



Take A Fresh Look...

by: Sheila Julien, Senior Associate

Welcome to the new year and the new decade! What better time to gather the group together for a fresh and penetrating look at where the business has the biggest opportunities for getting the waste out?

Over the past year, you likely have studied the work in a number of areas and found and eliminated a substantial amount of waste. Congratulations! And while bringing those results to the bottom line, you almost certainly got close enough to the work to identify even more waste and opportunities for the new year. As long as you are willing to roll up your sleeves and really learn about the work, the opportunities for improving the business will continue to grow larger and larger. The more you gain, the more possibilities you can see. Now is an excellent time to gather up these insights, step back, and make sure you are focusing your efforts on the right thing.



Inventory the Opportunities

Where do you go for your inventory of next best ideas? Many organizations make sure that they document their findings about additional waste as a part of step 8 in our process improvement methodology. It is a good idea to make a habit of capturing the improvement opportunities that become visible when a team goes after an area of waste. By maintaining an easily accessible repository for these newly visible opportunities, not only does the organization gain the benefit of these insights and observations, but it helps teams to avoid scope creep as well. The opportunity is documented, but not added to the initial scope. (Check out our handy **8 Step Methodology Project Guide**, where teams can capture these ideas as they arise).

But in addition to collecting these insights, step back and do some Imagineering: what would the business look like if everything were right? When people start to answer this question in detail, some major areas of waste are bound to surface.

Ask your group what problems and challenges are delaying the organization from achieving the vision and mission. What strategic challenges does the organization face? What changes to the business are necessary to ward off strategic threats and capture strategic opportunities? How do these translate into specific problems to solve? Go through your list of improvement possibilities and areas of waste you have identified so far. Which ones further your most important objectives?

Peruse Bill Conway's list of likely opportunities from **Winning the War on Waste** (Pages 73-74). Some of these are:

- Identify reasons for back orders and begin to eliminate them
- Reduce average wait times at check out counters, on telephones, for response to customer inquiries, in waiting rooms, for specific equipment
- Reduce make-ready time for a critical process
- Reduce invoice pricing errors
- Reduce time between shipment and invoicing
- Reduce time between customer payment and application of cash
- Identify reasons for late delivery and begin to eliminate them
- Reduce volume of hazardous waste
- Reduce time for sales people spent on travel, meetings, reports and increase number of sales calls
- Reduce the amount of time spent in meetings and increase the value



Or consider the guidance from **Shigeo Shingo**, an early leader in Lean. He identified types of waste that are common to nearly every modern enterprise. Explore where these are showing up in your business:

- Over-production (producing more than the customers will buy or sooner than they will pay for it)
- Inventory (inventory increases costs and capital requirements while hiding defects and process problems)
- Excess motion (do people, products, inventory move too much? Adds cost, delays, variation, and opportunities for error)
- Waiting (a sign of bottlenecks and process variability)
- Excess transportation (adds costs, delays, and opportunities for damage)
- Over-processing (more handling or features than the customers value)
- Not-right-the-first-time (everything that is not done right the first time every time causes both inspection and rework!)

Narrow the List

If the best ideas aren't on the list, they won't be targeted, so you want to think broadly about possible opportunities. But you know that your organization cannot tackle everything at once. It's not what you start—it's what you finish that counts! Select significant opportunities that you can effectively address expeditiously. There are several methods for this. A prioritization matrix, such as the one in our **Conway Charting Solutions Software —Plus**, is popular.

Another popular method is the value/speed grid. Position the opportunities in the grid based on the initial estimate of their value and the speed in which the results can be achieved, then select projects in the top left quadrant first.

	0 - 6 months	6 - 12 months	1 Year +
High \$ return			
Medium return			
Modest return			

Next Steps

Taking a fresh look periodically, based on the knowledge and insight you have gathered recently, helps you make sure you are working on the right things. The key is to work on the right things and get them done quickly! In our next issue we will resume this discussion with a focus on quantifying the waste.