

**Foundation Certificate**  
**in**  
**Business Service Design**



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## Contents

Introduction .....	3
Assessment Examination .....	3
Syllabus .....	4
1. Introduction to Business Service Design (10%).....	4
2. Systems Thinking Fundamentals (20%) .....	4
3. Service Thinking Fundamentals (20%) .....	5
4. Design Thinking Practices Fundamentals (20%) .....	6
5. Lean Thinking Fundamentals (20%).....	6
6. Organisational Agility (10%).....	7
Question weighting for each syllabus section .....	8
Business Service Design Concepts, Approaches and Techniques .....	9
Syllabus section 1: Introduction to Business Service Design .....	9
Syllabus section 2: Systems Thinking Fundamentals .....	10
Syllabus section 3: Service Thinking Fundamentals.....	12
Syllabus section 4: Design Thinking Fundamentals .....	14
Syllabus section 5: Lean Thinking Fundamentals.....	17
Syllabus section 6: Organisational Agility .....	19

## Introduction

This syllabus presents the learning objectives to be assessed for the A4Q Foundation Certificate in Business Service Design. This Certificate assesses a candidate's ability to demonstrate an understanding of Business Service Design principles, approaches and techniques.

## Assessment Examination

The examination leading to the Foundation Certificate in Business Service Design is based upon this syllabus and the A4Q Business Service Design course materials. Candidates' knowledge and understanding of Business Service Design is assessed in line with the learning objectives specified in this syllabus.

The examination leading to the Foundation Certificate in Business Service Design:

- consists of 40 multiple choice questions, each of which has a value of one mark. Candidates must gain 26 marks out of the available 40 marks (65%) in order to pass the examination and be awarded the certification.
- has a duration of 60 minutes. If a candidate's first language is not the examination language, the candidate is allowed an additional 25% (15 minutes) of examination time.
- is a closed book examination and no reference materials may be used while sitting the examination.
- assesses competence at levels 1,2 and 3 of Bloom's Taxonomy of Cognitive Domains. These levels assess competence as follows:
  - K1: remember
  - K2: understand
  - K3: apply

## Syllabus

### 1. Introduction to Business Service Design (10%)

#### Learning objectives for Introduction to Business Service Design

- 1.1. Define the rationale for Business Service Design:
  - 1.1.1. Define the purpose and focus of Business Service Design
  - 1.1.2. Define Digital Business Design
- 1.2. Identify the core components of the Business Service Design approach:
  - 1.2.1. Systems Thinking
  - 1.2.2. Service Thinking
  - 1.2.3. Design Thinking
  - 1.2.4. Lean Thinking
  - 1.2.5. Business acumen and customer experience
- 1.3. Demonstrate an understanding of the link between Business Service Design and strategy execution

### 2. Systems Thinking Fundamentals (20%)

#### Learning objectives for Systems Thinking Fundamentals

- 2.1. Identify and define the following:
  - 2.1.1. A system
  - 2.1.2. Systems Thinking
  - 2.1.3. Reductionist Thinking
- 2.2. Describe the characteristics of systems:
  - 2.2.1. Underlying rationale
  - 2.2.2. Interacting elements
  - 2.2.3. Emergent properties
- 2.3. Identify the following classes of system:
  - 2.3.1. Natural systems
  - 2.3.2. Designed physical systems
  - 2.3.3. Designed abstract systems
  - 2.3.4. Human activity systems
  - 2.3.5. Adaptive systems

