

# **TRIM DOWN UP FRONT**

## **Lean Office**

Minnesota Council for Quality  
Performance Improvement Network

October 7, 2004

## Executive Overview

- Purpose—Understand how Value Stream Mapping tool can highlight and eliminate waste in the office.
- Process—Review waste in the office, value stream mapping, and how companies have successfully applied lean office techniques.
- Payoff—See how your organization can save time, money, and headaches to become more competitive.

# **Lean Enterprise**

Using lead time, quality, and flexibility  
to create competitive advantage.

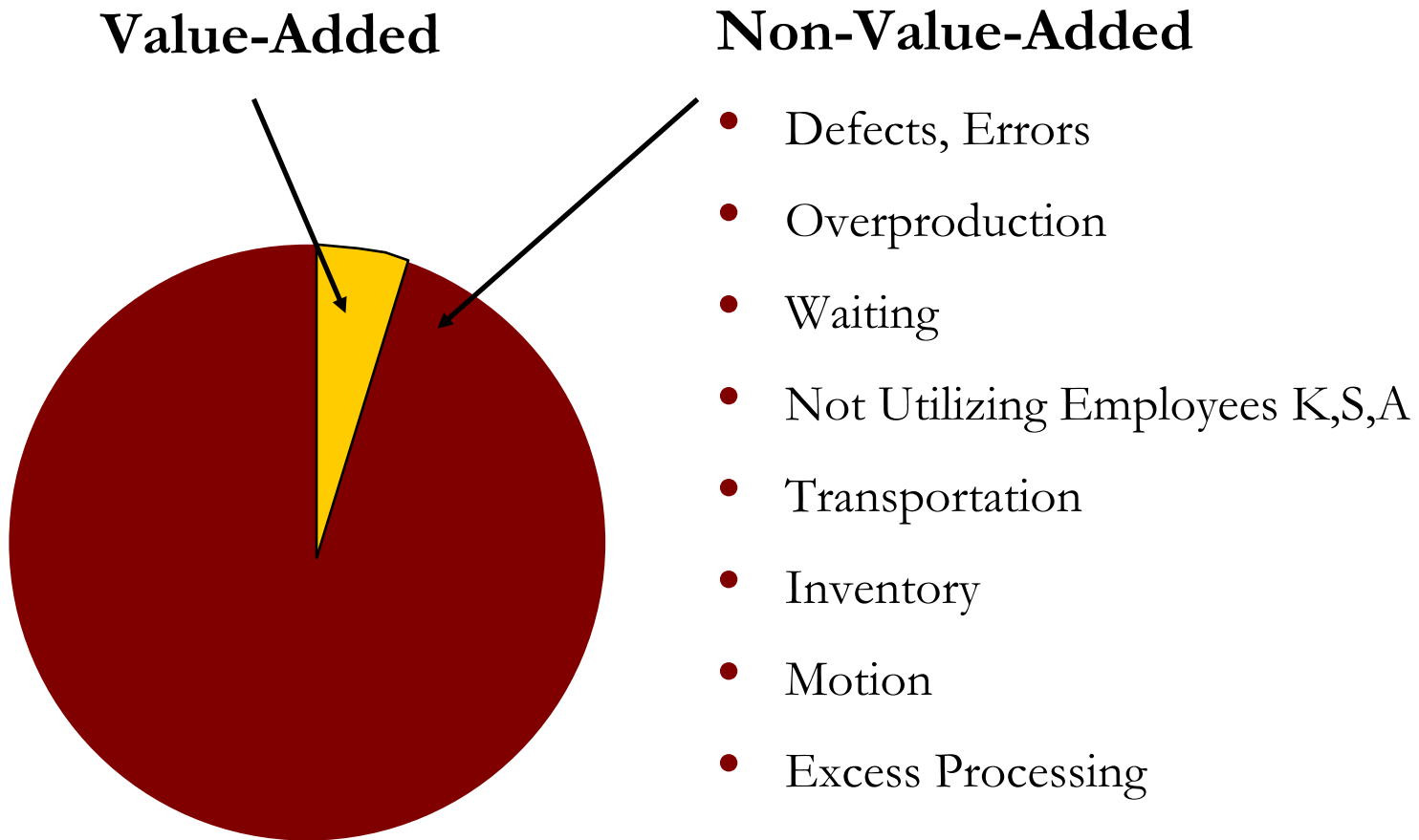
# Lean Thinking

The quicker you can convert customer interest to cash, the more successful your organization will be.

