

Lean Assessment Overview



Lean Sensei International

BELIEVE
IN PEOPLE

IMAGINE
THE POSSIBILITIES

CREATE
THE FUTURE

- ❖ The journey to become a world-class company may be long and challenging, but the navigation of the trip itself can be much more effective when the “right” strategy has been developed after going through a thorough, comprehensive diagnostic assessment
- ❖ The Lean Diagnostic Assessment provides a “snapshot” of company’s current weaknesses and strengths, a possible future state, and the resulting gap which paves the way for constructive changes
- ❖ The project provides a high level, 30,000 ft overview of the current strengths and weaknesses
- ❖ The project utilizes a proven Lean Assessment Tool which measures performance and progress of the company in 50 key lean topics critical to the success of the organization



P – Partners & Suppliers

I – Input into the Organization

L – Lean Organization

O – Output from the Organization

T – “The Customers”



For some companies, assessments are performed as part of recognition programs



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- ❖ More commonly, the assessments are used to benchmark progress against other companies, and to gauge understanding of how much “gap” exists between current state and future goals

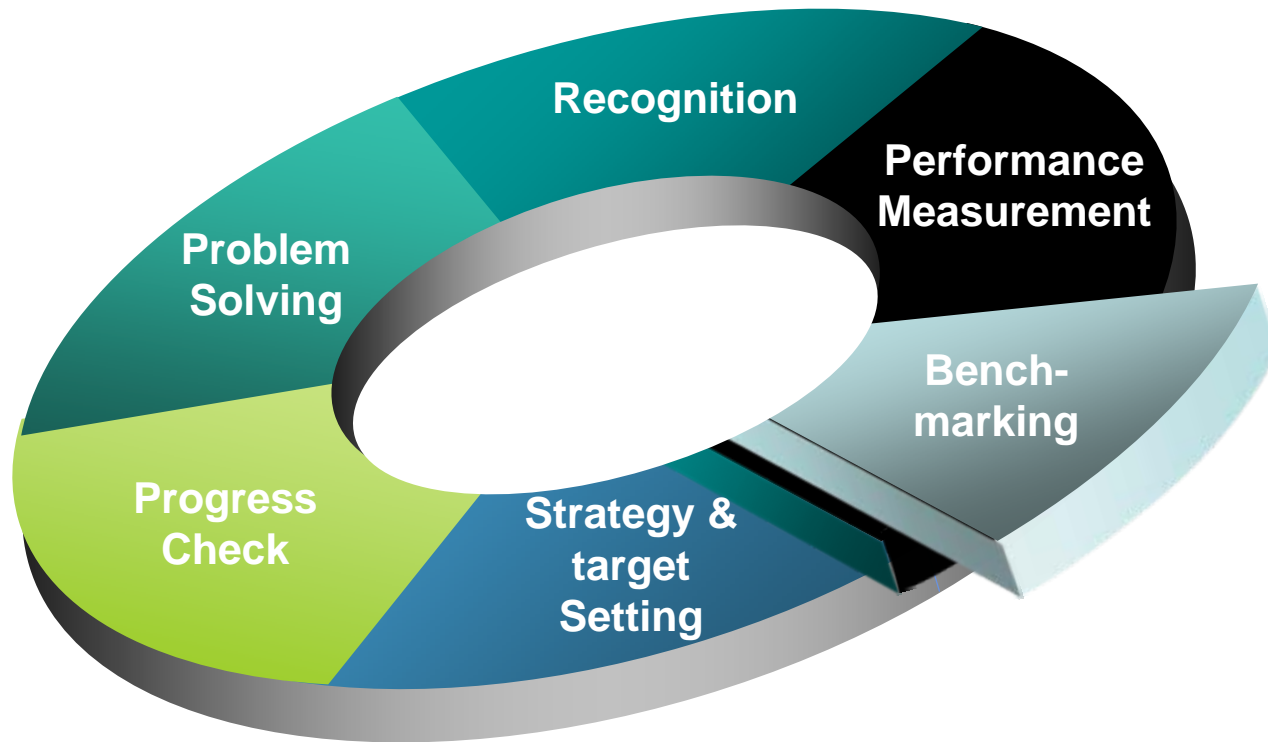




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Ultimately, the objectives of performing assessment varies from companies to companies