2.4. Describe and distinguish between the following holistic analysis techniques:

2.4.1. Fishbone diagrams and the 6 Ps Framework

2.4.2. POPIT™

2.4.3. Business System Diamond

2.4.4. Business Model Canvas

### **3. Service Thinking Fundamentals (20%)**

#### **Learning objectives for Service Thinking Fundamentals**

3.1. Define the core concepts

3.1.1. The term 'service'

3.1.2. Goods-dominant Logic and Service-dominant Logic

3.2. Identify and define the principles and characteristics of a Service Thinking approach:

3.2.1. The value concept

3.2.2. Value co-creation

3.2.3. Resource integration

3.2.4. Service systems and service ecosystems

3.3. Describe and distinguish between the following holistic analysis techniques:

3.3.1. Value stream analysis

3.3.2. Value proposition attributes

3.3.3. The service design gaps model

3.4. Identify and distinguish between the Five Dimensions of Service:

3.4.1. Outcome:

3.4.1.1. Reliability

3.4.2. Process:

3.4.2.1. Responsiveness

3.4.2.2. Assurance

3.4.2.3. Tangibles

3.4.2.4. Empathy

## 4. Design Thinking Practices Fundamentals (20%)

### Learning objectives for Design Thinking Fundamentals

- 4.1. Demonstrate an understanding of core Design Thinking definitions:
  - 4.1.1. Define 'Design Thinking'
  - 4.1.2. Divergent and Convergent thinking
- 4.2. Identify the quadrants of the Design Thinking Double Diamond:
  - 4.2.1. Discover
  - 4.2.2. Define
  - 4.2.3. Develop
  - 4.2.4. Deliver
- 4.3. Identify Design Thinking techniques:
  - 4.3.1. Discover: Service Safari
  - 4.3.2. Define: Customer Journey Map
  - 4.3.3. Develop: Lotus Blossom Technique
  - 4.3.4. Deliver: Scenario Analysis and Prototyping

## 5. Lean Thinking Fundamentals (20%)

### Learning objectives for Lean Thinking Fundamentals

- 5.1. Define the rationale for Lean Thinking
- 5.2. Describe and distinguish between Lean Thinking principles:
  - 5.2.1. Specify value
  - 5.2.2. Identify the value stream
  - 5.2.3. Flow
  - 5.2.4. Pull
  - 5.2.5. Perfection
- 5.3. Describe and distinguish between the following Lean Thinking concepts:
  - 5.3.1. Quality Control
  - 5.3.2. Quality Assurance
  - 5.3.3. SIPOC
  - 5.3.4. Kaizen
  - 5.3.5. The House of Lean

- 5.4. Identify and distinguish between the approaches for identification of waste:
  - 5.4.1. Muda: Waste (TIMWOODS)
  - 5.4.2. Muri: Overload
  - 5.4.3. Mura: Unevenness
- 5.5. Identify and distinguish between the following Lean Thinking improvement lifecycles:
  - 5.5.1. DMAIC
  - 5.5.2. PDCA
  - 5.5.3. PDSA

## **6. Organisational Agility (10%)**

### **Learning objectives for Organisational Agility**

- 6.1. Define the term 'organisational agility'
- 6.2. Identify and distinguish between the domains of organisational agility
- 6.3. Describe the elements of organisational agility:
  - 6.3.1. Problem solving mindset
  - 6.3.2. Courage/motivation
  - 6.3.3. Customer focus
  - 6.3.4. Capability leverage
- 6.4. Define organisational culture
  - 6.4.1. Define the term 'culture'
  - 6.4.2. Identify and distinguish between the elements of the Culture Pyramid:
    - 6.4.2.1. World view
    - 6.4.2.2. Formal dimension
    - 6.4.2.3. Informal dimension



## Question weighting for each syllabus section

Syllabus area	Percentage weighting	Target number of questions
1. Introduction to Business Service Design	10%	4
2. Systems Thinking Fundamentals	20%	8
3. Service Thinking Fundamentals	20%	8
4. Design Thinking Fundamentals	20%	8
5. Lean Thinking Fundamentals	20%	8
6. Organisational Agility	10%	4
Totals	100%	40

## Business Service Design Concepts, Approaches and Techniques

This section of the syllabus defines the key concepts, approaches and techniques within the learning objectives in this syllabus.

### Syllabus section 1: Introduction to Business Service Design

#### LO 1.1 Define the rationale for Business Service Design

<b>Define the purpose and focus of Business Service Design</b>	Business Service Design involves using a range of analytical frameworks and design techniques to define, develop and deliver customer-centric services that provide a foundation for business success.  The approach is holistic and can be adopted to enhance an existing service or to develop an entirely new service. It encompasses people and skills, organisational structures, business processes, information and technology.
<b>Define Digital Business Design</b>	'The holistic organizational configuration of people, processes and technology to define value propositions and deliver offerings made possible by the capabilities of digital technologies.'  Ross et al, Designed for Digital, 2019

Table 1: Rationale for Business Service Design

#### LO 1.2 Identify the core components of the Business Service Design approach

The five core components of the Business Service Design approach are shown in Table 2.

