

Lean/ Value Stream Mapping in Office Environments

Paul Klein

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October 2009

Thanks to Mike Shuck for his slides from

WCBF Lean Six Sigma Summit

Transferring Lean Principles to the Front Office

slides from mike Shuck noted with a * in the corner.
Modified slides noted as *mod

2009-2010 ASQ Executive Board Members

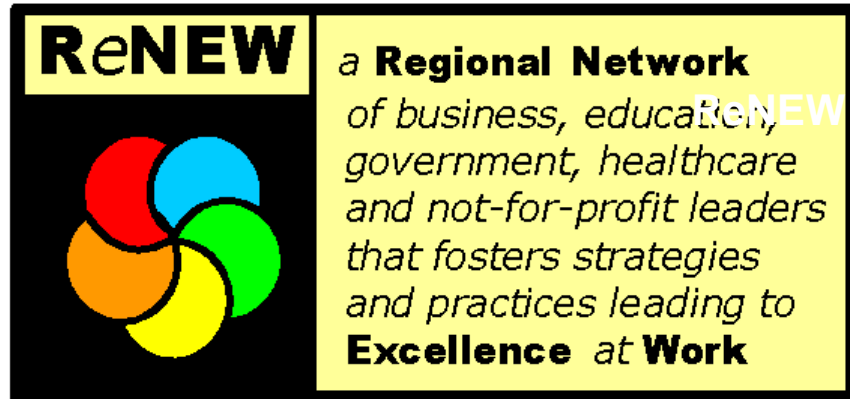
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Web Master	Jim Ahlemeyer, CQA	518-731-4612	jmallmeyer@hotmail.com

The ASQ Section 0200 Executive Board meet the first Thursday of every month.
The meeting is open to the membership, and should you wish to attend
please contact the Chair for time and location information.

www.asqhudsonmohawk.org

For PDM announcements.

Our PDM schedule for 2009-2010 will be held at Buca di Beppo
unless otherwise noted.



Performance Excellence for Leaders

– a survey of methods and applications that have helped organizations achieve and sustain Performance Excellence

Monday November 16, 2009 8:00 - 10:30

Capital Region BOCES 900 Watervliet Shaker Rd, Albany

Please reserve by Nov 6th via e-mail to bill@wj-mccabe.com

\$10 fee covers the cost of refreshments and seminar materials

collected at the door – make checks payable to 'ASQ 200'

PRESENTERS

Tom DuBois, MBA, Six Sigma Black Belt, Certified Manager of Quality and Organizational Excellence

Kathryn Gerbino, PhD, Assistant Superintendent, Capital Region BOCES

Bill McCabe, Fellow, American Society for Quality

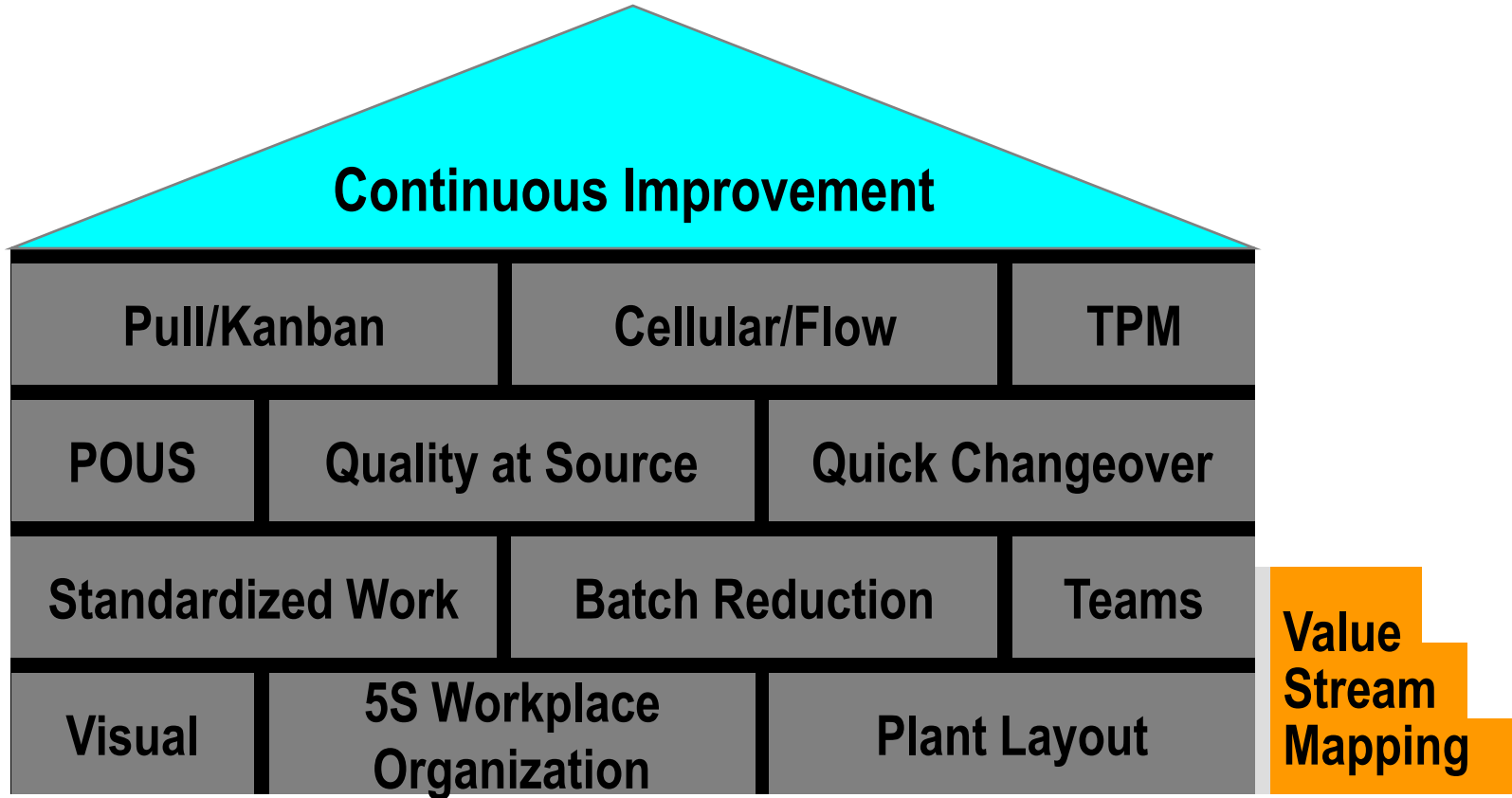
Jerry Salkowe, MD, VP of Quality, MVP Health Care

