Methodology to improve processes in fashion e-tail business: design and implementation

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Abstract

The company that is positioned in the luxury e-commerce business, it is growing extremely fast over the last years, along with the growth of the market. This rapid expansion had impacted the organization of the company since it brought a lot of complexity to the processes that are performed on a daily basis, and also enforce the existence of additional processes.

That intensity of the complexity that is lived within the company lead to the lack of structure when considering improvements and changes on existent processes, and also to the lack of consistency, engagement, and visibility on those projects.

Those consequences of the company’s expansion have triggered the necessity to develop a methodology to guide a project team throughout a project with the aim to improve processes. And so, this dissertation has been focused on that development, where it was tailored to the company’s culture, and structure.

That methodology is divided into six phases: Pre-Project, Process Identification, Solution Design, Implementation, Monitor, and finally Closing Session. Each phase is composed by several sub-phases that should be executed supported by some tools, in order to achieve some deliverables considered for each phase. Additionally, in the methodology were defined the person that should be involved in each phase and also the tools that are advisable to be used.

To validate the usability of the developed methodology and to iterate it accordingly with the internal needs of operational teams, it was driven an empirical application of the methodology into real scenario of the company, from the phase ‘Pre-Project’ to the ‘Solution Design’, where was developed solutions to support the execution of some tasks, were structured the processes and were standardize some tasks, with the aim to strengthen the consistency and the efficiency of the agents.

This project was focused on different objectives, on one hand, the company as a whole, by standardize the method that is used by the teams to improve processes, and on the other hand on improve processes, where were exploit opportunities to align with other teams, and to standardize, automate, move and autonomy some tasks.
Metodologia para melhorar processos no negócio de retalho de luxo online: Desenho e Implementação

A empresa que se posiciona no mercado de luxo online tem registado um crescimento rápido nos últimos anos, assim como crescimento do mercado. Essa rápida expansão afetou a organização da empresa, uma vez que trouxe muita complexidade para os processos que são realizados diariamente e também reforçou a existência de processos adicionais.

A intensidade da complexidade que é vivida na empresa leva à falta de estrutura aquando se consideram melhorias e mudanças nos processos existentes e, também, à falta de consistência, envolvimento e visibilidade desses projetos.

As consequências da expansão da empresa desencadearam a necessidade de desenvolver uma metodologia para guiar uma equipa de projeto para o objetivo de melhorar processos. Portanto, a presente dissertação focou-se nesse desenvolvimento, tendo sido adaptada à cultura e à estrutura da empresa.

A metodologia desenvolvida é dividida em seis fases: pré-projeto, identificação de processo, desenho da solução, implementação, monitorização e, finalmente, a sessão de encerramento. Cada fase é composta por várias sub-fases que devem ser executadas com o suporte de ferramentas, de forma a ser possível alcançar alguns objectivos considerados para cada fase. Para além disso, na metodologia também foram definidas as pessoa que devem ser envolvida em cada fase, assim como as ferramentas que são aconselháveis para serem usadas.

Para validar a usabilidade dessa metodologia e iterá-la de acordo com as necessidades das equipas operacionais foi conduzida uma aplicação empírica em cenários reais da empresa, desde a fase "Pré-Projeto" ao "Desenho da Solução", onde foi desenvolvida soluções para apoiar a execução de algumas tarefas, foram também estruturados os processos em análise e uniformizadas algumas tarefas, com o objetivo de fortalecer a consistência e a eficiência dos agentes.

Este projeto foi focado em objetivos diferentes, por um lado na empresa como um todo, ao uniformizar o método que é utilizado pelas equipas para melhorar os processos e, por outro lado, em melhorar os processos, de forma a serem analisadas oportunidades para alinhar as equipas, assim como uniformizar, automatizar, mover e proporcionar autonomia às equipas.
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1 Introduction

Luxury e-commerce is the core business of Farfetch, and during its nine years of experience, the company has been grown alongside with the market.

On-line commerce is been growing for the last years, and accordingly, to Statista the global retail sales in e-commerce is expected an increase from 8.7% (2016) to 14.6% in 2020 (Statista).

In addition, the market of luxury, considering that it comprehends a big variety of products, including drinks, fashion, accessories, fragrances, cars, and others, has grown from 1995, where it valued €77 billion, to 2016 with €249 billion, representing an increase of 323% in 20 years (Statista).

The growth of Farfetch¹, in the last years of an average of more than 50% per year, has followed and exceeded the growth of the overall market where it is present. Besides the impact of the market, its growth is also due to the uniqueness that characterizes Farfetch, not only regarding its business model but also due to its internal culture and strong values.

However, the growth is pursued by complexity, and so the necessity to focus on the internal processes arises. Therefore, this present project will be focused on those internal processes, mainly on the development of a methodology to support all the projects with the purpose to improve processes.

In order to have a better base for the methodology, this project was tested in a department of Partner Service (PS) and was focused on a category of processes that have more volume and are more complex, known as Returns’ Processes. By applying this project as a pilot project, it was an added value to perceive what is more suitable to use in the methodology, considering the practical perspective and Farfetch’s characteristics.

1.1 Context

Farfetch operates since 2008 in the industry of luxury items on the online global market, being an e-commerce platform that offers a wide range of products, over 100.000 different items, from more than 500 European, Asian, and American boutiques. And its purpose is to provide to the customers the world’s greatest selection of luxury in one place farfetch.com ‘from Tokyo to Toronto, Milan to Miami’.

Farfetch is currently located in 11 different cities (Guimarães, Oporto, Lisbon, London, Los Angeles, New York, Tokyo, São Paulo, Hong Kong, Moscow, and Shanghai) in 5 countries (Portugal, United Kingdom, United States, China, Japan, and Russia).

The main office in Portugal, more specifically in Oporto, is composed of the following departments:

1. Account Management: Responsible for any communication with partners before the photo production, and also a consultant of the partners in terms of strategy and planning.

¹ Farfetch is the world’s greatest selection of luxury, operating on luxury e-commerce industry since 2008.
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2. Customer Service: Responsible for the communication with the customer, by providing support about orders, products, campaigns, and any kind of issues presented by the final customer.

3. Finance: Responsible for managing all financial tasks of the company, on a daily basis;

4. Human Resources: Responsible for the daily human resources tasks and search for new collaborators.

5. Merchandising: Responsible for the analysis of the business, and support providers regarding pricing, discounts, sensitive analysis and stock.

6. Office Management: Responsible for manage all the matters related to the company’s facilities;

7. Operations: Responsible for the control, management and all daily tasks regarding supply, delivery, fraud, payments, and strategy.

8. Partner Service: Responsible direct contact with the partners, providing support for any kind of issues.

9. Production: Responsible for the creation of all the content that is uploaded to the website.

10. Technology: Responsible for creating, assessment and develop any feature related to the website, back office platforms, development and IT support.

The main differentiation that characterizes Farfetch from the direct and indirect e-commerce competitors is about its business model, once it is a marketplace in which all the items available in the website are owned by the boutiques. Thus, this differentiation affects the order process of the company, so after the client place the order, since the boutiques are the owners and possessors of the items, a carrier partner will pick-up the item to the defined stock point of the boutique to proceed the transportation to the final customer.

Considering this logic of shared business that is aligned with the dependency between parties, Farfetch is daily focused on sustainable partnerships, in order to provide an exceptional service to the final customer, from the moment he visits the website until the order is delivered, by making all the efforts to provide a luxury experience.

Besides that, the company is continuously innovating on the services that are offered to the final customer. These improvements are made internally, in operational tasks and tools that are not visible to the end-customer, but also along with the partners, as the more recent case of transportation services.

Farfetch despites having already launched the same-day delivery option, decided to break its own milestones, by overcoming that service with the 90 minutes service on a selection of 10 cities for an exclusive partnership with Gucci.

Driven by the continuous innovation and improvements that Farfetch is always focused and the potential impact that this dissertation will represent the internal changes, this project will be supported by the experienced team of Continuous Improvement of the Department of Operations Strategy.
1.2 Problem Characterization

Farfetch is growing too fast, and so is the complexity of the internal operations. The company, as said above, is divided into many different areas that are responsible for different customers and situations. And so, is needed to have always in mind what is the best for the final customer without undermining its and partners’ interests.

Focusing on the complexity brought by the need of increasing the number of partnerships with boutiques and brands, the number of orders, the variety of products offered and the customers’ base, each Farfetch’s area is focused on improving their own tasks disregarding the impact that those changes might have on the other departments involved, when treating cross-functional processes.

The consequent necessity to analyze the processes and to improve them is daily considered, and since the company is composed of a lot of processes it is necessary to focus on the ones that actually have the greatest impact on the company, mainly in costs and resources.

The inconsistency on this matter throughout the company, due to the lack of guidance on processes’ improvement, lead people to use different approaches, methods, and tools that compromise the perception of different individuals, becoming more confusing for the ones involved in the project.

Therefore, due to the increasing complexity and the lack of ownership that characterized the previous projects was felt the necessity to structure this type of projects and to standardize the tasks that are required throughout its development, in order to bring more consistency into the company.

1.3 Project Objectives

The present dissertation has the aim to create a multistage methodology that will help to improve the processes that compose the company that will be composed of stages from the moment that the issues are presented until the moment that the project is delivered to the featured person selected.

Alongside with the methodology, it is expected that it impacts the consistency of the development structure of processes’ improvement projects. Thus, allowing the project’s stakeholders, no matter their area of expertise, to be aware of what is required to be done and what is the basis plan to the project.

Besides that, it is also expected that the new methodology’s approach impacts the activity of improving processes, due to the structure and fundament that is prospective to be delivered to achieve the purpose mentioned above. And so, it is also expected the impact on teams’ efficiency, on the final customer’s value perception of the service and the relationships with partners.

1.4 Project Methodology

Considering the dissertation’s objectives mentioned previously, it is important to have defined how the project will flow throughout the period stipulated. The stages of this project are organized as presented in the following methodology:
The first step that is extremely important for further development of the present document is the literature review, where is needed to study the concepts and topics that will be considered and implemented throughout the project.

Secondly, the projects will be focused on the analysis of the company’s situation, in order to perceive the problem and the needs that are impacting it. This step will be executed along with the team of Continuous Improvement that has a vast experience with this type of projects, and so will be crucial to the process of gathering requirements and considerations that have influence on the way the project will be developed.

The stage of development is the main phase, since it is where is developed the guidance that will be used and experimented in real scenarios. The phase is going to be cyclic, since it is necessary to continuously reiterate, until find the most suitable techniques and tool, according to Farfetch’s operating model.

Subsequently the methodology will be trained and implemented to a limited number of agents operating with the specific processes that were in analysis. The data will be, then, analyzed, in order to understand the real impact of using the methodology and to make necessary improvements. Thus, it will be also trained and rolled-out globally.

The final step is dedicated to the analysis of the results of the project to improve processes, where is supposed to compare the data before and after the changes implemented on the company’s processes.

1.5 Document Structure

The present dissertation is divided into 5 chapters that are:

Chapter 2 (Background) that combines the themes that are relevant for the development of this project, including Luxury E-commerce and E-tail, Project Management, Business Process Modelling and re-engineering and Lean Thinking.

Chapter 3 (Methodology to Improve Processes) where is found an explanation regarding the how improvements were done in Farfetch in previous situations, and then, the description of the methodology developed, and how it is composed, by stages, the sub-stages, the needed tools, approaches, and people who should be involved.

Chapter 4 (Proof of Concept) concerns its application to real situations, alongside with the Department of Partner Service, where this methodology was tested in order to gather the best insights to iterate it.

Chapter 5 (Conclusions and Future Work) highlights the results of the methodology’s implementation and the considerations for future work.
2 Background

This section will be focused on the clarification of the significant concepts that would be used throughout this project. Taking into account the nature of the business and the purpose of this dissertation regarding projects to improve processes that have an emergent importance the concepts that should be enlighten are “Luxury E-commerce and E-tail” that corresponds to the business area of Farfetch, “Project Management”, which is the main focus of this project, "Processes’ Improvement Approaches" by being the base to improve processes, and finally “Business process modelling” where the methodology will be focused.

2.1 Luxury e-commerce and e-tail.

The e-commerce is used to create value through internal and external relationships, being a way to exploit opportunities for being closer to the customer, due to the electronic channels, as Internet and Web. Hence, the e-commerce is not considered, anymore, as an alternative to business strategy, it is more seen as a key success factor for a company, considering the competitive advantage that it can bring alongside with the multi-channel efficient coverage (Damanpour & Damanpour, 2001).

Even the conservative luxury industry was challenged to enter into the electronic channel. This challenge was triggered by the necessity to be closer and more interactive to their fans and customer in on-line field (Bjørn-Andersen & Hansen, 2011), which become a pressure for the industry to combine both realities.

This uniqueness around luxury, the way it impact the individuals’ behaviour to maintain their need of showing distinction and status by their possessions, alongside with factors of the current reality, i.e. culture convergence, new segments appearance, digital platforms of communication, globalisation, the growing of the client base, and consequently, the shortening of the entry barriers to potential competitors made this industry capable to grow in the last 3 decades, to a valuation of $180 billion (Okonkwo, 2009a).

However, the concept of luxury is linked with unique and exclusive products characterized by high quality, restrict distribution and premium pricing (Okonkwo, 2009a), being defined as a specific identity, philosophy and culture, note merely a lifestyle, a service or an product (Okonkwo, 2009b). Therefore, the conjugation with digital channel it is being target of discussion, due to the reputation of the Internet of being a channel for mass market, once it impacts the physical and sensorial interaction between the boutiques and their customers that traditionally characterize this industry (Okonkwo, 2009b).

Nevertheless, some researchers found that the combination of Internet and luxury can be successful, not only in the matter of e-commerce, but also in brand communities and social media platforms (Bjørn-Andersen & Hansen, 2011). If the luxury brands, considered the trust sources that the client consider when using e-commerce that are: “the personal characteristics of the consumer, features of the firm and the website, and the interactions that consumers engage in with the firm and the website”, and maintain their identity it is possible to have a sustainable e-commerce platform (Chen & Dhillon, 2003).