## Lean Thinking

- Define value from the customer's perspective.
- Identify which process steps create value and which are waste.
- Eliminate sources of waste and flow the process through the entire organization.
- Create the most value while consuming the fewest resources.

## Lean = Eliminating Waste



Typically 95% of all lead time is non-value-added.

## Office Waste Examples

- Over production
- “Inventory”
- Waiting
- NVA Processing
- Defects
- Excess Motion
- Transportation
- Underutilized People
- Printing paperwork too soon
- Filled “In-boxes”
- System downtime
- Re-entering data
- Data Entry errors
- Walking to central filing
- Movement of paperwork
- Limited, functional, responsibility

## Lean Tools

- Standardized work
- Quality at the Source
- Workplace Organization
- Visual Controls and Management
- Batch Reduction or Elimination
- Pull Systems
- Cellular/Team Concepts
- Equipment Reliability

## Lean off the shop floor

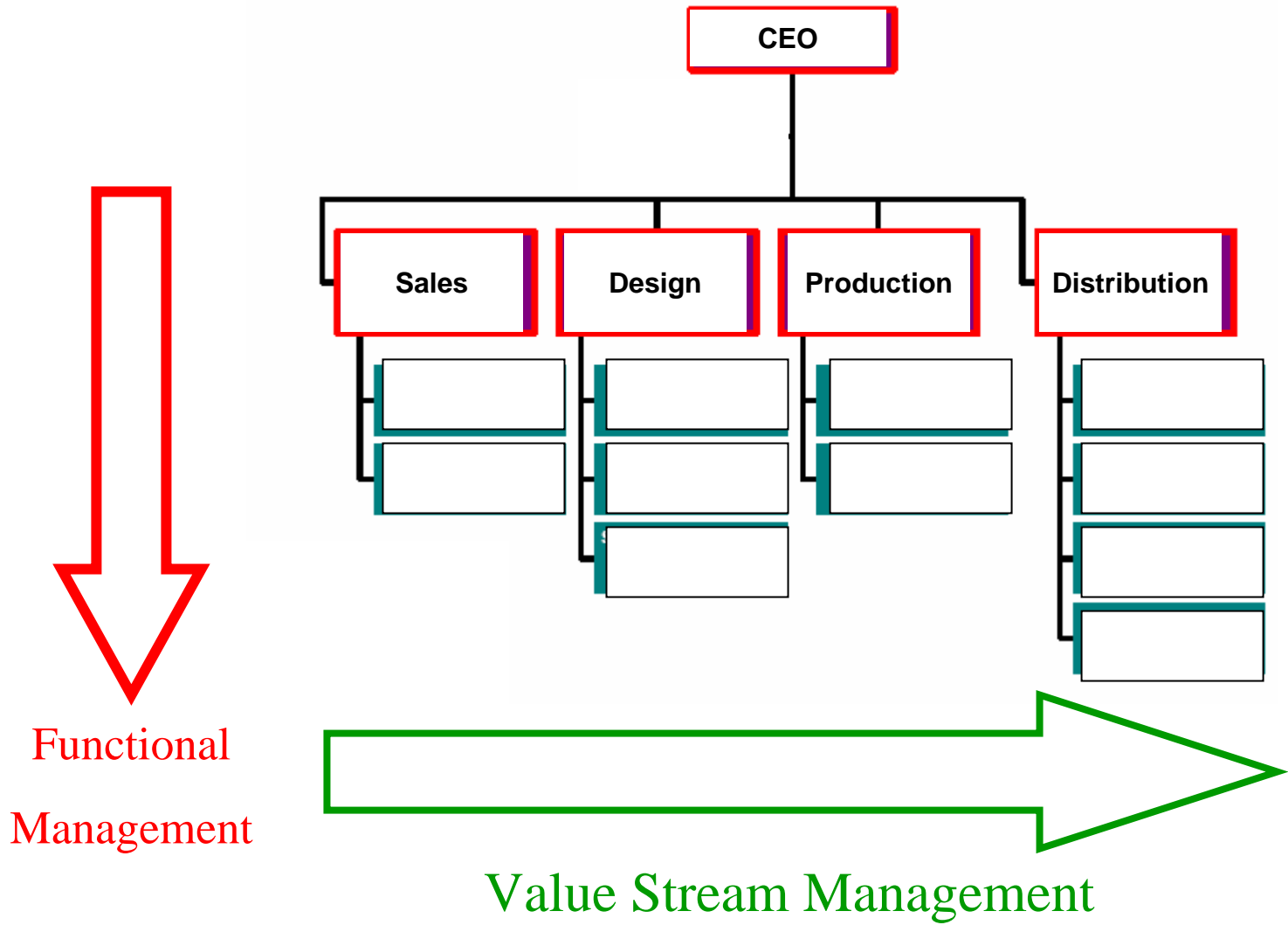
- Subway
- Digi-key
- Banking

## Value Streams

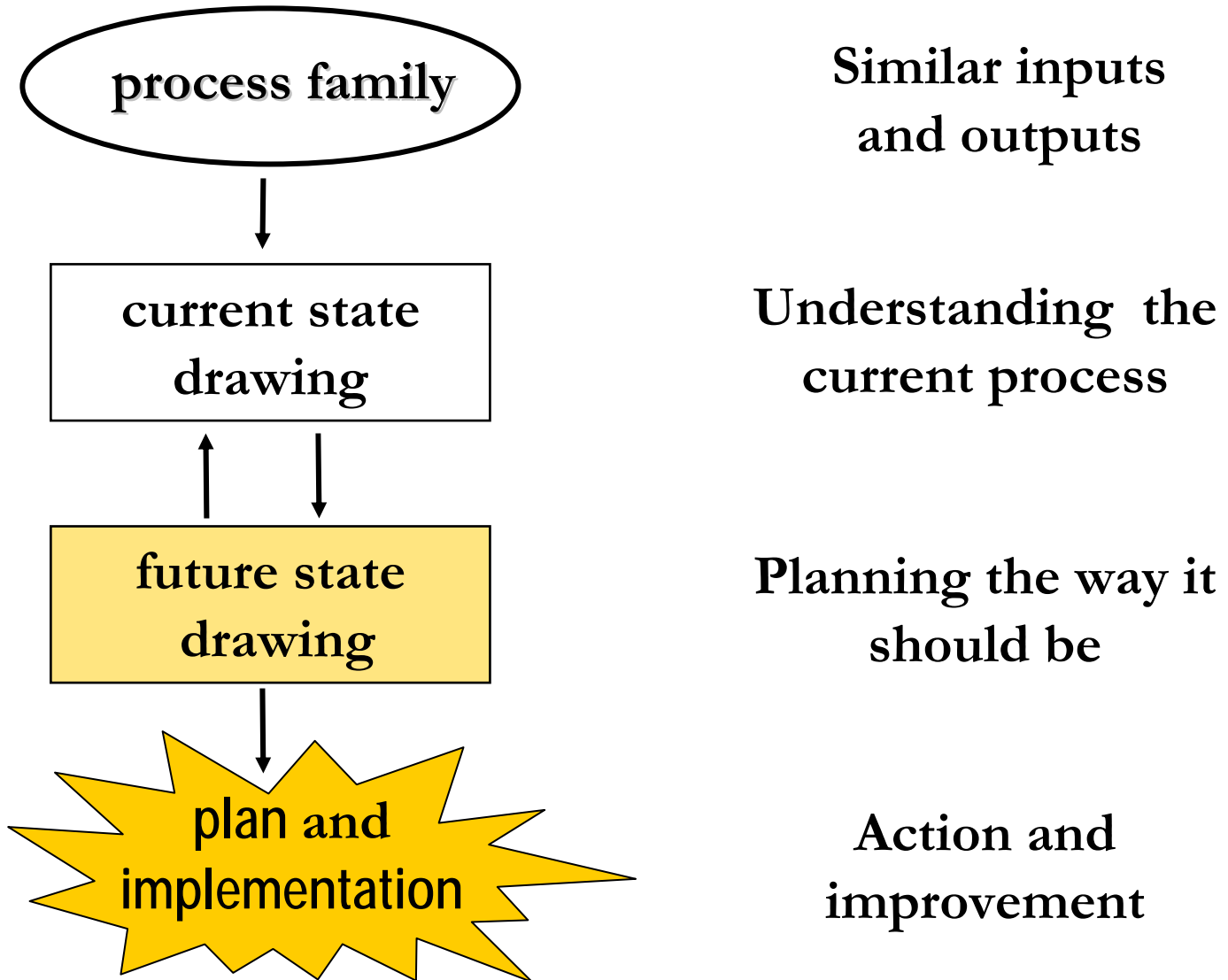
- **“Whenever there is a product or service for a customer, there is a value stream. The challenge lies in seeing it.”**