ASQ Hudson Mohawk chapter offers to employers the opportunity to publicize Quality related jobs for free, for a period of 30 days, on the ASQ Section 0200 website.

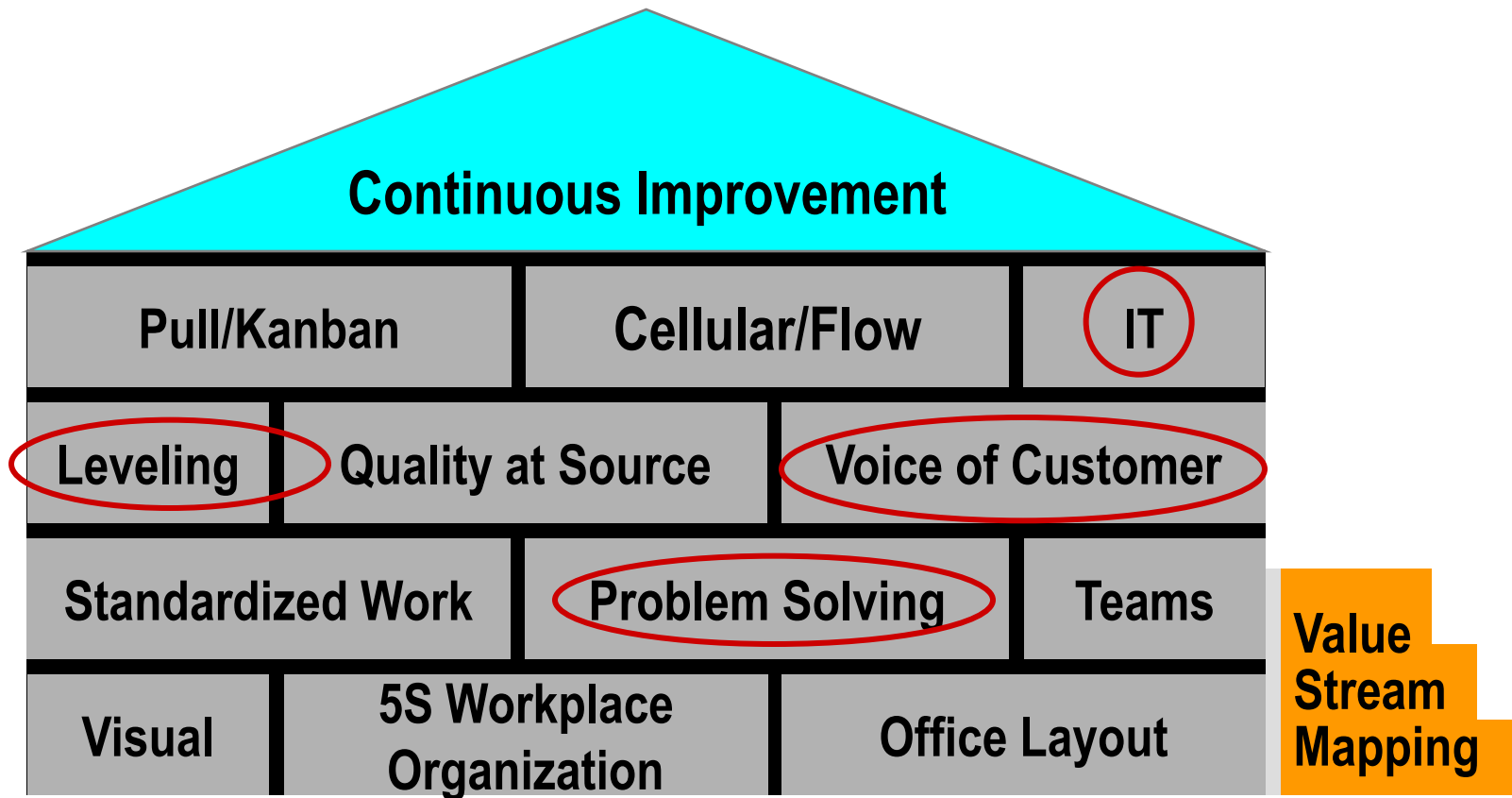
The ASQ Section 0200 Executive Board reserve the right to exclude job listing at their discretion.

