



R&R Newsletter

Reducing Risk/Removing Waste

ISO Support Group

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An ISO 9001:2000
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LEAN JOURNEY...

- Step 1: Specify Value
- Step 2: Identify the Value Stream
- Step 3: Making it Flow
- Step 4: Let Customers Pull Value
- Step 5: Seek Perfection

CAN LEAN HELP?

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Removing Waste:

In this Issue under the heading *Removing Waste* I'll be covering the topic of **Lean Operations – Example: Canada Post Calgary Plant**

Based on feedback from our readers, we will be including stories about organizations that are implementing Lean and the results they've experienced. The following is a brief overview of a Lean implementation example...

Canada Post Puts Its Stamp on a Lean Transformation... This is an example about an organization that provides a "service" that involves the movement of a tangible item (the mail) from an originating point to its final destination. On the surface, this situation doesn't appear to be a good candidate for Lean since reducing the amount of inventory (the mail) and reducing the amount of time it stays within the plant has no positive financial impact since the inventory (the mail) is already paid for.

First, let's look at the results they achieved...

RESULTS	Before Lean	After Lean
Space used	17,000 sq. ft.	9,500 sq. ft.
# of Operators	10 - 15	6 - 7
Productivity	19 bags of mail/hr	25 bags of mail/hr
Lead Time	2.03 days	0.98 days
Bag Travel Distance	2294 ft.	1580 ft.

Now let's look at how they did it... Even though typical Pull techniques (Step 4) would not work, the Team saw that there would be benefits to making the mail Flow (Step 3) more efficiently. They recognized signs of waste because the mail moved in large batches from one sorting area to another with long wait times in between and long changeover times to switch from one sorting method to another.

The Team started by identifying their Value Streams... They handle Letters, Parcels, Express Mail and Publications/Advertising Mail. They chose Pubs/Ads Mail and defined what Value meant for their large corporate Customers (Step 1)... Shortest elapsed time from pick-up to delivery, competitively priced, minimal lost items, all items delivered, etc. The Team then completed Value Stream Mapping (Step 2) to help them define where they wanted to go. They introduced Flow techniques (Step 3) such as FIFO lanes between processes and removed bottlenecks by reducing changeover times on the large sorting machines. They used the results from Step 1 to decide what processing tasks were waste (like picking up & putting down bags 4 times). TAKT time was calculated to be 24 seconds/bag which was used to balance the work elements amongst the Operators. They continue to uncover more ways to improve (Step 5) in order to meet their growing Customer demand and to contain costs.

For more information on this example... you can visit our Newsletter page at our website to view the complete article:

www.isosupport.com/newsletters/newsletters.htm

PS: Don't forget to look at the Q&A section of this Newsletter for some final thoughts on this Lean implementation example.

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"
- "ISO 14001: Learn what's driving its double digit growth!"

TRAINING:

- Process/Value Stream Mapping
- Lean Essentials/Kaizen
- Business Modeling and Performance Measure'ts
- Root Cause Analysis and Corrective Action
- Continual Process Improvement
- Strategic/Business Planning
- Malcolm Baldrige Training
- Privacy Program Training

View [agendas](#) at our website

Email Tim.. [HERE](#)

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: What are the "lessons learned" from this Canada Post example?

A: First, the most important message from this Lean implementation example would be the fact that significant improvements can be achieved from applying Lean in a non-manufacturing situation. Second, there are some techniques in the Lean tool box (i.e. Pull) that won't work but that doesn't mean that others won't. Third, Canada Post needed to reduce costs and improve their service... good ingredients for feeding a Lean initiative. Fourth, they trained all of their Supervisors on the basics of Lean and on Value Stream Mapping. Fifth, they reorganized and established Value Stream Managers who were each responsible for a different product family. Sixth, these Managers then went out into the field and visited Postmasters in small towns to see how their product was arriving (and to hear about the problems being experienced). Seventh, they've had no labor disruptions since embarking on this Lean Journey (Management made a promise to the Calgary employees that no one would lose their job because of Lean).

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).