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eBook

EMBRACING LEAN PRACTICES & PROCESS IMPROVEMENTS

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HOW YOUR BUSINESS CAN EMBRACE LEAN PRACTICES

How efficient is your company, at present? This question is more complex than it first appears because many organisations are unaware of inefficiencies in their processes that, if corrected, could result in great benefits. These unoptimised practices can take their toll in a few ways, with time loss, quality and budgetary waste being major factors.

Detecting and correcting these inefficiencies can become a source of improved value and return on investment for businesses of all kinds. Process improvement strategies based on Lean principles are some of the most popular approaches, and they can take a few forms.

While Lean concepts arose in manufacturing and have mainly been applied by large organisations, companies of all sizes can see benefits from using these principles.[1] The concepts of waste elimination and commitment to value-adding activity are universally useful.

[1]https://cdn.ymaws.com/www.atmae.org/resource/resmgr/publications/jtmae/lean_adoption_in_a_small_and.pdf

WHY EMBRACE PROCESS IMPROVEMENT NOW?

Process improvement principles apply to industries that span manufacturing, construction, facility management, health care services, corporate management, hospitality and retail. It's hard to find a company that wouldn't be improved by cutting out wasteful practices and taking a more focused approach to its essential offerings.

A few examples of lean processes in action across industries include:[2]

- NHS care facilities cutting down on wait times and boosting patient satisfaction.
- Food providers streamlining their manufacturing efforts without putting customers in danger.
- Hospitality organisations hiring and empowering employees based on their ability to deliver customer happiness.

Selecting the right type of practices for a particular company can be the first step in positive transformation. The following five are a sampling of the leading ways to deal with the hidden inefficiencies that hold organisations back.

[2]https://www.leancompetency.org/lcs-articles/four-sectors-benefited-lean-thinking/

IDENTIFYING THE '7 WASTES'

Since one of the main challenges associated with adopting Lean principles involves identifying where the company's sources of inefficiency reside, thinking about the so-called "7 Wastes" is a good way to address transformation. These areas are:

Transportation,
or the unnecessary movement of material.

Inventory,
meaning carrying too much stock and raising storage costs.

Motion,
which as opposed to Transportation is the unneeded movement of people.

Waiting
and downtime because people, information or materials have not arrived.

Overproduction,
of goods relative to specifications.

Overprocessing,
meaning the unnecessary repetition of actions.

Defects or Rejects,
making mistakes and creating unusable items.

These 7 wastes are commonly known by the acronym "TIM WOOD", and there is another area to look out for which is not on the list: **skills**. **If employees are under- or over skilled for their tasks, the organisation is not putting them to their best use.**

CREATING A 5S WORKPLACE

The 5S framework is based around taking nonessential items out of the workplace, so everything that is retained is confirmed to have real value and use. The five steps associated with this transformation are:

1. **Sort:**
   Stakeholders place everything into either the "keep" or "remove" category and each take responsibility for what they are keeping.

2. **Set:**
   Items are placed in permanent "homes," located near where they are used and grouped with others that go together.

3. **Shine:**
   All personnel work together to ensure the workplace and everything in it is clean, working and well maintained.

4. **Standardise:**
   Equipment usage guidelines and staff roles are set down and formalised, so they are repeatable.

5. **Sustain:**
   Employees audit and measure the process over time, formally and informally, to keep it going.

FOLLOWING THE DMAIC PROCESS

DMAIC is a five-step project management process defined to ensure companies have a standardised way to take on projects and succeed in their efforts. The steps along the DMAIC path are:

