

Business Process Improvement Plan at Salon in Salt Lake City, Utah

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OSCM607

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#### **MEMO**

To: Dr. Jianliang Hao

Subject: Workplace Process Improvement Plan

Date: February 26, 2023

#### **Site Review**

A site review was conducted on February 11, 2023, at the Salon in Salt Lake City, Utah. Due to poor reception within the salon, the master stylist recorded a Gemba walk through and emailed it to me after leaving the salon. A phone interview was conducted after reviewing the video of the salon. Currently, the salon does not have a receptionist or a store manager, and the stylists have not received communication from corporate regarding these open positions. In addition to their current tasks, the stylists now must maintain the phone lines, book appointments, close appointments, and ensure inventory is stocked and organized. Due to this, customer calls may be ignored because stylists are with their clients, and inventory is unorganized and or out of stock. Clients can schedule appointments through the mobile app, but sometimes they prefer to schedule over the phone or in person. There is also a bottleneck effect at the register which is caused by a 5-10-minute delay per client during busy hours when each stylist must close each appointment. The registers used to maintain the schedule, close appointments, and collect payments are from the 90's and the POS system is from 2015, which causes a lag with the system. The stylists' additional tasks, delay in closing appointments, and lack of a store manager and a receptionist have negatively impacted each customer's experience. The master stylist apologizes often for the delay, answering the phone, and the lack of products. The master stylist's longtime customers are very understanding, but her new clients are not.

The salon is short staffed, and the stylists could use more support. The master stylist of agreed and requested simple solutions to maintain while the salon is waiting for a new

store manager and receptionists to join the team. I determined the following process improvement strategies would be helpful for reducing waste and creating structure: the "8 wastes" of DOWNTIME, Takt time, 5 Why's, 5S's and a Process Flow Map.

# **Research Questions:**

In this research, I aim to answer the following questions:

- As a hairstylist, what are some delays and inventory problems that you experience from the moment you greet a client to the checkout process with your client?
- As a hairstylist, do you experience any extra processing times, or re-dos of unnecessary work?
- How can the 5 S's be applied to the products stored in your facility to decrease the time needed to search for products, and to ensure products are in stock?
- How can we reduce waste and increase your bottom line?

#### **Background:**

was founded in 1902 and the name of their first store was Golden Rule, which is based off one simple rule – to treat others as we would like to be treated. has a rich history bound to the legacy of their founder, James , who established "honor, courage, service, and cooperation as guiding principles in the life of a sassociate." These principles are the guiding principles of the organization and can be found posted in the breakroom of 's Salon in Salt Lake City, Utah. has a dedicated team of over 50,000 people and their organization is committed to building and equitable, inclusive, and diverse work culture. They are on a mission to meet the needs of the 21st-century shopper and the overall customer experience for 650+ stores, and they aim to refine processes and workflows to support a collaborative culture.

and promises to invest in training and development for personal and professional growth purposes.

The business process improvement plan is focused on salt Lake City,

Utah, which currently employs 15 stylists. The- has 11 chairs, a supply room, a breakroom, and
a bathroom. Receptionists and a store manager have not been employed at this location for a
month, and the stylists at this location have not received updates regarding another manager or
receptionist joining the team. Under normal circumstances, there are up to two receptions and
one store manager at this location. A store manager oversees restocking and maintaining
inventory levels, monitoring the salon schedule, organizing the store, taking a few clients each
shift, and runs the day-to-day operations. Receptionists maintain the schedule, answer phones,
schedule clients, checkout clients, and manage the flow for a client to check-in and to checkout.
Master hairstylists receive a 50% commission off all services, plus a tip from each client, and
receive commission off each hair product sold in store.