Furthermore, it is expected that the integration of this concepts will be challenging, since there is no defined framework to align the digital channel used and brands positioning. However, it has been proved that “Internet remains a key source of value for the positioning
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of luxury brands on a vantage point both in its present state and in the course of its continuous evolution.” (Okonkwo, 2009b).

2.2 Project Management

The concept of Project Management is the combination of the term Project, which comprehends a temporary effort with a defined start and end date to develop some type of output that can be a product, a service or a result (Rose, 2013) and the term Management, that according to Henry Fayol it is “to forecast and plan, to organize, to command, to co-ordinate and to control” (Fayol, 2016).

Thus, the concept Project Management as a whole has the purpose to meet defined project’s requirements by using knowledge, skills, tools and techniques into the project activities. For it to be successful, it is crucial to have in mind the guidance of the Process Groups that are: Initiating, Planning, Executing, Monitoring and Controlling, and Closing. The interaction and the overlaps that the groups have throughout the project’s phases are represented below, in Figure 2 [Source: A Guide to the Project Management Body of knowledge (PMBOK Guide) Fifth Edition].

![Figure 2 - Process Groups interaction in a Phase or Program](image)

In the last years, is being evident the increasingly interest to look at project management as a methodology to be followed when considering ad-hoc activities, i.e. resolution depending on a specific difficulty or task. Those ad-hoc activities are a result of the continuous changes that characterize the contemporary companies, which are encouraged with the highly competitive environment in the global market. Thus, is being stated that “Project management has evolved into a business process rather than merely a project management process” (Kerzner, 2013).

Nowadays, due to the competitiveness brought along with the globalisation, the companies are always focused on optimising some of their key performance criteria, such as productivity, costs, quality of product and/or service, and also innovation. That continuous optimization of their offerings along with their internal processes allows the companies to increase the value perception of the customers, impacting their satisfaction. Some instruments that are being used to perform incremental improvements are project management philosophies and methods.

Hence, the project management concept is also important and useful as a method to deal with changes in strategic and processual terms, (Cleland & Gareis, 2006), once projects are driven to achieve organization’s objectives, including demand, business opportunities, customers’ requests, and requirements regarding legal issues, environment, technological innovation and social needs (Rose, 2013).
(Kerzner, 2013) has stated that the companies are considering project management as a survival methodology to keep the firm continuously competitive, due to its temporary structure, more organic and more adaptable to react to any changes that can happen internal or externally to the company. This volatility associated with a project’s surroundings and characteristics impacts the project life cycle, requiring a continuous iteration of the project’s planning (Rose, 2013).

2.2.1. Project Governance

The persons who are impacted by some type of decision, activity or outcome of a project are known as stakeholders that, according with Kenneth H. Rose (Rose, 2013) can be sponsors, customers and users, sellers, business partners, organizational groups, functional managers, and the project team.

Different expertise of each stakeholder can create some conflicts among them, since they have different expectations regarding the outcomes of the project, and even about some activities during the project. The barriers raised by different opinions are important to manage, that’s why project governance is one critical topic to consider when managing a project.

Project Management Institute states that project governance controls the way the organization governance model is aligned with the product life cycle, using a framework that provides information about structure, processes, decision-making models and tools for each phase that composes the project management. Besides that, it is composed by the definition, documentation, and communication, in order to provide a more reliable and repeatable practices.

Project governance framework is useful for (Rose, 2013):

a. Making project decisions;

b. Defining roles, responsibilities and accountable relevant for the project’s success;

c. Determining the effectiveness of the project manager.

2.2.2. Value Co-creation

Considering that the company has three different type of customers – final customers, employees and the shareholders – does make sense to explore the concept of value co-creation within the company, since this project will be focused on the engagement of people, to participate in the improvement of something that is theirs.

The concept of value co-creation is mostly associated with customer involvement in create value at the moment of service delivery. However, the concept has been analysed when apply with all the network of stakeholders (Ramaswamy & Gouillart, 2010).

In the study developed by Ramaswamy and Gouillart, were considered managers that went beyond the conventional mind-set of looking only to their offerings/outputs and focused on the power of the people engagement to share different perceptions, learning and innovation, as represented in Figure 3.

This updated concept of value co-creation considering the co-creative enterprises it was developed considering that a company “enhances strategic capital, increases returns and expands market opportunities”, by combining the inputs of all the stakeholders to generate competitive advantages that enables the chance to reduce risk and capital needs.
2.3 Processes’ Improvement Approaches

Processes’ improvement is an activity that is being constantly considered by companies, considering the evolution that the industries are experiencing, due to technological and technical growth and innovation. Hence, companies in the different markets are facing a huge competitiveness, due to globalization, and also need to satisfy customers’ demand and expectations, in order to maintain a competitive advantage and positioning on the industry.

This need to improve processes was deeply studied, and several methodologies were created and implemented, in order to achieve that purpose, which can represent difficulties to the companies that are willing to use them to choose the most suitable, since they can be confused due to their similarity related with some features (Rashid & Ahmad, 2013).

Those several methodologies created throughout the years to continuously improve processes, which is associated with the incremental iterations or breakthroughs of the existing processes focusing on company’s outputs, products or services, key performance indicator (KPI) and processes. Those methodologies can include, beside others, Kaizen, Six Sigma, Lean Thinking, Process Re-engineering (Gershon, 2010) (Rashid & Ahmad, 2013).

2.3.1. Key Performance Indicators (KPIs)

A key performance indicator, also known as KPI, comprehends the most critical factors for a company’s success (Parmenter, 2015). According with Bernard Marr, an expert on performance consultancy, defends that KPIs are focused on the performance of a company, a project or even of individuals, considering the goals defined by the company. This measure also enables the analysis of the progression in operational and strategic matters. Additionally, KPIs can be used as a tool to compare the performance of a determined company against its competitors. For a KPI to be reliable it should be SMART, i.e. Specific, Measurable, Attainable, Realistic and Time-sensitive (Shahin & Mahbod, 2007).

2.3.2. Kaizen

The Japanese concept of Kaizen comes from the conjugation of two words “Kai” and “Zen” that means, respectively, “change” and “for the better”. And it was created on Toyota Production Systems, applied on manufacturer quality to abnormal situations.

This concept resulted on the methodology of Kaizen that is vastly studied and applied on companies, which was created with the aim of improve processes, performance and quality, and also to reduce costs (Singh & Singh, 2009).
The Kaizen is more related with the incremental improvement of processes, i.e. it is focused on small improvements (Imai, 1986), instead of breakthrough changes. Thus, it was developed a problem-solving format to improve and maintain standards that, nowadays, is known as PDCA or PDSA that are also composed by four steps, which are Plan, Do, Check/Study and Act.

The Plan step comprehends the definition of the problem, and its possible causes and solution. The Do step is about the implementation of the solution considered on the previous step. The Check or Study step is about analyse results, compare them with the expectation and review what was learnt. The Act step is where are made decisions, considering the results, if they were positive the decision is to standardize, if it is negative return to the first step of the cycle (Moen & Norman, 2010).

This approach of problem-solving has evolved from the Deming Wheel, a framework that is composed by four steps, which are Design, Production, Sales and Research that are similar to the steps that are followed nowadays in PDCA. In Figure 4 is represented the relation between the terms used on Deming Wheel and PDCA cycle (Imai, 1986) (Moen & Norman, 2010).

Moreover, in order to have a better fundament of the problem in analysis can be conjugated some tools related to root-cause analysis, which can should be used during the first step of the PDCA cycle that is Plan. Specifically, Ishikawa Diagram and 5 whys that are the tools most known for the purpose of define the cause of issues.

**ISHIKAWA DIAGRAM**

This methodology, also known as Fishbone Diagram (Figure 5), was created in the 60s by Kaoru Ishikawa (Ishikawa, 1986) to Kawasaki for quality management processes, which was the trigger to create the basis of the contemporary management. In the beginning, it was applied into manufacturer purposes of product design and prevention of defects, and, nowadays, it is more associated with brainstorm analysis, by considering the causal structure that enforces the start of a deeper analysis of a specific problem by (Goldsby & Martichenko, 2005).
5 Whys

5 Whys’ tool, in Figure 6, alongside with the Ishikawa diagram, is used to define a root-cause for a problem. However, it allows a profounder investigation, based on the insights that can be gathered with the structure of Ishikawa diagram in the brainstorming sessions. The succession of “Why” question permits the participants to get the essence that promote the matter (Goldsby & Martichenko, 2005). Thus, it represents the reason to the complementarity of these tools to be indispensable for a reliable perception of the problem and notion of where is important to act, in order to solve the main issue considered.

Figure 6 - Example of a 5 Why Analysis

2.3.3. Six Sigma

Six Sigma was created by Bill Smith on Motorola with the purpose of improve their product quality and their profitability, which had positive results on the 1980s (Pyzdek & Keller, 2014). The concept is considered an approach to business improvement that is focused on search anomalies and eliminate them, in order to deliver to customer better outputs.

This approach has the aim to impact performance, customer satisfaction, and costs and revenues (Snee, 1999), where it influence the creation of more value with less resources and reduce variation that occur on the processes, by using approaches, such as DMAIC approach to improve processes and also products, in order to influence efficiency and effectiveness (Pyzdek & Keller, 2014).

DMAIC approach is divided into five concepts that are (Pyzdek & Keller, 2014):

1. **Define**: correspond to the definition of the goals for the activity to improve processes, where can be used some tools such as process mapping, flowcharting and problem solving features.

2. **Measure**: comprehends the quantification of data related with the processes or with the system.

3. **Analyse**: is related with the analysis of the processes or system, in order to improve them, by eliminating gaps that exist to achieve the goals of the company or team.

4. **Improve**: comprehends the improvement of the processes or system, being based on some concepts, including project management, process optimization and design concepts.

5. **Control**: is focused on the monitoring of the new processes or system.
2.3.4. Lean Thinking

Lean production was the first approach applied to improve performance. This methodology was developed by Toyota to its production system. This approach was focused on providing the maximum value to the customer, alongside with more flexibility and responsiveness to their desires, with less resources, by reducing all the waste that can exist along the processes. That reduction of waste can happen in human effort, space, tools, time, and overall expense (Womack & Jones, 1994).

However, with the years this spread from manufacturing and production areas to fields of service, trade and public sector being more focused on quality improvements (Leite & Vieira, 2015). It was in the 70s that was considered to transfer the logic used in the production line into the services, since they were economically growing but reducing in quality (Levitt, 1972). The services in opposition to the industrial matter was more “people intensive”, which represented an opportunity due to its volatility regarding efficiency, reliability and quality, where practical accomplishments that people could produce with less and simpler tools and methods (Levitt, 1976).

Afterwards, in the 90s a framework was proposed, which represented the linkage of services and lean, “The convergence of services and guidelines of manufacturing production” that was based on the forecast of mass customization that could characterize in the service industry, where, for the first time, the lean tools that were used in the production line were applied into the services (Bowen & Youngdahl, 1998).

Subsequently, appeared the terminology of Lean Thinking, by the hands of James P. Womack and Daniel T. Jones which has been divided into 5 principles (Womack & Jones, 2010) that are the following:

1. Precisely specify value by specific product;
2. Identify the value stream for each product;
3. Make value flow without interruptions;
4. Let customer pull value from the producer;
5. Pursue perfection.

The lean thinking approach was created due to the existence of the Japanese concept muda that means “waste”, which is everywhere. Lean thinking was the solution needed to support the elimination of the seven types of muda (Ohno, 1988):

- Overproduction: Doing reports nobody is going to read in detail;
- Information transfer: Continuously interruptions to pass information;
- Movement: Travelling;
- Stock of information: Working processes in large batches;
- People waiting: Waiting for the authorization of the boss;
- Over processing: Tasks that are not necessary to meet customer requirements;
- Errors: Draft files sent as final versions.

According with James P. Womack and Daniel T. Jones (1990) “lean thinking is lean because it provides a way to do more and more with less and less” (Womack & Jones, 2010) by
providing an immediate conversion from *muda* to value which impact the satisfaction regarding the effort.

The application of lean principles in the services was studied and were considered the main challenges that occur that are: managing knowledge, coordination of activities, standardizing customized services, developing systematic continuous improvements, and managing external parties. Alongside with this conclusion, it was evident that this application in services can end as a vicious cycle, and the prevention proposed to that is to look into the waste reduction as an optimization and no maximization (Asif, Lowik, Weusthof, & Bruijn, 2010).

**2.3.5. Process Re-engineering**

The concept of Re-engineering is associated with the perception of where and how it is possible to create value for the stakeholder, and it can be divided into two realities, Process Re-engineering and Business Re-engineering, where the first one concerns the rethinking and streamlining processes, by impacting the performance, being focused on the service, quality, speed or even costs and the second is focused on rethinking and re-designing the business and strategy (Romney, 1994) (Talwar, 1993).

Re-engineering concept, in opposition to Kaizen, is focused on breakthrough changes, where is demanded the analysis of the fundamental processes of a company considering a cross-functional perspective, in order to achieve high improvement levels. In addition the principals of this methodology of re-engineering are(Hammer, 1990):

1. Organize around outcomes, not tasks;
2. Have those who use the output of the process perform the process;
3. Subsume information processing work into the real work that produces the information;
4. Treat geographically dispersed resources as thought they were centralized;
5. Link parallel activities instead of integrating their tasks;
6. Put the decision point where the work is performed and build control into the process.

**2.4 Business process mapping**

All companies have a set of activities that are combined to create a structured and logical path in order to achieve defined objectives, being known as Business Process (Aguilar-Saven, 2004). The Business Processes should be grouped as families of business processes variants, which allows the reduction of potential redundancies and inconsistencies. Besides the advantage expressed before, the fact of modelling all the processes together brings some complexity, and thus, some difficult to comprehend them.

