

LEAN Management



CERTIFIED PRODUCTIVITY SPECIALIST (CPS) COURSE



OBJECTIVES OF THE SESSION

- **To understand Lean Management concept.**
- **To know how to implement Lean Management**



LEAN MANAGEMENT

What is Lean?

Share

Objective

- Lean is a **management philosophy** based on the Toyota Production System (TPS)
- Eliminate everything that does not add value (waste) in the **customer's eyes**

Focus and scope

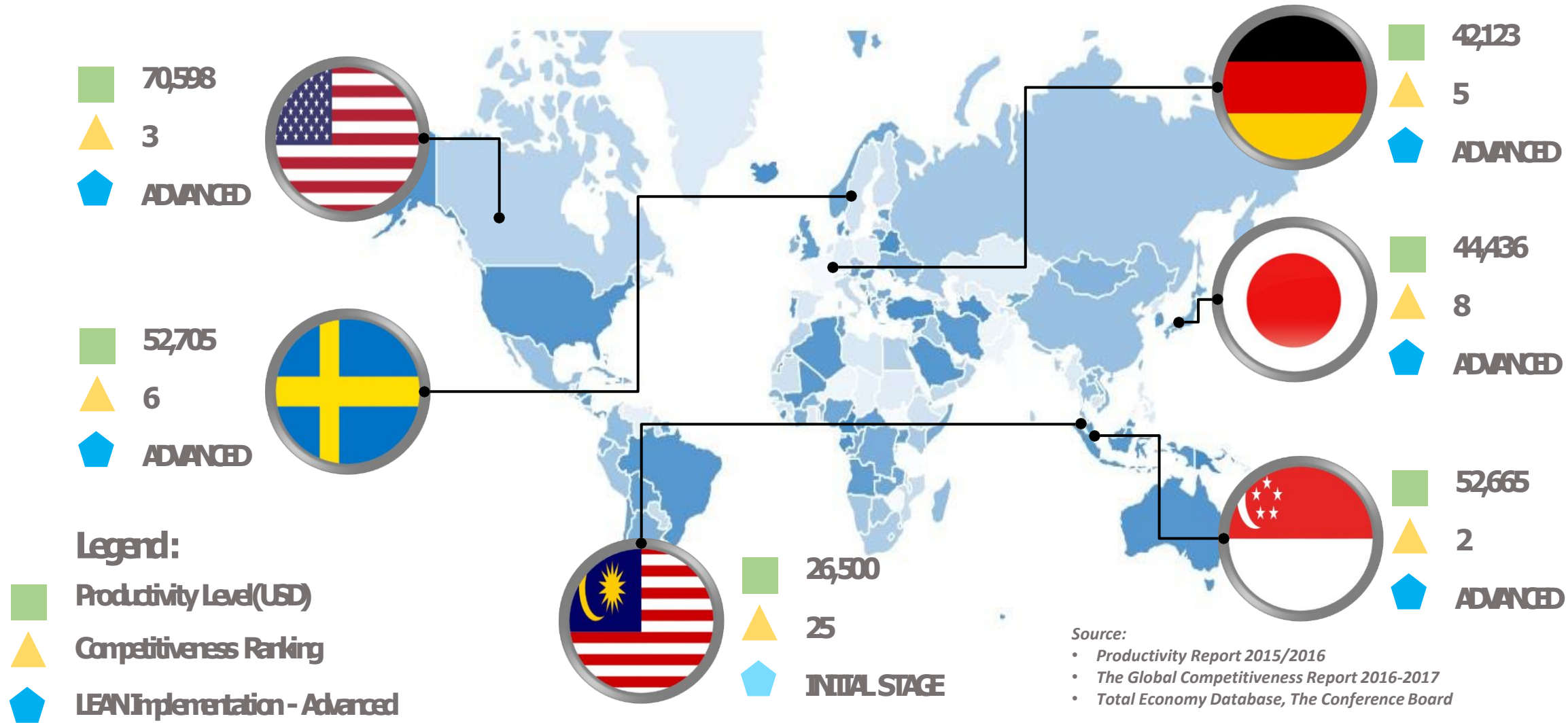
- **Value stream** as primary work unit
- Focused on improving process performance
- Clear view of end state

Approach and tools

- Wide range of **Lean tools** are available
- **Learn-by-doing** approach to performance improvement and capability-building



OVERVIEW OF LEAN



LEAN CONCEPT A

Based on two philosophies:

1. **Continuous Improvement (KAIZEN)**

Elimination of Waste
(MUDA, MURA, MURI)