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- ❖ The most effective method for performing assessments is to combine the diagnostic portion with process improvement portion
 - ✓ First diagnose the problem and find the “gap”
 - ✓ Then attack the area needing most change with lean improvements
 - ✓ Sustain the results through regular monitoring of progress through assessments
- ❖ Use kaizen methodologies to ensure sustainability

- ❖ Assessments give us understanding of our weaknesses, strengths and areas of potential improvement opportunities
- ❖ This provides a basis for kaizen and process improvements, making the assessment value-added and cost effective
- ❖ This is where the fundamental difference lies between some North American companies and benchmark organizations such as Toyota

Kai



Change

Zen

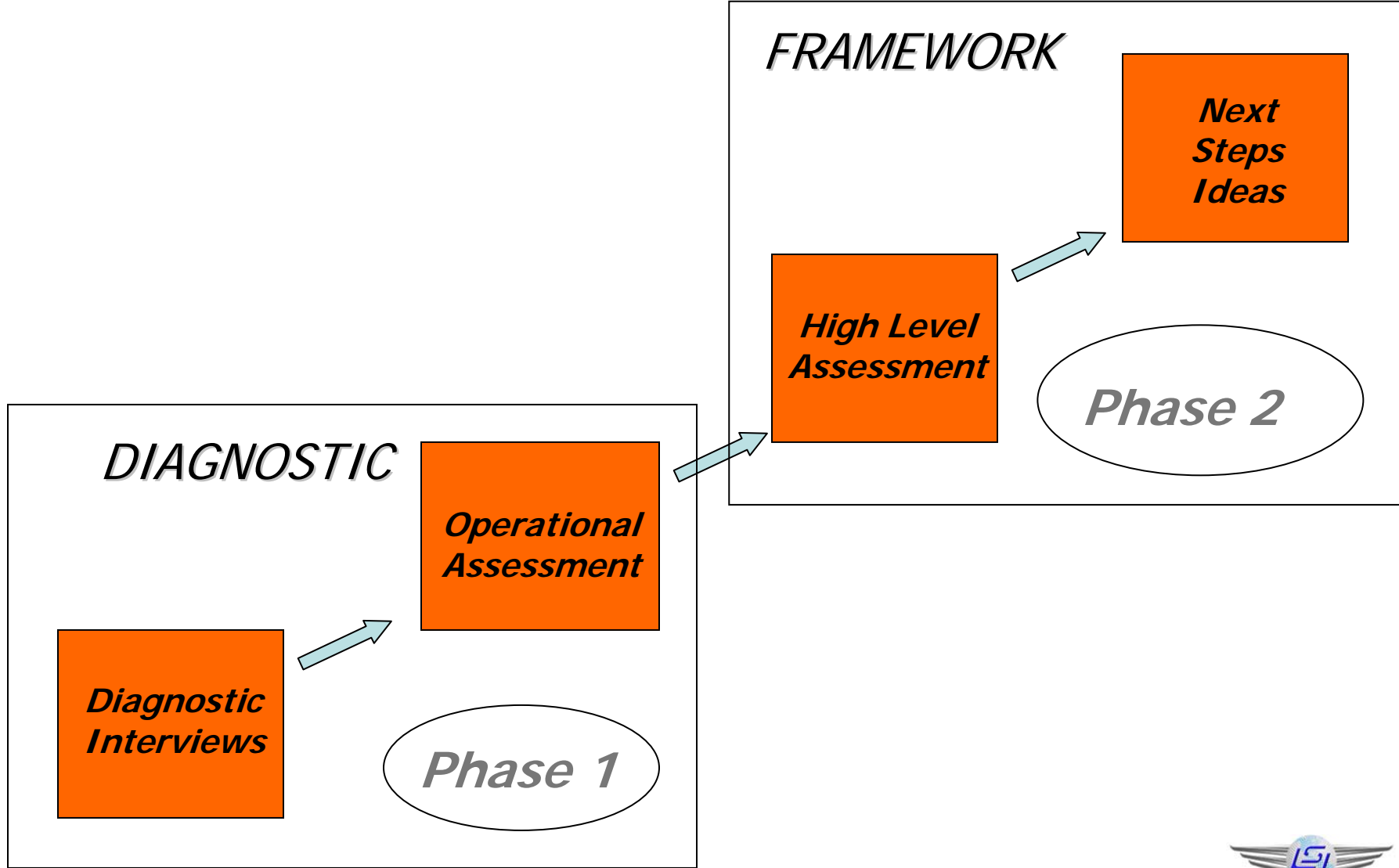


Good

Idea Sandbox adds value to your business by helping you creatively solve branding, customer service and sales growth problems.

