

Based in Glasgow, ICS provide distance learning qualifications to approximately 26,000 students per year. The company has a long history dating back to 1890 and is the world's largest and most experienced distance learning organisation.



### Lean Team

- Tracy Mahomet – Assistant Sales Manager
- Amanda Thomson – Sales & Commercial Mgr.
- Jonathan Shearer – Product Manager
- Julie Hepburn – Education Services Director
- Joanne McManus – Operations Director
- Gary Singh – Finance Director
- Sharon Daisley – Head of Student Services
- Julie Glen – Head of Finance
- Stephen Donald – CIPD Programme Leader
- Douglas Brown – Finance

### Lean Project Objectives / Team 2 Credit control

Team 2 created a problem statement upon analysis of the credit control cycle:

*"The unstructured evolution and lack of ownership of our credit control process has resulted in an inefficient process that does not have the needs of the customer at its heart"*

This resulted in the following list of objectives for the project:

- To make customer experience first class
- Improve cash collection and reduce associated costs
- Understand the root causes of non payments
- Increase the volume of signed contracts
- Improve customer retention rates and student completions

- Assist customers in debt situations
- More upfront management of the credit cycle process

### Utilising Lean Tools

The team used the following Lean tools during the project:

- Value stream & process mapping
- Team brainstorming
- Ishikawa diagrams
- Data check lists and analysis
- Mapping future state activity to visualise the benefits

### Key Findings

- 23% of students default on payment
- Defaulters demonstrate a high percentage of non study
- Non repeat payment set-up was higher than perceived
- The collection process workflow was uneven and inconsistent

The team have introduced a phased approach to implementing changes that will reduce the potential for students going into arrears, reduce the cost of collection and improve efficiency within the process.

### Business Benefits

The expected cost reduction is £75,000 and this will be monitored throughout implementation. The wider process benefits are listed below:

- Improved customer relationships / Improved realisation rates
- Reduced collection costs / Reduced internal NVA activities
- Smoother workflows internally and externally
- Increased revenue and stronger identification of ICS brand

- More flexibility for students to enrol
- Improved communications through to collection agencies

### Environmental impact

A reduction of over 12 tonnes of CO2 and £177,000 cost saving has been calculated based on the following improvements:

- Reduction of 25% in credit letters sent, reduction of 25% in number of re-issued training packs, consolidated shipments by 60%, consolidated printers from 16 to 6, print on demand savings of over 345,000 sheets of paper, including associated reduction in ink, packaging, postage and transport emissions
- Raised awareness to reduce electricity consumption and improve office waste recycling

*"The Lean Management Thinking Programme was extremely enjoyable and beneficial to us as an organisation. The methodology has already embedded itself into our culture and this is visible by the number of process maps displayed around the business. The practical exercises within the programme really helped us to understand how much waste there can be within one process and the presentation section of the programme added an additional layer to the team's development."*