2. **Respect for People (HANSEI)**



LEAN PRINCIPLES

1. Specify **value** from the customer's perspective
2. Identify the **value stream** for each service family
3. Make the service **flow**
4. Deliver when the customer **pulls** from your operations (just in time delivery)
5. Manage towards **perfection**



DEFINITION OF WASTE

- Any activity that **adds costs or time (extra resources) but does not add value**
- **Consuming more resources** (time, money, space, etc.) **than necessary** to produce the goods, or services, that the customer wants
- **Pure Waste:** Actions that could be stopped without effecting the customer
- **Incidental Waste** (Business Requirement / Value Enabler / Necessary Non-Value Add): Actions that need to be done based on how the current system operates but do not add value



VALUE ADDED

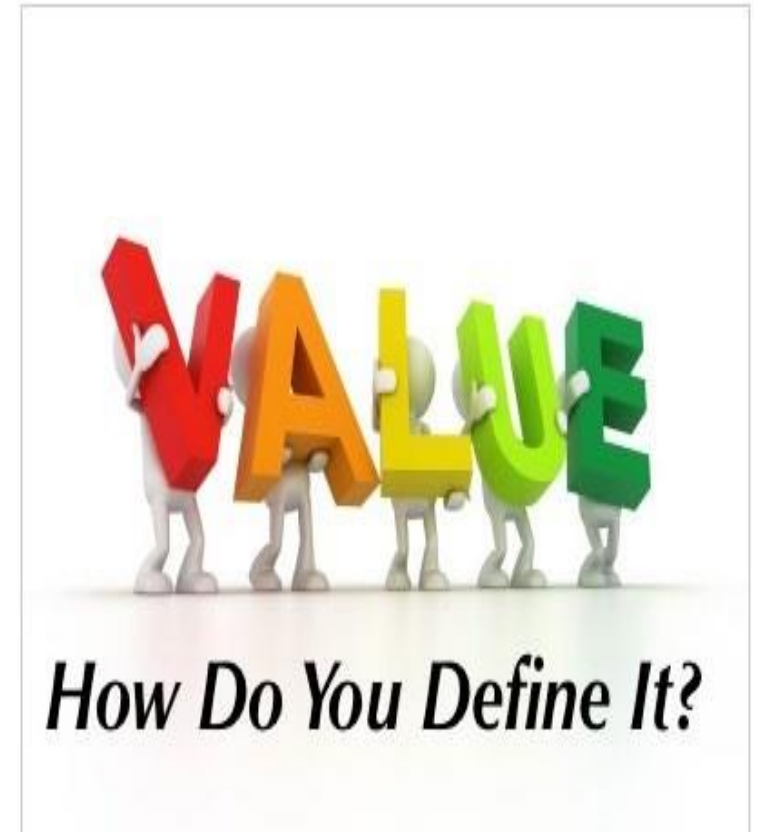
Value-Adding Activities...

Transform materials and information into products & services which the customer wants.

“Customer” must be willing to “pay” for it.

Must transform the product or service
(change Form, Fit and Function)

Must be done correctly the first time, and every time.

