

Part 3: LEAN Manufacturing Integration

The decision to integrate LEAN Manufacturing concepts and techniques into a business signifies a substantial commitment to the future direction of the organization. In order for LEAN to be effective it must become an integral part of every aspect of daily operations. When incorporated as part of an overall business strategy and used properly as a tool for change it can transform employees into high performing groups committed to continuous improvement.

The foundational elements of the most successful businesses are the mission and vision statements. They outline why the business exists, tell employees what its objectives are, and describe the values that are important. The best statements clearly identify what the business goals are in broad, inspirational terms. They give employees guidance regarding their purpose and expected behavior as key members of the company. Like the trunk of a tree they provide the support base from which all other aspects of the company grow.

The importance of clear, motivating mission and vision statements is often given minimal attention by management. People work to earn money to support their family and buy the things they want in life. However, it's possible to give less than 100% effort and keep a job. Employees give 110% when they are inspired by a purpose bigger than themselves or the task they are performing. Insightful managers understand this secret. Careful crafting of these foundational statements will provide the motivation to push employees to find better ways to produce a product with the lowest cost, day in and day out.



Great vision statements must be backed up by good business practices and support for high achievement in order to be most effective. Work standards like safety and hygiene rules support company values and provide a framework for employee behavior. Goal setting, accountability and recognition keep momentum high and reinforce the direction for the business. In many cases progress is non-linear with huge leaps forward sometimes followed by stretches of seeming stagnation. With a strong vision for the company even missteps can be absorbed and become learning opportunities that propel the organization forward to greater heights.

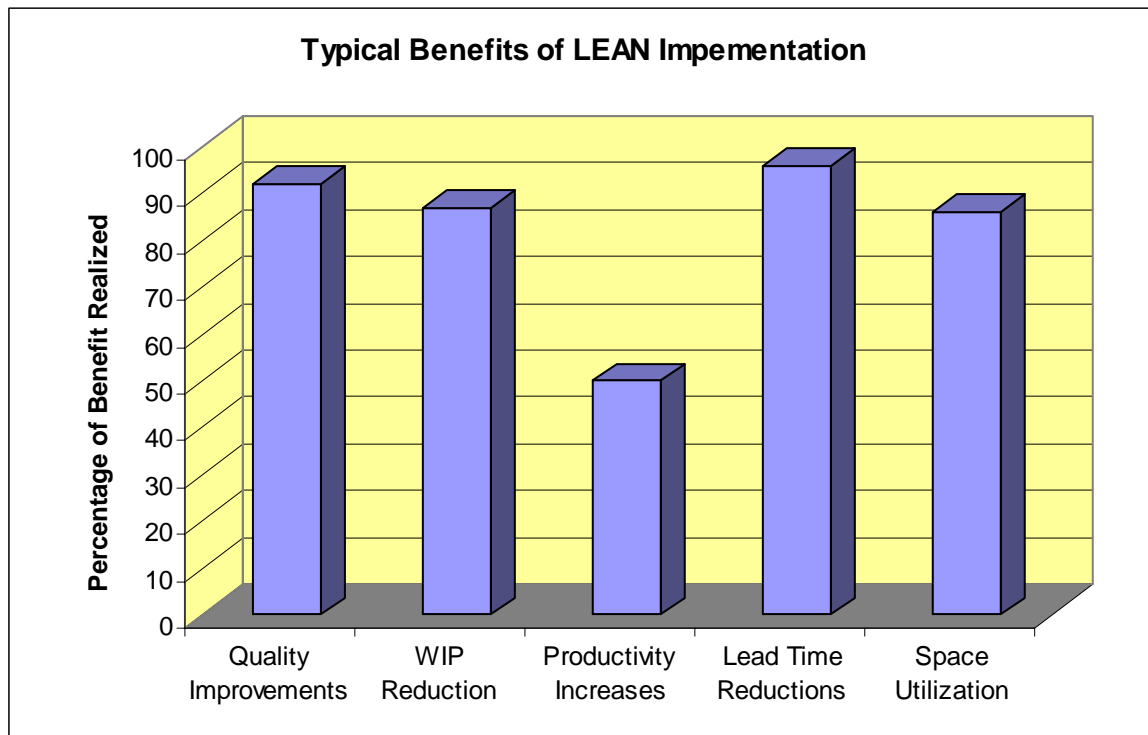
LEAN manufacturing can be one of the primary tools used to give structure to improvement efforts. The first step toward integration of LEAN is to modify or create mission and vision statements that contain mention of LEAN as the basis for continuous improvement. Not a lot of detail is necessary at this point; general statements about the need for continuous improvement using LEAN will suffice. This emphasis establishes LEAN at the foundation for the business and provides the necessary guidance for all employees during performance of their daily duties.