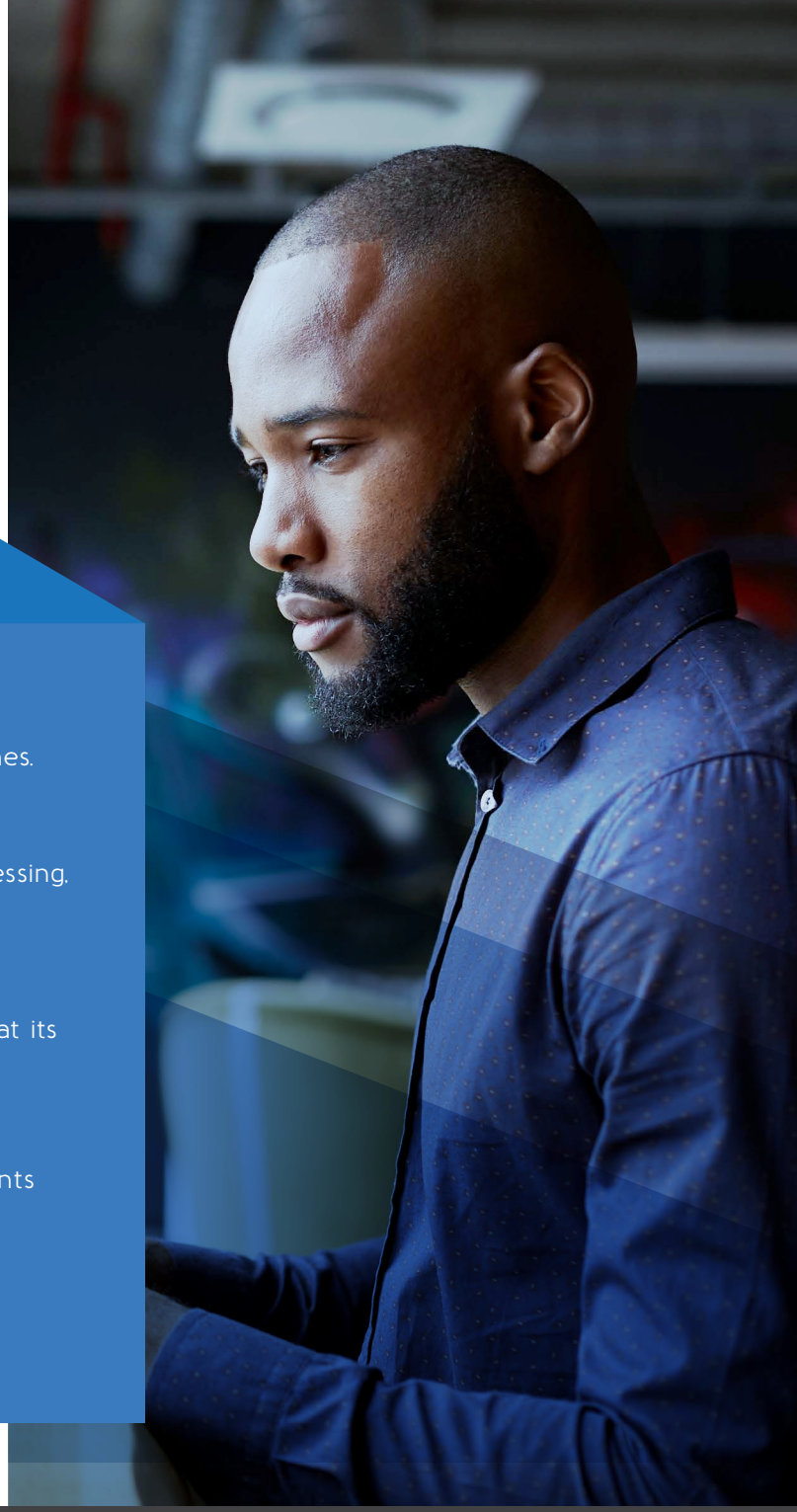
1. **Define opportunity:**
   The team forms and institutes a project charter, along with customer requirements, a communication plan and a list of required target outcomes.

2. **Measure performance:**
   Members collect data on the current state of the process they are addressing, along with causes of variation, waste factors and opportunities.

3. **Analyse opportunity:**
   Employees determine the root causes of why the process is functioning at its present level, as well as where improvement areas exist.

4. **Improve performance:**
   Team members and process users unify to implement the improvements identified in previous steps.

5. **Control performance:**
   Stakeholders monitor the new process and sustain its improvement, confirming the results and sharing their new knowledge.