**If you wish to have your Job opening listed on the Hudson Mohawk Section 0200 website, forward job posting to Jim Ahlemeyer, ASQ Webmaster.
[e-mail: jimallmeyer@hotmail.com]**

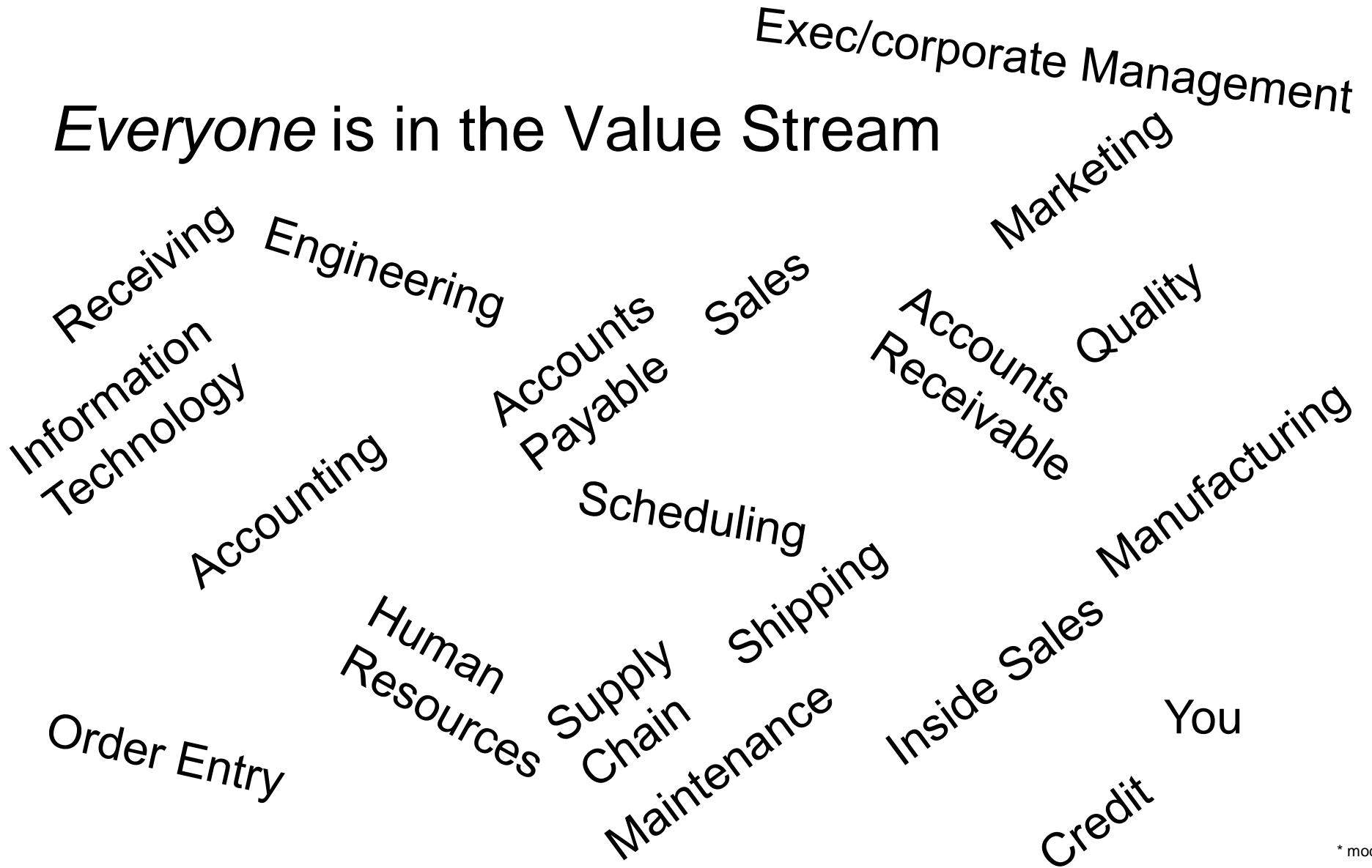
Lean Building Blocks
Manufacturing



Lean Building Blocks
Admin/Office



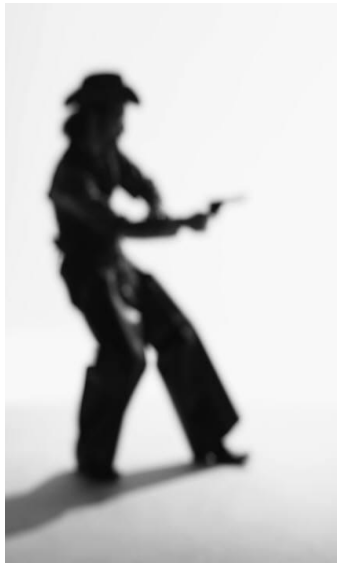
Everyone is in the Value Stream



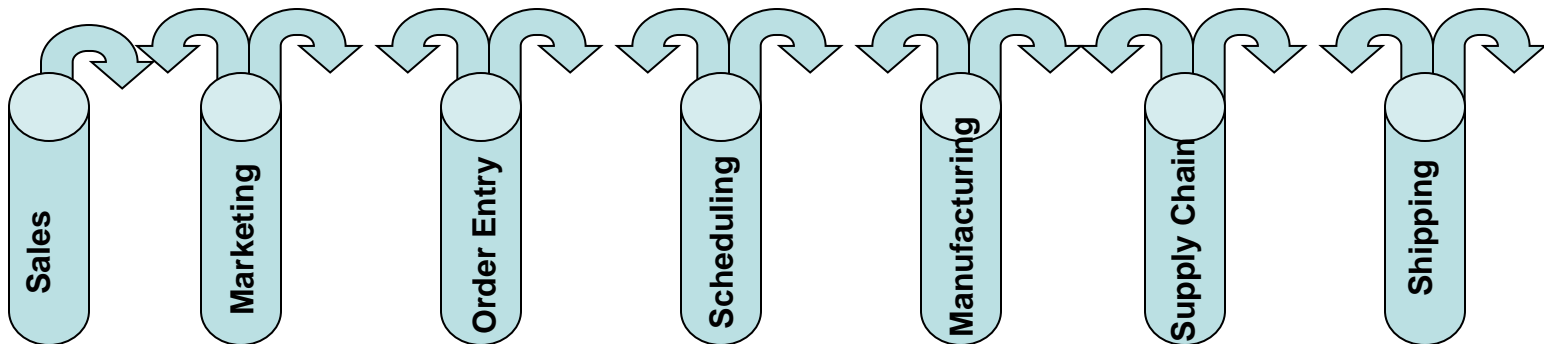
Everyone is in the Value Stream

- Where do you start?
- Where would your customer want you to start?
