



# Continuous Improvement Toolkit

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## Observations and Gemba Walks

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An **Observation** is a data collection method used to gather detailed information about a process or a situation. It allows the observer to collect data in real time at the location where the data is generated. Observations are commonly used during process improvement and change management initiatives as well as in customer service environments. They are often used to fully document the value stream of a process, measure the actual performance against organizational goals, and acquire benchmark information to get an idea of the current performance levels against competitors and industry leaders.



Observation is an inexpensive method which only requires time and note-taking. An observer often collects performance data to verify an existing problem or a deficiency in the performance. This allows to better understand the process and the many factors involved such as the cycle times, yield rates, items in queue and recourse availability. An observation

form could be used for this purpose to record the observed data, interview responses, remarks and improvement opportunities:

Process:		Observer:			Observation date:	
Purpose of observation:						
Step #	Process step	VA, NVA or ENVA	Cycle time (AVG)	Yield (AVG)	Process map/drawings:	
					Total time:	
Remarks/improvement opportunities:						

**Process Observation Form**

Observations are also used to measure customers’ perception of quality on products and services. This helps to identify the customer satisfaction level and provides insights for improving products, services and processes. The key is to watch how the customer is using the product or service at their locations or where there is a direct interaction between the customer and your product or service (a retail store, for instance). It is important to train the observers and ensure they leave a good impression on the customers. Observations and interview responses may be recorded on a form such as:

Customer:		Observer:			Observation date:	
Time entered:		Time exited:			Store/location:	
Purpose of observation:						
Product #	Product description	Stock level	Time to process order	Complaints handling (Cases and minutes)		
				Exchange:		
				Payment:		
				Service:		
Remarks/improvement opportunities:						

## Customer Observation Form

### Gemba Walks

**Gemba** is a Japanese term that means “the real place” and refers to the place where value is created within the value stream. It could be the factory floor, the sales floor, the construction site, or where there is a direct interaction between the service provider and the customer.

A **Gemba Walk** is an activity that takes an observer to see the actual process at the actual place. It allows walkers to gain valuable insights on how to reduce existing waste (redundancies, bottlenecks, non-value added steps, safety hazards, etc.) and discover where continuous improvement opportunities exist. Leaders and staff members are highly encouraged to regularly walk the process in their workplace and apply Kaizen or other improvement initiatives where necessary. Sometimes there is a need to go to the customer’s gemba to look for opportunities to reduce waste and make improvements.

Gemba walkers should focus on something that is moving through the process (e.g. a product, an application or a work order), and not on the people who are working on the process although interviewing them can be very helpful. The goal is to find out what is really happening and not what is suppose to happen or whether people are following procedures or not. It is also important that no assumptions are made by the observers during the gemba walks and the observation sessions.

## How to Conduct an Observation

Whether you are observing a process or a customer using a product or service, the following points can serve as a guide to conduct an observation:

- With your team, clearly define the purpose of the observation and how the observed information will be used afterward.
- Determine the specific information that will be the focus of the observation.
- Prepare an observation form for collecting the desired information.
- Review the procedures, work instructions, and the relevant product and/or service information.
- Get permission from the process owner or supervisor to conduct the observation sessions and talk to the people there. And if you are going to the customer's workplace, contact them and arrange the timing.
- Plan your observation including time, location and observers.
- Conduct the observation and walk the process.
- Collect data, observe actual practices, interview people and ask questions.
- Take time to document important ideas and findings soon after completing the observation.
- Process and analyze the data.

## Further Information

- Sometimes there is a need to schedule multiple observation sessions so that you can capture the

variation in the process (when measuring the cycle time, for instance).

- Combining observation with **photography** can lead to even richer information and adds much interest to the work.
- Gemba walk is very similar to **MBWA** (Management by Walking Around). However, MBWA is more about strengthening the relationships with people and creating an environment of trust in the workplace.

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