However, this conjugation of processes can also be crucial to have a broader vision of how the company is composed, allowing an easier exploitation of opportunities to improve them, impacting on internal activities, and, consequently on the final customer (Milani, Dumas, Ahmed, & Matulevičius, 2016).

According with (Harmon, 2007) the challenges imposed by the demanding customers’ expectations, alongside with Internet motivated the managers to develop new business processes or to improve the existing ones, with the purpose to be more efficient, to achieve better profitable results and to provide higher customers’ satisfaction.
For a good perception and analysis of the Business Processes it is needed to resort to Process Model (Aguilar-Saven, 2004), a concept that has gain a huge importance in organizational fields far from software engineering, being, nowadays, designed by persons in different departments, from business to technical, that are no experts in this matter (Becker, Rosemann, & Von Uthmann, 2000).

This action is more evident in companies that have more experience and are willing to reach better outputs, and so, are focused on projects that allows the creation, redesign or improvement of some processes. To illustrate, the well-known Amazon.com and eBay proved that incremental changes can be incredibly successful (Harmon, 2007).

The application of these Business Process Modelling concepts in operational environments is a consequence of the processes’ impact on the goals defined within the company and their alignment with expectation of the final-customer. These processes represent a set of activities, which can be consider tasks, steps, events of operations that add value through the pathway until the output for the customer is produced (Anjard, 1996).

To have a more visual perception of the inputs, outputs and the linked tasks, people should resort to process map, which is a tool used to highlight the main steps needed to achieve the outputs and the participants of the process, and also the consistent problems that may have impact on the quality of the outcomes. Process maps are crucial for the efforts of process re-engineering (Anjard, 1996). For that visual perception of the processes some tools are used to that purpose, which can include, beside others, SIPOC, Multi-level Model and Swimlane Diagram.

**SIPOC**

Nowadays, SIPOC is a tool associated with the Six Sigma methodology, which is used for projects with the aim to improve processes, since it is associated with process mapping. However it allows a high-level perception of the elements that should be considered on the processes. Those elements correspond to the initials of the tools that are: S, referent to the ‘suppliers’ of the inputs, I, the ‘inputs’ needed for the process, P, the ‘process’ that is being analysed, O, the ‘outputs’ expected from the process and C, the ‘customer’ whom will receive the outcomes of the process (Simon, 2012).

**MULTI-LEVEL MODEL**

The multilevel model has the aim to present all the relevant information relative to the process in a simpler structure to easily understand, is composed of three different levels of specificity. The first level that has the purpose to show what is present in the process with low level of detail, where are represented the main phases that are separated by a baseline or a milestone, which comprehends the trigger to the next phase, are also represented the macros activities of those phases and also includes a matrix of responsibilities, in order to have a structured illustration of who participates in each phase and main activity. The second modelling level has more details than the previous level and has the aim to show who participates considering the flow of the process through the usage of swimlanes and flowcharts, which represents the sequence of the tasks needed for the process. The final level of this model has the aim to specify how the activities are performed by working instructions. Not all processes need this level of detail, once it should be applied to the tasks that represent complexity.
SWIMLANE DIAGRAM

In process mapping the tool that is chosen depends a lot on the purpose of the mapping need. Swimlane diagram is a flowchart that allows a better communication than a text explaining the process (Kesari, Chang, & Seddon, 2003). Since, it provides a clear visibility of the participants and the tasks that are done by each throughout the process. Besides that, with swimlane diagrams it is easier to find where the delays can occur, where happen the transfer of information between departments and also the overlaps and redundant task between the participants.
3 Methodology to improve processes

This section of the present dissertation has the purpose to explain how the process of improving processes was driven in previous situations at the company. Alongside with the detailed explanation of the new methodology to improve processes that were proposed and tested within Farfetch.

3.1 Current Situation

Farfetch’s growth throughout the years brought complexity for its structure, and so nowadays the company is divided into the diverse functional areas (Figure 7) which in this type of projects involve more than one team of operations and, sometimes, tech teams. The procedure to improve a process, in previous years at Farfetch, was not the most consistent, and so it started to be seen as a pain point for the various departments that compose the company.

That inconsistency was triggered by the method that was followed to make the improvements. It wasn’t structured and was applied, normally, when during a meeting arose an enumeration of some issues or ideas to make changes, which would be, further, managed as an ad-hoc activity, only under the direction of the supervisors and managers, with no defined person to be responsible for the changes.

Consequently, this ad-hoc and unstructured method impacted the alignment between the teams, considering that most of the processes and more relevant are cross-functional.

The fact that the changes were made within a restrict group of individuals influenced the visibility to all persons that would be impacted by the changes. Those persons, would only be informed about the changes, while they were trained.

Besides this lack of visibility, the method was applied fully based on the issue or idea proposed. For instance, the group was used to make the decisions without searching for more detailed information regarding team’s KPIs, which represent all the indicators of the team’s performance, such as their volume of requests waiting for some action, their responsive time and others depending on the team’s SLA (service level agreement). And thus, the potential
impacts, positive or negative, on the team’s KPIs were not expected, due to the absence of knowledge and data to sustain those decisions.

Additionally, the implementation procedure was not standard, since it changes considering the different departments, impacting on the teams’ alignments and on the performance of the agents.

In summary, the problems that triggered this dissertation were:

1. Lack of structure, mainly associated with absence of standardization when looking at projects to improve process and the basis of ad-hoc situation, had led to the structure that is insufficient to execute sustainable improvements;
2. Lack of involvement of the agents, since they only were informed at the moment of training;
3. Inconsistency on the usage and consideration of KPIs and data analysis regarding the processes;
4. Lack of alignment between the team, not only on the training, which is different from team to team, but also on the action to improve processes that are cross-functional, where is only taking into account the team where the issue arose with any arrangement with teams involved;
5. Undefined process governance and mainly the responsible for the changes.

### 3.2 Methodology Phases

The methodology was created with the purpose to support the projects of processes’ improvement. Thus, in order to define the structure to this approach, it was considered previous practical studies and research about Project Management and Continuous Improvement Methodologies. The conjugation of those insights with the reality and needs of the company it was created a structured six-phase methodology in order to facilitate the activity to improve processes within Farfetch, as shown in Figure 8.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Purpose</th>
<th>Input</th>
<th>Tools &amp; Concepts</th>
<th>Output</th>
<th>Persons</th>
<th>Moment</th>
<th>Communication Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Project</td>
<td>Understand the impact and value for the company and for the customer.</td>
<td>Map the processes as they are being performed.</td>
<td>Process identification</td>
<td>Map the processes with what is expected in the future, with the changes related to the opportunities</td>
<td></td>
<td>Capacity to perform processes</td>
<td></td>
</tr>
<tr>
<td>Process</td>
<td>Prioritize processes that influence the service level.</td>
<td>Exploit problems, overlaps, and gaps between internal teams.</td>
<td></td>
<td></td>
<td>List of opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Process approval Action Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation</td>
<td>Share the information about the changes in the processes.</td>
<td></td>
<td></td>
<td></td>
<td>Capacity to perform processes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitor</td>
<td>Monitor the changes that were made in the processes.</td>
<td>Compare data regarding the processes – Before and After the changes</td>
<td></td>
<td></td>
<td>Potential changes Changes quantification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing Session</td>
<td>Project delivery to the processes’ owner.</td>
<td></td>
<td></td>
<td></td>
<td>Handover of documentation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 8 - Methodology Matrix: Phases explanation
For a more visual structure, the methodology is organized in a matrix (Appendix A), since there are some criteria that are important to consider for each phase. Those criteria are the **purpose** that corresponds to what is expected of the phase, the **inputs** needed to start the phase, the **outputs**, that determine if it is possible to pass to the next stage, the **tools** to support the development of the phase, the **persons** that should be involved throughout the project, the **sub-phases** which comprehends the moments that compose the phase, which should have a specific type of **communication**, considering the information that is needed and the persons involved, and, finally, the **key questions** that should be asked in order to maintain the focus on what is expected for each meeting or communication, Figure 9.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Input</th>
<th>Tools &amp; Concepts</th>
<th>Output</th>
<th>Persons</th>
<th>Moment</th>
<th>Communication Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>What’s expected from this phase?</td>
<td>What’s needed to start the phase?</td>
<td>What’s is suppose to support this phase?</td>
<td>What’s the expected result of this phase?</td>
<td>Who are the persons that should be involved in this phase?</td>
<td>What are the moments that compose this phase?</td>
<td>What type should be used in each moment?</td>
</tr>
<tr>
<td>Examples: Swimlane process</td>
<td>Examples: Fishbone diagram</td>
<td>Examples: Key performance Indicators</td>
<td>Examples: Department’s Head, Manager, Agents, Trainer</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 9 - Methodology matrix: Criteria explanation

The six steps are separated into two groups, one that is composed by the first phase, ‘Pre-project’, where can be defined multiple processes to be improved, while the other phases needed to be repeated for each process.

The first phase is ‘Pre-Project’ as the name expresses, it will happen as an isolated task, that has the purpose to consider the issues presented or found, and consider their impact and value for the company and for the customer. Within this analysis is supposed to define what processes should be considered, in order to focus only in processes that influence the service level and, consequently, the success of the company and prioritize in which to focus first. The baseline considered in this stage is a final Business Case, including considerations regarding costs, KPIs on the teams that perform the processes, the impact on satisfaction, and finally, the proposed reduction.

The second phase ‘Problem Identification’ is related with action of map the processes as they are being performed and who is involved in the processes’ tasks. Alongside with the mapping it is in this phase that the potential opportunities are considered, by looking at the problems that processes’ experts highlight, and also overlaps and gaps between internal teams. The deliverables of this stage are process AS IS validated and a list of the opportunities raised through the mapping sessions.
The third phase is ‘Solution Design’ that has the objective to map the processes with what is expected in the future, including the changes related to the opportunities found in the previous stage. The baselines needed to keep with the project is the approval of the processes in collaboration with a manager, and also the action plan to be implemented in the next step, that includes the detailed plan of implementation, considering the type of implementation, the resources and agents to be trained.

The forth phase ‘Implementation’ has the aim to train and provide to the agent the information about what was change and the way that the processes are going to be performed. The application of the changes will only be performed by the persons that are trained and starts at the moment of training. The baseline of this phase is related with the capability and knowledge that the agent has to perform the tasks accordingly with the training provided.

The fifth phase is ‘Monitoring’ which is related with monitoring the changes that were made in the processes, by analysing the actions taken considering the request and the impact of that on the data, by comparing data regarding the processes as they were before and the data regarding how the processes are being performed after the change. The deliverables are the potential incremental changes that can be gathered during the monitoring and the quantification of the changes.

Finally, the sixth phase ‘Close the Project’ exists for the project to be delivered to the processes’ owner, defined in the first phase. The baseline of this stage is the delivery of all the documents developed during the project to the chosen person that will be responsible for the future changes that would be necessary to implement in the processes.

3.2.1. Pre-Project

The ‘Pre-Project’ is triggered by some type of input, which can be an idea to improve or change a process or tasks that already exist or to create something new, or even an issue that people find on a daily work basis. Taking into account those inputs it is, then, needed to find the reasons why they were brought into consideration, being useful the use of tools, including the method of Ishikawa, known as Fishbone method, and the 5Whys that can help to structure the root-cause of the problem, and then KPIs analysis.

Subsequently to the issue’s decomposition, it is necessary to go into some specificities regarding the team under analysis, i.e. it is important to be aware of what are the key performance indicators (KPIs) and criteria that the team basis its performance. This step is crucial, once it does impact the path and the plan that can be defined to improve a specific process.

This perception of process evolvement, mainly regarding KPIs and guidelines of the teams, allows the Project Owner to cross the observation’s gatherings with the defined KPI and, then, list some superficial opportunities of change.

Thus, having the deeper understanding of the issue, of the KPI of the team and an analysis of their daily tasks, it is possible to start to build the business case. It should be composed by the structuration of what is the problem, and its dimension in terms of effort to the team, impact on Farfetch and on the final customer. For this to be possible, it is needed to have the support of the Project Analyst that will facilitate the data regarding the team’s communication tool, that provides information to measure the most relevant KPIs, data regarding some surveys made to final customer about the service, and also some metrics that have impact on the customer satisfaction, retention and conversion rate.
Taking into account the data provided by the Project Analyst, the choice of the processes to be analysed throughout the project can start. Being necessary to proceed to the prioritization of the processes, where are defined the ones that are more important to consider. Thus, it is important to analyse a data sample with the KPIs gathered from the previous sub-phase, and it is also needed consider the complexity that can involve, that will influence the number of processes to be analysed.

Furthermore, it is necessary to define the objectives, qualitative and/or qualitative that are supposed to be achieved at the end of the project. And more important it is in this sub-phase that is defined the aspiration for the project that will have a behavioural effect on the participants, motivating all of them to act alongside with the Project Owner to improve their daily work, their efficiency, and methods.

Since this methodology provides the structure for this type of projects, it facilitates the planning regarding its big picture. However, the team involved in that planning should go deeper, defining how many sessions are needed to map the phases of ‘Problem Identification’ and ‘Solution Design’, the sessions needed to train the agents and the period to do it, once it could vary by considering the department involved.

For this phase was created a framework for the Project Owner to fill, in Figure 10, and it is composed by the criteria described above that should be completed before passing to the next phase. The fields of the framework are Problem Statement, KPIs of the team, Prioritization Results, Objectives, Plan for the further phases/work streams and, finally, Project’s Team and their role.

![Figure 10 - Pre-Project Phase Framework](image-url)
Along with this framework, it is necessary to consider the process governance of the projects, in order to structure the role of each persona, regarding responsibility during the project and after the deliverable.

Beyond this framework, it is also proposed the consideration of the matrix of responsibilities created according to Farfetch operations’ needs, i.e. it was created with responsibilities that are more familiar and intuitive to be used by anyone that could be included in the project. This matrix is composed by the roles that exist in a project of this nature, the sub-phases, and the responsibility resulted from the match of those variables (Figure 11). The roles that are associated with this type of projects are: Business Sponsor: person that has the responsibility to support the project, considering his knowledge about the company, its strategy and it structure.