<b>Systems Thinking</b>	A discipline that is concerned with taking a holistic, systemic view of situations, services or items, viewing each as a system with an underlying purpose and comprising a set of interacting elements that together result in the emergence of additional properties.  'A discipline for seeing wholes and a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static snapshots'. Senge, 1990
<b>Service Thinking</b>	An interdisciplinary thinking approach focused on understanding the nature of value and the co-creation of value through the integration of actors' resources.
<b>Design Thinking</b>	Design thinking is a human centric approach focussed on innovative problem-solving and solution creation. It encompasses a process and set of techniques that encourage collaboration, ideation and experimentation (Tim Brown, IDEO)
<b>Lean Thinking</b>	A thinking approach which advocates the principles: Specify value from the point of view of the customer, identify the value stream, flow, pull and perfection
<b>Business acumen and</b>	<b>Business acumen:</b> The ability to apply knowledge and skill to make sense of an organisation, and its context. Application leads to informed and positive

<b>customer experience</b>	business decision making which aids the organisation in achieving strategic and tactical outcomes.  <b>Customer experience:</b> A multidimensional construct focusing on a customer's cognitive, emotional, behavioural, sensorial and social responses to a firm's offerings during the entire customer journey.
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**Table 2: Five core components of the Business Service Design approach**

***LO 1.3 Demonstrate an understanding of the link between Business Service Design and strategy execution***

The application of Business Service Design is relative to the strategic and market context. The focus is on the achievement of desired business outcomes.

**Syllabus section 2: Systems Thinking Fundamentals**

***LO 2.1 Identify and define the following:***

<b>A system</b>	A set of elements that interact in order to achieve a shared purpose. Emergent properties arise from the interaction of the elements; these properties are not available from individual elements but from the system as a whole.
<b>Systems Thinking</b>	A discipline that is concerned with taking a holistic, systemic view of situations, services or items, viewing each as a system with an underlying purpose and comprising a set of interacting elements that together result in the emergence of additional properties.
<b>Reductionist Thinking</b>	A thinking approach that breaks systems down into their component parts in order that each may be optimised individually.

**Table 3: Systems Thinking definitions**

***LO 2.2 Describe the characteristics of systems***

<b>Underlying rationale</b>	A system has an underpinning set of values and beliefs that explain why it exists and what it is designed to do.
<b>Interacting elements</b>	A system consists of several components that work together to deliver its product, service or outcome.
<b>Emergent properties</b>	The properties or outcomes that result from a system as a whole. For example, a vehicle provides the emergent property of transportation. This property cannot be obtained from the individual elements of the system (for example the engine, wheels, chassis) on their own.

**Table 4: Characteristics of systems**

### LO 2.3 Identify the following classes of system

<b>Natural systems</b>	Systems that are not made or controlled by humans but originate from the natural world.  Examples include systems such as an 'elephant' or 'coral reef'.
<b>Designed physical systems</b>	Systems that are physical artefacts created by humans as a result of conscious design. Examples would include a 'clock', bicycle and 'mobile phone'.
<b>Designed abstract systems</b>	Systems created by humans that are not physical artefacts and express ordered conscious thinking.  Examples include systems such as the 'Fibonacci sequence' (0, 1, 2, 3, 5, 8, 13, 21, 34...) or the 'Dewey Decimal' system (A classification index used by libraries).
<b>Human activity systems</b>	Systems that support a goal or purposeful human activity found in the real world. Human activity systems employ natural systems, designed physical systems and designed abstract systems.  An example would be a 'car wash' business that combines human workers, cleaning equipment, processes and pricing tariffs to clean cars.
<b>Adaptive systems</b>	A system that adapts to changes in its environment.  Examples include a thermostat that adjusts the heating in order to achieve a specified temperature.

