Doing more with less could be the way forward with lean thinking

Through SSG and LTIC’s Lean! Project, local SME Shalom International Movers succeeds in improving processes. By JAWN LIM AND MARK TAN

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LINDLY doing more does not guarantee more value for an organisation, and failure to define the value of a product or service from the stakeholder’s perspective could result in unpredictable processes.

Cutting staff or resources without considering how impacts value creation are often the ways of a management that is myopic. Wisdom calls for knowing what waste to remove from a business process, while ensuring that value-generating portions of the business will not be affected.

For a company to ensure that it produces maximum customer value while minimising waste, including Lean Thinking into its culture is key. Lean practices not only create, but also capture, more value for businesses without the need for more resources to be used.

A university-industry partnership

In partnership with SIT’s Future Singapore (SSG), the Singapore Institute of Technology’s (SIT) Lean Transformation Innovation Centre (LTIC) was established to promote and develop manpower lean practices and solutions for local enterprises.

Working closely with local companies to identify and address performance gaps, LTIC offers sustainable solutions for long term productivity gains through workshops and masterclasses that promote the adoption of Lean capabilities.

One of LTIC’s signature programmes, known as The Lean Project (TLP), is designed for local small and medium-sized enterprises (SMEs). Conducted over three months and comprising two phases, the programme is led by trained SIT faculty members and staff. Phase 1 involves training and scouting over two days, while Phase 2, conducted across 48 hours in four-hour blocks, includes project coaching that is customised onsite and in iterative cycles of Plan-Do-Check-Adapt.

Addressing the often-heard complaint that employees who attend training tend to forget what they were taught theoretically, the programme designed by LTIC ensures that Lean principles are applied to the actual conditions of the company in training. This mode of engagement, a reflection of SIT’s status as Singapore’s university of applied learning, centres on in-depth project coaching based on real issues faced by the company.

What is value creation? A case study on the success of Shalom International Movers

In 2018, SIT invited local SME Shalom International Movers (Shalom) to participate in the TLP (often known as the Lean Skills Development Programmes), in which several employees took part.

In 2015, training was conducted at the client’s premises to observe, measure, clock and trace out processes. These processes, along with a clear view of the different types of waste, were then meticulously charted out into value-stream maps.

Shalom began the journey with the fundamental question, What is a good day?, and concluded that customers simply want their things to be moved without having to wait for too long while it is being done.

Shalom identified waste within the processes that affected its value proposition, and began assessing ways that could provide more value to customers.

The first change it implemented was the ‘flow’ concept. Previously, there could have been four to five movers on site at a customer’s place to wrap, pack and move the cartons to a holding area typically a space next to the elevator, and then shift all the cartons to the truck.

This would incur an additional staff’s time and resources to stand guard. Once Shalom adopted a Lean principle of Just-in-Time, the mover’s transport the cartons directly to the truck instead of having the additional non-value creating step of accumulating cartons at a holding area. The second change that Shalom implemented was the “pull” concept. In the past, the trucks – Shalom’s costly assets – would remain idle at the customer’s site waiting to be loaded while the movers packed. By using Lean strategies, Shalom deployed unskilled workers to either job sites that are only “pulled” from the site only when there is a need to transport the cartons to the next site.

Thirdly, Shalom examined its store operations and layout. The store’s ‘organisation chaos’ that had been tolerated for a long time saw moving staff awkwardly losing the pathways and congestion in getting to their packing materials. Without consistent accountability, teams would occasionally forget to collect certain supplies and thus waste more time doing multiple retrievals.

Rigidity of supplies could also go undetected. In order to solve these issues at the store, Shalom conducted several experiments and redesign the store layout and flow of resources to ensure that its trucks are equipped and leave for the customer’s location by 9am every day.

The benefits of Lean implementation are not limited to improvements in processes. Apart from the tangible and measurable benefits gained from the overall increased productivity as well as reduction of process time, the impressive intangible improvements within the work culture were also noticed.

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“Lean thinking is a way of improving our business operations and how we do things. It makes you think about what you do, what you don’t do and how you do it,” said Mark Tan, assistant director at Lean Transformation Innovation Centre, Singapore Institute of Technology.