1. Project Owner: the person in charge of the planning, execution of the project and of managing the work streams to me the deadlines defined.

2. Process Owner: the person that will be responsible for the processes after the closing session of the project.

3. Process Analyst: the person responsible for the data collection and the metrics that are needed to be analysed to fundament the project.

4. Stakeholder: the person that has a connection or interest on the matter in discussion, can be a department head, a manager, a supervisor, a trainer, and agents.

The transparency of this first stage has the aim to align the expectations of the project’s team with the objectives of the project, in order to create engagement to achieve better results.

**Figure 11 - Project's Responsibility & Roles Matrix**
3.2.2. **Problem Identification**

This phase, ‘Problem Identification’, is only initiated after the prioritization, based on the KPIs of the team.

The first action needed in this phase is to define the team to be present in the workshops that will help to map the process as they are being done. For this, it is advisable to select persons that are completely aware of the processes and persons that work with them on a daily basis, in order to fundament the sessions with insights that are related to real scenarios and define opportunities that are feasible and relevant for them.

At this stage, the team is involved with all the members defined for the team, in order to create an engagement associated with the project. Hence, the Process Owner will be the main focus, since will be the person that after the closing session of the project, will be responsible for the processes, and any change that should be implemented.

Afterward, for the Project Owner, it is important to focus on some criteria that Lean methodology defends. Taking into account the action to improve processes, the criteria more suitable to Farfetch are:

1. **Eliminate**: comprehends the eradication of unnecessary tasks or processes;
2. **Simplify**: consider the simplification of some tasks in order to avoid misperceptions and improve efficiency;
3. **Move/Integrate**: is related with the handover of some tasks from one team to another and the combination of some tasks only on one side, in order to reduce redundancy and repetitive tasks.
4. **Automate**: comprehends the creation of some automation through, for example, a tool, in order to eliminate tasks that represent a huge volume and are highly repetitive.
5. **Standardize**: is related with the standardization of the tasks, in order to create clearer tasks to have more consistency and less margin for errors.

These criteria are well known to the process re-design actions, and the main reason for the usage of them is that they are important to keep mind-set to exploit the opportunities to re-design tasks or flows that are highlighted during the sessions, and also to help the Project Owner to guide the workshop and the inputs from the participants.

Along with these criteria in mind, the Project Owner, once he will be moderating the workshop, should reflect, in advance, in a group of key questions that will help to orient the group to think about what is needed and to control the potential digress that can happen due to a discussion about what is being mapped.

In addition, as a facilitator the Project Owner should consider the different persons that will be present in the sessions, i.e. the way he will manage the session, since the participants define the ambiance of the session, that in one hand can be quieter with no debating about the things, making difficult the task to gather information, and on the other hand, the session can be hectic with a lot of contradictory opinions, appealing to the necessity of a controller to keep the things on track to finish the session with the defined objectives achieved.

Besides of how should the session be driven, it is important to document all the things that can occur during the workshop, from a discussion to the simple description of a task. Thus, for the Project Owner, that besides being the facilitator he is responsible for gathering all the
information that arise in the session, so he should structure, in anticipation, what, where and how to register that information. 

There are multiple hypotheses to proceed that registration, however, the technique of using the ‘Post-it’ on a wall or in a whiteboard is one of the most useful, due to the dynamism that can bring to the session, from the engagement with the participants, until the colour that can be used depending on the matter, e.g. pink post-it for the task that represent a problem, green post-it for the ones that don’t need changes and blue post-it for the ones that can be automatized. Moreover, the technique to use different markers with the same approach can bring some positive results at the end of the workshop.

The simplicity of these techniques, besides being easy to explain and to understand, considering all types of participant, it also transmits transparency, once the involved are easily connected with what is happening, and the environment allows them to be more pro-active.

Considering the other objective of these mapping workshops, which is to map the processes, not always with the purpose to improve them, but, at least, to formalize the process. This definition and formalization of the processes will control the volatility and variance of how the process is performed, between teams and even agents, and, will help to understand the need.

The instrument that is proposed for the task of map the processes is the combination of 2 tools of Process Modelling that are the SIPOC and Swimlane Diagram.

To complete this phase, two different outputs are mandatory. One is the validation of the swimlanes created, that correspond to the basis of the changes, and the other is the list of the opportunities that should be considered to improve the processes. Therefore, another framework was created to support this phase, Figure 12, which is composed by content that will support the following phase of ‘Solution Design’.

**Figure 12 - Process Identification Phase Framework**
This framework should have the chosen persons that will participate on the sessions to map the process, and more importantly the section below has the list of opportunities gathered within the workshop. Alongside with the process where the opportunity exists, if it is an internal matter or if it is needed to resort to external partners to work the opportunity, the consideration if it will require technological development or only operational changes, and finally, and extremely important the Action Plan with the next steps that should be taken in order to move with the project, or to facilitate the perception regarding potential blocker that can obstruct the resolution.

3.2.3. Solution Design

The ‘Solution Design’ phase to start demands the finalization of the previous phase, since its inputs are the outputs of ‘Problem Identification’ phase, that are the validation of the AS IS processes, and, more importantly, the list of opportunities that was created.

For this phase, the first action to be taken is the definition of the team that should be present on the TO BE sessions. This new definition is important, and should be based on the analysis of the opportunities. If there is other team involved on the process, an individual of that team should be part of the project’s team, in order to provide his perception of the process and discuss the improvements that can be done in both sides.

The aim of ‘Solution Design’ phase is to map the processes how they will be performed in the future, considering the changes that are possible to do, namely, looking at the criteria of Six Sigma considered in the previous phase (Eliminate, Simplify, Move/Integrate, Automate and Standardize).

These sessions comprehend some debate, since the problems and opportunities are discussed between the teams, due to their dependency and autonomy, once the teams are dependent on each other on some processes, but on internal tasks they can be independent of others. And so, this lack of transparency that can exist among the teams can trigger some confusion, and so some discussions.

Therefore, it is needed that the Project Owner, as a moderator, define, in advance, the key questions that will delineate the focus of the participants, in order to achieve the desirable outputs. In this case, instead of being focused on discover the issues, the facilitator need to be focused on what is possible to be made, by matching all the opinions, in order to achieve the best and more suitable solution for both departments.

After this session, the Project Owner needs to look at the proposed solutions, and search for some data that will help him to comprehend and justify some of the proposed changes. Only if they represent a significant and justifiable impact for the teams, Farfetch, boutiques or final-customers, they will be deeply considered. The remaining solutions and opportunities that are not considered on a first analysis, can be consider in further analysis, for example if it is needed to achieve quick wins to solve some situations, or if any of the considered previously are not feasible or reliable.

For this deep consideration, the Project Owner needs the support of the Project Analyst to have access to specific data regarding the other teams involved, to measure the potential impacts, and also needs to gather insights about some topics, for example, if a creation of a tool is possible, the impact that the changes can represent to the analysts, and others.

Besides that, the Project Owner should focus also on the definition of the processes and of the documentation of all the changes. In this sub-phase he will be looking at standardization
methods, such as implementation of communication standards, considering the recipient and the communication subject, and also on the tasks’ guidelines standards.

This changes are simpler, however the impact that represent internally in terms of consistency of information, and in terms of objective communication through requests, where all the information needed to resolve the issue is provided in the first instance, helps the teams to be more productive and more responsive. In this phase, and not being mandatory, it is advisable to review the matrixes of responsibility, and competences, represented on Figure 13 and Figure 14 respectively, in order to structure within the team who has the expertise in a certain subject and who works in each category. These matrixes will not impact directly the tasks performed by the agents, but will support the managers and supervisors to organize the team when exists absences or vacations of some agents and need to allocate their tasks to the more suitable agents.

Figure 13 - Responsibility Matrix Framework

Figure 14 - Competences Matrix Framework
Hence, the fulfilment of these frameworks accordingly with the criterion of responsibilities, if responsible or collaborator, and the criterion of competences with the level of the agent’s competences. This sub-phase is important to engage the chosen person on processes TO BE and on the implementation of them on the teams.

Finally, in this crucial phase is needed to develop an ‘Action Plan’ for the next stage of implementation, alongside with the team’s trainer that is the stakeholder that have more experience and valuable inputs in this sub-phase, due to the experience with the content share and with the team needs of training. This action plan will be focus on the persons that will be trained with the changes, since the departments are divided per specialization.

For the ‘Solution Design’ stage is was created also a framework, in Figure 15, that should be completed accordingly with the previous specification, which include, the team that was present in the sessions and their roles, the processes that were improved and the potential results considering the improvements that were defined and developed based on the data provided by the Project Analyst, and the action plan needed to the following phase.

![Figure 15 - Solution Design Phase Framework](image-url)
3.2.4. **Implementation**

The ‘Implementation’ phase only makes sense if all the other phases are completed, since it exists to share with the agents the improvements that were developed throughout the project. And the main inputs for this phase are the validation of the TO BE processes and all documentation associated.

This phase is composed by two sub-phases, one that is known as ‘Pilot’ and the other one that is ‘Roll-out’. This distinguish between these sub-phases is needed, since the company is multinational, which increases the complexity. Therefore, it is advisable to implement the changes first in the office where they were developed for a restrict number of agents to test the changes, to perceive if they are feasible, if they really impact on the teams, Farfetch, boutiques or final-customers, or if there is needed to make some changes.

This type of implementation is already being practiced in Farfetch, due to previous experiences with global training, and it is the best practice found, and so it will be part of this methodology.

For the ‘Pilot’ implementation the Project Owner will select, alongside with the supervisors, the best agents to be trained, considering their expertise. Then, taking into account, that the group to be trained will be small, the trainer just need to schedule a meeting will all of them, being also easier to share all the information that is needed for them to perform their tasks correctly.

For the ‘Roll-out’ it involve all the 11 offices, and so a lot of people with whom is needed to schedule multiple meetings train them. This meeting depending on the teams, cannot always be made through face-to-face meetings. And so, the delivery of information is made through video conference meetings.

In both sub-phases of ‘Implementation’ should be followed the cycle that was developed to be used along with this methodology, see Figure 16.

![Figure 16 - Training Cycle](image)

The first step of Pre-implementation is composed by a brainstorm session, where are presented the changes that will be implemented on the teams. This session allows the participation of the person to take some doubts about those changes and also to provide their perception of the changes considering their expertise on the area. After the brainstorm it is necessary to share the knowledge, which in firstly passed in theoretical basis, using files where the new procedures are documented or using the visual swimlane chart. Afterwards, exists the demonstration of those changes in real scenarios, by resolving real request.

The second step correspond to the share of the documents presented on the training session on a knowledge, where the agents can access the information to self-study.

Therefore, the implementation of the changes can be officialised, since the team are already trained and just need to put those changed in practice. In order to keep the consistency on the
processes, after 2 months of the implementation the trainer will monitor the performance of the agents, by select randomly some requests that were received, and analysing their practices to solve those requests, and also are send quizzes to the agents to evaluate their knowledge. If is detected some error or inconsistency on the execution or on the perception that the agent has about the process, the agent in question will be re-trained.

The following step of re-training is only made if it is detected any anomaly on the performance of the agents, since it impacts on the consistency of the service that is provided to external entities, which are boutiques and final customers.

If any error is found, the cycle will flow based on the monitoring of the agents that are monitored after six months of the implementation, and then every 6 months. This monitoring will be equal to the one that is performed after 2 month of the implementation, by actions performed and by quizzes.

As in the other phases, it was developed a framework that has the aim to support the implementation (Figure 17), which is composed by the participants of the training, along with their office’s location and the starting date of the training. Besides this information, the trainer should fill the structure defined regarding the organization of the training groups and finally it is needed to fulfil the training plan for each group.

**3.2.5. Monitoring**

The stage ‘Monitoring’ is a control phase that is needed to perceive if the processes are being performed properly.

After the implementation the agents have the autonomism to do their normal work. Considering the changes that were implemented and the impact of them on the performance
of the agents, it is necessary to compare the historical data regarding the performance before the changes and the data gathered after those changes.

To monitor the processes, the recommended participants are the supervisors, the process owner and also the trainer, since they have authority to control the team’s workload and if the guidelines are being followed. This action should exist two months after implementation, and after that period it should continue to exist but more isolated, to create awareness on the agents to perform the processes consistently and correctly.

Besides the monitoring, there is another sub-phase that is necessary to consider, that is the data analysis, which corresponds essentially to quantify the changes. At this stage, the participants are the Project Owner that will analyse the data and the Project Analyst that will provide the data to support the analysis.

Furthermore to this comparison, it is necessary to have a solid basis, in order to have a reliable comparison between the pre and post project’s changes. And so, it should be related to historical data of, at least, one month after the implementation, being that the analysis is normally based on averages, the sample does not need to have the same period as the first analysis of the project. Another basis for the analysis can be the quantity of requests received, which should be at least a quarter of the ones analysed in ‘Pre-project’ phase.

This new analysis should be focus on the same metrics that the previous analysis, i.e. based on the key performance indicators that are important to the team in analysis, allowing an easier comprehension and visibility to the team of the results from their work. Therefore, it will provide crucial information that allows the project’s team to use for incremental improvements, as an output of this phase, if it is necessary.

At this stage it is extremely important to communicate with the entire project’s team, from Business Sponsor to the department agents, regarding the achievements of the projects, since all were involved during the project, and so the achievement are from all of them. Hence, if it is proved that the project was successful, this visibility will fulfil all with a filling of victory and duty accomplished.

Similarly to the previous phases, it was created a framework to support it (Figure 18) that should be used along the communication via e-mail about the results of the project. In this framework the fields to be fulfilled are a checklist that contain the monitoring sessions and the person monitored and the date of them, and also the results associated to each process, positive or negative, as an overview of the main KPIs changed in the different processes.
3.2.6. **Closing Session**

Finally, the phase ‘Closing Session’ is the formalization of the project delivery to the team’s Process Owner that was defined in the process governance.