#### **Purpose:**

The purpose of the new Business Process Improvement Plan (BPIP) research is to identify areas of waste, increase productivity, and to implement the 5s's to maintain inventory levels and compliance with health code regulations. The new BPIP will align with \*\* so goal to refine processes and workflows and will meet the needs of the 21st-century salon clientele. The BPIP will also maximize production for the hairstylists, which are the driving force of revenue for the salon and will focus on the perceptions and work experience of a \*\* salon Master Stylist who has been with \*\* for 5+ years. I will calculate takt time for the current pace of production and will create a process flow map for the anticipate takt time once the BPIP strategies are implemented. Bottleneck analysis will be performed at the check in and check out times for clients and the 5

Whys will be utilized to identify the root cause of delays. The intent is to offer a strategy to reduce waste and variation to maximize productivity and revenue for the master stylist. The master stylist can share these strategies with the Salon team if she chooses.

#### **Procedure/Research:**

I will contact the master stylist at salar 's Salon in Salt Lake City, Utah, to analyze the typical workflow and day to day schedule for a stylist. The research and interview will be conducted via Zoom. I will discuss the project details, the end goal, and possible ways to increase productivity and commission rates for the master hairstylist while maintaining customer satisfaction. During the interview with the master stylist, I will be looking for data that relates to the following:

#### • "8 Wastes" of DOWNTIME:

Defects, Overproduction, Waiting, Not Utilizing Employees, Transport, Inventory, Motion, Extra Processing.

#### • Takt Time:

Takt time will be calculated to establish the pace of each appointment type, and the time required for certain steps in the process to be completed. I will ask the master stylist if she can calculate the time required to search for inventory and assist each client, daily, for up to 5 days. Identify loss of production/commission per day due to waste.

#### • 5 Why's:

5 Whys will identify root causes of each issue identified regarding the "8 wastes" of DOWNTIME which will be calculated through the takt time of each task, and variation will be identified.

#### • 5S's

After DOWTIME, takt time, and the 5 whys are utilized, then the 5S's will be utilized to

sort, straighten, shine, standardize, and sustain new processes that will be carried out reduce waste.

# • Process Flow Map

Create a process flow map that shows takt time after proposed BPIP is implemented.

#### **Schedule:**

# **February 7, 2023**

Reach out to a master hairstylist at Salon in Salt Lake City, Utah. Ask for permission to interview. Sign appropriate documents to fulfill project details and to move forward with the interview process.

# **February 11, 2023**

Scheduled video interview in store. The master hairstylist was unable to meet in store via video chat or phone call due to poor reception at \*\* 's salon, so I requested video recordings and explanations of the day-to-day workflow. Due to poor reception, the videos were received after the workday was completed at the salon. Additional follow up questions were asked after receiving the videos, and after the master stylist finished her workday.

# **February 12, 2023**

Additional interview questions were asked according to the "8 wastes" of DOWNTIME. Submit Capstone Project Part 1.

# **February 18-20, 2023**

Request daily takt time from master stylist for each task. Send a paper printed document to follow to help with the ease and simplicity of recording takt time for the master stylist.

# February 20, 2023

Analyze DOWNTIME and Takt time and reach out to the master stylist for clarification and to

ask additional questions. Utilize the 5 Why's method to identify root causes of issues.

# **February 21, 2023**

Create a process flow map and propose 5S's to implement. The process flow map will highlight the takt time for each task after the proposed BPIP is implemented. Calculate the monetary impact the reduction in waste and variation has on the master stylist's commissions.

# **February 26, 2023**

Submit Capstone Project Part 2.

# March 2, 2023

Submit Capstone Project Part 3.

#### **Research Materials and Instruments:**

- Exhibit 1: Interview with the Master Stylist to Analyze the "8 Wastes" of DOWNTIME (pg. 11-13).
- Exhibit 2: Takt Time Data (pg. 14-15).
- Exhibit 3: Follow Up Questions (pg. 16-17).
- Exhibit 4: 5 Why's Root Cause Analysis (pg. 18).
- Exhibit 5: 5 S's for Maintaining a Clean Work Environment (pg. 19).
- Exhibit 6: Process Flow Map (pg. 20).
- Exhibit 7: Signed Consent Form (pg. 21-22).