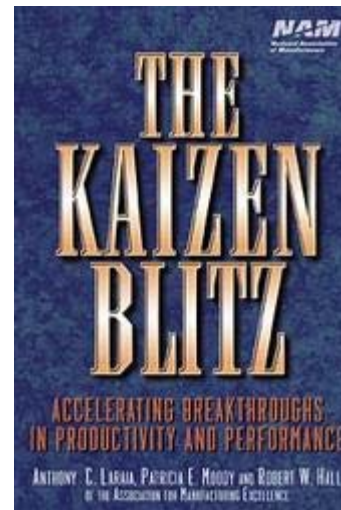


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- ❖ Our assessment is simple
- ❖ Our assessment can be done by variety of different people, but still produces consistent results
- ❖ The focus must be on Action and Doing, not on Checking as much
- ❖ That is, get things done and move onto the next solution as fast as possible

改善



Lean Assessment Methodology



Kaizen & Kaikaku – Based on findings, develop specific solutions to improve continuously (kaizen) and strategically (kaikaku). Implement simple solutions and move into more complex ideas. Make a difference.



Assessment Prep – Prepare for the event by gathering basic company info, schedule kickoff, distribute basic handout, and plan for interviews

Project Kickoff – Conduct Assessment Overview presentation. Do a gemba walk around, confirm details

Report Out – Present findings of the assessment, including quantitative and qualitative evidences. Provide possible solutions and Toyota benchmark information. Recommend project timelines.

Information Collection – Begin interviews, create high level value stream, collect details and comments, look for issues, gather process information

Analysis & Ranking – Analyze all the information collected through interviews and process evaluation. Rank and rate the company and develop possible solutions. Prepare report out.

General Company Info

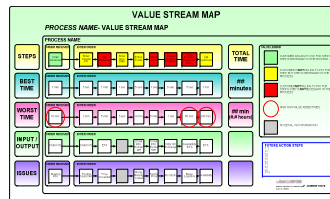


Kickoff Presentation

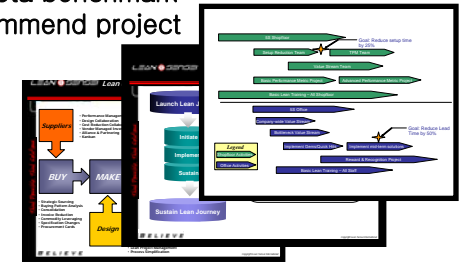
Collect Data and Metrics



Gemba Process Walk



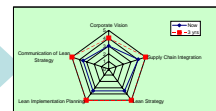
High level value stream



Report Out presentation



Interviews



Schedule Interviews

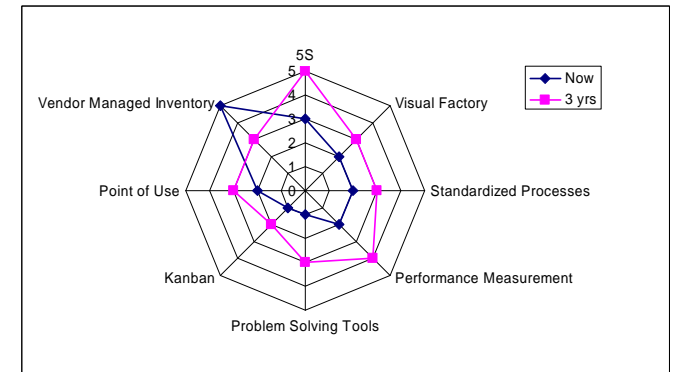
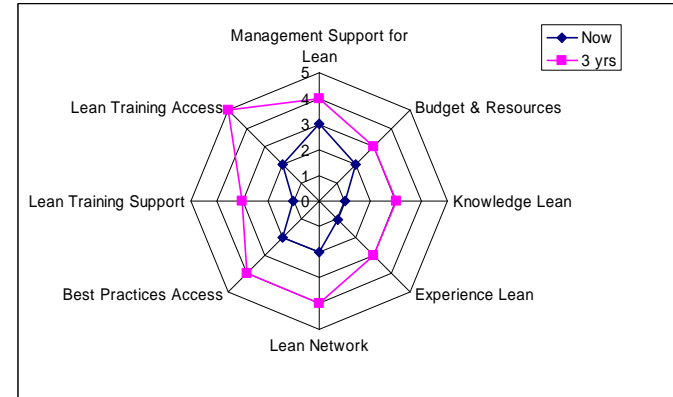
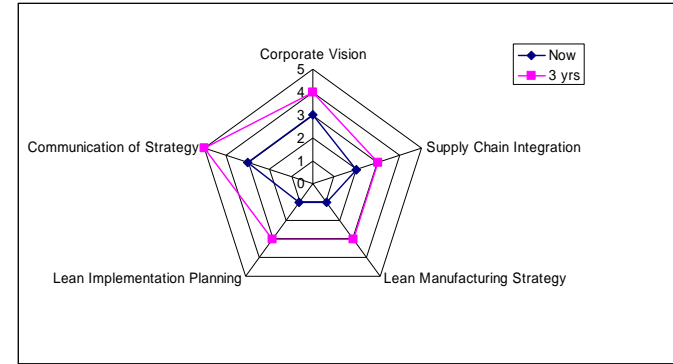
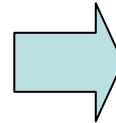
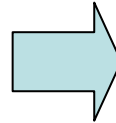
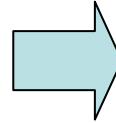
- ❖ *Understand the “Current State” of manufacturing and supply chain environment*
- ❖ *Define high level view of the “Lean Future”*
- ❖ *Recommend “next step” in terms of projects to launch or initiatives to focus*
- ❖ *Provide a framework for kaizen*

