

Improvement Initiatives

"Change – for the better!"

Management Newsletter

Quotable Quote:

"What I don't like about office Christmas parties is looking for a job the next day." – Phyllis Diller

November 2010

Principles of a Lean Office

by Jeff Hajek

Find out what's wrong with this office at:

<http://www.csoonline.com/article/219055/the-clean-desk-test-what-s-wrong-with-this-picture->



1. **Lean begins with a committed leadership team.** Leaders provide the foundation upon which all Lean efforts are built. They create a vision and develop the strategy to achieve the company's goals. They recognize the value of **satisfied employees**. And they are the ones who create an empowered frontline team. A company can have pockets of success with grassroots Lean efforts, but until leaders fully commit, Lean won't thrive.
2. **A Lean office requires metrics and goals.** Without metrics, it can be difficult to assess the impact of a change. Furthermore, when teams lack clear, measurable goals, people will often unwittingly work at odds with each other.
3. **A Lean office has standardized processes that are followed by everyone.** It is surprising how frequently people doing the same process follow different methods. Often, personal preference rather than objective facts drive the process. When there are no set standards, it is difficult to improve a process for the whole team.
4. **A Lean office uses 5S.** A disorganized office is an ineffective office. Once a standard process is established, build the office around that method. Put things where they make the most sense, and get rid of all the clutter.

Try this experiment: [Download our free Interruption Log](#). Then pick an employee and give her a **stopwatch** for a day. Have her start it whenever she searches for anything, or has to get up from her desk to get something, or has to move something out of the way. After reviewing it at the end of the day, you'll be surprised how much time is lost due to office layout problems.

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Sign in an office: "This job is only a test, had it been an actual job, you would have received raises, bonuses and promotions."



No man on his death bed ever looked up into the eyes of his family and friends and said, "I wish I'd spent more time at the office."

SOME STUFF FOR (and from) THE OFFICE !

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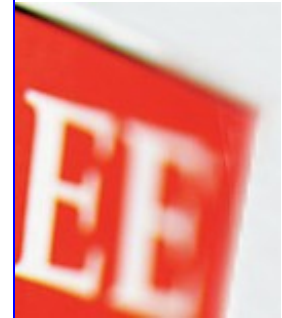
<http://www.totallyfreestuff.com/index.asp?m=73&sb=1>

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5. **A Lean office has minimal WIP.** A major goal of Lean is reducing or eliminating **work-in-process**. It speeds up **lead time**, reduces inconsistency in the customer experience, and eliminates a major source of **waste**.
6. **A Lean office strives for flow.** **Flow** is one of those concepts that you'll know when you see. In short, it is the art of being able to have work move start to finish by the shortest means possible, all without stopping to wait in a queue. It is difficult to achieve, but a thing of beauty when accomplished.
7. **Demand is well understood in a Lean office.** One of the biggest challenges in creating a Lean office is understanding the variations in demand. On the shop floor, managing demand is less complicated. **Heijunka**, or load leveling, smoothes the demand a team experiences. But in the office, it is much more difficult to flatten out the workload. For example, you can't answer the phone before it rings, and a customer won't wait on hold for very long. Plus, because of the customized nature of office work, it is nearly impossible to hold items in inventory. You can't have a generic loan application approved and ready to ship out to the next customer that needs money.

Another complicating factor is that not all office work is really demand. For example, answering phone calls from customers checking order status is work that has to be done, but it is waste. You'd want it to go down. True demand is something that you'd like to see rise.
8. **A Lean office uses a daily management system.** *This is at the heart of all successful Lean offices.* Once the demand piece is figured out, your Lean office needs to **manage that demand**. Daily management takes the expected demand and matches that to the staffing. More importantly, it requires monitoring and a proactive response as soon as a team starts falling behind a plan.
9. **A Lean office is visual.** Management, teamwork, and communication are all easier when anyone can walk into a work area and immediately see what is going on. Because so much office work is contained in the form of ones and zeroes on a hard drive, it can be nearly impossible to see what is happening and if anything needs to be done. A visual office makes abnormal situations obvious.
10. **A Lean office runs on communication and teamwork.** Because of the fluid nature of a Lean office, people have to be both responsive and flexible when changes in demand happen.
11. **A Lean office has a **continuous improvement culture**.** This often takes many years to develop, but in a true continuous culture *everyone* believes it is part of their job to reduce waste and make improvements every day.