Table 5: Classes of systems

### LO 2.4 Describe and distinguish between the following holistic analysis techniques

<b>Fishbone diagrams and the 6 Ps Framework</b>	A visual model which has a fish skeleton structure. The problem is shown at the 'head' of the fish. The categories to consider relative to the problem are shown on the 'skeleton' leading into the fish's backbone. Specific issues are represented by small 'bones'. Also known as an 'Ishikawa diagram'.  The 6 Ps Framework includes: <b>People, Place, Process, Promotion, Product/service and Performance Measures</b>
<b>POPIT™</b>	<b>People, Organisation, Process, Information and Technology.</b>
<b>Business System Diamond</b>	The technique focuses on the interdependency of the elements that it contains. These are structure, task, technology and people. Also known as 'Leavitt's Diamond'.
<b>Business Model Canvas</b>	A technique developed by Osterwalder and Pigneur which shows nine elements of a business model. These are customer segments, customer relationships, channels, revenue streams, value proposition, key activities, key resources, key partners and cost structure.

Table 6: Holistic analysis techniques

## Syllabus section 3: Service Thinking Fundamentals

### LO 3.1 Define the core service thinking concepts

<b>Service</b>	The process of using one's resources to create value with and for the benefit of another actor.  Wieland et al, 2012
<b>Goods-dominant Logic</b>	A world view that proposes that organisations create value through the construction of goods (products) or services that deliver value in exchange for money.
<b>Service-dominant Logic</b>	A world view that proposes that value is co-created with customers through the integration of resources and that value is realised in use. Service-dominant logic states that organisations do not deliver value but offer value propositions and that the customer determines whether or not value has been achieved.

**Table 7: Service science principles**

### LO 3.2 Identify and define the characteristics of a service thinking approach

<b>The value concept</b>	Value concerns the utility, experience and beneficial outcomes offered by a product or service and determined by the customer.
<b>Value-co-creation</b>	The application and integration of resources to propose and realise value. The value co-creation model sets out three activities: collaborate to identify where value may be achieved; collaborate to develop a solution that offers value; collaborate to realise value.
<b>Resource integration</b>	The application and integration of capabilities and competencies to co-create value.
<b>Service system</b>	A system where actors collaborate and integrate resources to deliver service, offer value and enable value co-creation.
<b>Service ecosystem</b>	A system where service systems at an organisational, departmental or functional level, integrate resources to deliver service and facilitate value co-creation. The service systems are connected by agreed working arrangements and apply the rules associated with each organisation.

**Table 8: Characteristics of a service thinking approach**

### LO 3.3 Describe and distinguish between the following holistic analysis techniques

<b>Value stream analysis</b>	<p>Value stream analysis is a conceptual modelling technique that represents the set of core activities required to offer a value item to an internal or external stakeholder. A value stream should support the delivery of a value proposition.</p> <p>Value Stream diagrams can be used to model either the current or target state. The activities modelled within a Value Stream diagram are focused on the delivery of the product or service and do not encompass the wider set of support activities.</p> <p>The activities that form a Value Stream are performed by an organisation in collaboration with stakeholders, some of whom may be external to the organizational boundary. The overview nature of a Value Stream diagram ensures that it provides a more stable representation than more detailed</p>
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	business process models typically used to represent the Value Stream activities.
<b>Value proposition attributes</b>	<p>A value proposition is a key concept for organisations and has three areas of focus:</p> <ul style="list-style-type: none"> <li>• Clarifying the outcomes offered by an organisation from the delivery of its products or services that the organisation believes will be perceived by customers to be beneficial.</li> <li>• Demonstrating to customers that what is delivered will achieve what they desire or need.</li> <li>• Differentiating organisations from their competitors. A value proposition can be a powerful mechanism where an organisation understands what customers require and value, and aligns this understanding with their values.</li> </ul> <p>A Value Proposition is a definition of the service offered to an organisation's customers through the delivery of products and services. It is developed through the analysis of customers' perspectives regarding a product or service. A value proposition states the level of service offered to customers and, if communicated, can help customers to clarify the service they require and select between supplier organisations.</p> <p>Kaplan and Norton (1996), the architects of the Balanced Scorecard, identified the key attributes that make up successful value propositions. These attributes are the drivers that lead to increased customer satisfaction, acquisition and retention.</p> <p>The elements of a value proposition are:</p> <ul style="list-style-type: none"> <li>• <b>Functionality:</b> the features offered by the product or service.</li> <li>• <b>Price:</b> the amount charged for the product or service.</li> <li>• <b>Quality:</b> the level of performance offered by the product or service. The level of quality depends upon the product or service but typical quality aspects include robustness, accuracy and speed.</li> <li>• <b>Choice:</b> the potential selection, customisation and personalisation of the product or service.</li> <li>• <b>Availability:</b> the level of responsiveness when dealing with customer requests for products or services.</li> <li>• The <b>image or brand</b> of the organisation and its perception by customers. Such perception may enhance the key features offered by a product or service and increase the customers' desire to engage with an organisation and purchase its products or services.</li> <li>• The <b>relationships</b> between the organisation and its customers. This relates directly to the experience offered by an organisation (and encountered by customers) throughout the entire customer journey.</li> </ul> <p>These attributes are categorised as follows:  <b>Suitability</b> attributes: Functionality; Price; Quality.  <b>Convenience</b> attributes: Choice; Availability.  <b>Personal affinity:</b> Image/Brand; Relationships.</p>