PERFORMING VALUE STREAM MAPPING

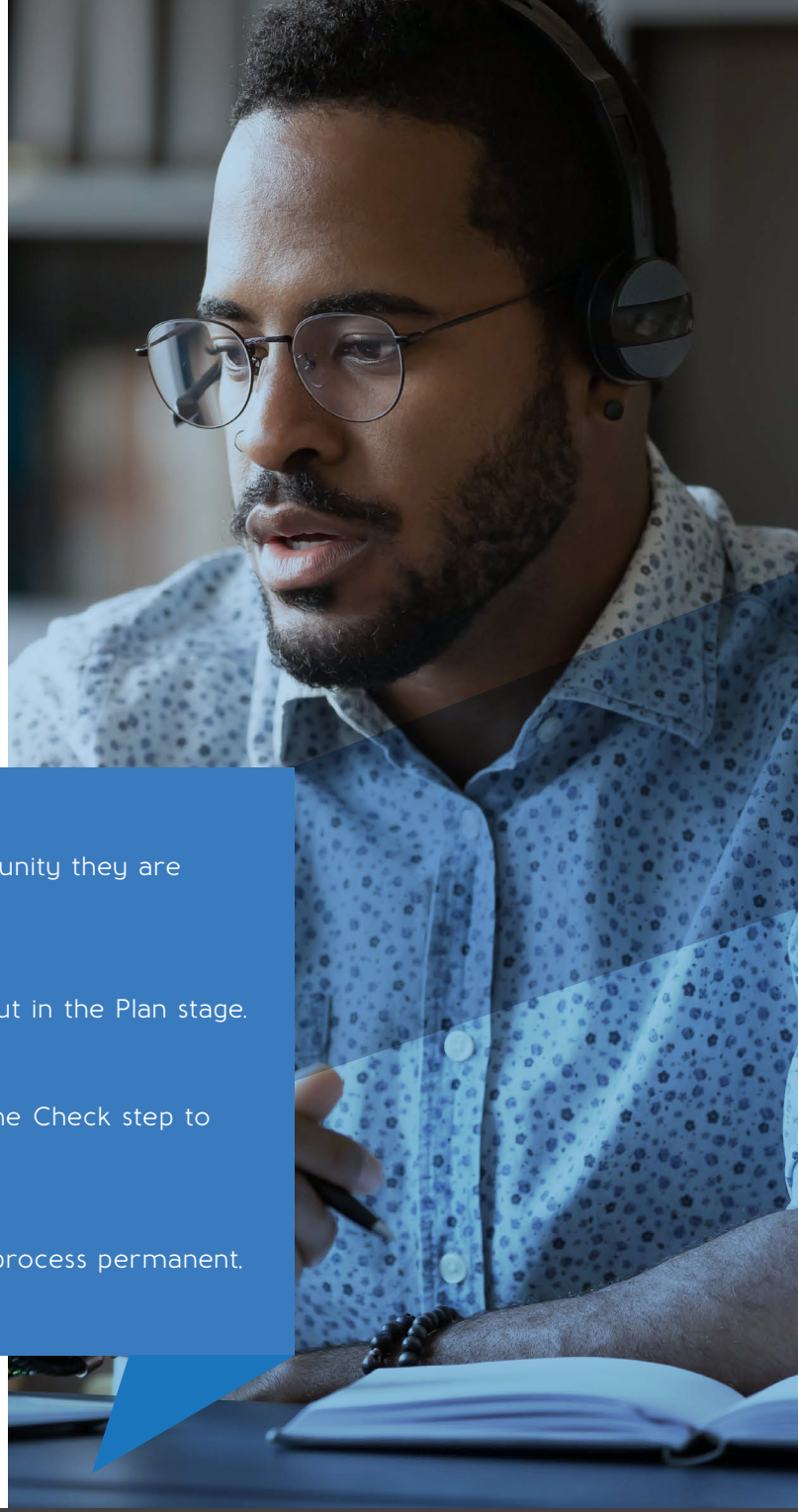
Which activities lead to value, and which don't? Value Stream Mapping is a concept based on making this assessment for a specific process within a company. One of the main goals associated with using VSM is for it to eventually become a standard operating procedure to cut all projects down to their value-adding essentials. VSM entails:

- Using visual means (such as color-coded sticky notes) to list and document every step that goes into completing a common process.
- Determining which activities in that process lead to value, and which don't.
- Walking through the process to verify those findings and quantify the waste.
- Identifying opportunities for improvement, innovation and technology.
- Implementing measures that will remove the identified wastes of time and effort, getting to the eventual value more quickly.

IMPLEMENTING PDCA PROCEDURES

PDCA stands for Plan Do Act Check – it represents a method of dealing with problems or opportunities in efficient, standardised ways. Implementing PDCA can lead to solutions that not only address pressing problems but act as permanent ways forward for the company, with measurable results and repeatable processes. The steps break down as follows:

- **Plan:**
  At this stage, stakeholders define what problem they are facing or what opportunity they are hoping to unlock.
- **Do:**
  This is when employees begin trying out solutions to reach the objective laid out in the Plan stage.
- **Check:**
  Since the potential solutions from the Do step were trial ideas, personnel use the Check step to verify whether they are having the intended effect.
- **Check:**
  After settling on a value-adding solution, the team uses this step to make that process permanent, standardised and measurable.



WE'RE HERE IF YOU NEED HELP

Embracing process improvement and using Lean methodologies are great ways to discover the hidden issues within organisations across industries and come up with ways forward that will refocus priorities for less waste and greater value.

Embarking on the journey to better use these principles is something each company, nonprofit or government office will have to handle in its own way, based on its size, objectives and present level of efficiency. In some cases, internal stakeholders can lead the charge, but in others an expert hand guiding the proceedings will produce optimal results.

If your organisation needs a perspective from industry thinkers who have been there before, contact Cosmos Performance Ltd. We have helped many clients make and sustain positive changes through Lean Practices and Process Improvement, and we'd be glad to do the same for you.

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cosmosperformanceltd.com

info@cosmosperformanceltd.com

0207 164 6586 | London, England