# **Preliminary Findings and Recommendations**

The Gemba video walk through, the phone interviews, and the Takt time data (Exhibit 2) provided sufficient information to determine the "8 wastes" of DOWNTIME, 5 Why's, 5S's and the creation of a Process Flow Map. Due to a lack of management and receptionists, the company and stylists can implement creative solutions to increase productivity.

The master stylist provided Takt time data detailed in Exhibit 2 for six stylists. The data show that stylists #5 and #6 have a 60-61% production rate. The total scheduled hours are not effectively being utilized - either clients are scheduled for a longer duration of time than required, or the stylists are not fully booked. After further analyzing stylists #5 and #6 scheduled hours, booked hours, and the maximum hours allotted per service I determined both stylists are taking longer than required to complete each service. For instance, stylist #5 had 14.5 scheduled hours and 13.5 of those hours were booked, but only 9 service hours were recorded because the services booked should take up to 9 hours, according to \*\* predetermined service rates detailed in Exhibit 2. The same can be stated for stylist #6, who was scheduled for 13.5 hours, completed 8.25 service hours, but completed 9.5 service hours. Production for stylist #5 could have increased by 4.5 hours if the stylist scheduled accordingly, and production for stylist #6 could have increased by 5.25 hours if scheduled accordingly. Why are stylists completing longer than the projected service times?

The 5 Why's answer this question (Exhibit 4). The salon's computer system is out of date, experiences poor internet reception, stylists are taking on additional tasks due to lack of management and receptionists, and no one is monitoring the schedule to ensure productivity is fully utilized. The interview with the master stylist details DOWNTIME waste such as time required to find products, lack of inventory management which results in products being out of stock, time required to step away from clients to answer phone calls, slow internet, out of date software, and time needed to clean and organize between clients.

Solutions to these time constraints include tablets at each station so stylists can check their clients in and out and process payments while the client is in the chair. Additionally, updating the Salon website to include bios for each stylist and include a business text

messaging number so new and current clients can reach out to their personal stylist. Business text messaging services are useful and can be utilized on a phone, computer, or tablet. The phone system should be eliminated all together because currently, the phone line isn't being managed properly. Each stylist can utilize the tablets to respond to text messages from current and potential clients. Additionally, stylists can schedule video calls with clients (if needed) through their tablet to ensure a more personalized approach to extensive questions received via text. The implementation of tablets, text messaging system, and the removal of the phone line would improve customer satisfaction and would reduce DOWNTIME because stylists would not need to redirect their attention from their current clients to answer phone calls, and phone calls would no longer be ignored. Also, 10-minute wait times and a bottleneck effect would no longer occur because each stylist can maintain their own checkout process at their station, keep up with communication with their own clients at the appropriate time, and would not experience delays in the checkout process.

Lastly, organization is key. Stylists should not worry about maintaining inventory and organizing supplies because it reduces their productivity, but since the salon is short staffed a reasonable and temporary solution is outlined through the 5S's (Exhibit 5) and the Process Flow Map (Exhibit 6). The Process Flow Map utilizes stylist downtime to respond to SMS messages and to organize the inventory. The organization of inventory can be followed by using the 5S's in Exhibit 5. The 5S's and Process Flow Map should be placed in the inventory room so it can serve as a visual reminder for stylists. Each day a stylist will oversee the inventory room and mixing area to ensure its cleanliness and health code compliance. The assigned stylist will sign off on the inventory checklist (not outlined here). Stylists need to communicate with corporate regarding the lack of compliance and cleanliness, and corporate should manage the 5S cleaning

schedule by assigning a stylist daily. If this does not occur, then the stylists should work together to assign the cleaning schedule.

Updating technology to allow stylists to control the workflow in a more productive manner (to focus on their clients' needs) and implementing a cleaning and organization checklist according to the 5S's would greatly reduce waste and would increase the salon's productivity. The master stylist interviewed would no longer have to create a buffer time between clients due to delays caused by unorganized inventory, lack of supplies, phone calls that are unrelated to her clients, and a slow computer system. Her commission would increase by a minimum of \$35 per day, and the salon's overall productivity would increase significantly.

