



## The Focus of Lean

Used originally by manufacturing organizations, Lean is a performance-based, continuous-improvement strategy that focuses on eliminating waste and unnecessary steps in company processes. While the benefits of implementing Lean has transformed manufacturers and non-manufacturing companies alike, the challenge of implementing any Lean program is getting commitment from every employee within the organization, from top-level management to shop floor employees.

## The Five-Step Process

Lean is based on five steps for guiding implementation and transforming the 'spine' of the revenue generation.

1. Identify Value. Value is defined as what a customer is willing to pay for and is the foundation for the Value Stream. Understanding the difference between value-add and non value-added is essential to this step. For Lean, non value added is defined as defects, overproduction, waiting, non-value added processing, transport, inventory, and motion. Poor use of employee knowledge skill and ability is also a waste. For example, customers don't want to pay for a company to move inventory back and forth between warehouses. Customers don't want to pay for the costs associated with reworking or remaking products nor do they want to pay for employees waiting or searching for tools and materials. Typically, less than 5% of materials time spent in production is value added.
2. Map the Value Stream. The value stream is all of the actions, both value-creating and non-value-creating, required to bring a product from concept to launch and from order to deliver, including material and information flows. A Value Stream Map is a diagram of every step involved in the material and information flows needed to bring a product from concept to launch and from order to delivery.
3. Create Flow. Flow is comprised of three elements – distance, complexity and velocity. Shortening material and information travel distances is key to creating flow. Reducing complexity means reducing the number of back-and-forth moves and hand-offs. The concept of velocity means increasing the speed at which materials and information moves through the system to generate revenue. Materials and information often stall, wait, and stagnate between steps which slows velocity. The aim of Lean is to eliminate waste to make the materials and information in the value stream flow without disruptions.
4. Establish Pull. Most improvement strategies focus on a false belief that if each step in the process is optimized (produces as much as it possibly can) that the entire system will perform better. Lean is based on systems theory which recognizes that the system can perform no better than the slowest operation. Simply because an operation can produce 1000 per hour doesn't mean the downstream operations can produce at the same rate. Pull systems regulate when and how much inventory is produced so operations are better synchronized resulting in better flow.
5. Seek Perfection. Perfection is reached when things are done right and waste is eliminated due to continuous improvement efforts. It is a never ending pursuit.

## The Four Main Focus Points of Lean

Organizations must focus on four main points while implementing a Lean program. While every company embarking on a Lean journey will have unique challenges to face, concentrating on the following crucial areas will help to reduce resistance to change, simplify learning and training, and promote commitment to the effort:

### Effective Leadership

The first focus point is providing effective leadership that will set the standards for the program and the organization. Solid leadership can precisely communicate the vision of the Lean program, build trust, and inspire and coach employees when it comes to making process changes, reviewing findings, and making important improvements to the process. Lean is led from the top and requires management behavior changes.

### Team Work Environment

A team work environment is the second main focus point of implementing a Lean program. Team work environments help to foster better employee-management relationships where employees can contribute to the overall success of the organization. Team work environments value diversity, utilize the knowledge of highly skilled workers by promoting accountability and responsibility for work and improvement activities, and support the continuous development of the workforce. This requires participation and time by all employees, especially production workers.

### Communication Channels

Communication channels are the third main focus point and are essential for the transfer of knowledge between management, shop workers, and office staff. From project implementation to project completion, communication is important in identifying critical issues, developing new processes, and executing new programs and/or changes. Open communication helps to make the decision-making

process simple and keeps employees better informed.

#### Continuous Improvement of Company Processes

The fourth main focus point of Lean is the continual development and improvement of company processes including management strategy and policy deployment, execution and accountability, systematic checking, and post implementation reflection, not to mention daily production and information transaction processes. In order for Lean to be successful, products must be designed and built right the first time with all unnecessary steps and waste removed from the process. Lean is a commitment to the elimination of waste and problems, improvement throughout the company's supply chain, control of delivery of materials, training and development of workers, and learning from suppliers and customers alike.

Organizations use Lean concepts to significantly improve production, increase market share, improve product introduction, reduce costs, and eliminate unnecessary steps from their operation. Lean also helps to improve equipment reliability, balance production, correct material and information flows, ensure quality and consistency, and train and educate employees.

The implementation of a Lean program is a strong commitment; there is a beginning but never an end. It is an ongoing continuous improvement effort which changes and shapes the organization, making these efforts a way of life for everyone within the organization.

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