

INTRO TO LEAN THINKING

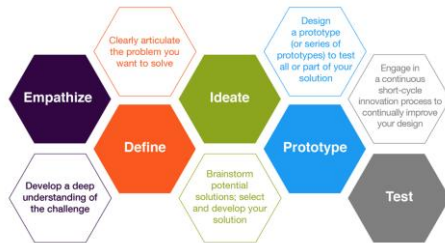
The confusing world of Improvement & Innovation methodologies



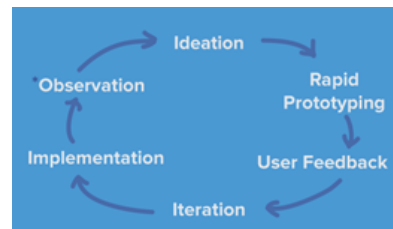
Lean/Six Sigma



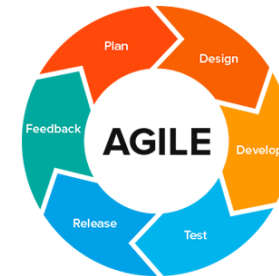
Design Thinking



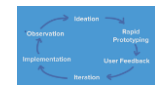
Human Centred Design



Agile



Each methodology has a number of phases



Understanding

Current situation

Customer/Staff
Place
Service/Product/Process
Problem/Opportunity
Stakeholders
Performance

Ideas

Future situation

Customer/Staff
Place
Service/Product/Process
Problem/Opportunity
Stakeholders
Performance

Experiment

Trial Safely (quickly)

Customer/Staff
Service/Product/Process
Place
Stakeholders
Performance

New way of working

Launch New

Service/Product/Process
Place
Stakeholders
Performance

The concepts have been around for centuries.....



In **1913** Henry Ford saw how an abattoir moved animals along a movable assembly line and took this idea to his production process. Improved the flow of his production line but he couldn't provide variety

After **World War 2** Toyota visited Ford and invented the **Toyota Production System**

- **right size machines for parts and volume**
- **error proofing**
- **organised work space so the process flowed**
- **Just In Time production**
- **Variety**



Since **2000 Lean has been implemented in the service sector** – Finance, Health Care and more recently since 2010 Government

Who else uses Lean?



Cabrini
GMHBa

Healthcare

SA Health
Barwon Health
Care | Education | Research



BHP

Mining

RioTinto



Kmart

TARGET Retail

coles

COTTON:ON



ANZ  **W**

Service

nab 



CITY OF PORT PHILLIP **Maribyrnong CITY COUNCIL**

Local and State Government

CITY OF YARRA **City of Moonee Valley**



TOYOTA

Manufacturing

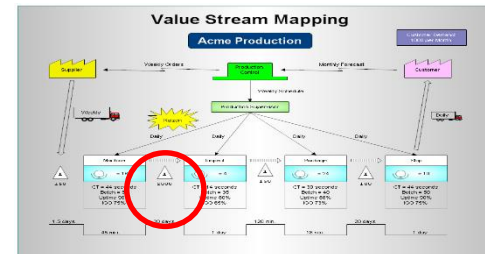
Ford

Key principles in Lean organisations

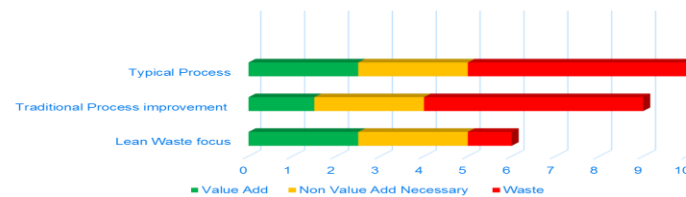
- **Service Delivery** - Are we meeting Customer expectations on the products & services we deliver?



- **Flow** – Is the system of work blocked somewhere? Identify what's stopping/slowing the product or service.



- **Process waste elimination** – Identify and eliminate non value adding steps in our processes.



What Is Lean Thinking?

The core idea is to maximise **Customer Value** while minimising **Waste**.