Interview with the Master Stylist to Analyze the "8 Wastes" of DOWNTIME



"'s Salon in Salt Lake City, Utah, in Cooperation with the CSU Chico, College of Business Operations Management and Execution Course, Observations of Manufacturing Process; Post-Observation Interview

Name: Kristi Bergdahl Date: 2/11/2023

Interviewees: Kelsi Simmons, Master Stylist

#### **Questions to Ask:**

1. What defects, or errors, do you experience in your typical workday that you must resolve? What works well in your salon?

The registers are from the 90s, the POS system is from 2015 and there is a lot of lags.

The lag makes me late for my next appt. It won't load, restart the system. What happened to your manager and receptionists, and what impact have the position vacancies had on your work? Have you taken on additional tasks?

Both receptionists quit because they weren't getting a schedule because the manager was fired, and no one took over the responsibilities. The manager has been gone for a month. So now all hairstylists do the checkout, answer the phones, and we must take turns. Sometimes we don't answer because we can't. This takes a toll on customer service. My clients I've known for 5 years, and they are understanding, but if it was a new client they

would be annoyed. Clients were lost when the manager left because she was also a hairstylist. A few stylists are talking about leaving because she is gone. Corporate has not talked to us so we are in the dark about the manager role and the receptionist's role.

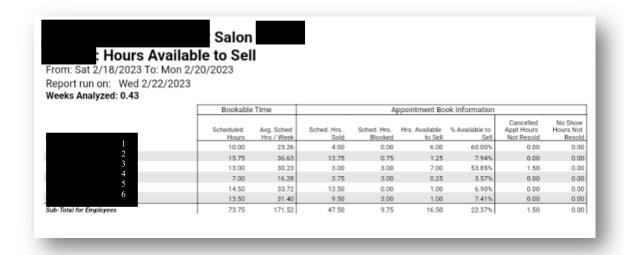
- 2. How much time in a day do you feel is wasted trying to find the tools or supplies necessary to complete your job?
  - No one is organizing, and it is whoever wants to do it. If we have the health department come and we have color on the bottles there is a huge fine. A hairstylist triple books herself and leaves the backroom and mess and doesn't clean up, and because there is no manager no is one monitoring how many appointments are booked per hairstylist. The color runs out because no one is doing the ordering. People to try to order but don't know how. Rebooting the register/POS system can cause a 10-minute delay and that delay goes throughout the day. Can probably fit in another haircut, charge 48 for a haircut so I lose 50% of that plus tip, so I lose \$35 a day.
- 3. How do you best communicate your challenges in the company? Any hardships? Has corporate, or anyone, reached out to you to regarding the lack of management or receptionists at your store?
  We do not have anyone to communicate with now. Corporate hasn't reached out to us about the lack of a store manager and a receptionist. Now, we just try to share the workload as best we can, but many do not organize the supply room so it's always a mess.
- 4. Is there any part of your day that is stressful, why?
  The check-out process and answering phones. Sometimes phone calls can be
  long and if I have a client in my chair, it becomes even more difficult to manage

the call. Some phone calls can be 10 minutes long. If a service is adjusted with a client, then I must change it to a full foil (for example) in the schedule so I must go to the storewide system and check them out there. If there are too many things too fast, then it will lag, and I have to reboot the system. The system is estimated to be rebooted at least once per day. Sometimes there are 10 of us working on the weekends (Saturday), which causes delays in checkout.

- Do you rent a chair or receive commission for products and services sold?
   No, I receive a base pay and I also receive commission and a tip for each service.
- 6. Are supplies easy to identify or do you find yourself having to extensively search for supplies needed?
  - No, I have to extensively search for color. The color is often moved, not labeled, and so it can take 5 minutes for me to find the right color. Also, hair products are often out of stock in the salon, so I tell clients to go online to shop for the product on their phones and I walk them through the process. Reception is poor in the salon, so sometimes I just write the product down for them because they can't search for it on their phone. This takes additional time.
- 7. Are you doing work outside of your job responsibilities? Do you find yourself repeating unnecessary tasks, or redoing any work?
  - Yes, I am answering phones, booking appointments, closing appointments, and the stylists are ordering inventory and organizing the supply room. Also, stylists oversee the organization and cleanup of the salon floor and back room, and not everyone cleans up their mess or organizes the back room.