 - Where are you difficult to do business with?
 - Friction points
 - Let the data lead you there
- Just start..... SOMEWHERE

What happens if you do not start with the VSM?



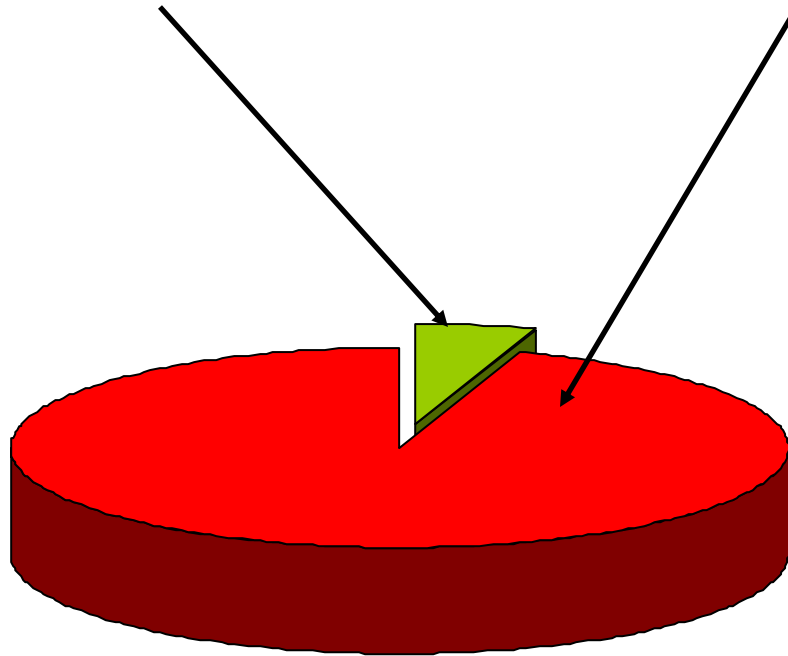
- Bosses favorite project
- Feel good projects
- Projects which can be completed quickly
- Projects which cause the least friction
- I'm relieved.....it might not include our department
- A hit and miss approach
- And the silo mentality can continues.....