This delivery should be composed by all the documents produced during the projects that can suffer some changes in the future. For instance, the processes mapped, only TO BE version, since the previous version, AS IS, will not be used in the future, the frameworks that were fulfilled throughout the project, all the matrixes that were updated, the registration of the tasks standardized, including OPL (on-point-lesson), check lists or execution rules, along with the communication standardization.

The Process Owner should be the person in charge for the continuity of the project in the team’s side. At this point, the Project Owner transfer the responsibility for the processes to the Process Owner, who will be the person that agents and other need to resort in case of some change that might be implemented, and so, he will be the person that decides what can be done regarding those processes, and the one who actually make the changes.

This formalization, can be done via e-mail or in a meeting schedule for that purpose, depending on the documents and the complexity that this delivery represents. After this phase, the project is no longer target of improvements by the team that was involved, and so it is finished.
4 Proof of Concept and Results

This dissertation chapter is focused on the pilot that was empirically tested in Partner Services’ department. Therefore, at this stage the methodology was exploited, in order to understand if it was suitable to Farfetch’s reality and also to identify the main difficulties and potential iterations that should be considered.

This project to improve processes at Partner Services was focused on the returns phase that is the most complex, due to the issues that can appear and are needed to be solved in a short period of time by the agents, since it impacts the final customer and also the partnerships.

Therefore, for a better contextualization this section will be separated by the explanation of returns processes and the issues that can exist, and also the application of the methodology to improve processes explained on Chapter 3, focusing on the explanation of the first three phases.

4.1 Returns’ Process

At Farfetch the organization that is followed in terms of service delivery is the order cycle (Figure 19) that is divided into three main stages, which are the Pre-order, Order and Return.

![Figure 19 - Order Cycle](image)

The Pre-order is related with all the communication that is made before the customer place the order, where Customer Service (CS) is main participant along with the customers that trigger the events. However, Partner Services’ (PS) team can be also involved when is requested information about the product.

The Order step comprehends all the tasks related with the order process that occurs in both Farfetch and boutiques’ side, where potential issues or requests are triggered by boutique or by the clients. At this stage, the main tasks are related with fraud and delivery, beside some exceptional issues regarding products. And so, the teams involved on this stage are CS, PS, Delivery, Fraud, and Payments.

The Return stage happens when the client wants to return the item due to quality, size or to change of mind, and when exists a RTO (return to origin) that can occur due to cancelations and delivery problem.

This stage represents less processes, however those processes are more complex, which can involve CS, PS and Delivery team.

This pilot project was focused on the return stage processes that are performed by the Partner Services, in which other teams or the boutiques are involved.

In overview, the process, in Appendix B, starts when the customer doesn’t want the item after been delivered or when an RTO happens, considering the reasons stated before.
This process of return occurs within normal conditions, if the customer uses the return labels provided by Farfetch and if the returned item is in perfect conditions.

And so, if the return is from outside European Union the return is made via UK, if it is from inside EU the transportation is direct. However, if the customer does not use those labels, the return, independently of its origin is delivered directly, and so, the costs associated with the return are much more expensive and does not allows visibility to Farfetch. Meaning that if some problem occurs between the time since the customer send the item until the boutique receive it Farfetch will not have any control over the process.

In case of bad treat of the product by the customer or by the carrier, some processes can be triggered. If the item arrives damaged the case need to be investigated, near the customer and the carrier to perceive who was responsible for it, if the consequence is a refused return by the boutique, Farfetch will be forced to process an operational cost, or return the item back to the customer.

Considering the returns’ process presented above, if some abnormal situation occurs, such as transport problem, a damage or others, the process will flow in a different direction, that most of the times is directed to the Partner Service team. However the defined exceptions that can occur in that process are not sufficient, since they focus on big issues, lacking the visibility of the real problems. Those, exceptions to returns’ process are categorize in the following sub-process (Table 1):

<table>
<thead>
<tr>
<th>Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late return</td>
</tr>
<tr>
<td>Repair</td>
</tr>
<tr>
<td>Worn / Damage returns</td>
</tr>
<tr>
<td>Wrong returns</td>
</tr>
<tr>
<td>Transport problem (Lost, not arrived)</td>
</tr>
<tr>
<td>Contest returns</td>
</tr>
</tbody>
</table>

Moreover, it was developed another level of categories more focused on problems that can occur, which were gathered along with the PS team to fulfil the need of having a better identification and quantification of the processes and problems that can occur. Hence, provides a greater visibility to the supervisors, superiors, and also the persons that based their work in such data. And so, considering the main categories of returns the sub-categories that are considered by the team of Partner Service are exactly forty, as can be seen on (appendix C).

4.2 Returns’ Processes Improvement: Pre Project

The ‘Pre Project’ phase of the methodology has the purpose to look into the issue or idea that was proposed to be analysed and from there identify what is associated with it, including processes, teams and KPIs.

Firstly, it is important to know what is under analysis. In this particular case it is needed to understand why the focus is returns and what triggered this choice, where the Project Owner met with supervisors and manager in order to understand their needs. Hence, as advised in this phase of the methodology, were applied Ishikawa and 5 Whys tools. The result of the meeting with the experts on the matter align with the external perception of the Project Owner, as resulted in the following visual representation of the tools in Figure 20 and Figure 21.
Following the recommendations that were obtained during the process of collecting data, the team was able to identify the following problems:

1. **Teams' intensive effort on return processes.**

   - **Why?**
     - **1.** Returns represent a major part on the workload of the agent.
     - **2.** The handling time and full resolution time are high.
     - **3.** Processes are complex.
     - **4.** Lack of alignment between teams.
     - **5.** Processes are not totally defined and structured.

   

The main conclusion on this sub-phase was that besides the reduced number of processes related with other stages of the order cycles, the complexity that was assigned to those processes is huge.

Afterwards, the Project Owner arranged a meeting with the manager and supervisors, in order to brainstorm the key performance indicators that are relevant to manage the team. Once some concepts and metrics are specifically from the company it was needed an alignment, in order to make clear for all the involved what was been discuss. Thus, it was made an introduction on how the tasks were performed and what was required, and also, what were the measures and their meaning.

Accordingly, the concepts and measures that were discussed and considered to this project are:

1. **Tickets** – that correspond to a format of e-mail received in the tool of communication used within the company that is Zendesk. So, the communication triggered by the boutique enter directly on the tool, and then it appears as a ticket.

2. **Volume of tickets** – considering the tickets received, within the tool it is mandatory to categorize after some action taken, and so it is possible to measure the number of

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**Figure 20 - Project's Ishikawa Diagram**

**Figure 21 - Project's 5 Whys Analysis**
tickets received and generated when looking at some type of process. The tickets that are generated to resolve an issue triggered by other team or external party is called child ticket that correspond to a parallel communication. This type of ticket is linked to the ticket received with the issue that is called parent ticket.

3. **Handling time** – this measure is controlled within the tool Zendesk, where is counted the time that the ticket is open by the agent, in order to quantify the amount of time that that ticket was been worked. This metric allows better perception of the effort needed to allocate the agents to those processes.

4. **Full Resolution time** – this metric is related to the entire time needed to resolve the ticket, since the moment that the ticket appears on Zendesk as new until the moment it is put as solved. The status of the tickets is also considered, where the new represent the tickets that weren’t open to be solved, the open is when a first interaction was taken, the pending is the status chosen when the communication is dependent of external parties, including customer, boutiques and carriers, the on hold that is used when waiting for the answer of an internal team, the solved that is applied when the problem or request on the ticket was actually resolved, and finally, the closed that is the automatic status applied when a ticket is solved for more than 3 months.

These metrics considered are extremely important to the company, and so, are also important to an operational team as Partner Services. They will allow a perception related to the efforts of the team in each type of category and process, and also allow monitoring the performance of the team and by individual.

However, besides all the information gathered at this stage, the Project Owner should and did observe the team closely, in order to have a real perspective of who does what, what is done and how it is done. This type of initiative is well accepted, and mostly, it is promoted within the company, being easy to access all the individuals, no matter their position, once it instigate all collaborators to be together and share some knowledge of all the teams and their tasks.

Therefore, during the first three weeks of the project, the Project Owner was with the team of Partner Services, to observe their daily tasks with the aim to match the outputs of that observation with the processes that are defined and also to gather some insights and opportunities to improve some tasks, that seem to be inefficient in a superficial consideration and require less effort to be changed.

After this observation, that allowed the association of the data to be analysed with the tasks performed, the data was collect alongside with the Project Analyst. Accordingly with the metrics gathered in previous sub-phases of the project, the data that were provided by the Project Analysts were from the communication tool Zendesk. And the result was an excel file composed by all data from the fourth quarter of 2016 and the first quarter of 2017, including the ticket ID, the handling time, the ticket type (parent or child ticket), the date when was created, the SLAs that the team should accomplish, the agent who has taken the ticket, the requester of the ticket, the date when the ticket was solved, the full resolution time that were took to resolve the situation, the categories of each ticket and the sub-categories.

With this data the Project Owner was able to study all the metrics and to validate or cross those data with the agents’ performance. Considering all the insights gathered since the project had started, and mainly the data collect, the processes that were to management approval of the Partner Services’ manager were (Table 2):
Methodology to improve processes in fashion e-tail business: design and implementation

Table 2 - Returns Processes: Prioritization

<table>
<thead>
<tr>
<th>Sub-Categories</th>
<th>Tickets Number</th>
<th>Tickets Percentage</th>
<th>Average (min) Full Resolution Time</th>
<th>Average (min) Handling Time</th>
<th>Parent Tickets Number</th>
<th>Child Tickets Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create Return</td>
<td>1377</td>
<td>20,53%</td>
<td>4189.9</td>
<td>1.5</td>
<td>1377</td>
<td>597</td>
</tr>
<tr>
<td>Return Push Up</td>
<td>833</td>
<td>12,42%</td>
<td>9781.7</td>
<td>2.7</td>
<td>833</td>
<td>396</td>
</tr>
<tr>
<td>Transport Problems: with duties</td>
<td>313</td>
<td>4.67%</td>
<td>10084.1</td>
<td>3.8</td>
<td>313</td>
<td>138</td>
</tr>
<tr>
<td>Transport Problems: RTO - unable delivery</td>
<td>125</td>
<td>1.86%</td>
<td>11419.3</td>
<td>4.9</td>
<td>125</td>
<td>69</td>
</tr>
<tr>
<td>Unknown Return</td>
<td>122</td>
<td>1.82%</td>
<td>15143.1</td>
<td>6.4</td>
<td>122</td>
<td>57</td>
</tr>
<tr>
<td>Transport Problems: docs. Confirmation request (AWB,...)</td>
<td>100</td>
<td>1.49%</td>
<td>10480.0</td>
<td>0.7</td>
<td>100</td>
<td>84</td>
</tr>
<tr>
<td>Transport Problems: extra info. Requested</td>
<td>87</td>
<td>1.30%</td>
<td>11817.2</td>
<td>4.2</td>
<td>87</td>
<td>40</td>
</tr>
<tr>
<td>Transport Problems: without duties</td>
<td>85</td>
<td>1.27%</td>
<td>11559.5</td>
<td>2.4</td>
<td>85</td>
<td>22</td>
</tr>
<tr>
<td>Transport Problems: fail delivery</td>
<td>84</td>
<td>1.25%</td>
<td>15453.6</td>
<td>4.4</td>
<td>84</td>
<td>54</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3126</td>
<td>46.6%</td>
<td>11103.2</td>
<td>3.4</td>
<td>3126</td>
<td>1457</td>
</tr>
</tbody>
</table>

This prioritization was mainly focus on the volume of *tickets* that each process represents, and only after were consider other variables, mainly *full resolution time* that is spent in average to treat the requests. It was finally considered the volume of *child tickets* that is created, that reflects the number of interaction needed to end the process.

The presentation of the data collected and the choices made to analyse some of this processes was made in a meeting with the manager, with the essential aim to brainstorm the data presented and the correlation with the actual performance of the teams, and also if it was feasible to focus on the proposed processes or in others that are consider more critical in terms of efficiency.

The main conclusion that were taken from the meeting were related to the existence of processes and categories that can be repetitive, since some of them can be used for the same situation, which can be illustrate by ‘Transport Problems: RTO – unable to delivery’ and ‘Transport Problems: fail delivery’. Another conclusion was related to processes that can be considered as one ‘Transport problems: with duties’ and ‘Transport problems: without duties’, due to the similarity of the process.

Besides those insights, it was discussed also that the more relevant process and the ones which actually need to be improved or changed are:

1. Create Return: this process is initiated by the Boutique, when receive a return on the store, but it doesn’t appear on the system. This can happen if the customer didn’t create the return on farfetch.com, if there is some type of technical or technological problem or if the return corresponds to a RTO (return to origin).

1. Return Push-up: it occurs if the Boutique is taking too much time to process some task, in this case, related with the return. If it is the case of a customer contact the Customer Service requesting the refund of a return, it is needed that the PS team contacts the Boutique to request the process for return as faster as possible.

2. Documents Request Confirmation: this process occurs when the team of Partner Service is dependent of some information that is owned by other internal team, specifically in this case, the information is related with the second AWB (airway bill) that is created when returning via UK by a 3PL (third party logistics).

Furthermore, in that meeting with the manager it was also presented the projects’ work streams plan and also the objective and aspirations for this project. The plan proposed for the
Methodology to improve processes in fashion e-tail business: design and implementation

following four months, considering all the phases of the project was presented as in the subsequent image (Figure 22):

![Figure 22 - Project's Plan](image)

Regarding the objective and aspirations defined to the project were divided into two variables, quantitative and qualitative. In terms of quantitative aspirations it was proposed a reduction of 30% of the average handling time of all the processes, representing half a minute to handle the ticket and also 30% of full resolution time, reducing an average of 40 hours on the three processes considered to the project (Table 3). Considering the qualitative aspirations it was proposed a reduction of the communication, a faster request between internal teams, through the usage of some communication standards, a greater consistency, and a clearer information by implementing standard frameworks that must be used across the company.