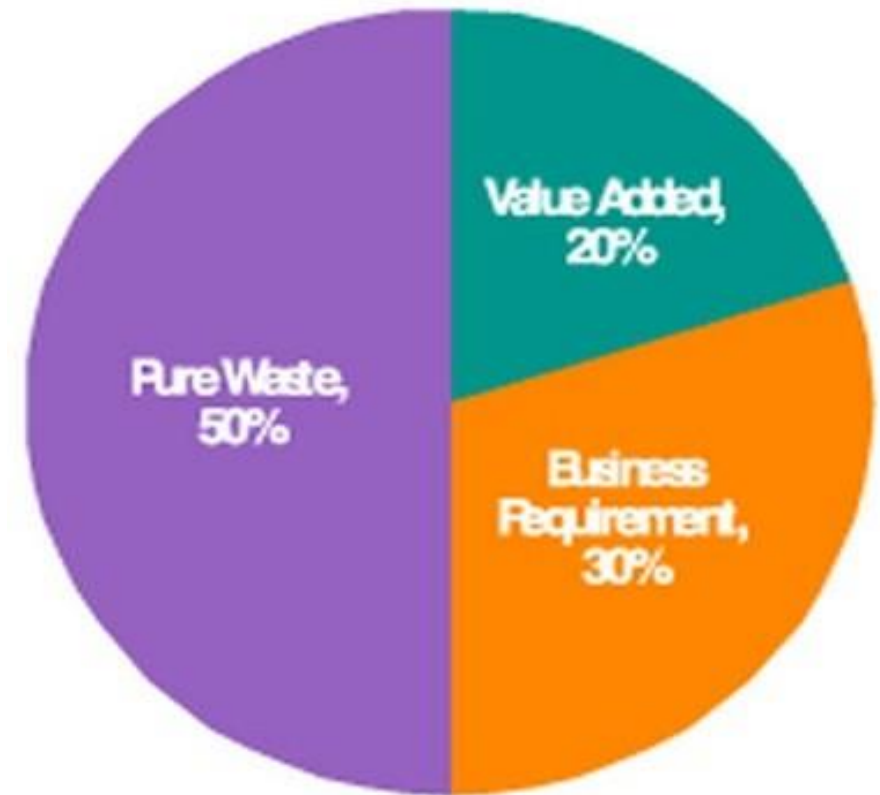


NON-VALUE ADDED

Non-Value-Adding Activities...

Consume resources, but don't directly contribute to the product or service...Waste (Muda) !

- **Type 1 : Value Enabler** (Business necessary) – Does not add value but we do not know how to eliminate it right now.
- **Type 2 : Pure (Unnecessary) Waste.**



7 WASTES OF LEAN

Eight Types of Waste

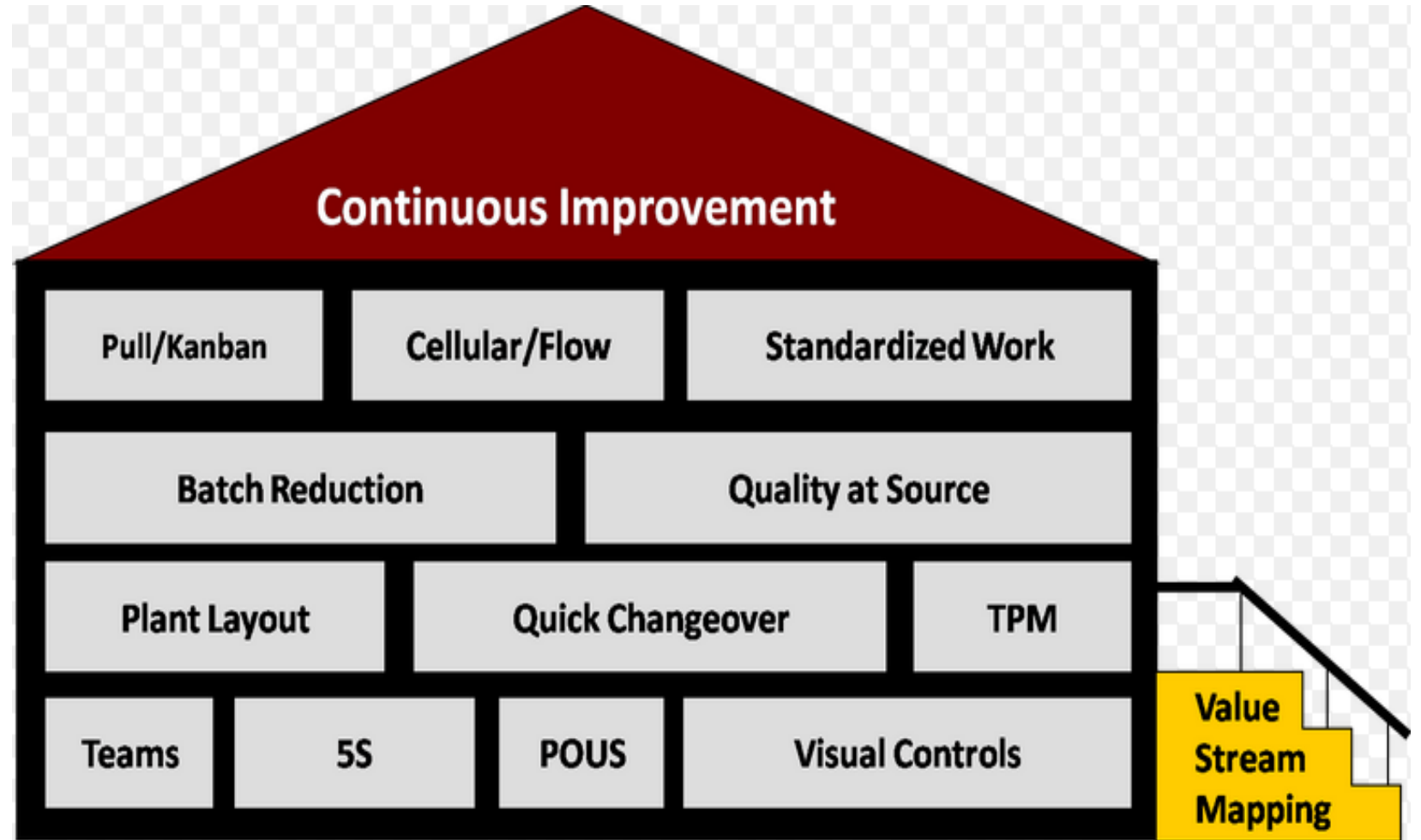


D	=	Defects
O	=	Overproduction
W	=	Waiting
N	=	Not engaging all
T	=	Transportation
I	=	Inventory
M	=	Motion
E	=	Extra processing