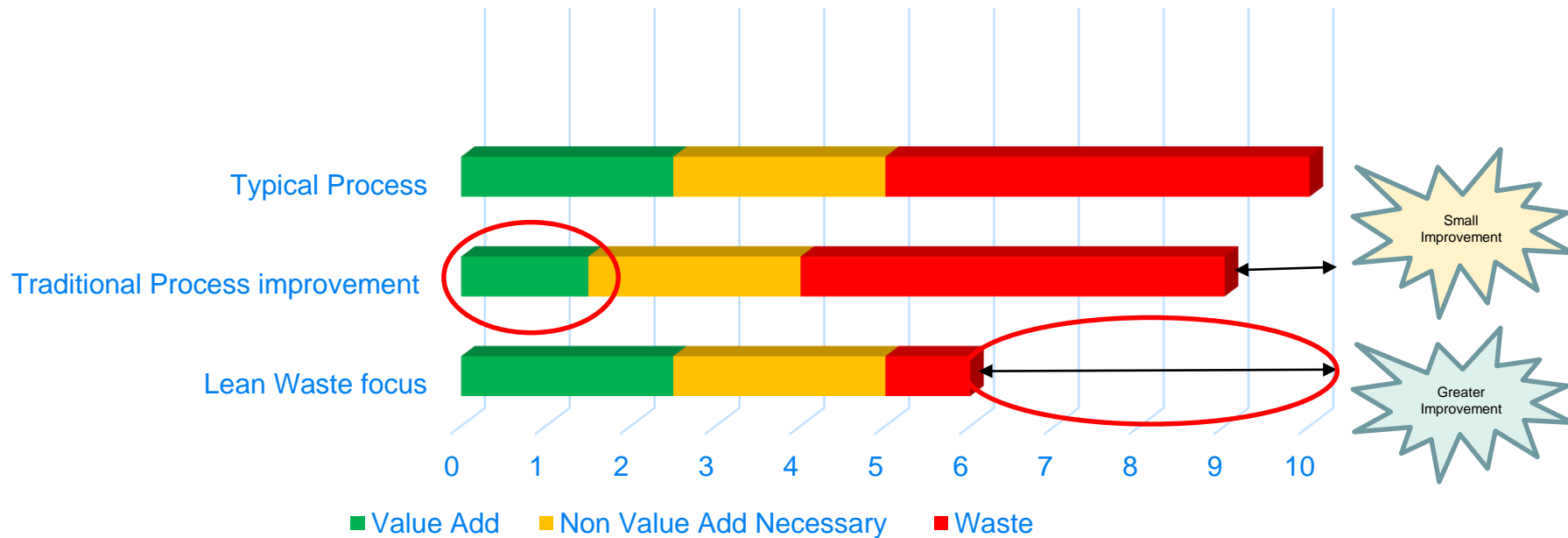


Simply, Lean Thinking means creating more value for customers, with less effort and resources.



Lean Thinking focus on **Waste** reduction

Traditional improvement initiatives focus on the value added activities in the process rather than the **Waste**



What would be an indicator there is **Waste** in your process, product or service?

Generally **waste** is what makes both our **People** and our **Customers** do this!



Categories of Waste



Transportation

Unnecessary or excessive movement of products or service

Safety

Lack of Safety

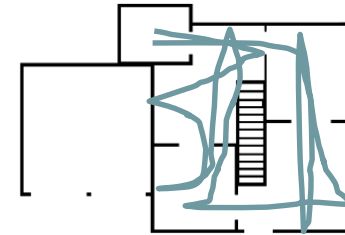
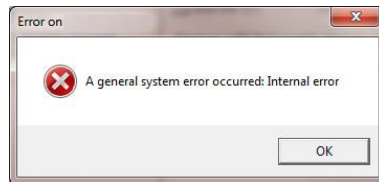


Inventory

Build up of work or product

Defect

Not doing the work right first time



Motion

Unnecessary movement of people

Over Production

Producing sooner or in greater quantities than what is required. Good to feel busy and active but sometimes we are overproducing