About the Author

Jeff Hajek is a Lean consultant, award-winning author, and the founder of Velaction Continuous Improvement. <http://www.velaction.com/>

Getting a handle on demand patterns, and understanding all the various tasks on office workers' plates is essential to running a Lean office.



Nine tips for motivating your employees to do more with less

With leaner work forces, slower sales and tighter budgets, managers and executives need to motivate their employees to do more with less, according to Suzanne Bates, president and CEO of Bates Communications. Incentives such as raises and bonuses are in short supply. Managers and executives must find non-monetary ways to keep their teams motivated, and to inspire them to achieve goals and objectives with fewer people and less funding. "This makes it even more important for leaders to be out in front of employees as much as possible, continually communicating and making personal connections," said Bates.

According to Bates, managers and executives can lead their teams to do more with less by doing the following:

1. **Praise, reward, and recognize.** "People really don't mind working hard; they just want to know that their efforts are appreciated," said Bates.
2. **Communicate constantly.** "In times like these, many managers tend to withdraw because they aren't getting clear direction from their own bosses," said Bates. "Fear grows in a vacuum, and employees will fill that vacuum of information with their own worries about their future."
3. **Be open and honest with employees.** "Even if leaders don't have all the answers, they need to share the latest news and developments with their people - both good and bad," Bates said. "Keep the information flowing in order to lower the anxiety and stress that stem from uncertainty."
4. **Adopt a variety of ways to find out what is on employee's minds.** "It will require using several different approaches to dig deep and discover how employees are feeling," Bates said. "These methods include walking around among employees and asking questions, individual face-to-face meetings, informal brown-bag lunches and town hall meetings."
5. **Give employees an opportunity to vent about such issues as layoffs, increased workloads, salary freezes and other cutbacks.** "Once they know you are listening to them and paying attention to their concerns, they are far more likely to put forth an extra effort in spite of the challenges," said Bates.
6. **Don't be afraid to push your employees to take more initiative and become more involved.** "Encouraging employees to be more resourceful, rather than waiting for direction, can inspire creativity, energy, and motivation. Employees will be proud to know that their individual efforts are part of the solution," said Bates.
7. **Get clear about your own priorities.** "Managers often hear that they need to communicate their priorities," said Bates. "But they can't communicate these if they haven't decided what they are. Leaders need to make the tough decisions about what really needs to be done now, and what isn't as urgent and can wait longer."
8. **Reassess day to day, even hour to hour.** "What seemed important yesterday may not be so important today," Bates said. "Although your priorities must be based on a sound business strategy, you need to continually reassess them, and help your team make good decisions about where to spend their time and resources."
9. **Get in closer touch with customers, prospects and vendors.** "You and your team need up-to-the-minute information from those outside your organization - customers, prospective customers, and vendors - in order to make decisions," Bates said.

Think Better ...

Focus on these facets:

1. You are what you think.
2. Thinking has its place.
3. Your mind can become a prison.
4. We are emotional creatures.
5. Think for yourself.
6. Don't worry what others are thinking about you.
7. When you think, think in a constructive way.
8. Don't think. Just be here now.

Learn the details at:

<http://www.positivityblog.com/index.php/2009/01/30/how-to-think-better-the-top-8-tips-from-the-last-2500-years/>

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Leadership development is a participation process (hopefully)

Albert Einstein once said, 'We should take care not to make the intellect our god; it has, of course, powerful muscles but no personality. It cannot lead; it can only serve.'

Leaders know and science has discovered emotionality's deeper purpose: the timeworn mechanisms of emotion allow two human beings to [receive the contents of each other's minds](#). Emotion is the messenger of love; it is the vehicle that carries every signal from one brimming heart to another.