<p><b>The service design gaps model</b></p>	<p>The Service Design Gaps Model has been adapted from the Gaps Model of Service Quality (Bitner et al, 2010; Parasuraman et al, 1985). The model identifies five areas where there may be gaps between different activities within the process to design and deliver a service. The five gaps are:</p> <p>Gap 1: The Analysis gap : The gap between the customers’ requirements regarding the service and how the service requirements are defined by the organisation. This results from a failure to apply effective requirements engineering techniques.</p> <p>Gap 2: The Design gap: The gap between the defined service requirements and the designed service. This results from a failure to understand the service requirements and, accordingly, design the services that the customers want and expect.</p> <p>Gap 3: The Delivery gap : The gap between the designed service and the service delivered to customers. This results from a failure that occurs during service delivery, despite the service design meeting the customer needs.</p> <p>Gap 4: The Service Communication gap: The gap between the designed service and the service promises made to customers. This results from a failure to communicate accurately the characteristics of the service offered by the organisation.</p> <p>Gap 5: The Service Perception gap: The gap between the service expected by the customer and the service experienced by the customer.</p>
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**Table 9: Holistic analysis techniques**

### **LO 3.4 Describe and distinguish between the Five Dimensions of Service**

<p><b>Reliability:</b> the ability of the organisation to provide service that is dependable, efficient and accurate.</p>
<p><b>Responsiveness:</b> the ability of the organisation to respond promptly to customer requests, queries and complaints.</p>
<p><b>Assurance:</b> the ability of the organisation’s employees to inspire confidence, engender trust and build loyalty when engaging with customers.</p>
<p><b>Tangibles:</b> the appearance of the physical environment and artefacts associated with the service provided by the organisation, and the extent to which it appeals to customers.</p>
<p><b>Empathy:</b> the ability of the organisation to attend to individual customer needs in a compassionate and thoughtful way.</p>

**Table 10: Five dimensions of service**

## **Syllabus section 4: Design Thinking Fundamentals**

### **LO 4.1 Demonstrate an understanding of the core Design Thinking definitions:**

<p><b>Define ‘Design Thinking’</b></p>	<p>“Design thinking is a human-centred approach to innovation that draws from the designer’s toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.”</p> <p>Tim Brown, Executive Chair of IDEO</p>
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<b>Divergent and Convergent Thinking</b>	<b>Divergent Thinking</b> Thinking broadly and expansively about possible problems and options
	<b>Convergent Thinking</b> Evaluating options and deciding ways forward.