### Key Value Streams

- Raw Materials to Customer—Manufacturing
- Concept to Launch—Engineering
- Order to Cash—Support Processes



## Value Stream Mapping



## Mapping Example

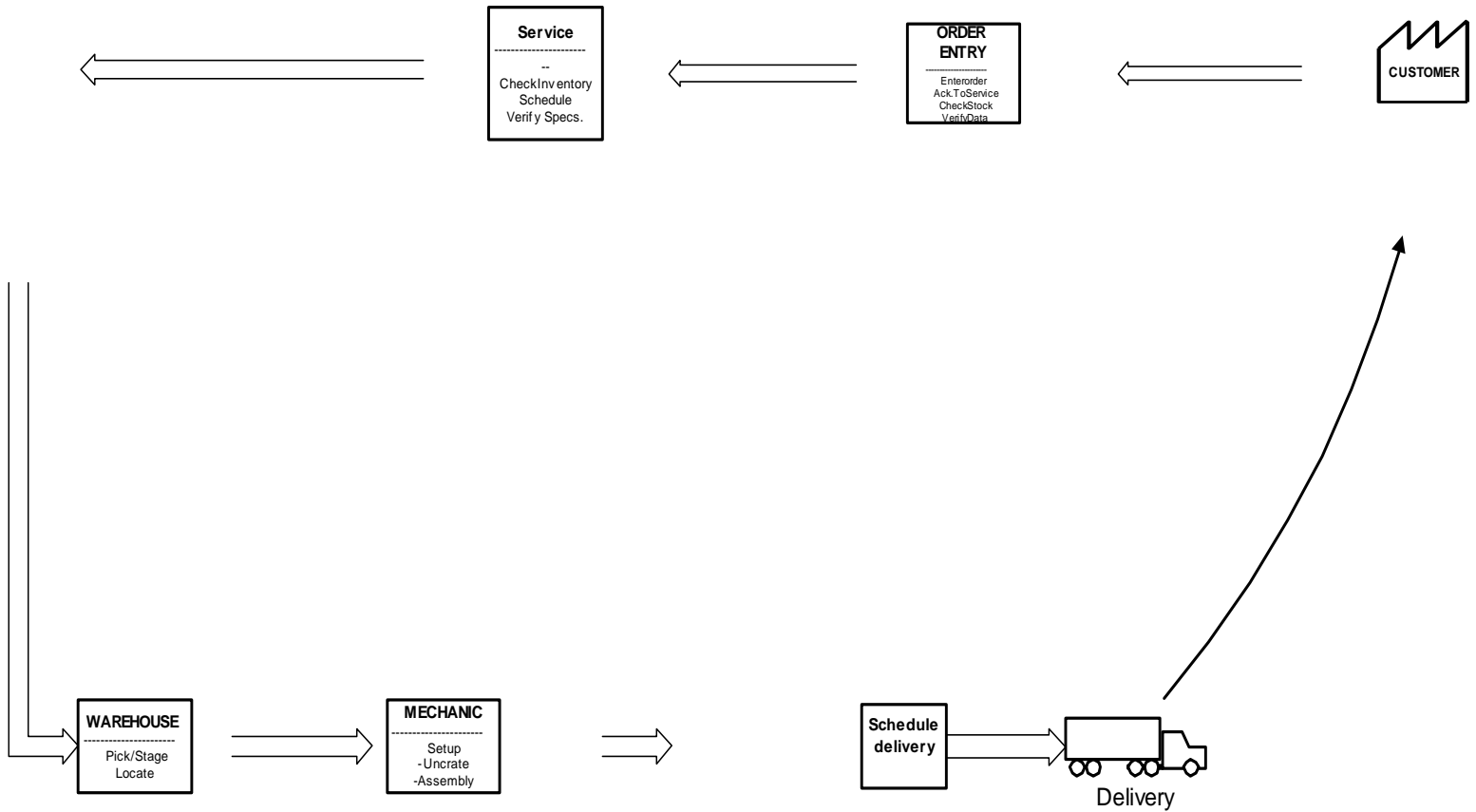
- **DISTRIBUTION**

- Outside sales
- Order Entry
- Technical support
- Warehouse
- Shop
- Delivery
- Accounting

