

The Ignored Side of Lean Transformation

Lean is an approach to ongoing operational improvement and elimination of waste or non-value-added activities, *from the viewpoint of customers*.

On the physical side of a company, these are often easy to identify - excess inventory, process bottlenecks, unnecessary movement of people or goods, etc. On the information side, however, inefficiency and waste are less tangible and harder to spot. But because data is cheaper to store and manage than physical inventory, one would think this issue is getting a lot of attention in companies where a lean mentality has taken hold, right? Wrong.

Lean is about creating more value for customers using fewer resources. From the perspective of what's required to operate more efficiently, much of it is data-related. And yet there is still a tremendous amount of inefficiency in the way most manufacturers manage critical information.

Whiteboards and paper remain prevalent for order management, scheduling and other processes. Spreadsheets continue to run many companies, accomplishing for people what their ERP systems can't. The same data is manually entered into multiple systems. The list goes on. This is the complete opposite of operating leanly.

ERP and CRM systems are the lifeblood of a manufacturing operation. When used effectively, they represent technology that not only facilitates lean execution but also identifies waste by substituting information for physical assets like inventory. It's this identification aspect where many companies fall short. They intuitively know information is being poorly handled, but they struggle to ask and answer the important "what", "where", "how" and "why" questions.

If your company falls into this category, consider getting help from an objective third party that understands your business and has expertise in managing business-critical information. This can be as simple as someone spending a few hours facilitating an internal discussion and surfacing the key questions. What's important is that you identify the critical areas where waste and inefficiencies are occurring.

As basic as that sounds, most companies don't do it. View it as a good starting point in your transformation to lean(er) data management.



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