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# Institute for Lean Systems

## January 2011

### In This Issue

[Lean Myth No. 5](#)

[Lean Tip of the Month](#)

[Upcoming Events](#)

### ILS Lean Systems Certification Series for the public.

We're filling this series NOW! See details of course contents, click [here](#). \$7,500/person for all 3 workshops.

We're conducting all of these workshops with our new hotel partner, the [Sheraton Louisville Riverside Hotel](#), in Jeffersonville, Indiana.

#### 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 14 - 17, 2011

For course details,

Dear David,

Happy New Year! With the holidays behind us, many of us turn to reflecting on the past year and planning for the next. We've had an excellent year, bringing in several new clients, and helping them and existing clients save jobs, save money and make their companies better places to work.

We've noticed an uptick in inquiries recently, most focused on lean education offerings. This is a good indicator that companies really are coming out of the recession and are thinking about what they need to do to position themselves for coming opportunities. With that in mind, we have decided to set a schedule for our lean systems certification workshops and executive workshops for 2011, beginning in January. The dates and some general information are over in the left column of this newsletter. The details of the course contents and objectives are on our [website](#). We want to get these workshops filled up, so send me an email or give me a call to register!

This year, we plan to expand our services to include facilitating seminars focusing on [Compression](#), developing strategies for companies to begin tackling this global challenge. We continue to learn from our clients and will continue to roll that learning into our workshops, so we hope you'll be able to attend one early next year.

We're also working on an expanded partnership with Lean Frontiers, the guys who bring us the Lean Accounting Summit, TWI Summit, and the Lean Logistics Summit. This year, they're introducing a new Lean HR Summit, as well as a Lean Sales and Marketing Summit. Get the details at [their website](#)! I'm doing a workshop at the HR summit, so please plan on being there, in Orlando, November 8-9, 2011!

Please let us know what other services you or your company may want or need. Give us a chance to help you put something together to have a significant impact on your bottom line next year.

Sincerely,

David

## Myth No. 5: Lean is just the latest fad

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

In the 1970s and '80s, it was MBO - management by objectives. In the '90s, it was TQM - total quality management. Today it's TPS - the Toyota production system, more commonly referred to as lean.

Is lean just the latest management fad?

The answer is an emphatic "No!"

[click here](#). Register by email. [Just click here](#).

### 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, [click here](#). Register by email. [Just click here](#).

**Applying Lean Principles Across the Supply Chain**, Penn State University Executive Education, June 6 - 10. [More](#).

For more information about any of these programs, [visit our website](#).

Join Our Mailing List!



## Lean was with us 25 years ago

First of all, lean is no flash in the pan. It's been around for more than a quarter-century. When lean first started gaining widespread acceptance in the U.S., Ronald Reagan was president, leggings were the hottest fashion item, and the Cosby Show was TV's No. 1 program. Gas sold for \$1.20 a gallon, and the Dow had surged past 1,500. Top-selling car brands included the Oldsmobile Cutlass and the Pontiac Grand Am.

Oldsmobile and Pontiac are gone, but lean is more popular than ever. Why?

Because lean works. Lean is the most effective production system yet developed for a number of reasons:

**1. Lean focuses on value.** The first step in lean transformation is to understand what value is and which activities and resources are necessary to create that value. Once that is understood, everything else is waste.

**2. Lean focuses on people.** In lean enterprises, traditional organizational structures give way to a team-oriented culture centered on the flow of value, not on functional expertise.

**3. Lean focuses on customers.** Production schedules are based on actual demand rather than on forecasting. The lean organization delays commitment until demand indicates what the customer really wants, then fills the customer order immediately.

**4. Lean focuses on a system-wide approach.** In traditional organizational structures, departments often function with little regard to other departments, the so-called "silo" effect. But in lean organizations, downstream departments are considered internal customers, and satisfying the customer is the ultimate performance measurement.

Of course, lean is not a magic solution. Developing and maintaining a lean transformation program and a culture of continuous improvement is hard work and requires a total commitment from top management.

But a properly executed lean transformation program can significantly cut production costs and reduce waste, while improving customer service and satisfaction. And in an increasingly competitive global economy, cutting costs and improving quality and efficiency are the keys to survival.

For more information about how lean can help your organization, contact me at [david.veech@theleanway.com](mailto:david.veech@theleanway.com).

## Lean Tip of the Month

One Pace

This tip is about balance. We hear about it a lot, mostly focusing on work/life balance for all of us type A workaholics. While I don't want to diminish the importance of work/life balance, I want to focus on work balance. How many of us have daily or weekly surges of work where we just feel overwhelmed with everything we have to do, followed by ebbs of work where there doesn't seem to be enough work to keep us occupied? It happens in every company I visit, and it is really something that is totally within our control, although we like to blame customers and their random patterns of ordering.

We can calculate an average demand figure for all our products and all

our customers over a particular period of time (a planning interval). Most of us are already doing that. But instead of simply launching an order when it comes in, contributing to the chaos, all we need to do is launch orders at a steady rate, regardless of when they arrive in sales. This will allow us to work steadily, at the same pace, every day, all the time. Although saying it like that makes it sound really simple, the calculations required to get the "right" number are pretty involved.

We can help with that, but for now, can you pull together an accurate demand picture for the next 3 months that is based on historical performance, current order book, and forecast sales? Take that figure, for all your products and all your customers in aggregate, and divide that by the number of days you plan to work in that quarter. Add a small safety factor (1 standard deviation?) and set that quantity as the daily production number and launch that many into the production system everyday at a regular interval, regardless of how many actual orders you receive. Now, divide that into the amount of time you plan to work every day and that'll give you your takt time, which is a very useful planning parameter for designing work in a workstation and deciding how many people you really need for a particular job.

If you've resolved to lose a few pounds this year, or to workout more frequently, I just want to let you know that slow and steady is a great strategy for this as well, although most personal trainers like to have their clients do "interval" work, where you'll have a short burst of aerobic activity followed by short breaks, repeated, so that you're surging then relaxing, and surging then relaxing. But keep this in mind...just because it helps your body become leaner doesn't mean that it'll work in your workplace!

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

[Forward email](#)



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