Is Value Added and Non Value Added any different in the office?

Value Added

Non-Value Added



- Overproduction
- Waiting
- Transportation
- Non-Value Added Processing
- Excess Inventory
- Defects
- Excess Motion
- Underutilized People

Lean = Eliminating Waste

Typically 95% of all lead time is non value-added

Overproduction Waste Definition & Causes

**Making more, earlier and/or faster than required
by the next step in the process**

Manufacturing

- Misuse of automation
- Long setup time
- Unleveled scheduling
- Over-engineered

Admin/Office

- Wrong priority
- Ineffective communication
- Emails (CYA and non-work)
- Unbalanced workload
- Not focusing on company objective
- Reports no one reads

Waiting Waste Definition & Causes

Idle time created when waiting for ...

Manufacturing

- Unbalanced workload
- Unplanned maintenance
- Long setup time
- Upstream quality problems
- Misuse of automation

Admin/Office

- Unbalanced workload
- Redundant approval
- Unreliable software or hardware
- Unavailable documents
- Incomplete and/or incorrect information
- Improper communication

Transportation Waste Definition & Causes

Transporting parts, materials, documents, and information around the facility.

Manufacturing

- Poor plant layout
- Large batch sizes
- Large storage areas
- Long lead times

Admin/Office

- Poor location of offices
- Multiple file storage areas & systems
- Multiple approvals
- Lack of identification

Non-Value-Added Processing Waste Definition & Causes

**Effort that adds no value to the product or service
from the customer's viewpoint.**

Manufacturing

- Product changes without process changes
- True customer requirements not clearly defined
- Redundant approvals
- Rework

Admin/Office

- Lack of communication
- Redundant approval
- Too many information systems
- Repetition of same information in different documents

Excess Inventory Waste Definition & Causes

Any supply in excess of one piece flow.

Manufacturing

- Inefficiencies and unexpected problems
- Unleveled scheduling
- Poor forecast
- Poorly designed reward system
- Unreliable suppliers

Admin/Office

- Poor scheduling
- Unbalanced workload
- Buying too many office supplies
- Lack of system to manage inventory
- Batch processes

Defects Waste Definition & Causes

Inspection and correction of parts, materials, or information.

Manufacturing

- Weak process controls
- Poor quality
- Deficient planned maintenance
- Poor product design

Admin/Office

- Under-trained employees
- High employee turnover
- Doing process in a rush
- Confusing procedures

Excess Motion Waste Definition & Causes

Any unnecessary work movements of people or equipment.

Manufacturing

- Poor people/machine effectiveness
- Inconsistent work methods
- Poor facility or cell layout
- Poor workplace organization

Admin/Office

- Poor workplace organization
- Lack of training
- Nonstandard work methods
- Bureaucratic only approvals
- Poor office layout

Underutilized People Waste Definition & Causes

The waste of not using people's creative abilities.