# **Takt Time Data**

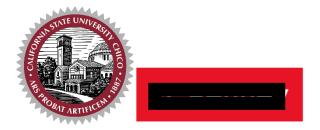
The data below was pulled from the salon data system. For privacy purposes, the stylists' names were blacked out and were numbered 1-6. Only employee #5 and #6 were further analyzed. The salon's production from 2/18/23 - 2/20/23 is shown below. The master stylist declined to release additional company data due to the company's privacy policy.



Employee (stylist) #5	: Employee Productivity From: Sat 2/18/2023 To: Mon 2/20/2023 ree (stylist) #5						Report run on: Wed 2/22/2023		
		Tota	al for Date I	lange					
Service Hours Productive Block Time Total Hours Productiv Hours Incl. In Product Productivity %	e	9.00 0.00 9.00 14.50 62.07 %		Services Performed Service Revenue Service Revenue per Hour		9 \$810.00 \$55.86			
	# Performed	# Female	# Male	# Nonbinary	# Not Specified	Service Hours	Sales	% Category Sales	% Overall Sales
Color Color COPROC1C: ONE PROCESS COLOR W/CUT COPROC1: ONE PROCESS COLOR	1	0	0	0	1	1.25 1.00	\$115.00 \$85.00	57.50 % 42.50 %	14.20 % 10.49 %
Color Total	2	0	0	0	2	2.25	\$200.00		24.69 %
Consultation Consultation CONSUL: NEW CLIENT CONSULT	1	0	0	1	0	0.25	\$0.00	0.00%	0.00%
Consultation Total	1	0	0	1	0	0.25	\$0.00		0.00 %
Extensions Hair Extensions HTEXT25. HAIRTALK EXT ADD ON 25	1	0	0	0	1	0.50	\$25.00	100.00 %	3.09 %
Extensions Total	1	0	0	0	1	0.50	\$25.00		3.09 %
Highlights Highlights CODINHC: DIMENSIONAL COLOR WITH HAIRCUT HLFONC: FOIL HIGHLIGHTS W/CUT	2 2	0	0	0	2 2	2.00 3.00	\$270.00 \$280.00	49.09 % 50.91 %	33.33 % 34.57 %
lighlights Total	4	0	0	0	4	5.00	\$550.00		67.90 %
Styling Finishing Touches STYBLW: BASIC BLOWDRY	1	0	0	0	1	1.00	\$35.00	100.00 %	4.32 %
Styling Total	1	0	0	0	1	1.00	\$35.00		4.32 %

Employee Productivity Sat 2/18/2023 To: Mon 2/20/2023  For: Employee (stylist) #6						Report run on: Wed 2/22/202			
		Tota	al for Date I	Range					
Service Hours Productive Block Time Total Hours Productive Hours Incl. in Productivity Productivity %		8 25 Services Performed 0.00 Service Revenue 8 25 Service Revenue per Hour 13.50 61.11 %		enue	8 \$503.00 \$37.26				
	# Performed	# Female	# Male	# Nonbinary	# Not Specified	Service Hours	Sales	% Category Sales	% Overall Sales
Color Color COPROC1: ONE PROCESS COLOR	1	0	0	0	1	1.00	\$88.00	100.00%	17.50 %
Color Total	1	0	0	0	1	1.00	\$88.00		17.50 %
Haircuts Haircut HCBD: HAIRCUT AND BLOWDRY HCADD: ADD ON HAIRCUT	3 1	0	0	0 0	3 1	2.25 0.50	\$165.00 \$20.00	89.19 % 10.81 %	32.80 % 3.98 %
laircuts Total	4	0	0	0	4	2.75	\$185.00		36.78 %
Perms Perms PERMHC: BASIC WAYE WITH HAIRCUT	1	0	0	0	1	1.50	\$120.00	100.00 %	23.86 %
Perms Total	1	0	0	0	1	1.50	\$120.00		23.86 %
Styling Finishing Touches STYSSHC: SHAMPOO & STYLE W/HAIRCUT	2	0	0	0	2	3.00	\$110.00	100.00 %	21.87 %
Styling Total	2	0	0	0	2	3.00	\$110.00		21.87 %