Table 3 - Chosen Returns Processes

<table>
<thead>
<tr>
<th>Sub-Categories</th>
<th>Tickets Number</th>
<th>Tickets Percentage</th>
<th>Average (min) Handling Time</th>
<th>Average (min) Full Resolution Time</th>
<th>Parent Tickets Number</th>
<th>Child Tickets Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create Return</td>
<td>1377</td>
<td>20,53%</td>
<td>4189,9</td>
<td>1,5</td>
<td>1377</td>
<td>597</td>
</tr>
<tr>
<td>Return Push Up</td>
<td>833</td>
<td>12,42%</td>
<td>9781,7</td>
<td>2,7</td>
<td>833</td>
<td>396</td>
</tr>
<tr>
<td>Transport Problems: docs. Confirmation request (AWB,...)</td>
<td>100</td>
<td>1,49%</td>
<td>10480,0</td>
<td>0,7</td>
<td>100</td>
<td>84</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2310</strong></td>
<td><strong>34,4%</strong></td>
<td><strong>8150,6</strong></td>
<td><strong>1,6</strong></td>
<td><strong>2310</strong></td>
<td><strong>1077</strong></td>
</tr>
<tr>
<td>Reduction of 30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2445,2</strong></td>
<td><strong>0,5</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In sum, this stage of the methodology was the exploitation of what is beyond the problem presented in a first stage, and the alignment with the data that was collected. This conjugation of insights promoted the prioritization of the processes, considering their importance and complexity.

Moreover in this stage, it was explored the process governance structure that should be considered until the end of the project. The roles that were assigned to each the involved were (Table 4):

Table 4 - Project's Team

<table>
<thead>
<tr>
<th>Roles</th>
<th>Person</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stakeholder</strong></td>
<td></td>
</tr>
<tr>
<td>Supervisor</td>
<td>Miguel Bastos</td>
</tr>
<tr>
<td>Supervisor</td>
<td>Raquel Marques</td>
</tr>
<tr>
<td>Trainer</td>
<td>Sara Domingues</td>
</tr>
<tr>
<td>Agents</td>
<td>Filipa Loureiro</td>
</tr>
<tr>
<td>Agents</td>
<td>Tiago Mendes</td>
</tr>
<tr>
<td><strong>Business Sponsor</strong></td>
<td>João Ferreira</td>
</tr>
<tr>
<td><strong>Project Owner</strong></td>
<td>Magda Ferreira</td>
</tr>
<tr>
<td><strong>Process Owner</strong></td>
<td>Raquel Marques</td>
</tr>
</tbody>
</table>
The framework presented in the methodology for this stage was fulfilled and the result for this first stage is represented in the following Figure 23.

4.3 Returns Processes Improvement: Problem Identification

The phase ‘Problem Identification’ has the aim to map the chosen process as they were been performed in previous situations and also to create a list of opportunities that should be considered, not only the ones considered by external perspective of the Project Owner, and also the opportunities and insights provided by the persons that are daily involved with those processes.

In order to start this phase of the methodology, the outputs of the previous phase are deeply important, since they will define the path that will be followed until the end of the project.

Considering the number of processes that were prioritized on the ‘Pre-project’ phase there were schedule three meetings of one hour and a half, for each process. Those meetings were based on the format of mapping sessions, and was prepared by the Project Owner, in order to have a more structured communication and direct approach, considering the objectives defined to the end of each session.

For those sessions the project’s team that was defined in the previous stage will be totally included, in order to provide a constant involvement with all, and also to provide visibility of what is happening in the plan.

Thus, in general the sessions were divided into four stages, as shown in Table 5:

<table>
<thead>
<tr>
<th>Mapping Session</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 minutes</td>
<td>Enframe the team on the project mission and objectives</td>
</tr>
<tr>
<td>20 minutes</td>
<td>Brainstorm using the SIPOC methodology</td>
</tr>
<tr>
<td>30 minutes</td>
<td>Map the process as it is done</td>
</tr>
<tr>
<td>25 minutes</td>
<td>List all the pain points and opportunities &amp; next steps</td>
</tr>
</tbody>
</table>
However, since the team was the same in the first three sessions, the first 15 minutes of the second and third sessions were not occupied with the explanation of the purpose and objectives, once the team was already aware from the first session.

Therefore, the first session was triggered by a brief presentation of the purpose and the objectives of the project and of that meeting. It was also presented the processes that would be studied. In addition, it was explained the reason of that processes’ choice and also the importance of the participants’ presence on the process gathering.

In practice, the Project Owner presented the following statements:

*Purpose:* The project has the aim to improve some processes that are executed by the team, which represent more impact on the performance in terms of volume, handling time and full resolution time.

*Objectives:* The objectives and main aspirations that are assigned to this project is to reduce in 30% the average of handling time and full resolution time, and also the consistency, rapidity and clarity of the communication with internal teams.

*Chosen Processes:* ‘Create return’, ‘Return push up’ and ‘Transport problems: documents confirmation request’.

*Importance of the team’s presence:* The variety of opinions that can be gathered concerning the same processes is extremely important, and mainly, if it comes from agents that are expert on those returns processes and also from supervisors that besides being experts on the matter can provide inputs regarding the opportunities and issues that are regular on their teams. And so, the conjugation of those inputs is valuable.

Considering that this first session was more focused on the alignment of the efforts and, consequently, the involvement of the participants, the choice regarding the first project to be analysed was delegated to the team present on the session. That decision was made considering the simpler process of the presented, in order to be an experiment for the more complex processes. In sum, the first process to be mapped was ‘Transport Problems: documents confirmation request’. The following two sessions were create return and return push up, respectively.

### 4.3.1. Transport Problems: Documents Confirmation Request

In the second step of the meeting structure occurred a brainstorm, where was used the SIPOC diagram. At this stage, the Project Owner requested some dynamism on the definition and discussion of the concepts associated with the method. It was used a white board divided in five parts that was fulfilled considering the inputs shared throughout the session. All the participants had the opportunity to contribute for the fulfilment of the framework, starting with the agents that have more interaction on those processes, and then the supervisor also supported. The result of this SIPOC regarding the process under analysis was (Table 6):

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Input</th>
<th>Process</th>
<th>Output</th>
<th>Customer</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner Service</td>
<td>Request AWB number</td>
<td>Docs Confirmation Request</td>
<td>AWB number</td>
<td>Partner Services</td>
<td>Delivery Support</td>
</tr>
</tbody>
</table>
Afterwards, the third step of the meeting structure was related with mapping the process considered. This mapping aimed to understand how it is performed and not how it should be done. And so, the most valuable opinion and participation was from the agents.

Therefore, as a moderator, the Project Owner had the responsibility to stimulate their engagement and participation to create the visual structure of the process, based on the structure of swimlane flowchart, in order to have a clearer perception of the actors and their tasks flow.

Since the process chosen for the first experiment was considerably simple, the creation of the process was not complicated, since the process was well defined. It is a mere process to request an information that is normally provided by a third party of transportation. The result of the process mapping was the following (Figure 24):

![Transport Problems: Documents Confirmation Request: AS IS process](image)

The fourth and final step of this session was about considering the pain points and the opportunities that the participants, and experts on that process consider as relevant.

Hence, the discussion started with the consideration of the relevance of the process. This consideration was focused on the simplicity that the process represents, being only a request of information that is provided by a third party, meaning that the Delivery team doesn’t need to take any operational action. Another topic considered is the time that is took to have access to that information, once this type of requests are not priority to the team of Delivery the request stays in backlog, promoting an average full resolution time considerable high for the complexity of the process.

Accordingly with the methodology proposed, the Project Owner should have in mind the concepts Eliminate, Simplify, Move/Integrate, Automate and Standardize used on Lean methodology, in order to exploit the opportunities to improve the process, and also the key questions needed to gathered as much information as possible.

Thus, the Project Owner, in order to fundament the inputs gathered during the process mapping, made the following key questions

1. Does this process add value to the service provided to the Boutique?
2. Does it should be eliminated or facilitated to promote the autonomy of Partner Services?
3. Do you think that the development of a tool to provide the needed information to all the teams would be a significant impact on productivity?
As a result of the focus on the problem and instigation of solution the list of opportunities that was created at the end of this session is below represented in Table 7:

**Table 7 - Transport Problems: Documents Confirmation Request: Opportunities**

<table>
<thead>
<tr>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy to Partner Service</td>
</tr>
<tr>
<td>Facilitated access the information that is requested</td>
</tr>
<tr>
<td>Automation of the information</td>
</tr>
</tbody>
</table>

### 4.3.2. Create Return

During the second session to map the process the Project Owner had a different approach. Once the team was the same and it was explained in the first meeting the purpose of the project, the objectives and the objects under analysis, it wasn’t needed to make the presentation again. Therefore, for that session the agenda was structured (Table 8):

**Table 8 - Create Return: Mapping Session Plan**

<table>
<thead>
<tr>
<th>Mapping Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 minutes Brainstorm using the SIPOC methodology</td>
</tr>
<tr>
<td>45 minutes Map the process as it is done</td>
</tr>
<tr>
<td>25 minutes List all the pain points and opportunities &amp; next steps</td>
</tr>
</tbody>
</table>

Therefore, the Project Owner initiated the session by requesting the collaboration of the participants on the development of the SIPOC diagram for the process of ‘Create Return’. This brainstorm outputs was the following, see Table 9:

**Table 9 - Create Return: SIPOC Diagram**

<table>
<thead>
<tr>
<th>Supply</th>
<th>Input</th>
<th>Process</th>
<th>Output</th>
<th>Customer</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boutique</td>
<td>Request to create return</td>
<td>Create Return</td>
<td>Return on the system</td>
<td>Boutique</td>
<td>Delivery Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Boutique</td>
</tr>
</tbody>
</table>

After collecting this information, the team should be guided to the process mapping step of the session. Once this process is more complex that the one mapped in the first session, the timeline to complete the process was enlarged.

This step was target of some discussion, since it has a lot of hypotheses that can occur, depending on some minimal events. In general, it was perceived that the process flow normally, with no delay, when the process requests only the participation of the Partner Service team.

Contrarily, if the process demands the creation of the return on the system it is needed the participation of the Delivery team in the process which results in a higher full resolution time considering the simplicity of the tasks, since that process is not a priority, and mostly due to the lack of information needed to proceed the process.

The multilevel model that resulted from the mapping session insights is represented in the following in Figure 25. It is represented also the swimlane process on Appendix C.
Methodology to improve processes in fashion e-tail business: design and implementation

The last step requested on all sessions is the brainstorming of opportunities that the team considers relevant and feasible. Hence, the Project Owner was deeply involved in the guidance of this step, by frame the key questions that created and also those concepts of Lean methodology.

Besides all the inputs about pain points that were provided throughout the process mapping, the Project Owner tried to go further, and so stated the following questions, for this specific process:

1. Does the task of creating return is exclusively owned by another department?
2. In order to diminish the full resolution time and maintain a strong relationship with the boutiques do you think that should be PS to execute the task?

The list of opportunities that were gathered on the session is represented below on Table 10:

**Table 10 - Create Return: Opportunities**

<table>
<thead>
<tr>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy to Partner Service - create return task</td>
</tr>
<tr>
<td>Well defined process</td>
</tr>
<tr>
<td>Review and define of ownerships on tasks</td>
</tr>
<tr>
<td>Review investigation part of the process (both teams can do it)</td>
</tr>
</tbody>
</table>

**4.3.3. Return Push-up**

Similarly to the structure of the previous session, the session was guided considering the steps and timelines that are presented in the previous Table 8. Therefore, the Project Owner triggered the session requesting the team to provide inputs to fulfill the framework of SIPOC diagram. The result is on Table 11.

**Table 11 - Return Push-Up: SIPOC Diagram**

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Input</th>
<th>Process</th>
<th>Output</th>
<th>Customer Service</th>
<th>Payments</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>Request to push up with the boutique to accept the return</td>
<td>Return Push-Up</td>
<td>Confirmation of acceptance</td>
<td>Customer Service</td>
<td>Payments</td>
<td>Delivery Support</td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Customer Service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Payments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Boutique</td>
</tr>
</tbody>
</table>
Afterward, it was requested to the project’s team to proceed to the process mapping part of the session. This process data that was collected during the first phase of the methodology had been a case of discussion, once the average full resolution time of it is considerably high when looking at a process that is only a matter of communication with internal teams. Thus, the focus on this process was a challenge, since it was necessary to discover what was being done to have that impact on the data.

This process besides being mainly a request for the Boutique to accept the return that is already on its possession, it can take a lot of time, due to the task to monitoring the acceptance by the Partner Service team. And also, the repetitive tasks that can be performed by the teams involved. Another consideration that was taken was about the need to align some guidelines of the different team in order to avoid repeated tasks.

The result of the process as multilevel model is represented on the following Figure 26, and it is been done by the agents is present on the Appendix E.

![Figure 26 - Multilevel model: Return Push up AS IS](image)

The final step of this session, in similarity to the previous session, is focused on the main pains and opportunities that can be studied to improve those daily difficulties, by considering the Lean thinking concepts and the key questions prepared by the Project Owner, were:

1. Does this process add value to the business and to the final customer?
2. The alignment of guidelines used on the different teams is sufficient? Or it should be deeply structured?
3. Should be considered the transition of some tasks to other teams?

Finally, the main opportunities gathered on the session are represented below (Table 12):

<table>
<thead>
<tr>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment of guidelines with other teams</td>
</tr>
<tr>
<td>Well defined process</td>
</tr>
<tr>
<td>Visibility about the Customer Service tasks</td>
</tr>
</tbody>
</table>
In addition, as proposed in this methodology it was fulfilled the framework created to this phase, where the final result was (Figure 27):

4.4 Returns Processes Improvement: Solution Design

Nevertheless, in this phase of mapping and gather some inputs to potential improvement on the processes it is extremely important the validation of the supervisors and manager of the work that was developed in those sessions. As so, the Project Owner, after mapping the processes on the tool Visio of Microsoft Office and joint all the opportunities, has sent a validation e-mail requesting the verification of that information, with a deadline of one week to provide feedback.

