

## Greif Battles Administrative Waste

*By Ken Andre*



Learning the AdminEx ropes. Front row, l to r: Aaron Post, Barb Myers, Chris Luffler, Jessica Jones; Back row, l to r: Jean Cunningham (Lean Accounting Guru), Ken Andre, Louis Sicilia, Kannan Ananthakrishnan, Greg Layer, John Dieker

Since its start in 2003, OpEx initiatives have saved hundreds of millions of dollars, and with current diagnostics, there's another \$100 million in savings yet to be achieved in the near term.

But the dirty little secret is: 70 percent of waste is NOT in the factory, according to lean experts. It's in the office, with administrative processes, procedures and systems.

With Administrative Excellence being largely the last untapped frontier for GBS, Don Huml asked the Corporate Finance team to reinvigorate Greif's efforts by bringing in Jean Cunningham, a renowned lean accounting expert and author, to jump start the program with focused training and

facilitation. Throughout the week of July 19, people from Corporate Finance – the Corporate Controller's Department, Treasury, Tax, Central Processing and RIPS North America – and from HR and IT spent part of the week learning the basic skills and tools, then dove right in to a Kaizen.

Their chosen Kaizen, "Close the Books," tackled the quarterly close process from the time SBUs report results until financial statements are issued. Participants used traditional lean tools such as process mapping and brainstorming improvement ideas to identify and change 17 quarterly deadlines on the spot, eliminating three activities entirely. A plan was also developed to reduce the quarterly close

cycle time from 30 to 20 days over the next several quarters. The changes already implemented allowed the Q3 (Third Quarter) Management Reporting Book to be issued in 10 working days instead of the 20 days it took the previous quarter.

Why?

By moving closer to world-class reporting performance, external stakeholders such as investors, analysts, creditors and the market can get the information they need to evaluate Greif faster.

Improvements also free time for people in the Controller's Department to provide our businesses more consulting attention by eliminating time-consuming non-value added transactional work.

This is only the first salvo in the war against administrative waste. With Admin Excellence leadership and facilitation from the GBS Office, more leaning activities are planned, and it is intended that all administrative departments and functions will become involved. ☞



“Current state.” From this....

....to this. “Future state”