The next step is to develop business goals around implementation of LEAN in all target areas. Expected outcomes should be identified and specific, measureable

mileposts established to gauge progress. It is often helpful to perform a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis for the team. This illuminates opportunities, helps set expectations for the management team and establishes accountability for results. Identified opportunities can become LEAN implementation projects and help get the team moving on critical issues. It is vital that all company leaders be a part of development of these targets. Their commitment is integral to successful implementation and their ideas will provide enrichment for the process.

Once the foundation has been established and specific action oriented goals set the team can develop plans to begin continuous improvement of the operation. It's important that the effort get off to a successful start. Guidance is often needed during this time to keep teams on the right track. With help they can identify the vital few improvement ideas which have the highest chance for success and the greatest ROI for the business. This could mean that the first steps are a mixture of large and small projects that get things rolling.

As enthusiasm builds it is important to provide the necessary support to keep activity levels high and keep things progressing forward. Often this means examination and modification of company information systems and productivity tools. Excitement will fade quickly if appropriate support is not evident. It is vital that efforts are not stalled due to lack of advancements in technology (computers, PDA's, etc.) or the appropriate time to complete tasks. Team members may require additional training to understand all aspects of LEAN and other new technologies which will improve productivity.

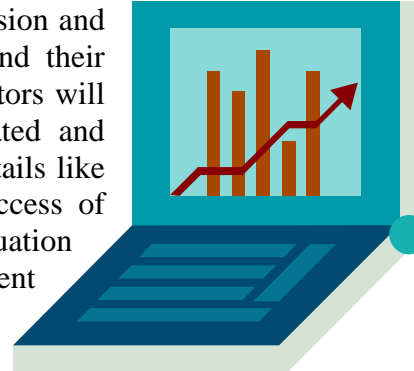


When LEAN integration begins to take hold it should spread to all aspects of the business. Though it's often thought of as a way to make manufacturing processes more efficient it has been successfully applied to accounting, customer service, and human

resources functions. Establishment of standards throughout the organization streamlines processes and provides guidance for employees. At the same time, built-in, planned flexibility keeps the business nimble and capable of reacting to changing customer requests and market opportunities.

Once all this is in place the team should be well positioned for future success. From this point on senior management must continue to keep LEAN as a topic of conversation and a part of measurement for all employees. Strong cultures develop their own language around concepts like LEAN. New words and phrases take on special meaning for team members and provide inspiration through reinforcement of a common purpose and common goals.

Information systems should also reinforce the vision and provide appropriate metrics for managers to understand their results and see the impact of changes. New key indicators will become important dictating that new reports be created and changes made to existing ones. Prompt attention to details like this demonstrates management commitment to the success of LEAN. Timely, accurate information facilitates re-evaluation of goals and targets, ensuring that continuous improvement is front-of-mind for all. Celebration of successes reinforces the positive benefits resulting from the inclusion of LEAN in operations.



Though LEAN techniques lead to improvements in productivity, efficiencies, product quality and bottom line profit, there are other side benefits that will accrue for the business. Other benefits include:

- ◆ Improved cross functional communication
- ◆ Better safety performance
- ◆ Consistent, on-time shipments
- ◆ Less paperwork
- ◆ Less product damage and loss
- ◆ Lower maintenance costs
- ◆ Improved environmental compliance
- ◆ Better employee morale

It's not easy to quantify the dollars gained from some of these benefits but it's not hard to understand how much of an impact they can have on an organization. Intangibles like this lead to greater profitability and deserve acknowledgement throughout the process.

The decision to integrate LEAN into the business model can be critical to the success of an organization when utilized properly. Successful implementation can be difficult but is achievable with the proper help and support. Though dramatic improvements in efficiency are common the journey toward a culture of continuous improvement is a long one. Results from companies that have made the change provide testament to the bottom line benefits of a LEAN business. In the new economy taking shape now some companies will distinguish themselves as survivors and leaders. Others will fade and perhaps go away. Development of a strong successful business strategy, with the help of LEAN, can be the determining factor in the path for your business.