

The 8 Wastes of Lean Management

“Waste” is any activity or process that adds cost but negates value.

There are 8 types of waste usually associated with Lean Management

1) Over-production

Over-production occurs when your company produces more than your customer requires. You could be producing items for which there are no orders or producing more than is required at the correct time. This is the worst waste as it has a knock-on effect in multiplying all the other wastes. Over production increases defects, impacts on inventory costs, process chains, waiting, unnecessary motion and transportation.

2) Inventory

Inventory is the quantity of parts required to manufacture a product, or finished good and products held in stock. When not in use or not being utilised in production, they take up valuable space/volume, They may become obsolete whilst in stock and detract raw materials and parts from use elsewhere. Competitive companies make sure that their paper or IT systems control their inventory so that money is not wasted on unwanted or unnecessary materials, parts or finished goods.

3) Defects

Defects result in scrap and reworking/re-processing as a result of products being found to be defective and have to be reworked or disposed of, both a costly process. Defects are caused by poor or inferior manufacturing processes as a result of either human error or equipment breakdown or both). Reworking takes additional time and therefore increases the cost of the finished product. Scrapping or disposal incurs additional costs and unnecessary use of resources that impact on your bottom line.

4) Waiting

Every task in a manufacturing process is dependent on the processes that take place upstream and downstream. If operators, equipment, information or materials delay the production process for any reason, time is wasted and your cost of production will increase further impacting, cumulatively, on your profitability.

5) Transportation

The unnecessary movement of information, items, materials, parts and finished goods from place to another wastes time, resources and money. Unnecessary transportation is usually paired with unnecessary motion, damage to and even loss of product. Even the paper or IT systems (if any) to track the movement are adversely affected.

6) Motion

Unnecessary motion relates to staff, and in particular operators, moving around the work space wasting time and effort. All unnecessary motion can be caused by poor standard procedures and practices, poor process design or poor work area layout.

7) Over processing

Over processing involves the taking of any unnecessary steps during the manufacturing process. It can also mean producing parts or products of a higher quality than is required. This may be due to malfunctioning equipment, errors in re-working, ineffective processes, poor communication and not benchmarking against the customers' requirements (including internal customers further down the process).

8) Incorrect use of staff and their abilities

Not properly utilising the skills and abilities of staff, and even not engaging with them loses your organisation time, non use of skills and ideas, missed improvement opportunities and learning opportunities by simply not listening to your staff. Your staff need to be integral to the complete production process, whether that be manufacturing or administration. From the 'shop floor' they can generate ideas which can eliminate the other seven wastes. Such engagement will help to improve your processes and staff development continuously.