

LEAN – There’s Not A Better Time Than **NOW**

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“With the tough times, we don’t have the money available to work on Lean now.”

“We’ve had recent employee cutbacks; nobody has time to do extra work now.”

“I know we need to do something; we’ll start next year when things pick up.”

“There’s not any grant money or subsidies available now for training.”

All of those reasons are commonly used these days to explain why a company feels the time isn’t right to learn more about how Lean methods can help their operation. Yes, they believe in principle that Lean can probably help their company. The common thread these days is that a company will wait until the market picks up a little, until credit is a little more available, until a new President takes office, until Saturn aligns with Jupiter and Mars.....

Would you believe that NOW – Today – is probably the most opportune time for your company to focus more energy on improving efficiencies, reducing wastes, and providing more education and training for your employees in the tools and methods of Lean. But the reasons above are all commonly used to wait. Let’s look at each of the concerns listed above and the case for action **NOW**.

“With the tough times, we don’t have the money available to work on Lean now.”

One thing about Lean is that it doesn’t focus on spending money. MBS always repeatedly emphasizes **“Creativity before Capital.”** That means that we encourage your team to focus first and foremost on looking for creative ways to take waste out of a process or improve efficiencies without spending much money. Sometimes, the perceived easy way is to make a capital expenditure to “fix” a problem. The MBS consultant will encourage your team to use what you already have, only perhaps in a different manner. The cost of this type of creativity is most often negligible, but the monetary returns can be substantial.

Another Lean result that addresses available money is in **Inventory Reduction**. Have you ever stopped to think about how much of your cash you have tied up in the various types of inventory in your operation? This is product that you have spent money on raw materials, money on labor to produce the product, labor to inspect the product, and warehouse space to store it until it’s sold. If you add it up, that’s a lot of cash. As Lean methods are introduced

into a company, one of the results almost always is a reduction in the amount of Inventory necessary to meet customer needs. It is common to have 50% or greater reduction of Inventory. Figure it up. What is the value of your company's current inventory level? Would 50% of that amount help you weather these current economic times?

There are other areas where implementing a Lean management system will translate into more cash – Scrap reduction, Capacity increase.

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Using Lean tools and methods reduces the time it takes to move a product through your process. Less time in most cases means less labor. The less labor you utilize in making a product, the more product you can make with the same people – or the more time people will have to participate in training and looking for additional improvements. The investment you make in your team members **now** will make them that much more valuable when the market conditions begin to improve. Remember: by eliminating some of the inefficiencies in your operation **now** will translate into your company's personal market recovery faster than that of your competition – unless they beat you to it.

“I know we need to do something; we’ll start next year when things pick up.”

Were you thinking of beginning the Lean journey before the current economic conditions came into being? If you were, why didn't you start at that time? The same reasons you used when times were better may very well be the reasons you come back to when conditions improve, as they eventually will. It is true that converting to a Lean company requires a paradigm shift – a true culture change for a company. And such a change is very difficult to achieve unless there is a “crisis” to focus everyone's attention on the need to change. We won't go into detail in this paper, but some of the past examples of radical change in companies came about during a “crisis” period in the company's life – Ford Motor Company in the 1920's radically changed the way cars were made in order to survive. Some pundits credit Henry Ford with being the originator of many of today's Lean concepts. (As a side note, will today's crisis in the American Domestic Automotive Market be the crisis that will once again revolutionize the American car industry?)

Toyota Motor Company was at the bottom at the end of World War II. Many of the principles which are today known as Lean were developed by that company as they struggled to overcome overwhelming odds.

Harley Davidson was on the verge of collapse, with few options to closing. But that crisis focused their attention on drastically improving their quality and enhancing employee involvement, both compatible lean-related strategies. As a result, Harley Davidson created a lucrative market niche that continues today.

So, can you wait until times are good again to begin a Lean journey? If you do, you'll most likely continue doing business the way you always have – with all its inherent waste and inefficiency. And as the old saying goes, “if you continue doing what you've always done, you'll continue to get what you always got.”

Better yet, seize the moment **now** – while times are tough – to rally your team to the task of making your company the strongest in your market. If you don't do it **now**, chances are very good that some of your competition will use this time to come back stronger and faster than you.

One more thing...

“There's not any grant money or subsidies available now for training.”

There are many options when looking for someone to work with your company in your Lean journey. Big isn't always better. And State Consulting Groups offering subsidized support still can be costly. MBS has had a long history of hands-on Lean training and implementation. We operate on a low overhead basis. Talk with us about your needs and let us quote a project to work with you. You'll find that your limited cash will most likely go significantly further and the results will be positive when you work with MBS.

Bottom Line – There is not a better time than **now** to start or renew your company's Lean effort. Seize the moment, while the climate is optimal for success. You'll be glad you did.

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