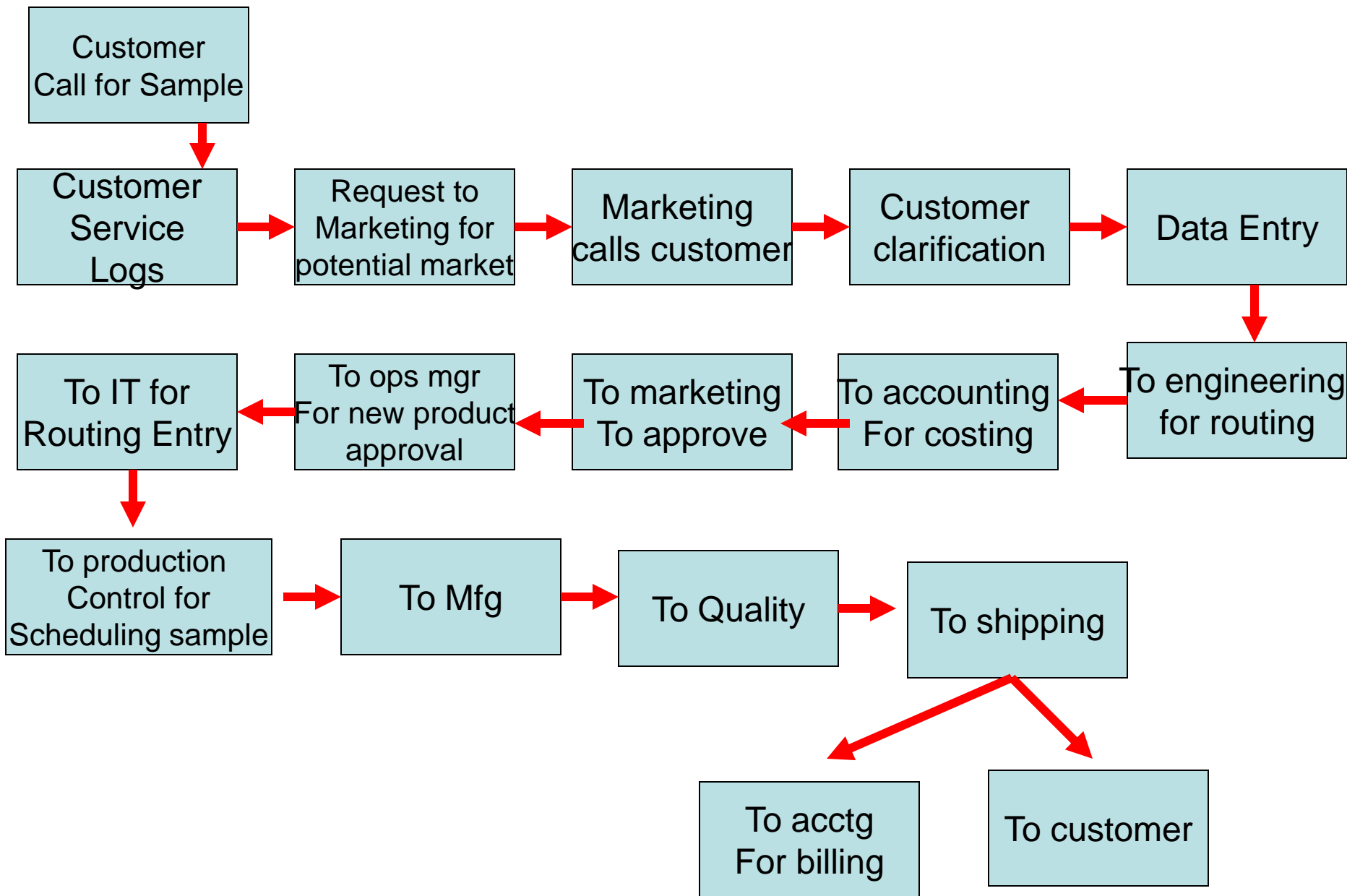
Manufacturing

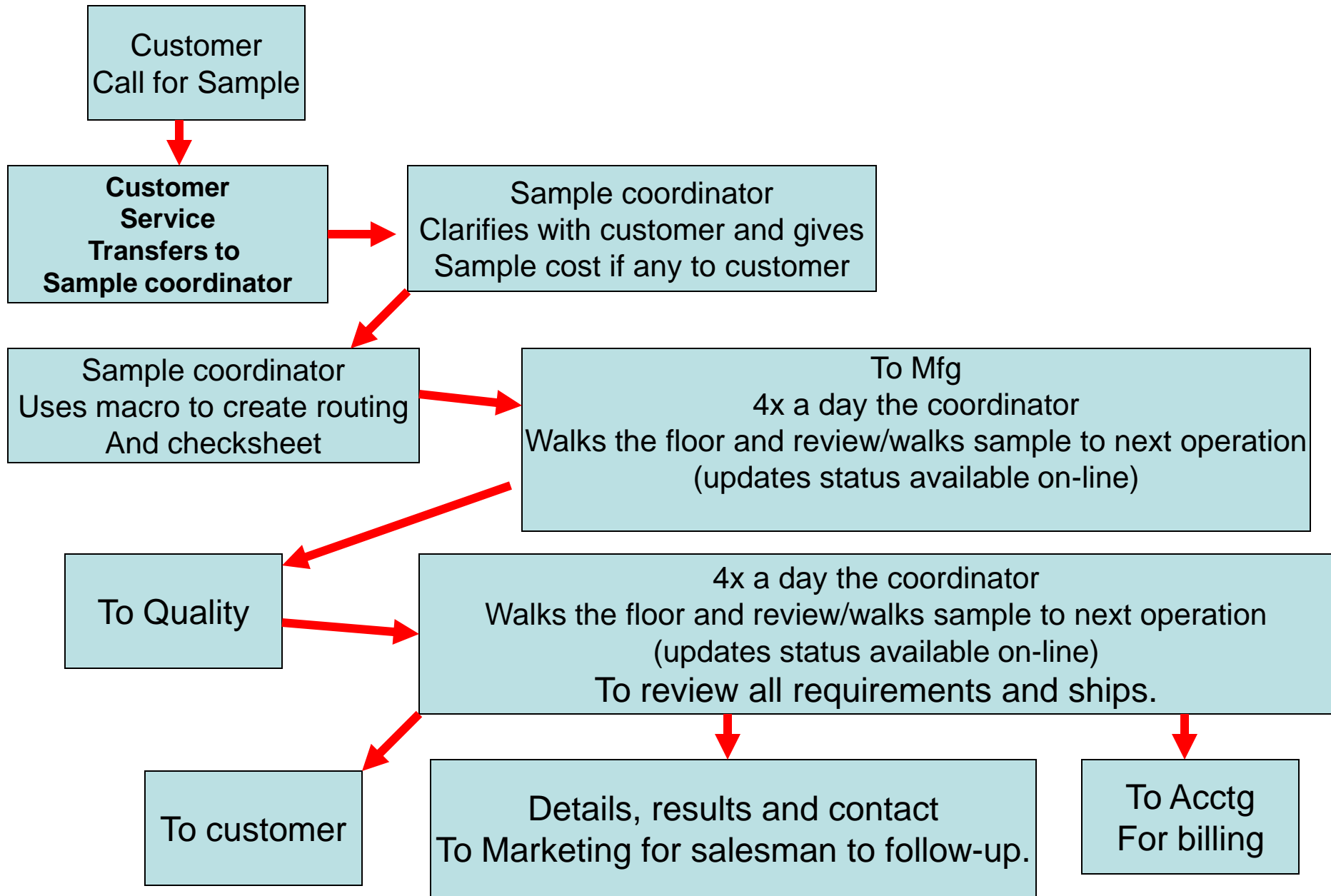
- Low or no investment in training
- Low pay, high turnover
- Poor hiring practices
- Not asking “What do you think?”
- Low expectations
- Penalizing experimentation

