



R&R Newsletter

Reducing Risk/Removing Waste

ISO Support Group

October 2005 - Issue 1

An ISO 9001:2000
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Removing Waste:

In this Issue under the heading *Removing Waste* I'll be covering the topic of **Lean Operations – Step 5: Never Stop Eliminating Waste**

After you specify Value (Step 1), mapped out the Value Stream (Step 2), made the value-creating activities Flow (Step 3), let your Customers Pull value (Step 4), you now begin to realize that it's possible to find even more waste that can be eliminated from the Value Stream (Step 5)...

How is this possible? The reason lies in the fact that the previous four (4) Steps work together like a wheel... the faster you get value to Flow the more "hidden waste" gets exposed... the harder you Pull value through the stream, the more roadblocks you are able to push aside. As your cycle of learning speeds up, it allows more dialogue, more frequently, between dedicated product/service teams and your customers, so that value can be more accurately specified, and more often. Once this Lean wheel gets rolling, you'll compete against your previous performance gains. This will be hard to match by your Competitors... and that's the objective of Step 5.

How do you keep up the momentum required for this last Step?

First, I should clarify this by saying there is never a last step to Lean... it's more of a journey than a project... more of a model than a program... more of a marathon than a sprint... and without a finish line. For Step 5, two critical ingredients are: "transparency for all" and "instant and strong positive feedback for employees making improvements". Transparency means everyone can see everything, which means more eyes can discover better ways to create more value for your customers. These two concepts shouldn't come as a surprise, since both of them involve your most important asset... your people, which is the only thing that makes you different than your competitor. Once the people in your organization are "engaged", no external help is needed. They will be motivated to find new ways to increase output, reduce space and improve quality.

A key Lean technique for Step 5 involves organizing your team to attack only the "vital few" using business goal deployment (i.e. policy deployment). The idea here is for top management to agree on 2 or 3 clear goals ... then select a few key projects needed to accomplish them... then set improvement targets (with numerical measures) with deadline dates for each project... then post a summary of it for everyone to see. The message here is that it's better to achieve the vital few than to chase after the trivial many.

We've now covered the overall concepts involved for all five (5) Steps in making the Lean Journey, so in the next Lean Newsletter we'll go back to Step 1 (Specifying what Value is) and explore it in greater detail. Keep in mind that you start by applying these five (5) Steps for only one category of product or service, and you do it for all segments of the Value stream i.e. from raw materials/information to final product/service (Operations); from order to cash in the bank (Admin); and from concept to launch (Engineering or Business Development). After that's on its way, you would then expand Lean into your other product/service categories.

PUBLICATIONS

Click [HERE](#) to learn more about the manuals & books that we've recently published:

- ISO 14001:2004 Environmental Manuals
- "The 3 Biggest Mistakes People Make with ISO 9001"
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For more information on training provided by ISG on Lean Operations (Lean Manufacturing/Lean Office), please visit our website at www.isosupport.com. Once there, you will also find information about the following:

"Lean Assessment: Can Lean tools help you?"

If you want to find out if Lean applies to your business, visit our website and read about our Lean Assessment Service by going to:

http://www.isosupport.com/services/lean/srvcs_lean.htm

"The 3 Biggest Mistakes People Make with ISO 9001"; ISO 9001:2000 Tips, Tools and Techniques

Click here: <http://www.isosupport.com/books/books.htm>

If you enjoyed reading our previous ISO Newsletters you'll find that this book contains many of the practical approaches and advice that I've discussed in these Newsletters over the past 5 years.

Q: Any examples of the "Vital Few"? How is this technique used?

A: The concept behind the term "vital few" is fairly simple... focus on the 2 or 3 things you have to do in the next 12 months to maintain and grow your business. Examples of Vital Few might be: Improve Productivity Significantly or Cut Costs Dramatically or Drastically Improve Quality. For each of your Vital Few you would then select a few key projects to achieve them, such as: reorganizing the company into product/service families and installing product/service teams; create a Lean function/office that will assist the product/service teams in applying the five Steps; establish a systematic roll-out of improvement events to convert the company into a Lean operation. For each key project, you would set improvement targets with deadline dates such as: convert to product teams in first 6 months; conduct at least 2 major improvement events each month. Along with these targets would be numerical goals such as: reduce labor costs by 30% and reduce customer quality problems by 50%, all by year end. (PS: If you want to find out what the Vital Few would be for your business, visit our website and see our [Lean Assessment Service](#)).

Until next time... enjoy your R&R!

Tim Renaud

Helping Business Professionals Reduce Risk and Remove Waste!

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Tim Renaud, P.Eng., B.A.Sc., is a senior trainer and consultant with the ISO Support Group. His business experience covers over twenty-two years with both small and large organizations within various industries. He began consulting in 1992 and achieved ISO 9001 Registration for ISO Support Group in Oct/1998. Specific areas of expertise include training and consulting on installing ISO Management Systems, as well as implementing Process Improvement Strategies, always with a focus on reducing risk and removing waste (becoming Lean). Association memberships include the American Society for Quality (ASQ) and the Professional Engineers Ontario (PEO).