- ❖ The assessment tracks current and future performance of the company in 50 key areas, expressed as spider charts (today vs 3 years view)
- ❖ They are rated as:
 - ✓ 5 – Excellent
 - ✓ 4 – Good
 - ✓ 3 – Average
 - ✓ 2 – Below Average
 - ✓ 1 – Poor

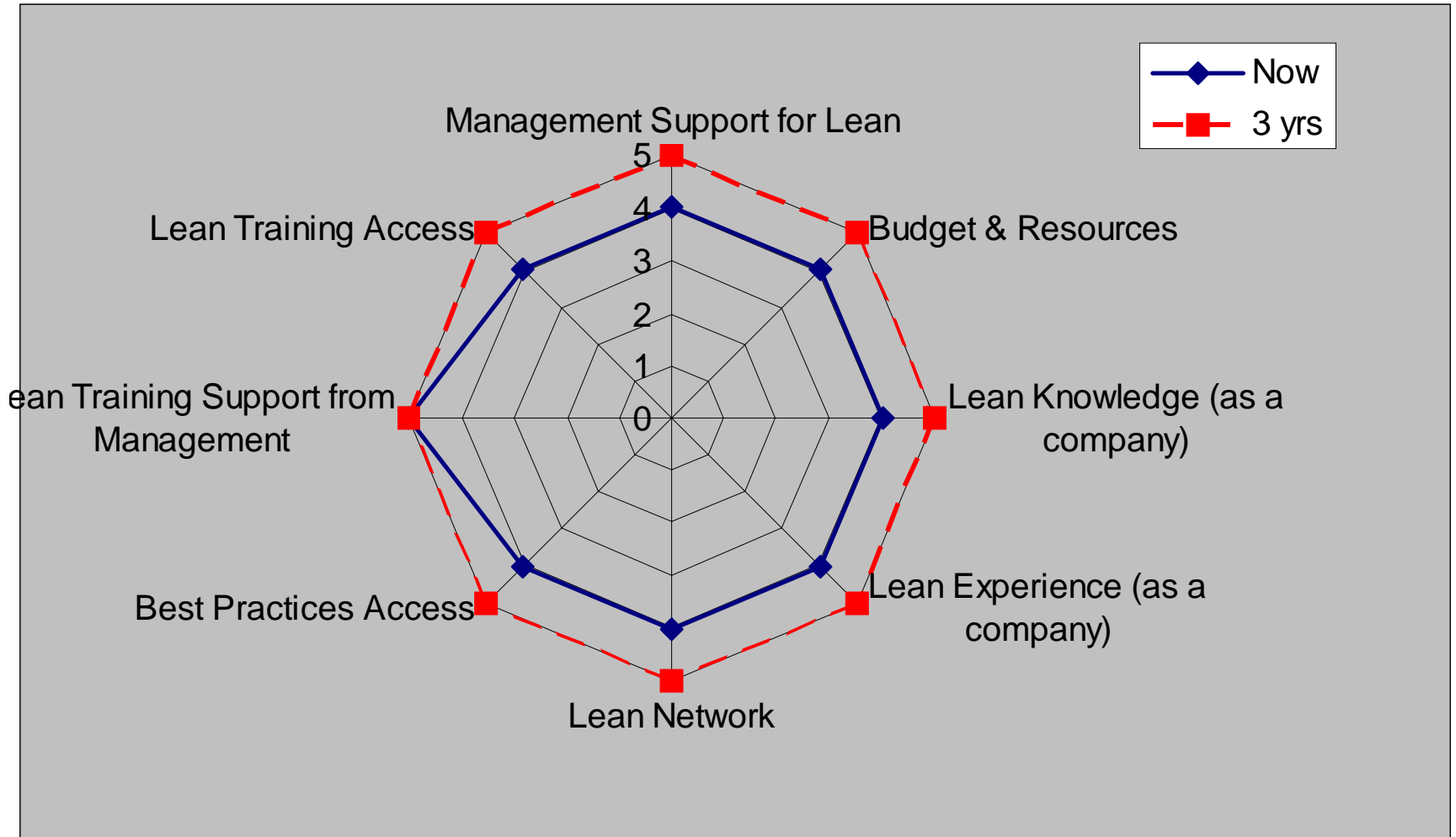
NOTE: A rating of 0 means N/A, the category does not apply
- ❖ The validated areas include:
 - ✓ Vision & Strategy
 - ✓ Change Management & Environment
 - ✓ Foundation & Support for Lean Implementation
 - ✓ Lean Philosophy in Place
 - ✓ Lean Implementation Level
 - ✓ Specialized Lean Tools Utilized
 - ✓ Presence of Problem Solving Tools & Knowledge
- ❖ The 50 metrics are “weighted” to ensure that final score (L.E.A.N. Score) represent an accurate measure of the overall performance of the company with respect to lean activities
- ❖ If the L.E.A.N. Score is at or higher than 3.0, the company receives a “Lean Certified” designation, and will be given a LEAN Certificate

