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Lean Manufacturing Is a State of Mind... Are You There?

by Rich McKenna

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Mention the term “lean manufacturing” and any one of a variety of ideas may come to mind. Some will think of the early days of “just-in-time inventory” or the revolutionary manufacturing efficiency ideas of the Toyota Production System. Others may think of Dell, Southwest Airlines, FedEx or L.L.Bean for the way that they transformed their specific industries. Lean manufacturing techniques have changed the world.

All of these organizations have one thing in common: they all believe that any process can be improved and that the first step to improving a process is to understand what “lean” really is. “Lean” is a set of ideals that focuses on eliminating any activity that does not add value to the process or product. Are you one of those people who believes in this same set of ideals?

Lean manufacturing is a clear understanding, or a vision, of how things should be. The idea of eliminating waste or inefficient activity can be applied in every facet of your business, and begins with a lean philosophy and a lean view of how things should work. It is a commitment to doing things right the first time and to eliminating all inefficiencies that hide poor performance.

The underlying principle of a lean environment is the need to eliminate all activity and effort that does not directly add value to your product. This lean focus is a deliberate effort to view every corner of the organization, not just the production floor, as an opportunity to eliminate waste and to eliminate non-value-added work.

Business conditions such as long product lead times, excess inventory, scrap material, rework, overtime, excess material handling time and machine downtime are typical signs that hide or cover-over inefficient or ineffective work processes. Such signs of excess are an indication that the processes are not value-driven or lean.

Historically, the principles of lean manufacturing have been applied to production operations. Everyone would agree that there are great benefits in implementing a lean philosophy on the plant floor, and everyone is encouraged to do that. However, often, the strategies of lean manufacturing are relegated to the production floor, and not applied to the entire organization.

It is important to develop a lean strategy for all of the areas outside of production. The entire organization needs to be part of the lean culture. Look for areas of improvement in sales, purchasing, accounting and other back-office areas.

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The implementation of a lean strategy can be applied when times are good and when times are tough. There is never a bad time to implement a lean strategy in any facet of your business. The tools and controls that can be implemented as part of a lean philosophy can be applied to any organization, and to any business process.

If you would like to talk to a Schneider Downs Business Advisor about lean manufacturing, or about other process improvement ideas, please feel free to contact Joel Rosenthal, Shareholder and Director of Schneider Downs Business Advisors, at 412-697-5387 or jrosenthal@schneiderdowns.com or Rich McKenna, Senior Manager of Business Advisory Services at 412-697-5205 or rmckenna@schneiderdowns.com.



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