Leadership happens in a series of interactive conversations that pull people toward becoming comfortable with the language of personal responsibility and commitment.

That is why leadership development is not an event. It is a process of participating in [respectful conversations](#) where the leader recognizes his or her own feelings and those of others in building safe and trusting relationships.

Leadership is applicable to all facets of your life: a competency that you can learn to expand your perspective, set the context of a goal, understand the dynamics of human behavior and take the initiative to get to where you want to be. Through discovering who you are and your life's work, you develop the self-awareness and confidence required to lead.

[Leadership](#) is not just for people at the top. Everyone can learn to lead by discovering the power that lies within each one of us to make a difference and practicing the law of reciprocity.

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Off the page ... 2 things must “f-l-o-w” everyday: Material and Information

Speed up the way information and materials are processed to cash in on orders quicker. - by Ralph Keller

Anyone involved in continuous improvement and lean transformation has heard that flow is important, but why? When we look at flow, it's not just about the materials in the manufacturing operation; it's also the flow of information through the support functions of your business. The flow of both information and materials is critical to reducing the time elapsed in the cash-to-cash cycle for your business. This time period from when you pay for expenses and materials related to an order until you collect on the invoice for the products produced is called the cash-to-cash cycle and is an indication of the amount of cash tied up in your business. Minimizing the amount of cash invested in the business can make the difference between survival or bankruptcy in the current economy.

When you look at your cash-to-cash cycle and the time elapsed in it, you need to go through your whole process from the point of order entry to actual collection of the invoice sent to your customer and do a current state value stream map of your process. In many organizations, the time consumed in the information flow, both pre-and post-production, can be longer than the material flow time through production and is also a cash drain on the business. While the pre-and post-production costs are generally payroll costs for the sales, customer service, engineering, production control, purchasing and accounting functions involved with placing and processing an order, they are a real cash outlay related to an order. When you go through your process and produce a current state value stream map, any inventory accumulation of paperwork or materials is an indication of a delay that increases the time lapse in the cash-to-cash cycle and increases the amount of cash invested. These are funds that can't be used for such things as investment in new products, capital equipment to reduce direct costs of goods sold or expansion of distribution channels at a time when credit markets have tightened up and made loans for these activities difficult to find.

Whether your business is a make-to-order or a make-to-stock operation, you have these inventory accumulations in both information flow and material flow that consume cash. What's critical is identifying them in your value stream map and then figuring out, with your team involved in each step of the process, how to minimize these delays in the information and material flow to reduce the time in your cash-to-cash cycle. Using the tools of lean, your teams can brainstorm process improvements to move from batch to continuous-flow operations everywhere in your business. Everyone can easily see the work-in-process inventory that accumulates in a batch production operation, but most of us don't equate the stack of orders waiting for order entry or the queue awaiting credit approval in accounting as inventory. Yet, that's just what it is.

Do you order unique materials for an order after order entry and release for production by accounting and engineering?

Do you schedule that order for production based on the due date of the material, or does production control wait to schedule production until the material has been received and processed into stock? Does your MRP or ERP system process every night so you can react quickly to orders and production control scheduling or do you process weekly so everything sits until the next week? All of these interruptions to both information and material flow increase the elapsed time and the amount of cash invested in the business. While many companies have looked at continuous improvement and lean transformation as a way to improve quality, delivery, and to reduce the cost of goods sold, many of them have not looked at these methods as a way to improve cash flow.

When organizations embark on a continuous-improvement journey, they initially find that their balance sheets look worse as inventory is consumed and their assets decline, but they are pleasantly surprised at the increase in cash and the time reduction in their cash-to-cash cycle. Do your organization a favor and get with your CEO and CFO to start a program to speed up the flow of information and materials and eliminate the queues to reduce the time your cash is tied up in the business.

Ralph Keller is past president of the [Association for Manufacturing Excellence](#), an organization dedicated to cultivating understanding, analysis and exchange of

productivity methods and their successful application in the pursuit of excellence. He has been an operations practitioner for 35 years.