Lean Assessment

Criteria	NOW	3 YRS	Comments		
Vision & Strategy	Now	3 yrs			
Corporate Vision	Current	Future			
Supply Chain Integration					
Lean Manufacturing Strategy					
Lean Implementation Planning					
Communication of Strategy					
Change Management & Environment					
Management Mindset					
Staff Attitude					
Shopfloor Viewpoints					
Culture					
Reward & Recognition					
Roles & Responsibility					
Balanced Scorecard					
Agility & Adaptability					
Safety					
Foundation for Lean Implementation					
Management Support for Lean					
Budget & Resources					
Knowledge Lean					
Experience Lean					
Lean Network					
Best Practices Access					
Lean Training Support					
Lean Training Access					
Lean Philosophy in Place					
Pull/Demand Replenishment					
Just-in-Time Supply					
Material Flow & Manufacturing Layout					
Kaizen/CITT Environment					
Single-Piece/Small Batch Production					
Vendor Relationship Management					
Cellular Manufacturing					
Heijunka/Leveling					
Criteria			Comments		
Lean Implementation Level					
5S	Current	Future			
Visual Factory					
Standardized Processes					
Performance Measurement					
Problem Solving Tools					
Kanban					
Point of Use					
Vendor Managed Inventory					
Specialized Tools Utilized					
Poka Yoke/Error Proofing					
Design for Assembly/Manufacturability					
Setup Reduction					
TPM/Preventative Maintenance					
Six Sigma					
Theory of Constraint					
Presence of Problem Solving Tools					
Fishbone Diagram & Root Cause Analysis					
Pareto Chart					



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L.E.A.N Score stands for:

- Lean
- Enterprise
- Assessment
- Number

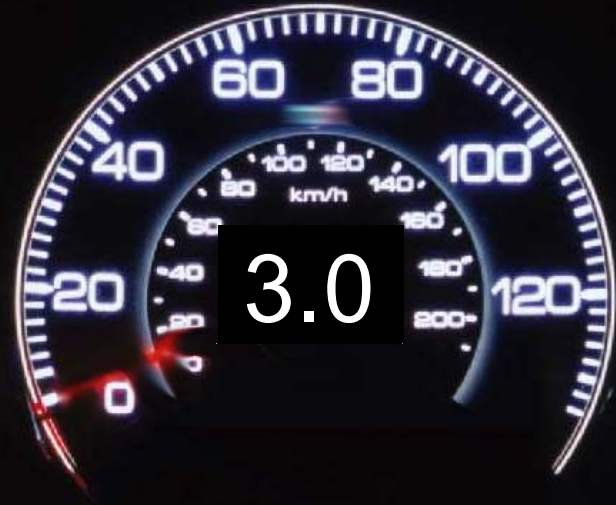
*Weighted Overall
L.E.A.N. Score*

L.E.A.N SCORE

Current Score

Target Score

(in 3 years)



