

Objective 2002

New management methods to improve company processes

"Lean thinking" leads to efficiency and competitiveness

Reduction of waste leads to lower costs

To increase productivity, to drastically cut down on waste, to reduce the time for the creation of new products and for their release on the market, to reduce processing- and stocking times, to increase flexibility by rethinking the entire value flow, from marketing to

“ Adopting the principles of "lean thinking" means the continuous search for perfection ”

order management. These, summarised, are the objectives of "lean thinking", the management approach borrowed from the Japanese experience (and, in particular, as successfully applied by the automobile manufacturer, Toyota).

In addition to terms coined by managerial science, "lean thinking" has to do with management principles that every shrewd entrepreneur has always kept in mind and, in

particular, may be considered as an evolution of organisational models inspired by the objective of total quality. "lean thinking" is thus not a completely new approach. But the expression clearly and adroitly summarises what, especially today, during an era of global economy, characterised by maximum competition globally and maximum information accessible to all, in real time, is a winning concept. "Metal Work has embraced "lean thinking" as a company strategy", says Giorgio Mazzoni, manager of Company-wide Quality Control. "To create value by eliminating waste of all kinds is an innovative way of giving new stimulus to the company and of succeeding in satisfying customers' demands, better and better.

The company therefore intends to give the utmost emphasis and attention to the fact that the entire production process, in all of its phases, reaches maximum efficiency by exploiting everything to the

fullest, from time to raw materials, from space occupied to the financial and human resources involved. Maximum efficiency necessarily leads to high quality. To adopt the principles of "lean thinking" within the company means, essentially, the continuous and ongoing search for perfection". "The advantages are obvious and substantial, both for the company and for the market", says Mazzoni. "The elimination or, at least the major reduction, of waste (which the Japanese call "muda"), then translates into lower production costs thanks to greater efficiency. And, in short, improved competitiveness, an advantage for everyone: company, customers and suppliers.

“ Creating value by eliminating waste is an innovative way of giving the company new stimulus ”



To know more

Six publications providing examples that can be put into practice in the company.

In Italy, too, more is being written about "lean thinking", the management approach borrowed from the Japanese experience. Here are some of these publications.



• **The Machine That Changed the World**

James Womack - Daniel T. Jones - Daniel Ross, Rizzoli Editore, Milan.

• **Lean Thinking**

James Womack - Daniel T. Jones, Editore Guerini e Associati.

• **World-Class Production**

John R. Black, Editore Guerini e Associati.

• **Lean Thinking, Italian Style**

Romano Bonfiglioli, Edizioni Franco Angeli, Milan.

• **Halfway Between Tokyo and Frankfurt**

Romano Bonfiglioli, Edizioni Franco Angeli, Milan.

• **Lean Transformation**

Bruce A. Henderson - Jorge Larco, the Oaklea Press, USA.

What to do and what not to do

A lean company's way of operating according to the "lean thinking" approach.

Definition of the value

The point of departure is to hunt down waste (*) and to identify its value.

There are eight major "muda".

1. Product defect and re-processing.
2. Overproduction
3. Intermediary warehousing.
4. Unnecessary processing.
5. Unnecessary handling.
6. Unnecessary transport.
7. Delays.
8. Design of goods and services that do not satisfy customers' needs.



Identification of the value flow

This is the analysis that identifies possible waste within the company.

It takes three types of work into consideration.

1. Activities that create value the cost of which may be transferred to the customer.
2. Activities that do not create value but that are necessary.
3. Activities that do not create value and that may be eliminated immediately.



Making the company flow work

The production cycle must consist of continuous flow in the production of small lots.

The principal is valid for both production - and office activities.



Drawing the flow

SThis means being able to design, schedule and produce only what the client wants, when it wants it.



The search for perfection

This implies continual improvement, which must take place day after day, without the results obtained ever being taken for granted.

(*) Waste: in Japanese, it is called "muda". The term is usually use in reference to "lean thinking".