BASICS OF LEAN

What is Lean?

Lean is a customer-centric methodology used to continuously improve any process through the elimination of waste in everything you do; it is based on the ideas of "Continuous Incremental Improvement" and "Respect for People."

Lean Principles

The basic principles of Lean are:

- Focus on effectively delivering **value** to your customer – **Customer Focus**
- Respect and engage the people – **Respect for People**
- Improve the Value Stream by eliminating all types of waste – **Value Stream**
- Maintain Flow - **Flow**
- Pull Through the System - **Pull**
- Strive for Perfection - **Perfection**

Value

The customer defines value or value-added with the following three conditions:

1. It must transform the product or service.
2. The customer must be willing to "pay" for it.
3. It must be done correctly the first time.

If the product or service doesn't meet all three of these criteria, then there exists non-value-added activities or waste.

Then what's "waste" anyway?

Waste comes in three main forms:

- **Mura** or waste due to variation
- **Muri** or waste due to overburdening or stressing the people, equipment, or system
- **Muda** also known as the "seven forms of waste"

The following are the wastes most commonly associated with Lean:

- **Transportation:** Is there an unnecessary (non-value-added) movement of parts, materials, or information between processes?
- **Inventory:** Do you have any raw materials, work-in-progress (WIP), or finished goods that are not having value added to them?
- **Movement:** How much do you move materials, people, equipment, and goods within a processing step?

- **Waiting:** Are people or parts, systems, or facilities idle — waiting for a work cycle to be completed?
- **Overproduction:** Are you producing sooner, faster, or in greater quantities than the customer is demanding?
- **Over Processing:** How much extra work is performed beyond the standard required by the customer?
- **Defects:** Does the process result in anything that the customer would deem unacceptable?

In the recent years the underutilized SKILLS and ENERGY are considered as waste and are added to the overall waste elements.

Lean Projects and Leading projects

Lean Projects are done to identify Muda, Mura, and Muri and adopt lean system to build value stream to deliver value to the customer. Various tools based on time, value, bottleneck, flow, capacity utilisation, resource pooling etc are used in the process. Different names given to the tools are given in the figure below.
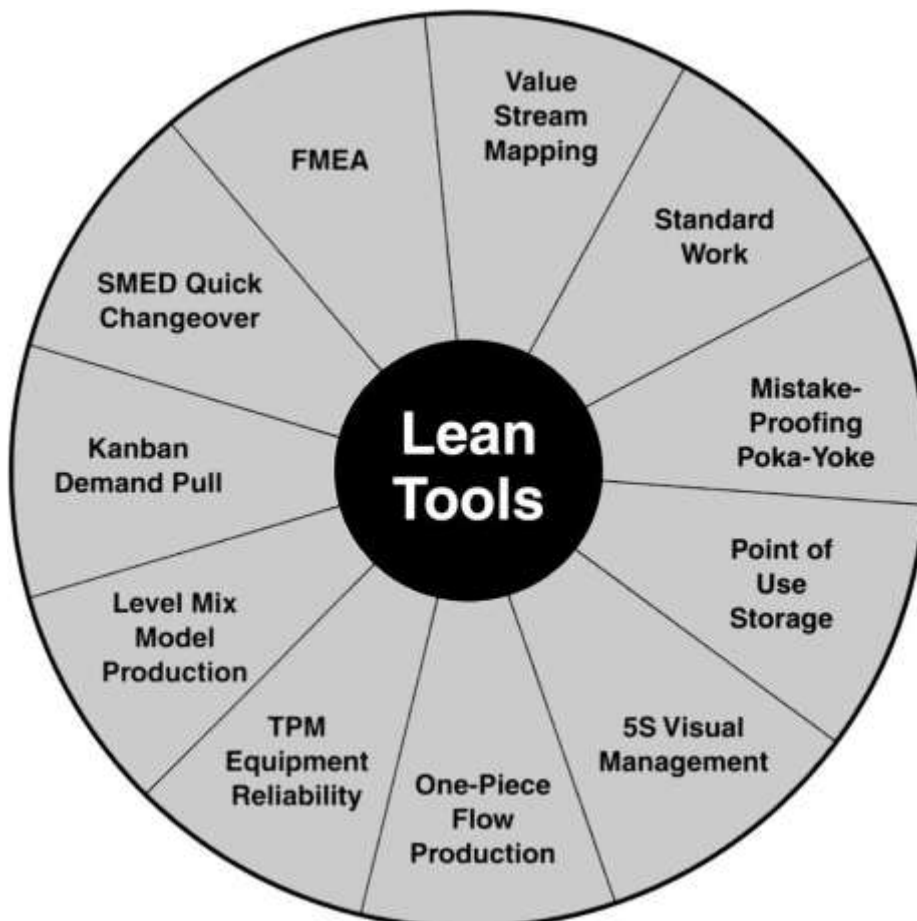
Lean project leaders are expected to motivate the team to identify 3Ms, the opportunity for improvement and choose and implement counter-measures. The role of the Lean Leader is critical as they make the system effective.

As the Lean Leaders know how the business serves the customer, they will effectively exhibit the following behaviours every day.

Know the Customer: They try to
- Understanding what customers want, need, and value, or what will thrill them
- Knowing how the business satisfies the customer
- Improving the effectiveness of how the business satisfies the customer

Respect the People: They enhance ability in the people through
- Guiding problem solving — root cause, right problem, right resources
- Leading from *Gemba (the actual place)*; applying Genbutsu – (*the actual thing); at* Genjitsu – (*the actual situation*)
- Asking open-ended, probing questions

Focus on Improvement: They show a continuous improvement mindset by
- Continually challenging the status quo
- Knowing that there is always room for improvement
- Understanding that the customer changes — what delights today are a necessity tomorrow

Results for Perfection: They focus on process and results by
- Obtaining results.
- Ensuring that how the results are achieved is the most effective utilization of all resources, in the direction of the ideal state.
- Improving how the organization accomplishes results.

Value Stream: They demonstrate an understanding of the value stream at a macro and micro level through

- Knowing what the customer requires and how the value stream satisfies them.
- Knowing the overall value stream, including tributaries.
- Asking questions when changes are made at the local level to ensure that the team understands how the change will impact the customer and the rest of the value stream.

Culture to Nurture: They create a culture to sustain improvement by

- Identifying, modelling, and encouraging Lean behaviours.
- Finding the lessons in every "failure" — blame does not foster improvement or innovation.
- Respecting and improving standards — questions when the organization is deviating from the standard.

Man2succeed Center for Business Excellence offers the following course on Lean:

Lean Accounting	Lean Kaizen
Lean Agile	Lean Leader
Lean Apprentice	Lean Manager
Lean Applications	Lean Problem-Solving Tools
Lean Basics	Lean Supervisor
Lean Expert	Lean System Engineer
Lean for Service	Lean TPM
Lean Inventory Management	

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