



Operational Excellence in the Digital Age

Lean Workout



Version 1.2

Gavin Thompson

Cell: +44 (0)753 575 1207

gavin@4irconsult.com

<https://www.4irconsult.com>

INTRODUCTION

Today's customers are becoming increasingly demanding. Not only is their demand for goods and services increasing, but the level of service they attach to these goods and services is also increasing. On the other hand, companies are under constant pressure to reduce operational expenses to remain competitive, whilst still meeting increasing customer demands.

Lean thinking encourages organisations to consider the way in which processes are completed. It challenges organisations to look for, and eliminate, inefficiencies (waste) within their processes which do not add direct value to the customer.

The 4IR Consult Lean Workout allows companies to quickly optimise their processes by applying the Lean tools and principles in a structured manner. The 4IR Consult Lean Workout can be used by itself to optimise a process or in conjunction with our Operational Excellence Programme which entrenches the Lean thinking within the organisational culture.

WHAT IS LEAN?

Lean is a management philosophy that aims to create more value for the customer whilst simultaneously minimising the waste (unwanted activities) in the organisation.

Lean thinking changes the focus of management from optimising separate technologies, assets, and vertical departments to optimising the flow of products and services through entire value streams that flow horizontally across technologies, assets, and departments to customers.

The origination of Lean dates to 1930 when Toyota's Kiichiro Toyoda and Taiichi Ohno revisited Henry Ford's original process sequence thinking and invented the Toyota Production System. Lean thinking was introduced to the West in the early nineties by James Womack, Daniel Jones and Daniel Roos in their books *The Machines That Changed the World* (Womack, Jones, & Roos, 1990) and *Lean Thinking* (Womack & Jones, 1996)

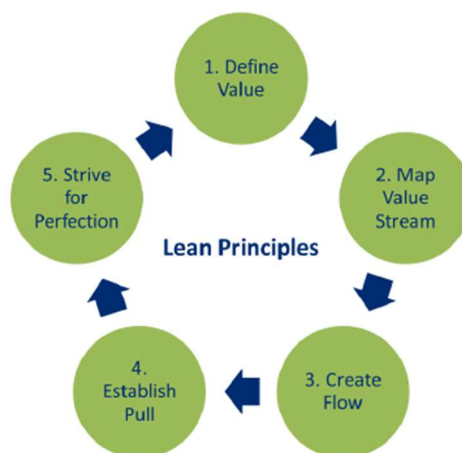
Although Lean originated within the manufacturing industry, it is being rapidly adopted within the services industry as the principles are equally relevant. Being Lean conscious can be rooted into the culture of service organisations, enabling staff to be more effective and efficient leading to accountability and enablement to improve processes.

4IR Consult is a specialist in the application of Lean in service industries.

THE LEAN PRINCIPLES

The Lean management philosophy is based on the following 5 Lean principles:

1. **Value** – Value is defined by the customer! How much are customers willing to pay for the product or service you offer? Can you eliminate the waste and unnecessary cost to ensure optimal benefit to your customer and great profit to your organisation?
2. **Value Stream** - Understand the full value stream from the supplier to the customer. Determine the cycle time per activity and use this information to see what waste exists within your process and how this can be eliminated.
3. **Flow** – Ensure that every step in the process is moving as required to avoid any bottlenecks. Each activity in the value stream should be well synchronised with other activities to ensure that continuous processing is achieved.
4. **Pull** – Use customer demand to determine the pace of the process. This ensures that “work in progress” does not build up and create waste. Items are processed based on customer needs.
5. **Perfection** – Strive for perfection by continuously ensuring the root causes of poor quality and waste are removed.



BENEFITS OF LEAN

A company adopting the Lean philosophy and principles can expect to realise the following benefits:

- ✓ Streamlined processes - faster more effective processes with no compromise to quality.
- ✓ Improved Lead Time – customers will receive process outputs faster and more consistently.
- ✓ Improved quality – use problem solving to remove defects from the process.
- ✓ Improved staff productivity – staff feel more engaged in their work and contribute to Continuous Improvement.
- ✓ Improved customer satisfaction – Lean processes produce better customer retention and referrals.
- ✓ Improved profits – increased customer retention along with reduced operational costs result in better financial performance.