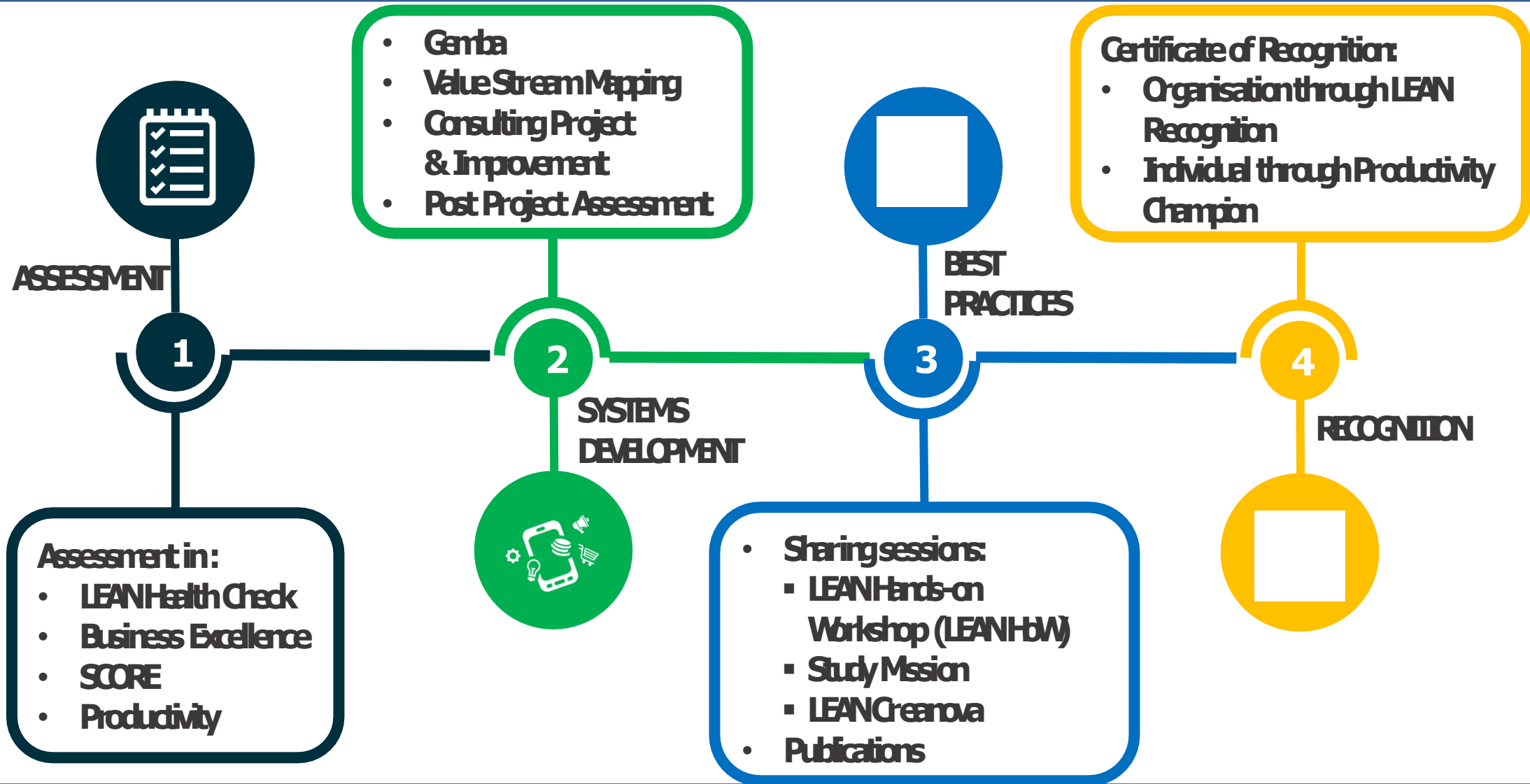
LEAN MANUFACTURING TOOLS

TOOLS

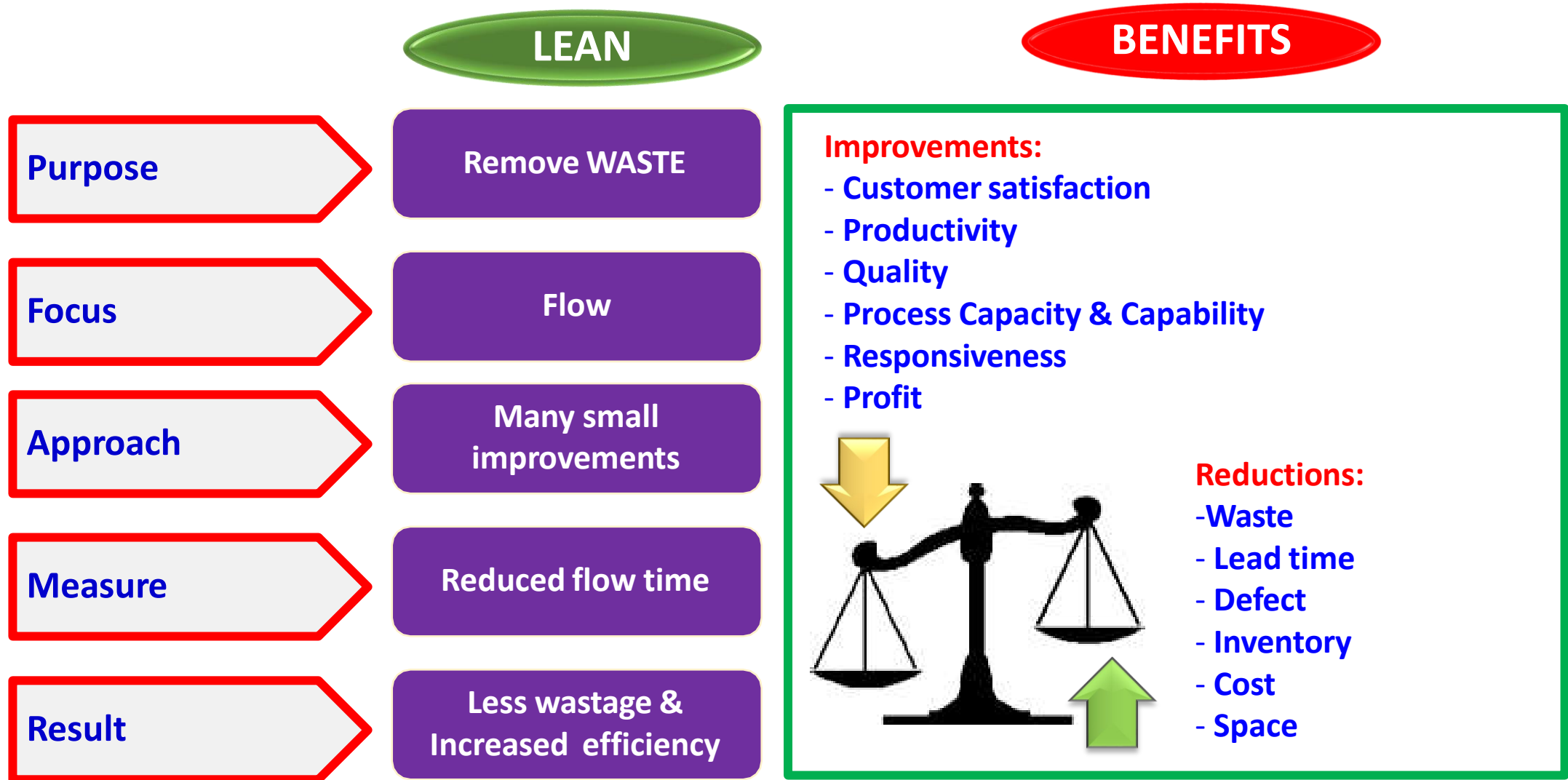
- ✓ 5S
- ✓ Value Stream Mapping
- ✓ Standardized Work
- ✓ Load Leveling
- ✓ Kaizen
- ✓ Kanban
- ✓ Visual Workplace
- ✓ Quick Changeover
- ✓ Andon
- ✓ Poka-yoke
- ✓ One-piece flow
- ✓ Cellular Manufacturing



PROJECT IMPLEMENTATION



IMPACT OF LEAN PROJECT



ISSUES AND CHALLENGES



- Securing continuous top management commitment



- Engagement of staff in workplace productivity program.



- Ensuring sustainability & continuity of the efforts



- Performance monitoring after project completion

CONCLUSION



Global competition



SURVIVAL



Above all SUSTAINABLE Improvement



Customers want more for less



Scarce raw materials



Manpower shortage & pay raise



Government policies



Rising cost of input



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THANK YOU



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