

## WORKPLACE MATTERS

# Lean principles put into practice keep workers in cost-saving mix

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**I**ncreasingly, local businesses are adopting lean business practices based on the Toyota production model.

This systemic approach identifies and eliminates waste through continuous improvement of production and operations.



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Estimates are that 70 to 90 percent of any company's resources are wasted through inattention to management of material, time, information, equipment and inventory.

Lean principles offer tangible solutions to drastically cut this percentage of waste, while improving quality, productivity and profitability.

Lean fundamentals focus on the entire supply chain and value stream, ultimately resulting in a more efficient business environment.

At its core, this philosophy empowers workers to make production and/or processing decisions at the lowest level possible. Lean encompasses many of the manufacturing concepts you may have heard of such as "Just in Time" and "Continuous Improvement," but is much more comprehensive, impacting all levels of a company from production to accounting to human resources.

Recently, lean practices have moved from the production floor to service-oriented industries, including health care, government, education, insurance and banking.

The basic principles of lean can be applied to any system, process or operation to reduce waste and inefficiency. An example of a lean tool is Value Stream Mapping. This strat-

egy involves detailing the current flow of an existing business process, redesigning the process based on lean concepts, and then developing a plan to implement the redesigned process.

One of the misperceptions of lean is that it eliminates jobs.

Gemba, an international lean consulting company, summarizes the lean philosophy as it relates to layoffs:

"How can layoffs as a means to reduce cost be anything other than a short-term measure? The laid off workers will only save you money that one time. Choosing to retain, retrain and reduce cost in the other 90 percent of the cost of goods sold is the true long-term strategy that brings lasting success to Toyota and other organizations focused on building great people and processes, not just product."

A survey of 32 local manufacturers administered by Lane Workforce Partnership this year found that 68 percent of respondents feel that a "Lean/High Performance Work Force" will be the most important factor to their company's future success.

Bob Halligan, operations manager for Willamette Valley Company, notes his company has experienced a reduction in production cycle times from 35 to 59 percent since implementing lean.

Brian Patch, functional excellence manager at Invitrogen, cites reduced waste, labor savings and a 36 percent reduction in the footprint of its packaging rooms.

James Doge, a manufacturing engineer with Country Coach, shared that the lean tool "5S" (Sort, Straighten, Sweep, Standardize and Self-Discipline) has created significant cost-savings to the company through productivity improvements and standardization.

The Emerald Valley High Performance Enterprise Consortium is addressing lean training needs in our region. This initiative of Lane Workforce Partnership and the RV Consortium provides monthly training on

topics such as "Principles of Lean" and "Lean Leadership and Change Management."

The group also will begin offering "Lean Office" training in the fall.

The consortium is based on a peer learning network model that encourages companies to share best practices with each other.

Hanz Scholz, co-owner of Bike Friday, said getting training for lean can be prohibitively expensive, especially for a smaller company.

The consortium "has helped us by pooling our resources with other companies to get affordable training for our employees." Consortium training and events are held several times a month.

For more information on Emerald Valley High Performance Enterprise Consortium, contact Dave Oatman at (541) 517-5501.

Halligan recommends the book "Toyota Culture, the Heart and Soul of the Toyota Way" by Jeffrey Liker and Michael Hoseus.

Other resources recommended by local lean practitioners include "Lean Manufacturing for the Small Shop" by Gary Conner and "The Lean Manufacturing Pocket Handbook" by Kenneth Daily.

More information about lean can be found online at [www.lean.org](http://www.lean.org).

Hoseus will be in Eugene for a one-day seminar on Oct. 14. Sponsored by Emerald Valley High Performance Enterprise Consortium, online registration is available on the Eugene Chamber of Commerce Web site at [www.eugenechamber.com](http://www.eugenechamber.com) (under "Chamber Events").

Lean thinking drives profits to the bottom line by involving all employees in eliminating waste and increasing efficiencies.

*If you have questions about training your work force, contact Robin Onaclea, business service coordinator at Lane Workforce Partnership, at [robino@laneworkforce.org](mailto:robino@laneworkforce.org) or (541) 682-7224.*