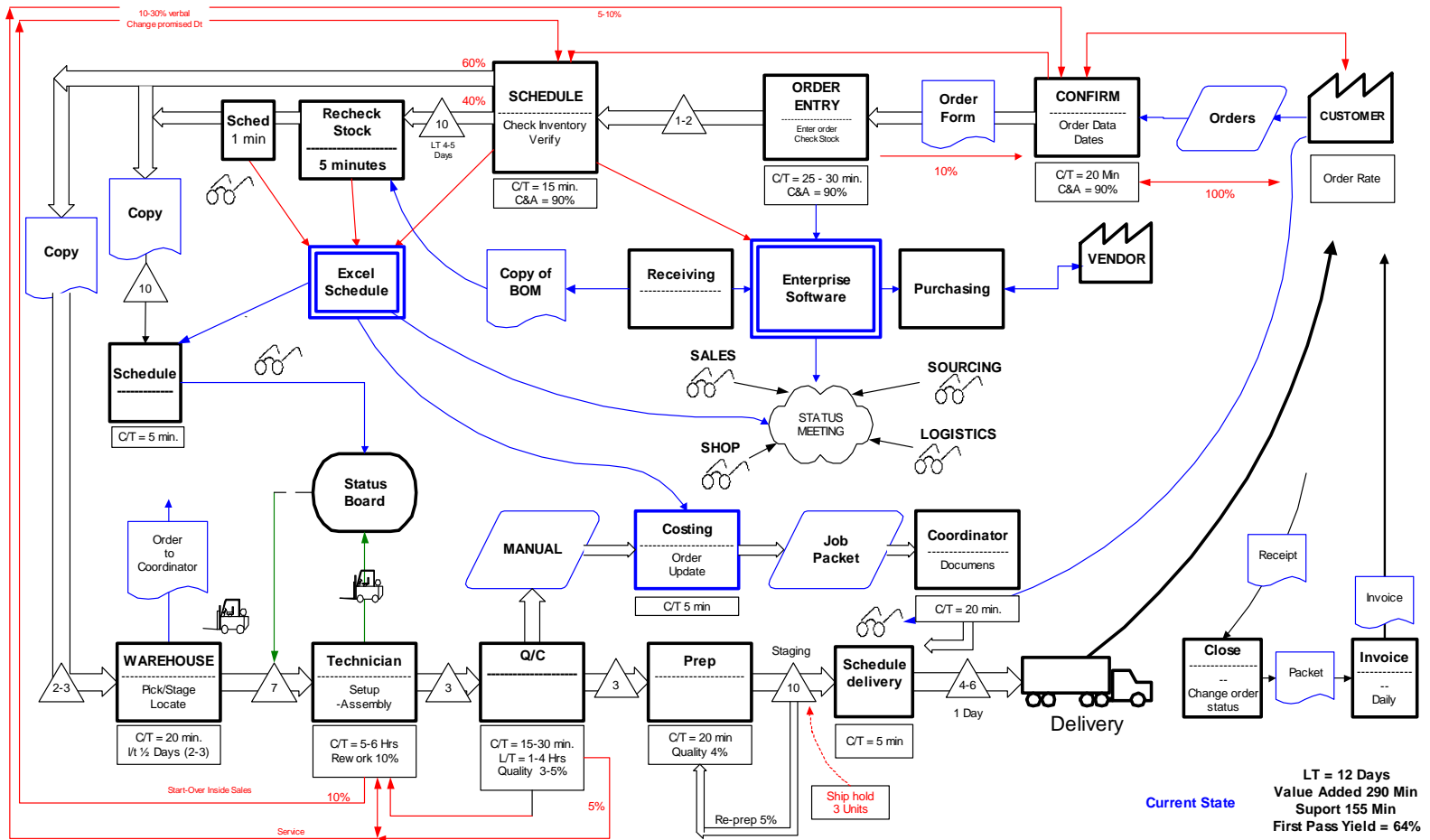
- **ISSUES**

- Long lead times
- Frequent Expediting
- High Overhead Costs
- Repetitive Errors