**Table 11: Core Design Thinking definitions**

#### **LO 4.2 Identify the quadrants of the Design Thinking Double Diamond**

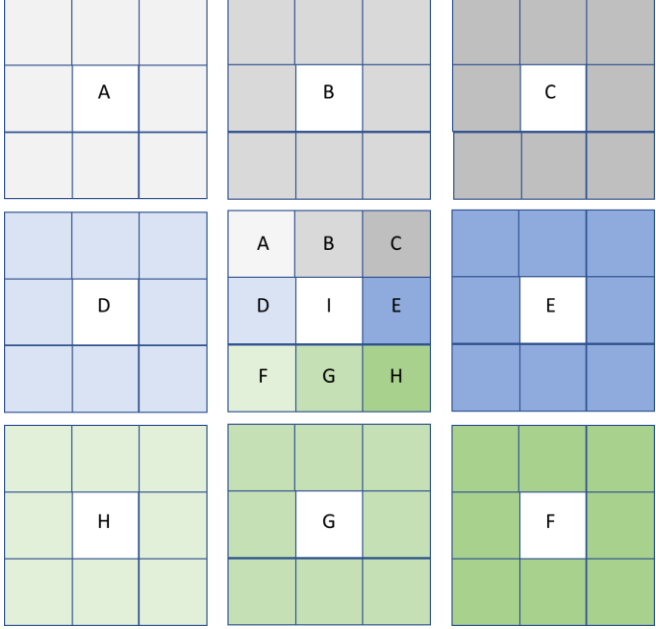
<b>Discover</b>	The first quadrant of the double diamond model. The 'Discover' quadrant is concerned with the beginning of a new initiative when research is carried out into customer problems and requirements, ideas and possibilities for new ways forward are generated, and insights are gathered and considered. Design thinkers begin to think about what might be new to consumers that might generate interest and engagement.
<b>Define</b>	The second quadrant of the double diamond model. The 'Define' quadrant focuses on making sense of the information elicited during discovery. The nature of the issues identified is analysed leading to the definition of the problem or challenge to be addressed.
<b>Develop</b>	The third quadrant of the double diamond model. The 'Develop' quadrant is the stage when potential solutions are identified, prototyped and tested. This process is carried out iteratively with feedback used by design thinkers to refine ideas and improve designs.
<b>Deliver</b>	The fourth quadrant of the double diamond model. The Deliver quadrant is where the product or service is launched into operation, additional feedback is sought and is used to evaluate and improve the product or service.

**Table 12: Components of the Design Thinking Double Diamond**

#### **LO 4.3 Identify Design Thinking techniques**

<b>Discover</b>	<b>Service Safari</b>	A technique used to gain in person understanding about services. Design thinkers experience a service personally in order to uncover the exact nature and characteristics of a service.
<b>Define:</b>	<b>Customer Journey Map</b>	A visual or diagrammatic representation of a customer's journey through the delivery of a service.  The representation should show the user role/persona, the interactions encountered during delivery of the service and the emotions experienced by the customer at each touchpoint.
<b>Develop</b>	<b>Lotus Blossom Technique</b>	A structured exercise used to enable brainwriting or brainstorming. It focuses on the expansion of an initial idea or problem which is shown at the centre of the Lotus Blossom diagram. This diagram is used to state the central



		<p>concern and generate ideas associated with it. Themes related to the central idea or problem are placed in surrounding boxes. Each theme is then assessed for related themes.</p>  <p>The central box, I, is where the problem or concept is noted. Ideas related to the concern in box I are then noted in the boxes A-H surrounding box I. Each idea is then placed in the outer box related to a specific letter. These outer boxes are then used to generate ideas related to the central item in each box. For example, outer box A is used to generate ideas related to the original item A.</p> <p>The technique should result in 64 ideas related to various aspects of the original concern. These can then be evaluated to decide if they should be taken further.</p>
<p><b>Deliver</b></p>	<p><b>Scenario Analysis and Prototyping</b></p>	<p><b>Scenario Analysis:</b> Development and examination of various possible positive and negative scenarios.</p> <p>Scenarios explore the way in which business actors interact with an organisation, function or system. Each scenario is triggered by a business event that initiates a sequence of actions. These actions should lead to the desired outcome or to an alternative defined outcome.</p> <p>Scenario analysis considers the standard series of steps within the scenario and then these steps are used to identify where alternative actions may occur or be required. The steps are carried out by one or more business actors.</p> <p>Scenario analysis can be used to analyse ideas, options and requirements and offer a basis for discussion with customers and other stakeholders.</p>