Over Processing

More work is done than what is required to meet customer expectations



Waiting

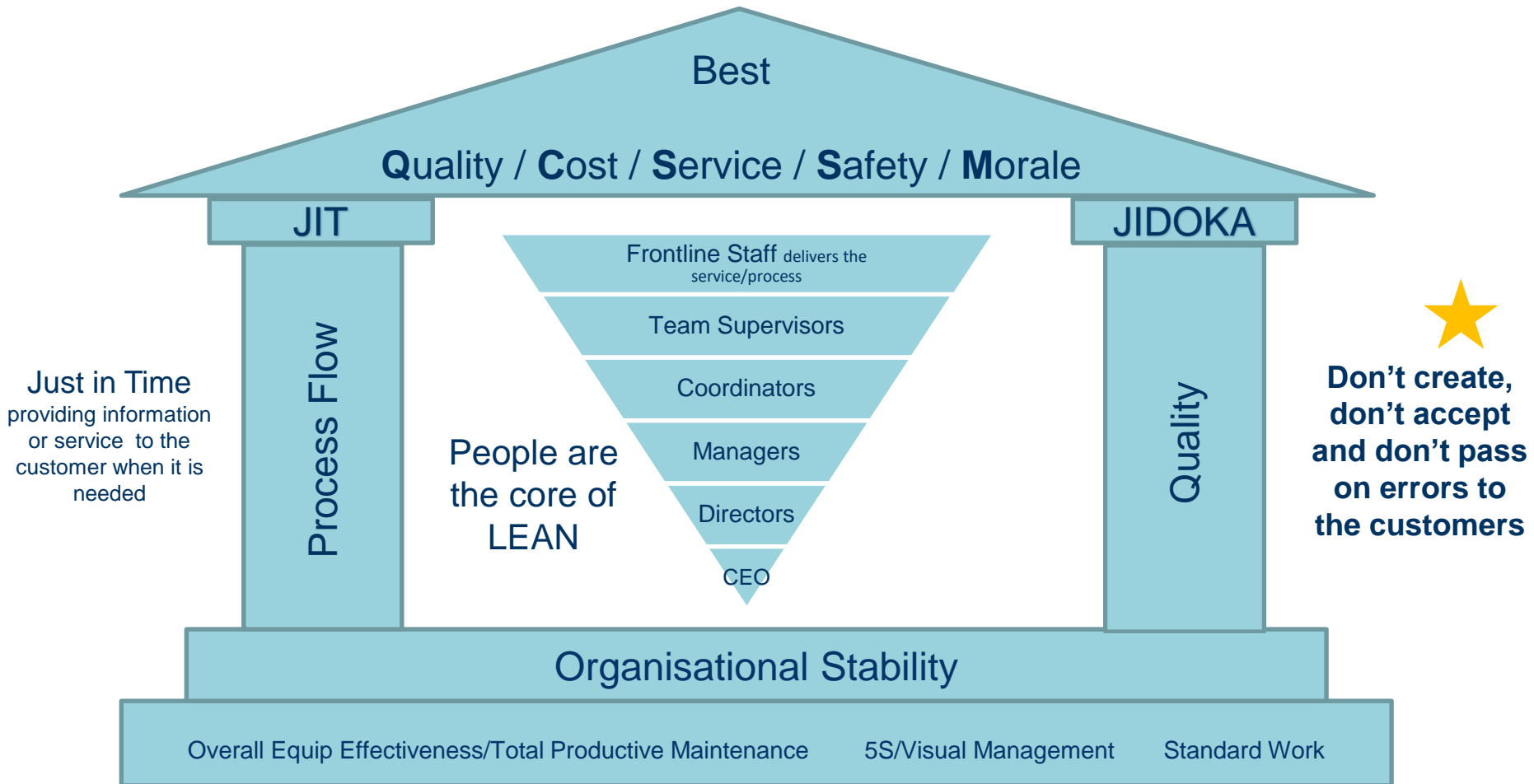
The time something sits and waits between process steps



Reflection : What WASTE's do you see in the work that you do?



Building a Lean Organisation



Principles of Lean Leadership

Set clear expectations with your people in relation to task, performance & Behaviour's. (Don't forget to lead by example)

Understand what the problems are in your area. Support and assist your people to solve the problems. (Go and see the actual problem at the actual place)



Ensure your people have the right skills and capability to deliver the work that we employ them to do. (Leader is Coach)

Be vigilant in setting time aside each week to reflect on what is working in your area and what is not. Do more of what is working and less of what is not! (Don't be afraid to ask your people)

Where could you start?



What's frustrating the customer most about our product or service?



What's Frustrating our staff and stopping them from doing their work?

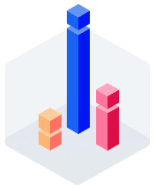


What are we not meeting expected delivery times on, in regards to:

Policy/Procedures

Legislative/Regulative requirements

Customer expectations



What is the highest volume process in our area?



What is the biggest expenditure in our area apart from labour?

What can you achieve?



Service Quality – Less errors & rework, **better customer experience**



Lead time reduction



Productivity return



Cost avoidance



Efficiency gains

Q u e s t i o n s