Maximum Score

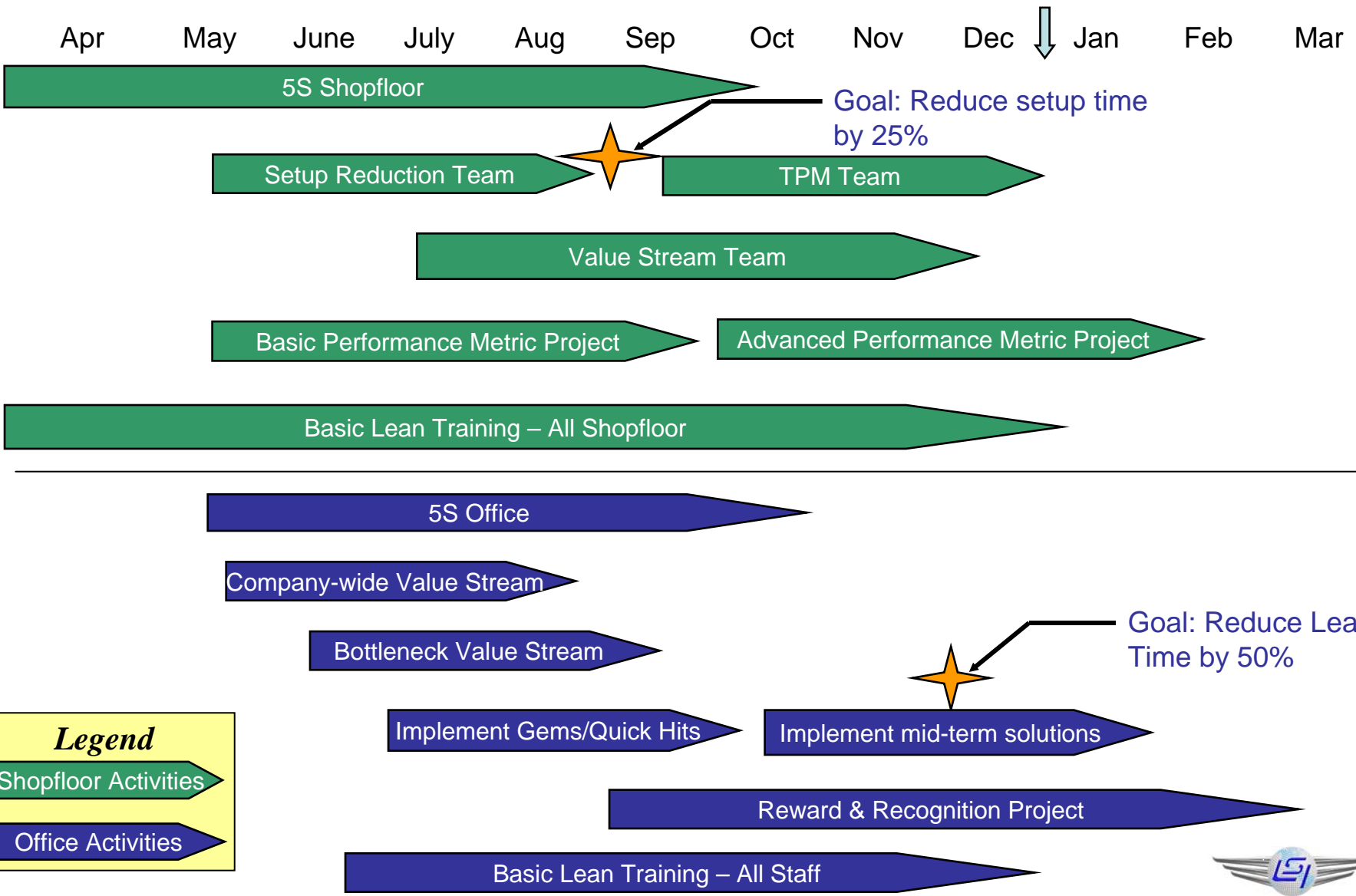


1=poor 2=below average 3=average 4=good 5=excellent
(compared against companies moving toward world-class through lean)

