

Applying Lean to you value chain

Deploying Lean to your Improvement Projects is a proven way in which your business can achieve operational improvement.

OVERVIEW:

Lean approaches are proven to streamline processes and eliminate wasteful activity, improve efficiency and cut operational costs. Lean will equip your people with techniques for continuous improvement that improve overall business performance.

Improvement projects come in various forms and sizes, for example:

1. *Large Scale* – these are improvement interventions focused on significant Cross - Business Processes
2. *Small Scale* - these are interventions or Rapid Improvement Events focused on specific divisional or departmental processes
3. *Organisational Development* – programs that focus on people and culture to embed a continuous improvement

No matter what the size or form the improvement project takes, there is a common theme... they utilise Lean tools and methodologies to achieve success, examples of which are:

- DMAICT
- PDCA
- Rapid Improvement Events
- Kaizen Blitzes
- Ease Benefit Matrix
- 5S
- 3C

So, considering all this, why is it that some improvement projects still fail to meet expectations?

While you may achieve improvements in the performance of a specific process, where you have focused on the Lean Project, this sometimes fails to translate into more relevant business performance improvement.

So, what goes wrong?

The reason can be the way projects are identified and selected in the first place.

By starting with problems like:





SO, WHAT SHOULD WE DO?

You should make sure that you understand the overall end-to-end value chain sufficiently enough to enable the focus to be placed on improvement efforts that concentrate energy on the specific areas that are holding back the business.

1. Start by identifying the key Value Chain amongst the other processes/activities
2. Understand the way work flows through the specific value chain - make it visible!
3. Collect and analyse data - where are the constraints/bottlenecks that inhibit the performance of the value chain
4. Deploy Lean - focus a Lean improvement project on the specific bottleneck(s)/constraint(s) identified

Other barriers we overcome are:

"Business Processes are complicated and become more so when you start to factor in Customers; Customers and their Customers; Suppliers and Suppliers Suppliers etc."

"Our Lean Projects are usually focused on only one part of our business and the inevitable conclusion is that we will only get significant (and relevant) improvement if we are lucky."

Conclusion

To ensure your Lean Projects not only improve process performance but also positively impact business performance, you need to make sure you choose them correctly.

To further support this process here are some top tips:



Collaborate

internally between functions, externally with customers & supply chain

Don't

try to define the complete end-to-end value chain to the nth degree. You need enough detail to identify the constraints only

Concentrate

on the specific value chain – avoid scope creep!



Focus

on the 'big picture' – don't get drawn into the detail



Use

Lean tools to help increase understanding – (e.g. Value Chain Mapping; SIPOC; Quad of Aims, etc.)

Don't

try to 'boil the ocean' – Macro change is tempting but can be unrealistic

Data is King

if it is accurate & appropriate, so check the source!