Once, the feedback was positive it has determined the continuity of the project for the next stage of the methodology, the ‘Solution Design’.

<table>
<thead>
<tr>
<th>Process</th>
<th>List of Opportunities</th>
<th>Internal</th>
<th>Tech (Y/N)</th>
<th>Next Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents Confirmation Request</td>
<td>Autonomy to Partner Service</td>
<td>X</td>
<td>N</td>
<td>Contact with Delivery team</td>
</tr>
<tr>
<td></td>
<td>Facilitated access the information that is requested</td>
<td>X</td>
<td>N</td>
<td>Study the possibility to develop a tool</td>
</tr>
<tr>
<td></td>
<td>Automation of the information</td>
<td>X</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Create Return</td>
<td>Autonomy to Partner Service - create return task</td>
<td>X</td>
<td>N</td>
<td>Contact with Delivery team</td>
</tr>
<tr>
<td></td>
<td>Well defined process</td>
<td>X</td>
<td>N</td>
<td>Observe their process of create return</td>
</tr>
<tr>
<td></td>
<td>Review and define of ownerships on tasks</td>
<td>X</td>
<td>N</td>
<td>Understand the limitations to PS autonomy</td>
</tr>
<tr>
<td></td>
<td>Review investigation part of the process (both teams can do it)</td>
<td>X</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Return Push Up</td>
<td>Alignment of guidelines with other teams</td>
<td>X</td>
<td>N</td>
<td>Contact with Customer Service team</td>
</tr>
<tr>
<td></td>
<td>Well defined process</td>
<td>X</td>
<td>N</td>
<td>Observe the process of return push</td>
</tr>
<tr>
<td></td>
<td>Visibility about the Customer Service tasks</td>
<td>X</td>
<td>N</td>
<td>Study their guidelines</td>
</tr>
</tbody>
</table>

**Figure 27 - Project’s Process Identification Phase**

The fourth phase of the project, known as ‘Solution Design’ has the purpose of find and develop the changes that can be and should be done on the processes under analysis. This section of the methodology is the longest since it depends on the investigation of what can be done, and how. It is also composed of sessions along with the defined team in order to map the process, being supposed to define the ideal flow of tasks, considering the improvements that were achieved.
Considering the previous session inputs, there was a need to involve more departments on these processes improvements, which Customer Service and mainly the Delivery Support interacts directly with the processes in analysis.

The individuals that were considered as stakeholders of the teams were both the supervisors, one from each team. After this selection, it was needed to engage them with the project, and so, the Project Manager has started to meet with them, individually, to explain the project and the objectives, as had explained to the project’s team in the first session.

In the first meeting with the supervisor of Delivery Support, was shared the two processes that involve the team, which are ‘Transport Problems: Documents confirmation request’ and ‘Create return. In addition to the presentation of the project, the Project Owner had explained the reason for that meeting explaining the pains and opportunities that were discussed in the sessions related to those processes.

That contextualization has stimulated the brainstorm of the improvements that can be considered or not and also some additional proposals since the visibility about their side helped to find other bottlenecks that should be considered. The exploitation of those processes are going to be described on the following sub-topics ‘Transport Problems: Documents confirmation request’ and ‘Create Return’.

The following meeting included the supervisor of Customer Service and the same procedure as the previous meeting was taken. It was explained the purpose of the project along with its objective, in order to create some commitment to achieve the best improvements possible. The process that was discussed was ‘Return push up’ that is triggered by the CS team, where the result is specified in the sub-topic ‘Return push up’.

### 4.4.1. Transport Problems: Documents Confirmation Request

The ‘Transport Problems: Documents confirmation request’ process, as explained previously, is merely the request of the AWB number that is not visible for the agents of Partner Service, and the ownership of this information is on the side of Delivery, since it is provided by the 3PL by a report online, that has lack of information, and delay.

Hence, the inefficiency of that tool foments the need to request that information, which is a barrier to the autonomy of the PS team.

However, during the meeting, another consideration arise, which was regarding an additional report sent by the transportation company on a daily basis, that is more reliable than the report online.

These inputs provided by the Delivery team supervisor, and some discussion about the possible autonomy for the team of PS, ended with a potential solution of creating internally a tool that combines all the information about the status of the returns and if it is a return via UK, it shows the second AWB for the order and its status, along with the link to access the proof of delivered that should exist when the return is delivered and signed.

Moreover, this potential solution was studied, along with the team of Delivery Development that is in charge of the analysis and the creation of tools to facilitate and provide visibility of the team of Support performance.

The deliberation to prioritize the creation of this tool was, mainly, based on the impact that this improvement would represent on their team, and also on the other team that would have access to this tool. That impact would reduce the volume of tickets that are created by Partner Service and Customer Service to request information that is not available in the online report,
and so, the volume of tickets received by Delivery to forward that information, and more importantly the full resolution time and the handling time of the teams that normally request information about the AWB that will be significantly reduced.

Therefore, the result of this proposed solution is positive, since it is being developed by Delivery Development. And in terms of Partner Service the impact on the data will be translated in less 100 tickets created, an average handling time of 1 minute per tickets, which represents a slight increase and a reduction of the full resolution time that will have a considerable decrease of more than 70%, since that measure would only be dependent on PS team, and if the ticket is replied in 48h, that would represent the full resolution time of that ticket. And so, the reduction will be from an average of 10.480 minutes to less than 3.000 minutes.

Finally, in visual terms the tools are in development will be similar to the following prototype created to be presented as a proposal, Figure 28:

<table>
<thead>
<tr>
<th>AWB number</th>
<th>Status</th>
<th>POD</th>
</tr>
</thead>
<tbody>
<tr>
<td>7735600493</td>
<td>Delivered</td>
<td>file:///C:/Users/.../AppData/Local/Temp/POD_7735600493.pdf</td>
</tr>
<tr>
<td>8452145135</td>
<td>In transit</td>
<td>file:///C:/Users/.../AppData/Local/Temp/POD_8452145135.pdf</td>
</tr>
<tr>
<td>1542115423</td>
<td>Delivered</td>
<td>file:///C:/Users/.../AppData/Local/Temp/POD_1542115423.pdf</td>
</tr>
</tbody>
</table>

Figure 28 - AWB Tool Proposal

In addition, it was schedule a meeting with the project team and the supervisor, in order to align the team about the improvements that will be applied to the processes. In this specific case, since the process will be eliminated, the meeting had the purpose of presenting the tool in creation.

4.4.2. Create Return

The process of creating a return was in previous situations performed by Partner Service, however, nowadays, it is only made by Delivery Support, Customer Service, and the actual customer. The reason beyond that transfer of tasks to Delivery was due to the task that was wrongly performed, and so, the decision on that time was to hand over that task to a person who was trained for that, which was the Delivery team agents.

That decision is an example of the method that was used, in previous situations at Farfetch, to solve some issues or to improve processes as ad-hoc activities. Besides, being a good solution to have a better performance on that tasks, the impact on other metrics of the teams was not that positive.

The consequences of that change were reflected on the volume of tickets and mainly on the full resolution time, once it is not a priority to the team of Delivery to look into those tasks.

The exploitation of this process along with the supervisor of Delivery team allow the Project Owner to be aware of the issues that led to the changes, and it was actually discussed the transfer back those tasks of creating return to the team of Partner Service, based on the potential reduction of workload to DS team (in 40%) and the full resolution time of the request (in 20%), that impacts the Boutique and also the final customer.

Furthermore this first discussion, this decision had to be presented to the Head of Operations, since it represents a structural modification of the process. As a result of the management approval, the condition to that change be possible was the creation of a strong and structure
Methodology to improve processes in fashion e-tail business: design and implementation

knowledge base that would be delivered to the agents that would be chosen to perform the task. This request is related with the need to standardize and define the processes, and so, with the aim to improve the processes and the performance of the agents the request that was demanded was fulfilled.

Afterwards, the Project Owner reunited the document that was created to present and request validation. That document that was presented corresponds to an ‘On-point-lesson’ (OPL), which is a type of kaizen standardization, where was described by images what are the steps that should be performed, in Appendix F.

Finally, it was schedule a meeting to present the solution that was been study and to develop the process considering the changes and a better definition of the process to future use and performance. The result of the meeting was the following multilevel model with the new ‘Create Return’ process (Figure 29). The swimlane representation of the process is in Appendix G, considering Farfetch framework.

![Diagram](image)

**Figure 29 - Multi-level model: Create Return TO BE**

### 4.4.3. Return Push-up

The ‘Return Push-up’ process, as it was said before, only occurs when the Boutique tasks more time that is expected to process a return on the system. And so, the other internal teams, mainly Customer Service, when the customer contacts about the return status and the refund contacts Partner Service to press the boutique to accept the return on the system.

Since this process is triggered and so influenced directly by Customer Service, it was discussed along with the supervisor. Within this meeting, arose some questions in order to exploit the conditions and issues of this process, which were related to the process definition on the side of CS, the tasks that are performed by the agents on this process and the guidelines that are defined to this process.

Therefore, some conclusions were taken from this meeting about the CS positioning on this process. On one hand, this process is not mapped and so it is not available on the knowledge base for the agents. Besides that, it was perceived that the tasks that are supposedly performed by the CS side are also being performed by the team of PS, which represents double handling time and workload that should only be done by one team, and finally it was shared the
guidelines and the tasks that should be done in Customer Service, before any contact related to those requests.

Considering only the inputs of that meeting, it was visible the opportunity associated with this process. And so, it was agreed that the Project Owner supported the team of CS with a swimlane chart of the process that should be performed by the CS agents, in order to provide them a content to support their daily work.

Afterwards, with this definition of tasks and guidelines on the side of Customer Service, it was a facilitator to improve the process on the side of Partner Service, which has been reduced only to the confirmation if the return was delivered to the boutique and then the request for its acceptance, excluding the investigation that should be made by CS.

Moreover, the implementation on the tool that is been developed due to the improvement considered to the process of ‘Transport Problems: Documents confirmation request’, it will impact on other processes, not the ones studied on this project. Therefore, this process will be also influenced by this tool, since it will facilitate the investigation of the AWBs associated to the order, as the status of the return.

In result, the improvement will impact on the full resolution time due to the elimination of the repetitive tasks, reducing near in 10%, and also, on the handling time, since the investigation will be facilitated by the tool for AWB information, removing around 45% of the workload.

The multilevel model that was developed (Figure 30) alongside with the swimlane diagrams, based on Farfetch’s framework, in Appendix H and Appendix I, were presented to the project team and the Customer Service supervisor on a meeting for that purpose, which had the aim to align both teams, and to provide visibility of both teams. The outputs of that meeting were positive, and so, the proposed solution was accepted.

Comparably to the other phases of the methodology, this phase has also a framework to be fulfil after finishing all sub-phases, and so the visual representation of that framework is the following Figure 31.
Nevertheless, at the end of this phase, it is needed a final validation of the improvements and changes made on the processes. In this specific case, since the impact was cross-function the validation needed to be made by several stakeholders, from the manager of Partner Service, supervisor of Customer Service and also the Head of Operations. This validation was requested via e-mail, to all the participants of the project, in order to provide total visibility of the final proposal of improvements. The deadline for feedback is two weeks, due to the peak season and the consequent workload. After that validation, it is possible to start the implementation process as in the plan presented above in Figure 31.
5 Conclusions and Future Work

The online and the luxury markets are growing at a fast pace, and so is Farfetch, which represents the combination of those two realities. Luxury e-commerce sector is, consequently, extremely challenging and demanding, due to the competitiveness that is lived in that sector.

These characteristics of the market in which the company operates, alongside with the customers’ high expectations require a high service offering, in order to impact customer’s satisfaction and retention.

Besides these considerations that are taken into account on a daily basis, the company, due to the complexity that the growth has brought, is being focused on the internal operations that can impact on the partners and customers, in order to improve their performance.

Therefore, this present dissertation, had the aim support the company operations in projects that have the purpose to improve processes, by providing a structured and consistent methodology to be followed.

5.1 Conclusions

In order to fulfill the objectives defined, this project was dedicated to the development of a methodology with six phases that are needed to support a project to improve processes at a company as Farfetch. The six phases that were defined are ‘Pre-Project’, ‘Problem Identification’, ‘Solution Design’, ‘Implementation’, ‘Monitoring’, and ‘Closing Session’.

This methodology was created with the purpose to provide consistency to the method that is used to reach that desired output, by having a structured guidance from the moment that the idea or issue arises until the moment that the project is delivered to the chosen Process Owner. Another consideration for this methodology was related to the promotion of the engagement and continuous involvement of the stakeholders throughout the development of the project, that was since the begging a focus to be included.

A structured base to sustain those projects proved that the engagement of the defined stakeholders of the project was strong since they felt that it was promoted more visibility along the path that was being built and also the request for their opinion was a stimulus for that strong engagement. And so, influenced their participation and willingness to help to improve their work in a truly positive way.

It was remarkable the effect that a structured method has on the project path. The fact that the persons were aware of the planning, allowed them to be aware of the following steps, which gave them the space to consider some aspects to present in the following meetings. In addition, it had also positively impacted, due to the coherence of the proposed solutions, since it was possible to discuss together the potential opportunities, which resulted in the prevalence of some ideas that were worked on the ‘Process Identification’ sessions.

Additionally to the development of this guidance to be used on further projects, it was tested while it has been developed, in order to fundament its structure in the reality of the company. That test was done along with the team of Partner Service, focusing on returns’ processes, once they represent complexity and high effort to the teams.

Besides the objectives associated with the methodology, there were defined other objectives for the implementation of that methodology, that are related to the improvements that can be achieved within this type of projects, by impacting the efficiency of the teams, in terms of
Handling time, full resolution time and communication, in order to enforce the customer’s service value perception, and the sustainability of the partnerships.

