

Presentation: Fundamental Principles of Lean

To understand Lean, you must come to view the way work gets done through a new and sometimes different set of lenses. Presented below are five fundamental principles that are essential to Lean.

1. Focus on Customer Value

Customer focus is the top priority of Lean Improvement. The drive for improved performance begins and ends with the Voice of the Customer (VOC). *Waste* is seen as an obstacle to meeting and exceeding customer expectations. *Defects* are simply failures to meet measurable customer requirements. Improvements are defined by their impact on customer satisfaction and the value they add to the customer.

2. Fact-Driven Management

The scientific method, data collection and sound measurement provide a solid foundation for all Lean projects. Project teams select which measures are key to gauging customer satisfaction and business performance. The team collects and analyzes data to understand the root causes of business problems and to identify key drivers leading to waste and inefficiency.

3. Focus on Process Management and the Improvement of Flow

The study of work flow is essential to Lean methods. A process focus leads to a better understanding of this flow: the activities, tasks, decisions, inputs, information, etc. that deliver a chain of value to the customer. In an (ideal) Lean world, all work in the value stream would be “value added.”

4. Boundaryless Collaboration

Lean initiatives help to smash the barriers that block the flow of information, ideas and action up, down and across the organization. Increased collaboration comes about when more managers and employees understand their roles in improving the key work processes that flow across the various departments and functions of the organization. In this way, “turf” issues are put aside to allow for a more productive focus on meeting customer needs and requirements.

5. *Strive for Perfection; Tolerate Trial and Error*

In one sense, Lean is all about learning how to better serve customers. Each project that is completed increases the knowledge needed to remain competitive in an ever-changing environment. The scientific method that underlies the methods of Lean support continuous improvement through on-going study, piloting, and experimentation. You can drive for perfection while at the same time knowing that sometimes there will be dead ends or partial successes. In any case, there will always be more work to be done to make important improvements!

Organizations that make these principles become a way of life are able to achieve critical advantages that lend to increased competitiveness and sustainability. Among those advantages are:

- ◆ Less effort is required to design, build, and service products
- ◆ Products and services are delivered with fewer defects and less waste
- ◆ Using fewer supplies and less inventory to support work processes
- ◆ Reduced cycle times in critical processes like concept to launch, order to delivery, and problem to repair
- ◆ Increased employee safety