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Lean Principles

In this edition, I'll be sharing some lean principles intended to resonate with small and mid-size businesses interested in streamlining the way work gets done. These principles were initially developed in manufacturing, but service businesses are an ideal fit for lean.

High-Level Lean Concepts

Focus on attacking waste in processes:

- 'Muda' – Japanese for 'waste'
- Anything that is useless, unnecessary, idle

Lean Process Management

Focus on value stream analysis and improvement:

- Primary goals:
 - Increase production
 - Reduce costs
 - Prevent defects
- Waste removal tools
- Value stream map of goods and services
- Continuous improvement mindset

7 classic types of waste + 4 more to consider:

1. Transportation of resources, outputs
2. Inventories of work queues, email, etc.
3. Movement of people in a process
4. Waiting
5. Overproduction that disrupts workflows
6. Over-processing that customers don't value
7. Defects
8. Unused data, reports, etc.
9. Underutilized cash that could improve profits
10. Underutilized employee talent
11. Underutilized employees' improvement ideas

Spotlighted Lean Approach: 5S

In her international best-selling book, "the life-changing magic of tidying up", author Marie Kondo lays out a practical and effective framework to declutter one's home. Kondo essentially uses a lean principle known as 5S, which is a Japanese approach to organizing workspaces to identify and avoid waste:

- **Sort** – discard old, broken, unused materials and keep only used items
- **Set in order** – establish an orderly place for everything
- **Sweep** – keep work area visibly clean and put everything in its place
- **Standardize** – develop a standard or policy to repeat the 3 steps above
- **Sustain** – everyone follows the rules

Business benefits of 5S include improved safety, lower costs, improved production and quality, and detecting and preventing future waste.

Conclusion

Lean principles are well-suited for small and mid-sized service and manufacturing businesses. Lean encompasses the endless pursuit of continuous improvement, and returns ongoing benefits.

Key Takeaway

Lean principles and tools drive business efficiency and apply to any business of any size.

HELPSCO helps business leaders ensure that the right people and resources are doing the right things at the right time. This translates into happier customers, a better bottom line, and peace of mind.

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