Throughout the project, it was needed the involvement of other teams besides Partner Service, including Customer Service and Delivery Support, due to the fact that most of the processes that exist at Farfetch are cross-functional, which implies additional structuration and coordination between the teams, to avoid overlaps or gaps of some tasks, inefficient communication, invisibility of other teams’ tasks and consequently customers’ dissatisfaction.

Considering that the project was not fully completed, due to the impossibility train the agents, the outputs that were validated on the phase ‘Solution Design’ and that are in pipeline to be implemented are the aspirations defined for this project.

The estimated results, considering the proposed improvements, will be different from the ones that were defined. In terms of the quantitative objective, it is expected that will exist a reduction of the volume of tickets created and received by the team in about 25%, which metric was not considered on the objectives. Besides this reduction, it is also expected a reduction of the average full resolution time in more than 40%, which is above the goal. And, regarding the average handling time for Partner Service will exist a reduction, however, it is not significant, being 4%, which happens due to the autonomy given to the team, that in some cases will reflect an additional time used in the process. In terms of qualitative objective, it is expected an improvement on internal communication and on its consistency through standardization and structuration of requests.

Nevertheless, the metric that has more impact on external parties, including final customer and partners, is full resolution time, that defines the time taken to solve a specific request, which is estimated to have the biggest reduction considering the solutions.

5.2 Future Work

The need to structure a guidance to be used to improve processes has arisen from the increasing complexity that the business growth is impacting. Thus, having a guide will be extremely useful to the teams, however, it should be iterated applying be adjected to the needs of the company influenced by its constant evolution.

Besides that, since the methodology was not totally implemented it might exist some challenges and improvements when applying it to real scenarios.

The full implementation of this project as a pilot should be conducted, in order to validate the results that were considered, and subsequently to roll-out those changes on the other offices, where those tasks are also daily performed.

Additionally, in the future, considering that this methodology will be recurrently used as a guidance, it is necessary to develop a structured knowledge base, where all the documentation related to the processes can be shared and accessed by all the stakeholder, which will support the training that was suggested, and also the expansion and escalation of approach to improve processes.

Regarding potential additions that can be developed in the future, can pass through the standardization of a Business Case Framework, which is a tool proposed on the methodology as non-mandatory, would help the team of the project to easily develop a business case, with specific information that should be included considering the business strategy.
Finally, it should be considered some improvements regarding data access, since the teams that work on this projects, besides the analysts don’t have any autonomy to collect and access data, which was an obstacle on this project, due to the high dependency and waiting time.
References


Ramaswamy, V., & Gouillart, F. J. (2010). *The power of co-creation: Build it with them to boost growth, productivity, and profits*: Simon and Schuster.


## APPENDIX A: Methodology Matrix

<table>
<thead>
<tr>
<th>Phase</th>
<th>Purpose</th>
<th>Input</th>
<th>Output</th>
<th>Tools</th>
<th>Mandatory?</th>
<th>Persons</th>
<th>Meeting type</th>
<th>Mandatory?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Project phase (Problem Definition &amp; Prioritization)</td>
<td>Define the problem to be studied, considering the team and the data bases information.</td>
<td>Team’s insights, Final Business Case</td>
<td>KPI, Fishbone diagram</td>
<td>Project owner</td>
<td>YES</td>
<td>Problem or idea consideration, Validation meeting or Brainstorm</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Data bases</td>
<td></td>
<td>Data bases</td>
<td>S-Whys, Business Case, Process Governance</td>
<td>Department manager</td>
<td>NO</td>
<td>Process understanding, Gathering of KPIs, Criteria important for the team analysis</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Project Aspiration Definition</td>
<td></td>
<td>Team’s description of the process, List of Opportunities, SPOC, Process mapping</td>
<td>AS IS, Supervisory opinion about AS IS</td>
<td>Department supervisors</td>
<td>NO</td>
<td>Definition of pains, overlaps, gaps, Mapping sessions</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Process identification</td>
<td>Map processes AS IS, to understand step by step what is done and who is involved, and search of potential improvements.</td>
<td>Map processes AS IS approval, Potential of improvements, Opportunities List</td>
<td>Action Plan for Implementation, Kaizen Standardization</td>
<td>Department supervisors</td>
<td>NO</td>
<td>Map the TO BE, Unification of MACROs, Update Matrix, Validation of mapped processes</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Solution Design</td>
<td>Map the processes TO BE, considering the improvements suggested (after discussed with the other actors).</td>
<td>Map the processes TO BE approval, Potential of improvements, Opportunities List</td>
<td>Opinions about AS IS, Team’s description of the process</td>
<td>Department supervisor</td>
<td>NO</td>
<td>Team identification, Brainstorm sessions, E-mail</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Implementation</td>
<td>Train the agents and pass the information to the agents</td>
<td>Agents with knowledge to perform the tasks, Update workflow and tools</td>
<td>Kaizen Standardization</td>
<td>Specialized agents</td>
<td>NO</td>
<td>Process Governance, Validation meeting OR E-mail</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Monitor</td>
<td>Check if agents are doing the processes right. Analyze the data gathered before the implementation and after, to quantify the impact of the changes.</td>
<td>Potential improvement defined on phase “TO BE”, Quantification of the changes</td>
<td>Data analysis</td>
<td>Project owner</td>
<td>YES</td>
<td>Check if the agents are doing the processes, Monitor OR Audit</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Closing Session</td>
<td>Pass all the documents of the project</td>
<td>Deliver the project to chosen person</td>
<td>Big data, Team’s Trainer</td>
<td>Project Owner, Process Owner</td>
<td>YES</td>
<td>Deliver the Documents, Meeting OR E-mail</td>
<td>YES</td>
<td></td>
</tr>
</tbody>
</table>

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APPENDIX B: Returns Process

RETURN'S PROCESS

CUSTOMER
- Decide to return the item
- Create return on FF account
- Pack the item with AWB

CARRIER
- Process RTO
- Pick-up the package
- Package in transit
- Return via UK? [YES]
- Delivered at UK
- Send to Boutique
- Delivered at Boutique

BOUTIQUE
- Return accepted?
  - NO
    - Contest return
  - YES
    - Refund
      - YES
        - Negotiate with Boutique
          - Return accepted?
            - NO
              - Operational cost to FF?
                - NO
                  - Send refused return
                - YES
                  - Send refused return
            - YES
              - Negotiate with Boutique
                - Return accepted?
                  - NO
                    - Operational cost to FF?
                      - NO
                        - Send refused return
                      - YES
                        - Send refused return
                  - YES
                    - Negotiate with Boutique
                      - Return accepted?
                        - NO
                          - Operational cost to FF?
                            - NO
                              - Send refused return
                            - YES
                              - Send refused return
                        - YES
                          - Negotiate with Boutique
                            - Return accepted?
                              - NO
                                - Operational cost to FF?
                                  - NO
                                    - Send refused return
                                  - YES
                                    - Send refused return
                              - YES
                                - Negotiate with Boutique
                                  - Return accepted?
                                    - NO
                                      - Operational cost to FF?
                                        - NO
                                          - Send refused return
                                        - YES
                                          - Send refused return
                                    - YES
                                      - Negotiate with Boutique
                                        - Return accepted?
                                          - NO
                                            - Operational cost to FF?
                                              - NO
                                                - Send refused return
                                              - YES
                                                - Send refused return
                                          - YES
                                            - Negotiate with Boutique
                                              - Return accepted?
                                                - NO
                                                  - Operational cost to FF?
                                                    - NO
                                                      - Send refused return
                                                    - YES
                                                      - Send refused return
                                                - YES
                                                  - Negotiate with Boutique
                                                    - Return accepted?
                                                      - NO
                                                        - Operational cost to FF?
                                                          - NO
                                                            - Send refused return
## APPENDIX C: List of Returns Sub-Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub-Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Late</strong></td>
<td>Late return rejected by boutique</td>
</tr>
<tr>
<td></td>
<td>Negotiation rejected</td>
</tr>
<tr>
<td></td>
<td>Boutique does not answer (Late - from CS)</td>
</tr>
<tr>
<td></td>
<td>Late return request</td>
</tr>
<tr>
<td></td>
<td>OTHERS</td>
</tr>
<tr>
<td><strong>Repair</strong></td>
<td>Outcome of repair process</td>
</tr>
<tr>
<td></td>
<td>Repair request</td>
</tr>
<tr>
<td></td>
<td>Repair follow up process</td>
</tr>
<tr>
<td></td>
<td>OTHERS</td>
</tr>
<tr>
<td><strong>Worn / Damage Returns</strong></td>
<td>Boutique reports a worn / damage item</td>
</tr>
<tr>
<td></td>
<td>Boutique reports a worn / damage item - Packaging issues</td>
</tr>
<tr>
<td></td>
<td>CS BO does not answer</td>
</tr>
<tr>
<td></td>
<td>Photo / Info request</td>
</tr>
<tr>
<td></td>
<td>Customer received a worn / damage item</td>
</tr>
<tr>
<td></td>
<td>Boutique did not accept negotiation - already refund</td>
</tr>
<tr>
<td></td>
<td>Boutique did not accept negotiation - negotiation needed</td>
</tr>
<tr>
<td></td>
<td>Boutique did not accept the negotiation</td>
</tr>
<tr>
<td></td>
<td>Boutique does not answer (Worn / Damage - from CS)</td>
</tr>
<tr>
<td></td>
<td>OTHERS</td>
</tr>
<tr>
<td><strong>Wrong Return</strong></td>
<td>Create Return</td>
</tr>
<tr>
<td></td>
<td>Not mine: Items swap (2 items)</td>
</tr>
<tr>
<td></td>
<td>Not mine: Wrong boutique (1 item)</td>
</tr>
<tr>
<td></td>
<td>Not mine: Not FF item</td>
</tr>
<tr>
<td></td>
<td>Partial Delivery</td>
</tr>
<tr>
<td></td>
<td>Unknown Returns</td>
</tr>
<tr>
<td></td>
<td>No match (System/Item)</td>
</tr>
<tr>
<td></td>
<td>OTHERS</td>
</tr>
<tr>
<td><strong>Transport Problems</strong></td>
<td>Clearance: Without Duties</td>
</tr>
<tr>
<td></td>
<td>Clearance: With Duties</td>
</tr>
<tr>
<td></td>
<td>Clearance: Extra info request</td>
</tr>
<tr>
<td></td>
<td>Documents confirmation request (AWB, ...)</td>
</tr>
<tr>
<td></td>
<td>Fail Delivery</td>
</tr>
<tr>
<td></td>
<td>Docs Request: Non receive proof</td>
</tr>
<tr>
<td></td>
<td>Docs Request: Compliance documents</td>
</tr>
<tr>
<td></td>
<td>RTO: Requested by boutique</td>
</tr>
<tr>
<td></td>
<td>RTO: Customs problem</td>
</tr>
<tr>
<td></td>
<td>RTO: Unable to delivery</td>
</tr>
<tr>
<td></td>
<td>Customer did not used DHL/UPS service</td>
</tr>
<tr>
<td></td>
<td>OTHERS</td>
</tr>
<tr>
<td><strong>Return Push Up</strong></td>
<td>Return Push Up</td>
</tr>
</tbody>
</table>

Methodology to improve processes in fashion e-tail business: design and implementation
APPENDIX D:  Create Return: AS IS process
APPENDIX E: Return Push-Up: AS IS process
APPENDIX F: Create Return: On-Point-Lesson

1. Access Sales platform, select ‘Order Management’, and then select ‘Order Process’

2. In ‘Search for’, select ‘Order number’ and insert the number on the white field and, then, ‘Search’

3. Select ‘History – Received (& The Rest Is History...)’, and then, select the curved arrow
Methodology to improve processes in fashion e-tail business: design and implementation

4. The following pop-up will appear in your screen. Select 'Do Return in Store'.

```
Step 1 of 4 – Select your Order for the return

Order date
10037376   08/05/2017 12:05:01   280.1176   0   280.1176

[Do Return in Store] [Book Free Collection]

Please select which products you wish to return. In your list you have all products purchased in your Order and in your right you have the list of products you wish to return. Add or remove items to your return list and then click next to advance.

Products Order

Returns Products
```

5. Select 'Create Return'.

```
FARFETCH

RETURNS

To request a return, please select 'create return' from your chosen order below

<table>
<thead>
<tr>
<th>Date</th>
<th>farfetch from</th>
<th>Order no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>04-06-2017</td>
<td>CUCCINI/Italy</td>
<td>CUC10897376</td>
</tr>
</tbody>
</table>

[create return]
```

6. Put a check mark in the products that are suppose to return. Then, Select the reason 'Return to origin store' and put on the 'Comments' one of the following reasons (MANDATORY):
   a) Wrongly Returned Item - c/st/carrier returned by own means (no AWB # available)
   b) Wrongly Returned Item - c/st/carrier returned by own means AWB:

```
FARFETCH

RETURNS

Select the items you wish to return and click Next

Order number: CUC10897376/VIJ2CB
Order date: 5/4/2017 11:50:14 AM

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>From</th>
<th>Price</th>
<th>Return Item</th>
<th>Reason</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FABIANA FILIPPI</td>
<td>short-sleeved blouse</td>
<td>CUCCINI</td>
<td>3845.46</td>
<td>✔️</td>
<td>Return to origin store</td>
<td>Wrongly Returned Item - carrier returned by own means AWB: 155887426</td>
</tr>
</tbody>
</table>

[Next]
```
Methodology to improve processes in fashion e-tail business: design and implementation

7. When this view appears with a RMA number, you can close the tab.


9. Select the ‘Step 1 – Review Returns’, and then, select the icon of a page with a question mark.
APPENDIX G: Create Return: TO BE process
APPENDIX H: Return Push Up: TO BE process (Partner Service)
APPENDIX I: Return Push Up: TO BE process (Customer Service)