# **Follow Up Questions**



's Salon in Salt Lake City, Utah, in Cooperation with the CSU Chico, College of Business Operations Management and Execution Course, Observations of Manufacturing Process; Post-Observation Interview

Name: Kristi Bergdahl Date: 2/12/2023

Interviewees: Kelsi Simmons, Master Stylist

# **Follow Up Questions to Ask:**

- 1. After analyzing the total downtime through the takt time data, do you see any areas that could use improvement?
  - Yes, it looks like employees 4 and 5 had a 60-61% production rate. This shows that 40% of their time was not utilized, and this could be a sign of overscheduling employees.
- 2. In the first interview, I learned a stylist is triple booking clients. Now that we have calculated takt times, has the triple booking (or double booking) from other stylists affecting your client wait times?
  - Yes, the stylists continue to overbook their clients. I cannot do anything about this because we lack a store manager. I try to focus on my clients and provide the best customer experience as I can, given the circumstances.

3. Did you experience any customer complaints if they were your customers, why? If they weren't your customers, how were you involved and why? Yes, during this study I noticed an increase in customer complaints in Friday's and Saturday's, and those are our busiest days because those clients are off work. They tried to call the salon before their appointment to let me know they were running a few minutes late, but no one answered the phone. I apologized and thanked them for trying, and they understood because they noticed I was sweeping up after my last client when they walked in. One customer complained that they didn't receive help or were greeted when they walked in. I was with a client, but their color was processing so I was able to greet them and ask how I can help. I just listened and apologized, and I was able to book an appointment for them.

# 5 Why's – Root Cause Analysis

#### **PROBLEM**

The master stylist interviewed must create a buffer time between clients because of delays which decreases productivity and results in an estimated commission loss of \$35 per day.

# Why?

The checkout process can take up to 10 minutes.

# Why?

The system needs to be rebooted or is experiencing a delay.

# Why?

An increase in modified services of appointments and/or customers checking out.

# Why?

When the system is overwhelmed from inputting/changing services or if the system is utilized for a longer duration of time, then the system freezes and needs to be rebooted.

# Why?

The system is out of date and the internet reception is poor in the salon.

# **CORRECTIVE ACTION**

Improve the internet reception and replace the computers and POS systems with tablets. The stylists can utilize tablets at each station to schedule and check out clients while they are in the chair. Tablets are used at over 4,000 salons, and salon apps (or other scheduling apps) can be used to track and analyze productivity. This would reduce checkout time.

