

Lean Logistics

Why not apply "Lean" to all of your logistics, warehousing and supply chain processes?

Lean thinking is the concepts of customer value, continuous flow, pull, and relentless waste reduction to all company improvement activity.

Supply Today utilises a customer and process focused deployment strategy that is built around obtaining measurable performance, customer satisfaction, and financial results in logistics, warehouse and supply chain processes.

What is Lean?

Lean is an integrated set of industrial principles and methods first developed by James P. Womack and Daniel T. Jones and articulated in their landmark 1996 book *Lean Thinking* (Simon & Schuster). It grew out of the authors' groundbreaking study of the Japanese automobile industry, *The Machine That Changed the World* (Simon & Schuster).

Lean Thinking enables companies to find the best way to specify value for the customer, to identify the value stream for each product, to cause the product to flow smoothly from concept to customer, to permit the customer to pull value as needed from the producer, and to make a lean leap toward perfection. The concept of value, value stream, flow, pull, and perfection are deployed by means of lean techniques for product development, production, purchasing, and customer support. What better area than your logistics, supply chain or warehouse.

Think about your supply chain or third party logistics solutions.

Ask, "why are you doing this?" If it is because you always have, then rethink what you are doing.

Are you doing something that is not adding value to your customer service levels and or increases your logistics, supply chain or warehouse costs?

Are you doing something that adds control to your logistics or supply chain but increases bureaucracy?

Are you measuring what you can but not what matters?

Are you looking at what is coming or correcting the past?

Are you persisting with what doesn't work?

Are you improving what already works?

It is also crucial to understand the importance of flexibility in a process, because customers demand it and third party logistics processes need to eliminate it.

The Five Steps of Lean

Step 1: Specify Value

Define value from the perspective of the final customer. Express value in terms of a specific product, which meets the customer's needs at a specific price and at a specific time.

Step 2: Map

Identify the value stream, the set of all specific actions required to bring a specific product through the three critical management tasks of any logistics, supply chain or warehouse: the problem-solving task, the information management task, and the physical transformation task. Create a map of the Current State and the Future State of the value stream. Identify and categorize waste in the Current State, and eliminate it!

Step 3: Flow

Make the remaining steps in the value stream flow. Eliminate functional barriers and develop a product-focused organization that dramatically improves lead-time.

Step 4: Pull

Let the customer pull products as needed, eliminating the need for a sales forecast.

Step 5: Perfection

There is no end to the process of reducing effort, time, space, cost, and mistakes. Return to the first step and begin the next lean transformation, offering a product which is ever more nearly what the customer wants.

5 S's

Sort – (Seiri), The first S focuses on eliminating unnecessary items from the workplace. An effective visual method to identify these unneeded items is called red tagging. A red tag is placed on all items not required to complete your job. These items are then moved to a central holding area. This process is for evaluation of the red tag items. Occasionally used items are moved to a more organised storage location outside of the work area while unneeded items are discarded. Sorting is an excellent way to free up valuable floor space and eliminate such things as broken tools, obsolete jigs and fixtures, scrap and excess raw material. The Sort process also helps prevent the JIC job mentality (Just In Case.)

Lean:

Set In Order (Seiton) is the second S and focuses on efficient and effective storage methods.

You must ask yourself these questions:

1. What do I need to do my job?
2. Where should I locate this item?
3. How many of this item do I need?

Strategies for effective Set In Order are painting floors, outlining work areas and locations, shadow boards, and modular shelving and cabinets for needed items such as trash cans, brooms, mop and buckets. Imagine how much time is wasted every day looking for a broom? The broom should have a specific location where all employees can find it. "A place for everything and everything in its place."

Shine: (Seiso) Once you have eliminated the clutter and junk that has been clogging your work areas and identified and located the necessary items, the next step is to thoroughly clean the work area. Daily follow-up cleaning is necessary in order to sustain this improvement. Workers take pride in a clean and clutter-free work area and the Shine step will help create ownership in the equipment and facility. Workers will also begin to notice changes in equipment and facility location such as air, oil and coolant leaks, repeat contamination and vibration, broken, fatigue, breakage, and misalignment. These changes, if left unattended, could lead to equipment failure and loss of production. Both add up to impact your company's bottom line.

Standardise: (Seiketsu) Once the first three 5S's have been implemented, you should concentrate on standardising best practice in your work area. Allow your employees to participate in the development of such standards. They are a valuable but often overlooked source of information regarding their work. Think of what McDonalds, Pizza Hut, UPS, Blockbuster and the United States Military would be without effective work standards.

Sustain: (Shitsuke) This is by far the most difficult S to implement and achieve. Human nature is to resist change and more than a few organisations have found themselves with a dirty cluttered shop a few months following their attempt to implement 5S. The tendency is to return to the status quo and the comfort zone of the "old way" of doing things. Sustain focuses on defining a new status quo and standard of work place organisation.

Contact Us Today

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