Model

At PrimePay, we believe in the power of small business. That's why we have invested into the LEAN model practice: To provide the best client experience ever.

This way, our clients can focus more on what matters to them ... their business. Doesn't that sound great?

It can be true for your business too!

Start with PrimePay's Online Payroll service
today by visiting:
PrimePay.com/Payroll

About PrimePay

Since 1986, PrimePay has been helping small businesses get time back in their day to focus on what matters most. This is possible through their payroll, HR, Time Clock and benefits admin services that help to ensure compliance and provide exceptional support during the employee lifecycle.

Learn more at PrimePay.com.

About Karyn Ross

Karyn Ross is an experienced consultant, coach and lean practitioner. Using her Practical Creativity™ approach, Karyn teaches organizations how to use creativity combined with Toyota Way principles, practices and tools to make sure that every customer receives exactly what they want, when they want it, right the first time. Working with Karyn to focus on the means – the 'how' – and not just the 'ends' or the results – your team will learn how to create and deliver the peak service experiences your customers want, now and for the long-term.

To learn more, visit her website at <http://www.karynrossconsulting.com/>