		<p>The steps in scenario analysis are as follows:</p> <ol style="list-style-type: none"> <li>1. Identify interaction to be analysed and the initiating event.</li> <li>2. Define standard sequence of steps/actions.</li> <li>3. Review movement between steps/actions to identify conditions to be achieved to move forward.</li> <li>4. Identify steps/actions required where conditions not met and define alternative paths to the scenario.</li> </ol> <p><b>Prototyping:</b> Building mock-ups, models, visual designs, interface simulations and physical prototypes (at relevant levels of functionality and fidelity) and using them to experiment with and illustrate ideas, obtain feedback, check expectations, generate options and test if objectives are achievable.</p> <p>A <b>Prototype</b> serves to illustrate the qualities and characteristics of an entire or partial solution. It may be a disposable prototype that is discarded once the objective of using the prototype has been achieved, or it be an evolutionary that is used to develop the eventual solution.</p>
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**Table 13: Design Thinking techniques**

## Syllabus section 5: Lean Thinking Fundamentals

### *LO 5.1 Define the rationale for Lean Thinking*

<b>Define the rationale for Lean Thinking</b>	'Provides a way to do more and more with less and less – less human effort, less equipment, less time, and less space – while coming closer and closer to providing customers with exactly what they want' (Lean Thinking, Womack & Jones)
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### *LO 5.2 Describe and distinguish between the following Lean Thinking principles*

<b>Specify value</b>	This principle is focused on value only being determined by the ultimate customer.
<b>Identify the value stream</b>	This principle is focused on understanding all stages of product or service delivery throughout the supply chain. This includes raw materials, components or information supplied into a value stream through to the product or service being consumed by an end customer.
<b>Flow</b>	The principle is focussed on making the steps to create the potential value 'flow'. It involves the elimination of internal departmental barriers and batches of work. Flow involves working continuously on raw materials/inputs until a product or service satisfactorily meets the customer needs.

<b>Pull</b>	This principle is focussed on the customer ‘pulling’ the product or service from the organisation as it is needed. This is the opposite of the organisation having an inventory of products or services that it then tries to ‘sell’ or ‘push’ to the customer.
<b>Perfection</b>	This principle is focussed on continuous improvement. It involves creating exactly what the customer wants, as efficiently as possible without the presence of defects or any other waste. The goal here is zero waste, zero delay and as the name suggests, customers delighted with the products or services offered.

**Table 14: Lean Thinking principles**

**LO 5.3 Describe and distinguish between the following Lean Thinking concepts**

<b>Quality Control</b>	An evaluation of quality to indicate needed corrective responses.
<b>Quality Assurance</b>	The act of giving confidence, the state of being certain or the act of making certain. This is in advance of the quality of outputs and outcomes.
<b>SIPOC</b>	Supplier, Input, Process, Output, Customer.
<b>Kaizen</b>	This is a word which means ‘improvement’ or ‘continuous improvement’. In the work context Kaizen is a disciplined process for understanding, analysing and continually improving processes, capabilities, procedures, products and services with the objective of meeting or exceeding customer expectations.
<b>The House of Lean</b>	<p>The house of lean is a visual concept which explains the core components of the lean approach. Includes the following aspects:</p> <ul style="list-style-type: none"> <li>• <b>Thinking People System (TPS)</b> - This represents a culture of curiosity and learning throughout the organisation and its people.</li> <li>• <b>Continuous improvement</b> – This represents a culture that constantly seeks to think about and deliver improvements. At no point will the organisation or its people feel satisfied that they have solved all problems or met all possible opportunities</li> <li>• <b>Respect for people</b> – This represents that all people in the organisation are respected, listened to and treated fairly. People can work, raise questions and ideas without fear of reprisal.</li> <li>• <b>Challenge</b> – This represents that a culture which supports continual challenge for improvement.</li> <li>• <b>Kaizen</b> – See Kaizen (above)</li> <li>• <b>Teamwork</b> – This represents a culture of trust and collaboration. Teams are supported by senior leaders and empowered to fix and resolve problems.</li> <li>• <b>Gemba</b> – This represents a culture where individuals (including leaders) visit the ‘workplace’ or ‘actual place’ where products or services are prepared or delivered.</li> </ul>