Admin/Office

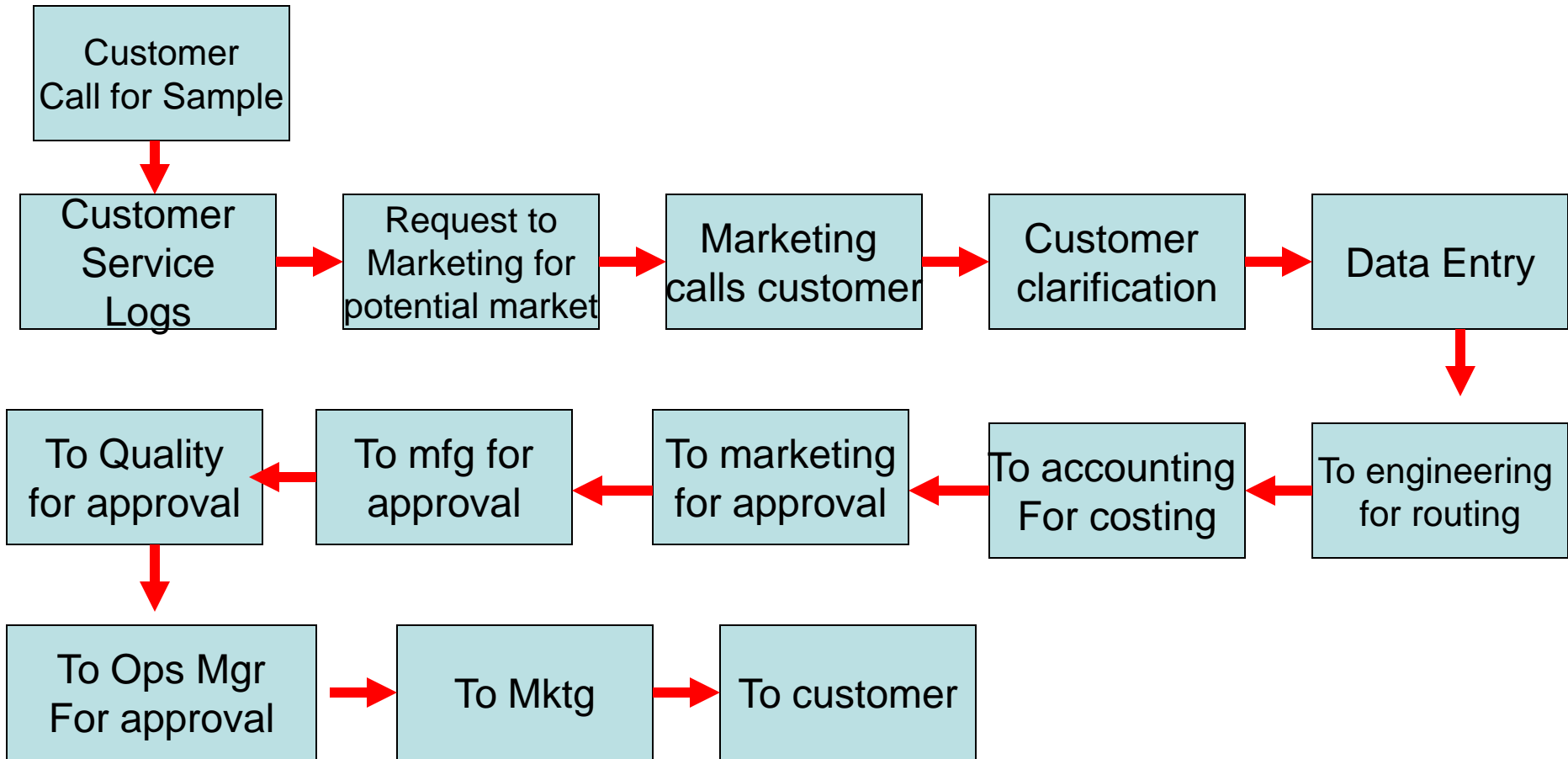
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Process for costing Prototype Samples Original