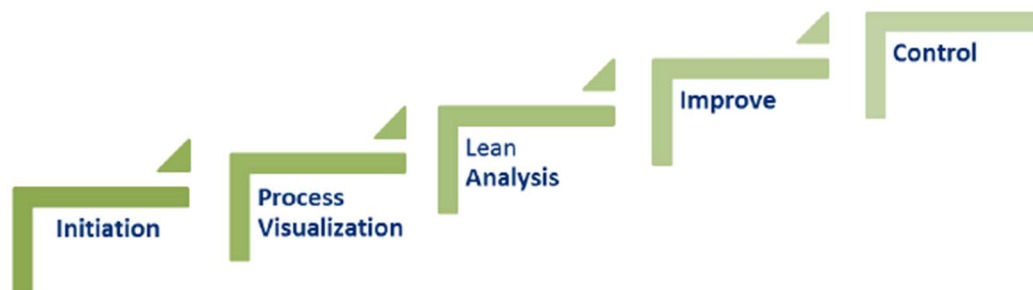


LEAN WORKOUT METHODOLOGY

4IR Consult has developed a 5 step Lean Workout methodology that will assist your organisation optimise key business processes in a short period of time.

To ensure that the process improvements gain maximum acceptance, it is imperative that 4IR Consult provides a mentoring role to selected business representatives who will work with them on the project. Should 4IR Consult be left to do the process analysis and improvements with no business support, there is a high risk that the suggested improvements will be rejected by the staff due to the “not built here” syndrome.

4IR Consult provides a consultant that will mentor and guide the business representatives through the Lean Workout methodology, tools and techniques. Whilst the 4IR Consult consultant will produce a process analysis report, it is important that this piece of work is viewed as a collective effort with adequate business input.



Initiate Phase

The Initiate phase of the project identifies key stakeholders and Lean leaders that will be held accountable for the objectives on the Lean Workout. It also ensures that the business representatives working on the assignment are properly contracted. The Lean Workout is only as effective as the people that are accountable for making the assignment a success.

Process Visualisation Phase

It is easy to miss, add or unintentionally create wasteful process steps or processes within any organisation. This is specifically true if the process requires multiple touch points from a variety of internal or external parties. A simple way to better understand what is happening within a process is to complete the various process mapping exercises that can help better visualise the process. This is especially important within a service environment where the output of a process is not a tangible product.

The Process Visualisation phase is an important step within the Lean Journey to better help identify and eliminate wasteful process steps and create a more efficient experience for the customer.

Lean Analysis Phase

The Lean Analysis phase involves understanding the true value the process adds to the organisation and helps eliminate those process steps where no value is being added. The 4IR Consult consultant will work with those designated business representatives to perform a thorough analysis of the consistency, timing, value classification and rhythm of the current process.

Improve Phase

Once the process has been analysed, improvement opportunities will be identified. During the Improve phase, the 4IR Consult consultant will work with those business representatives to propose process improvements by applying the applicable Lean techniques. The nature of the improvement will determine the length of time it will take and the and degree to which the 4IR Consult consultant can support the change.

Control Phase

Many process improvements fail over the long term as the business does not implement adequate controls to ensure that the process continues to perform at its new level. The Control phase identifies the controls that need to be implemented on the new process to ensure long-term sustainability. The nature of the control will determine how long it will take to implement and the degree to which the 4IR Consult consultant can support the change.

LEAN WORKOUT ROADMAP

The 4IR Consult Lean Workout Roadmap is adapted for each organisation and their specific requirements. A site inspection is recommended, including the completion of the 4IR Consult Maturity Assessment, to further understand the potential areas for development within the organisation.

		Recommended Timelines																																						
		Dur	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	35	
Initiation	Identify key stakeholders	1	█																																					
	Baseline process performance	1		█																																				
	Output Stability & Capability	1			█																																			
	5S	5				█	█	█	█	█																														
Process Visualisation	VOC / VOB / VOE	7					█	█	█	█	█	█																												
	Journey and Moment Map	2												█	█																									
	SIPOC	1																																						
Lean Analysis	Process Map	5																																						
	Time Study Analysis	3																																						
	Value Classification	1																																						
	Value Stream Map	3																																						
	Process Rhythm and Beat	2																																						
Improve	Check for work method and consistent execution	5																																						
	Identify & Prioritise Actions	1																																						
	Implement Improvements	7																																						
Control	Update Process Documents	2																																						
	Update Process performance	1																																						

The recommended timelines above are for illustration only. The time a Lean Workout takes is dependent on the complexity of the process and the availability of business resources to participate in the assignment.

SUMMARY

4IR Consult is a leader in operational, service and quality excellence and is well equipped to assist companies realise process improvements through our Lean Workout Methodology.

REFERENCES AND COPYRIGHTS

Books

Womack, J. P., Jones, D. T., & Roos, D. (1990). The Machine That Changed The World. Free Press.

Womack, J., & Jones, D. (1996). Lean Thinking. Simon & Schuster.

Images

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