

The lean lessons

Lean manufacturing system is a systematic approach to waste elimination throughout a supply chain. The main objective is to deliver what the customers want, when they want and in the quantity they want using minimum human effort, inventories and floor space at the highest possible response speed. Realising this scope of lean manufacturing, International Business Forum (India) organised a seminar cum workshop on 17-18 December, 2007, at Hotel J W Marriott, Mumbai. Sanjeev Baitmangalkar, CEO, Stratmann Consulting, speaker in the seminar, gave an insight on how lean is a process and not an event. A report...

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Every organisation wants to be flexible enough to adjust quickly to changing market conditions, lean enough to beat any competitor's price, innovative enough to keep its products and services technologically fresh and dedicated enough to deliver maximum quality and customer service. If managements want companies that are mean, nimble, flexible, responsive, competitive, innovative, efficient, customer focused and profitable, why are so many businesses bloated,

clumsy, rigid, sluggish, noncompetitive, uncreative, inefficient, disdainful of customer needs, and losing money? The answer lies in how these companies do their work and why they do it that way. The results that companies achieve, are often very different from the results that their managements desire. Lean manufacturing allows manufacturers to be fast and nimble enough to quickly react to changes in customer demand and do it with little inventory.

Gone are the days when companies could stockpile large quantities of raw material, load up production with work in process, and stack up finished goods. Those old ways are wasteful and customers are not well served. In these changed times, lean supply chain performance must be the goal of every manufacturer. Creating a lean supply chain by streamlining the business and production processes to significantly reduce cycle time, decreasing inventories, lowering costs, increasing customer service, enhancing value to customer have become a mandate for survival.

Building the lean enterprise

According to Baitmangalkar, the main motive of the workshop was to enable participants to learn about



Sanjeev Baitmangalkar conducting the workshop on lean manufacturing

the foundation and pillars of a lean enterprise and create a structure for the same. He further added that with the help of this they would be able to cut lead times by up to 90 per cent, reduce inventories by up to 75 per cent, cut floor space 20 to 75 per cent and reduce material costs up to 5 to 15 per cent. They would be able to reduce overall costs up to 20 to 40 per cent and eliminate rejects, scrap, reworks and acceptance of deviations (AOD's) and improve quality over 99 per cent. They could also improve on-time delivery to over 99 per cent, thereby growing in profits of up to 10 times or more. But this can happen only if one can increase significant value to the customer and build one's operational excellence as strategic weapon. He said, "You need to have a highly motivated and 'thinking' work force. Earn your profits regardless of the economic situation".

Various components of lean manufacturing were discussed at the seminar, like introduction to lean manufacturing the Japanese way, India's first lean case study, the power of possibility thinking and how to use it in the transformational process, various lean tools and just-in-time (JIT) techniques. The participants also got

hands on feel of drawing the 'current state map' and the 'future state map' on a given case in the section 'value stream mapping'.

Latest trends

Markets all over the world are experiencing the trends of 'disruptive technologies', 'customer empowerment' and 'mass customisation' in recent times. These trends have made products cheaper, better and more customer-centric and even changed the way businesses are conducted. Extremely low lead times for product introductions, shorter product life cycles, fluctuating demand levels, wildly varying share of businesses, JIT supplies and annual price reductions characterise today's businesses.

Old business models that worked well for several decades no longer work effectively. Some are not even relevant today. These are forcing almost every company to revisit its business strategies and processes to find innovative ways for delighting customers continuously by offering products and services that exceed their expectations in areas of features, quality, pricing and purchasing convenience. "This is the only way of gaining and retaining the competitive edge in the market place. Companies that succeed in creating value for their customers by offering outstanding products and services at competitive prices alone will be able to survive and prosper. It is not a one-time effort; it must be continuous activity that results in ever increasing value to its customers" he said. Thus bringing down cost of production by elimination of as many wastes as possible from the value stream has become a major long and short-term objective for all industries.

Getting lean is driven from top. Lean is less about mechanical changes and more about building the culture. Many companies like to think they are lean, but they are not. Three key factors drive the transformation of an organisation to become lean – leadership, culture and



Participants involved in a brain storming discussion



Baitmangalkar interacting with the participants

sensei. For an organisation to go lean, it must become the company wide strategic intent and the number one priority in the organisation, and nothing should deter that. The attitude of the top management in every way should communicate this. It's the leadership that builds the culture. "You will need a good leader to help you on your journey. When you are going on a journey and you have neither seen the road nor the destination, it's always wiser to go with someone who has been there and done that" he piped.

The immediate response

Senior executives attended the seminar from various leading organisations of myriad sectors from automotive and auto component majors, general engineering product and equipment manufacturers, pharmaceutical, chemical , process equipment and packaging, to FMCG, rubber, etc. No wonder for many of them, it was highly interactive and very interesting. According to Anil Bhatia, associate vice president, Hero Group, "The workshop was well organised and it opened doors to outside world. It was positively different in content and teaching from the seminars put up by different organisations and consultants".

Conclusion

However, Baitmangalkar did not forget to mention that getting lean defies conventional logic because it's about changing culture. The speed of transformation is directly proportional to the willingness to change, accept new set of thinking and learning. There is no fixed time frame. It can be done with speed or otherwise. "I will definitely say that you will begin to get good results from the very first year itself", he added. No wonder the workshop ended with the reiterating note from the speaker 'go lean'. **MMT**