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- ❖ The assessment is managed through five stages:
 - ✓ **Stage One** – Initial Interview Sessions with key members and managers
 - ✓ **Stage Two** – On-site assessment and operations review
 - ✓ **Stage Three** – A High Level Assessment of the supply chain & manufacturing environment
 - ✓ **Stage Four** – Recommendation on “next steps” in terms of what projects to launch and the basic approach
 - ✓ **Stage Five** – Finalizing the material and Presentation of the findings to the management

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❖ Supplier Evaluation & Analysis

Criteria	SCORE	Poor	Below Average	Average	Good
Supplier Culture and Philosophy		1	2	3	4
Your suppliers believe in a culture of getting the quality right the first time		No, not really	Maybe	Somewhat true	Quite true
Your suppliers understand and practice "Lean Thinking" and "Lean Philosophy"		No, not really	Maybe	Somewhat true	Quite true
You share your company's philosophy with your suppliers		No, not really	Maybe	Somewhat true	Quite true
Supplier Performance Management		1	2	3	4
You manage supplier performance in a structured, formal manner		No, not really	Maybe	Somewhat true	Quite true
You have measuring systems to keep your suppliers in check		No, not really	Maybe	Somewhat true	Quite true
You educate your supplier to follow your company's policy and guidelines		No, not really	Maybe	Somewhat true	Quite true
You have clear expectations for supplier performance and development		No, not really	Maybe	Somewhat true	Quite true
Supplier Partnership		1	2	3	4
You are committed to working closely with your suppliers		No, not really	Maybe	Somewhat true	Quite true
Your suppliers provide input to improve your products		No, not really	Maybe	Somewhat true	Quite true
Your partner with suppliers to solve problems pro-actively		No, not really	Maybe	Somewhat true	Quite true
Your suppliers develop and grow with you		No, not really	Maybe	Somewhat true	Quite true
Supplier Lean		1	2	3	4
Your suppliers use the "pull" system to avoid overproduction		No, not really	Maybe	Somewhat true	Quite true
Your suppliers standardize the tasks for continuous improvement		No, not really	Maybe	Somewhat true	Quite true
Your suppliers use visual control so no problems are hidden		No, not really	Maybe	Somewhat true	Quite true
You practice "Genchi-genbutsu" and visit suppliers to study their operation and culture		No, not really	Maybe	Somewhat true	Quite true
You collaborate with your suppliers to eliminate any wastes in their process		No, not really	Maybe	Somewhat true	Quite true
Supplier Flow		1	2	3	4
Your suppliers create continuous process flow to deliver value		No, not really	Maybe	Somewhat true	Quite true
Your suppliers make every effort to shorten lead-time from order receiving to delivery		No, not really	Maybe	Somewhat true	Quite true
There is an effort to reduce batch sizes and WIP in the system		No, not really	Maybe	Somewhat true	Quite true
Your suppliers level out the workload (Heijunka)		No, not really	Maybe	Somewhat true	Quite true
TOTALS	0	DIVIDE BY 20	=	0.0	FINAL SCORE

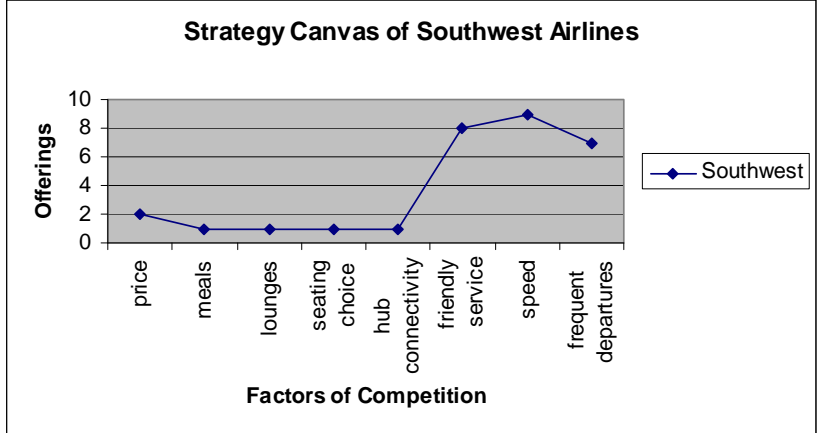
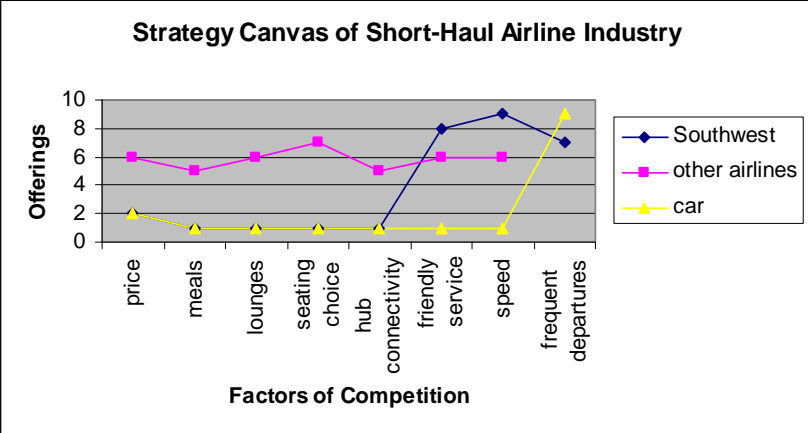
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❖ Customer Evaluation & Analysis