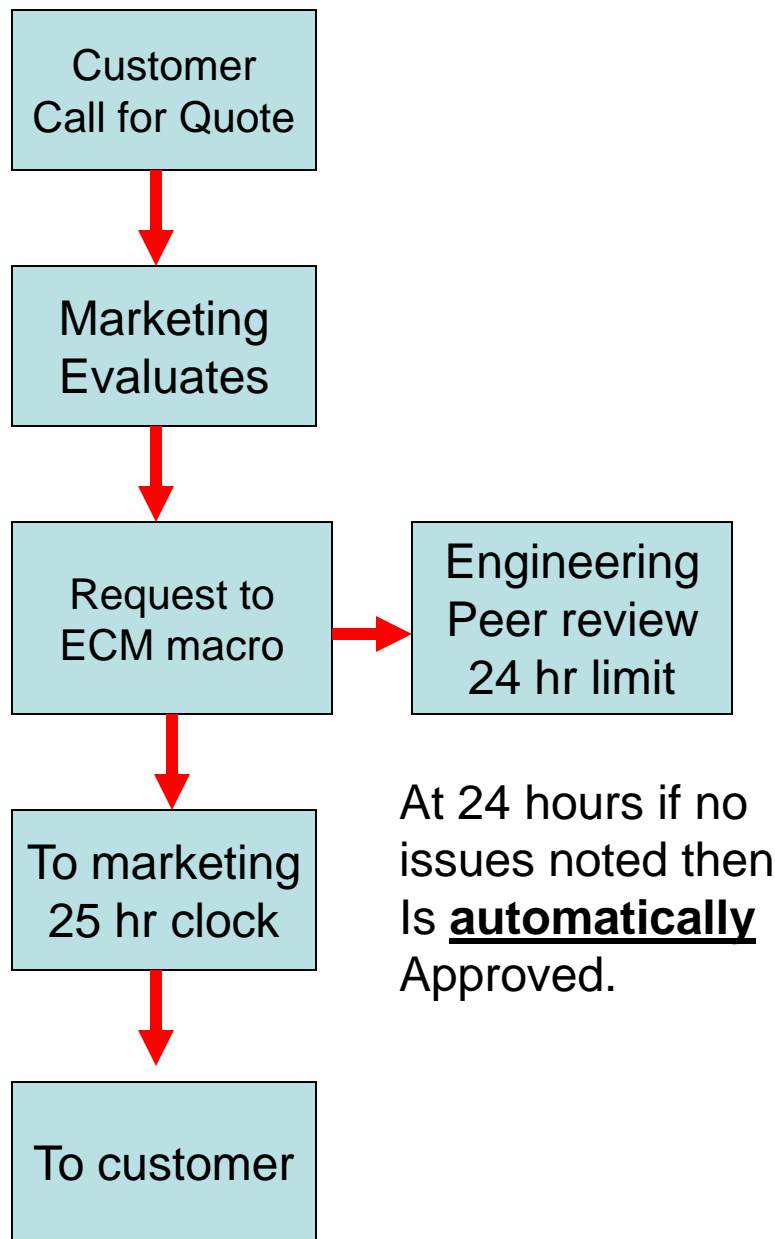




Estimated Cost to Manufacture Process Original



6 signatures, average cycle 9 business days
Actual value time: <1 hour. >99.5% idle



Estimated Cost to Manufacture Process Rev A

2 signatures, average cycle 1 business days

Actual value time: <1 hour. >87.5% idle

Note: Customer feedback on quotes <1 day

Was that they did not trust. **“We couldn’t Have spent any details on this. You’re just winging it.”**

Key was to have an employee who knew (had worked in the positions) the issues of Engineering, Quality, and manufacturing and to get Accounting to buyoff on the macro validity.

Thanks