# Exhibit 5 5S's for Maintaining a Clean Work Environment

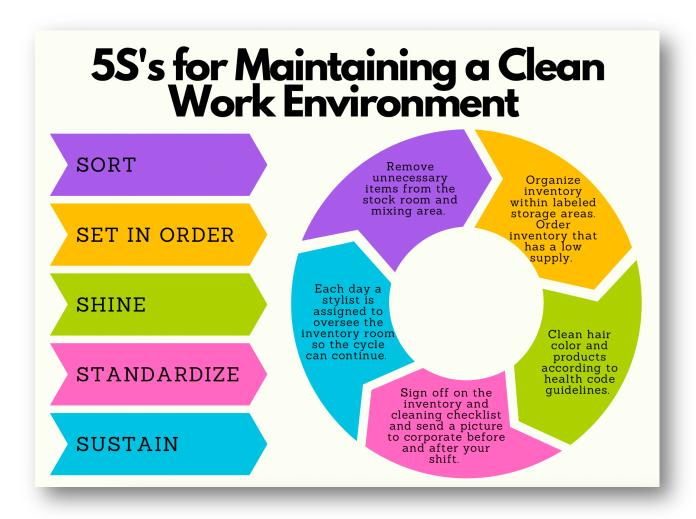
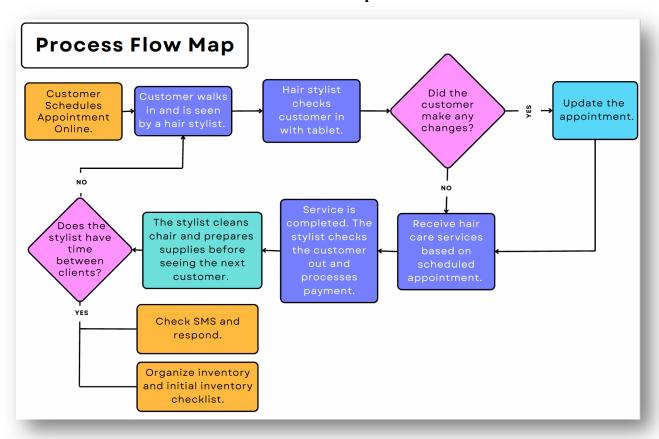


Exhibit 6
Process Flow Map



# Exhibit 7 Signed Consent Form



#### **Investigating Process Improvements: A Study On Eliminating Waste**

# Investigators: OSCM project: Operations Management and Execution

Dear Participant,

Please take a moment to review the following information. If at any point you have a question, please contact Kristi Bergdahl.

#### Purpose

The primary purpose of this study is to investigate the Salon in Salt Lake City, Utah, service processes with the intent to find ways to eliminate potential waste and save on cost. By utilizing Lean Principles, investigators will suggest ways to eliminate "non-value" added activities and ways to make essential "value added" activities more efficient. After improvement process suggestions have been made, we will implement the refined improvement process changes.

#### The Process

Once consent is given, we will set up a convenient time with you to observe you and your facility. During this step, we will utilize various tools to record our observations. These tools include field notes, photographs, videos when appropriate, and any other materials (artifacts) provided by you.

When the tour is complete, we will conduct interviews with designated participants, which may last upwards of 15 to 30 minutes per participant. We will ask questions directly related to what we observed, as well as questions regarding how processes should be performed. We will record these interviews through audio recordings and video.

### Implementation and Monitoring

If you and your organization choose to participate, we will implement a process improvement plan and will monitor over the course of at least a week. When observations are complete, we will conduct a follow-up interview to identify the success and the failures of our plan.

#### Cost, Compensation, and Risk

The goal of our study is to help managers identify ways to sort, straighten, scrub (organize), systemize, and standardize workplace activities. This study is voluntary and will be used for educational purposes only; therefore, our study is free. There is no cost or compensation for your participation.

This study involves no physical risk; therefore, if an injury occurs, no payment is required.

#### Privacy and Withdrawing from the Study

Data collected in this study will be used for educational purposes only. All relevant information will be shared with our Operations Management and Execution study, including Professor Fariba Aminalroayae and any guests who are present during our presentation on May 2, 2023 (the presentation is a video recording and will be emailed to you). Our report will be made available to you upon completion on May 2, 2023.

If at any point you choose to withdraw from the study, please contact Kristi Bergdahl. You are free to withdraw your consent and stop participation at any time without penalty.

#### Signatures:

As a representative of this study, I have explained the purpose, the process, the benefits, and the risks involved in this research study:

Kristi Bergdahl	2/7/2023
Printed names of person(s) obtaining consent:	Date:

You have been informed about the study's purpose, procedure, possible benefits, and risks, and you have received a copy of this form. You have been given the opportunity to ask questions before you sign, and you have been told to ask questions at any time during this study. You voluntarily agreed to participate in the study. By signing this form, you are not waiving any of your legal rights.

Kelsi Simmons		2/7/2023
Printed name of subject:		Date:
Kass		2/7/2023
Signature of subject:		Date:
Kristi Bergdahl	2/7/2023	
Signature of investigator	Date:	