**Table 15: Lean Thinking concepts**

**LO 5.4 Identify and distinguish between the approaches for the identification of waste**

<b>Muda: Waste</b>	The Japanese word for 'waste'. Includes the 8 wastes of lean, summarised using TIMWOODS: <ul style="list-style-type: none"> <li>• Transport</li> <li>• Inventory</li> <li>• Motion</li> <li>• Waiting</li> <li>• Overproduction</li> <li>• Overprocessing</li> <li>• Defects</li> <li>• Skills underutilisation.</li> </ul>
<b>Muri: Overload</b>	The Japanese word for 'overload'. Occurs when capacity is not sufficient to meet demand.
<b>Mura: Unevenness</b>	The Japanese word for 'unevenness'. Occurs when there is an uneven demand for work to be completed such as the provision of products or services.

**Table 16: Waste identification approaches**

**LO 5.5 Identify and distinguish between the following Lean Thinking improvement lifecycles**

<b>DMAIC</b>	A framework used for problem or opportunity investigation which originates from the Six Sigma. Uses 'facts' or 'data' as a basis for continuous improvement. <ul style="list-style-type: none"> <li>• Define</li> <li>• Measure</li> <li>• Analyse</li> <li>• Improve</li> <li>• Control</li> </ul>
<b>PDCA</b>	A framework for continuous improvement. <ul style="list-style-type: none"> <li>- Plan. Define a problem, possible causes and plan solutions.</li> <li>- Do. Implement a solution in alignment with the plan.</li> <li>- Check. Evaluate results.</li> <li>- Act. Return to plan if results are not in alignment with expectations. Alternatively, standardise against the solution if this is satisfactory.</li> </ul>
<b>PDSA</b>	A framework for continuous improvement through <b>learning</b> . <ul style="list-style-type: none"> <li>- Plan. Define a problem, possible causes and plan solutions.</li> <li>- Do. Implement a solution in alignment with the plan.</li> <li>- Study. Study results and identify, assess and reflect on causes.</li> <li>- Act. Decide what to do next.</li> </ul>

**Table 17: Lean improvement lifecycles**

**Syllabus section 6: Organisational Agility**

**LO 6.1 Define the term 'organisational agility'**

An organisation that has the ability to think, understand and adapt quickly and easily.

**LO 6.2 Identify and distinguish between the domains of organisational agility**

<b>Enterprise</b>	The organisation as a whole.
<b>Line of business</b>	A specific line of business, division or geography entity.
<b>Programme</b>	The co-ordinated management of projects and change management activities to achieve specified goals and objectives.
<b>Product/service</b>	A specific product or service that the organisation offers to its customers.
<b>Individual</b>	An individual working within the organisation.

**Table 18: Domains of organisational agility**

**LO 6.3 Describe the elements of organisational agility**

<b>Problem solving mindset</b>	A mindset that is keen to analyse and resolve issues, identify and evaluate options and achieve the most effective solution.
<b>Courage/motivation</b>	A mindset that has the courage and motivation to embrace change.
<b>Capability leverage</b>	A mindset that looks to leverage existing business capabilities to identify and deploy new and improved business services.
<b>Customer focus</b>	A mindset that focuses on outcomes for the customer.

**Table 19: Elements of organisational agility**

**LO 6.4 Define organisational culture**

<b>Culture</b>	The shared values and beliefs that influence how those working within an organisation behave, think and feel.
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**Table 20: Definition of culture**

**Identify and distinguish between the elements of the Culture Pyramid**

<b>The world view</b>	This drives the organisational culture and is based upon the leaders' values, beliefs and priorities regarding the organisation that underpins why it exists
<b>Formal dimension</b>	The structures, policies and systems that are established within the organisation as a result of the world view and govern the way the organisation operates.

<b>Informal dimension</b>	The customary ways of doing things within the organisation, the anecdotes told that reflect behaviours and the symbols used to represent the organisation.
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**Table 21: Elements of the Culture Pyramid**