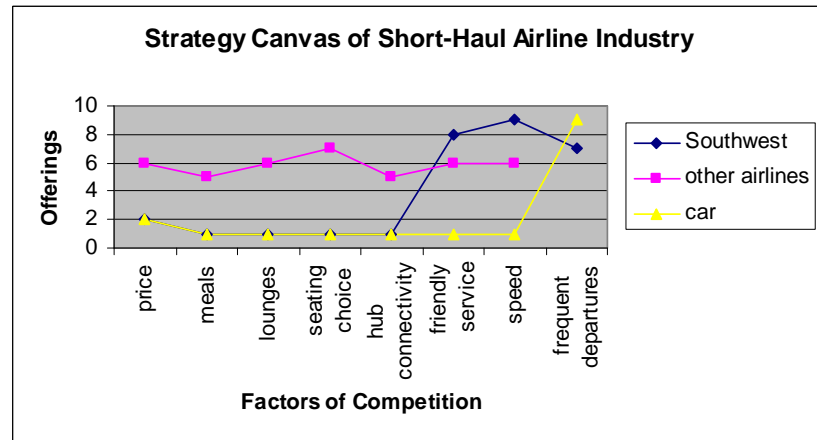
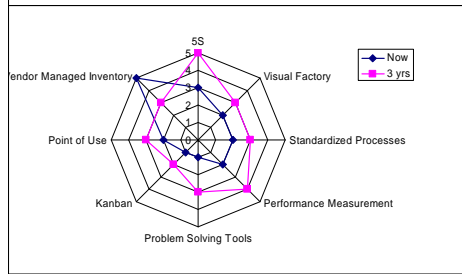
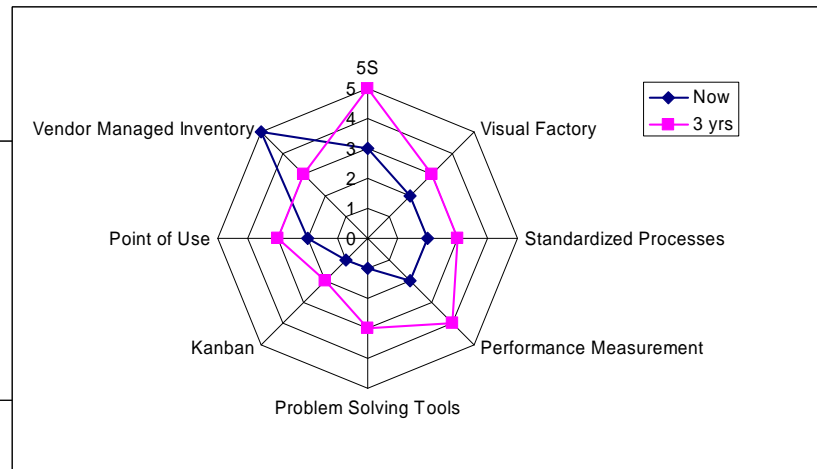
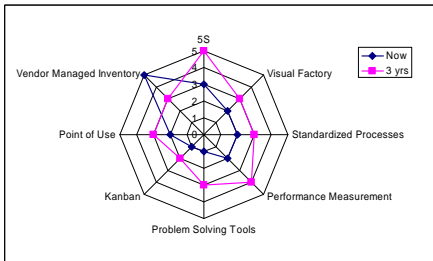
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