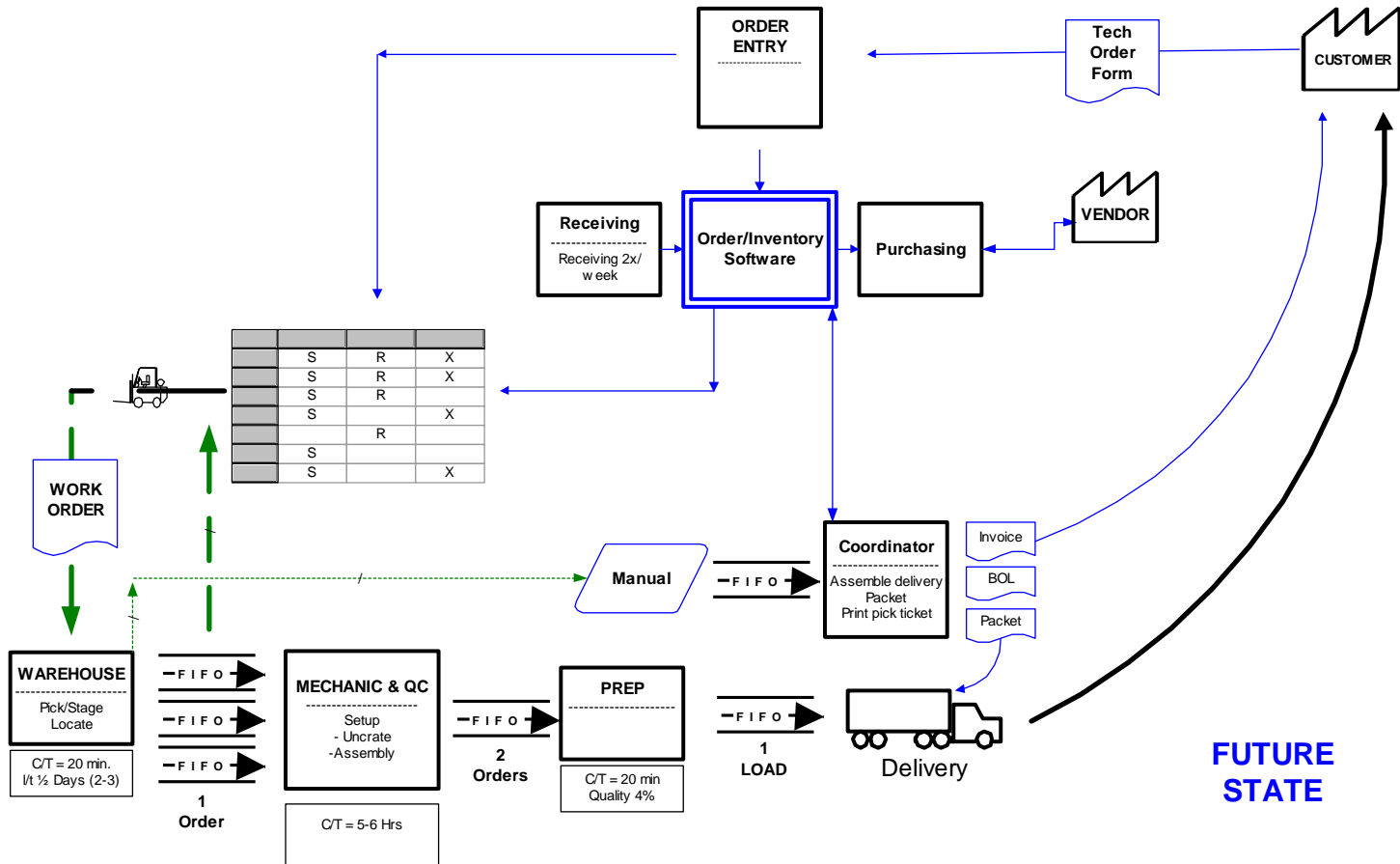
## Basic Process



## Current State



## Ideal State



# Improvement Projects

- Value stream map prioritizes
- 90 Day Plans
- No capital expenditures first round
- Apply Lean Tools

## Keys to Value Stream Mapping

- Tie to business objectives
- Cross-functional team 6-8
- Complete the current state
- 90 day window for future state

## E-S-S-A

- E \_\_\_\_\_
- S \_\_\_\_\_
- S \_\_\_\_\_
- A \_\_\_\_\_

Avoid “Perfuming the Pig.”

## Organizational Transformation

- Top down support--planning, training, resources, and **time**
- Value stream management
- Lean Metrics
- Change management
- Continuous improvement
- Promote results, celebrate the wins

## Competitive Advantages

- Trash Compactor Company
- Flexible Circuit Manufacturer
- Store Fixture Manufacturer

## Recommended Readings

- Becoming Lean: Inside Stories of U.S. Manufacturers, Jeffrey Liker
- Lean Thinking, Womack and Jones
- The Complete Lean Enterprise, Keyte and Locher
- Making the Numbers Count, Brian Maskall,
- Real Numbers: Management Accounting in a Lean Organization, Fiume and Cunningham
- Developing Products in Half the Time, Smith and Reinertsen

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