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Institute for Lean Systems October 2010

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Upcoming Events

Applying Lean Principles Across the Supply Chain, Penn

State University Executive Education, Nov 1 - 5. <u>More</u>.

ILS Lean Systems Certification Series for the public. See

details of course contents, click <u>here.</u> \$7,500/person for all 3 workshops.

Series 1: Jan 24 - 28, 2011; Feb 21 - 25, 2011; Mar 21 - 25, 2011.

Series 2: May 16 - 20, 2011; Jun 20 - 24, 2011; Jul 25 - 29, 2011.

Series 3: Aug 22 - 26, 2011; Sep 19 - 23, 2011; Oct 24 - 28, 2011.

Register by email. Just click here.

Include which series you are interested in attending and your contact information.

Lean Systems Executive Certification

May 2 - 5, 2011, OR Nov 7 - 10, 2011

For course details,

Dear David,

Halloween is just around the corner - and it's pretty scary out there. The economy continues to spook some people, but lean organizations are weathering the downturn and preparing for the inevitable rebound. Hopefully, your organization is one of them.

By the way, does your company or organization have a suggestion system? If so, I suggest you check out this article in The Goods, the monthly newsletter of the Kentucky Association of Manufacturers. It's written by one of my favorite authors (me!) and it offers some good tips for making your suggestion system succeed. Here's the link:

http://www.kamanufacturers.com/GOODSVOL4ISSUE5.pdf

If you don't have a suggestion system to get your employees engaged and to build their problem solving skills, give me a call. I can help you get things started and point you to some great resources through IdeasAmerica.

Also, read on for Part 4 of our series on Lean Myths. We've had quite a bit of feedback on these series. Hope you're finding it interesting and useful.

Happy Halloween!

David

Myth No. 4: Lean is stressful for workers

(This is the fourth in a five-part series on the biggest myths about lean)

First of all, let's be honest: Change is stressful.

When an organization introduces a new way of doing things - whether it's the lean way or some other new system - workers are going to be skeptical and concerned. After all, their jobs are at stake.

And telling workers that you're going to "empower" them doesn't help. To the average worker, empower means more responsibility with no more pay or control. They've probably heard it before.

But lean *can be* different - when it's done with a systems focus.

Lean is a people-focused system based on a simple concept: No one knows the work better than the people who do it. Lean emphasizes educating and cross-training workers and letting those who are closest to the work design the system.

Reducing worker stress

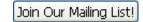
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Lean Systems 2-day Executive Workshop

Mar 16 - 17, 2011 Jun 21 - 22, 2011 Aug 16 - 17, 2011 Oct 20 - 21, 2011

For course details, <u>click here</u>. Register by email. <u>Just click here</u>.

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Leveling the workload - In a typical work environment, work flow is erratic. Extremely stressful, busy periods are interspersed with slow, nonproductive stretches, during which time workers are bracing for the next crunch. Everyone seems either too busy or not busy enough. Lean focuses on getting the right things to the right place at the right time and in the right quantity to achieve smooth work flow. By leveling the workload, lean helps alleviate worker stress.

Standardizing work processes - A key feature of lean production is simplification and standardization of work procedures. It's all about making the work easy to manage and understandable for employees. **Cross-training and providing job flexibility** - Lean requires a multiskilled workforce organized into teams, preferably self-directed. The opportunity to develop a wider range of skills increases job satisfaction and results in greater productivity.

Giving workers more control over the work - The key to lean transformation is giving workers the power to participate in decisionmaking and problem-solving. In a 1990 book, *The Machine that Changed the World* (1990), the authors found that the "freedom to control one's work" replaced "mind-numbing" stress. In a lean environment, workers have the opportunity "to think actively, indeed proactively."

All of this is not to say that lean transformation is easy. Successful transition to a lean system requires a strong commitment from top management and a deep understanding of lean principles and practices. Extensive education and training are needed at all levels.

But the results are well worth it.

For more information about how lean can help your organization, contact me at david.veech@theleanway.com.

Next month - Myth No. 5: Lean is just the latest fad

Lean Tip of the Month

One Piece

We're very accustomed to completing work in batches...it just seems natural to most of us to work on several things at once. In many cases, this makes perfect sense: a full dishwasher or washing machine will be more effective than washing one dish or shirt at a time. Until recently, many banks would batch process a full day's worth of transactions during the night...they would collect the information all day and run the batch at night. That gave us all a little float time for those close-to-theedge checks. Now, at least at my bank, they process transactions as they come in, making the money more readily available for me and for them.

This is partly a technology issue, but mostly a habitual issue for us. If we have equipment that was designed for large batch processing, we're going to want to keep processing large batches. The problem with this is that we end up with a lot of things sitting and waiting to be worked on. A lot of things end up partially completed, and we really can't tell how much of a job we've completed and what's left to do.

To create smoother flow, lean says to do one at a time...all the way through, until it's finished, rather than start a job and set it aside, then start the second and set it aside until you get a batch to move to the next step.

Every year, my son's high school has a fund raiser where we sell hoagies. On a Saturday, early in the morning, all the parents show up

to build these hoagies for people to deliver to their consumers. We make about 35,000. There's not a lot of ingredients: bread rolls, Italian dressing, meat, cheese, and onions. Each hoagie is individually wrapped. Each of these ingredients is added at a separate workstation on one of twenty five or thirty assembly tables. Most people want to do three or four hoagies at each station, then pass them down the line. We report the number completed every hour or so, by table. In a four-hour period, the tables that move the hoagies through their table one at a time instead of in batches of three or four, end up making several hundred more than tables that batch. The sad part is we all have to stay until all 35,000 are done.

Thank you for being a subscribed member of this newsletter, and keeping up with the Institute for Lean Systems. If you have a question or concern or an idea for a story in this newsletter, send us a note. We hope to hear from you soon, and appreciate your support over the years. Also, please use the link below to forward this newsletter to anyone you think might find it interesting. Thanks!

Sincerely,

David

David Veech Executive Director Institute for Lean Systems

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