

Lean for Micro



Pilot Review

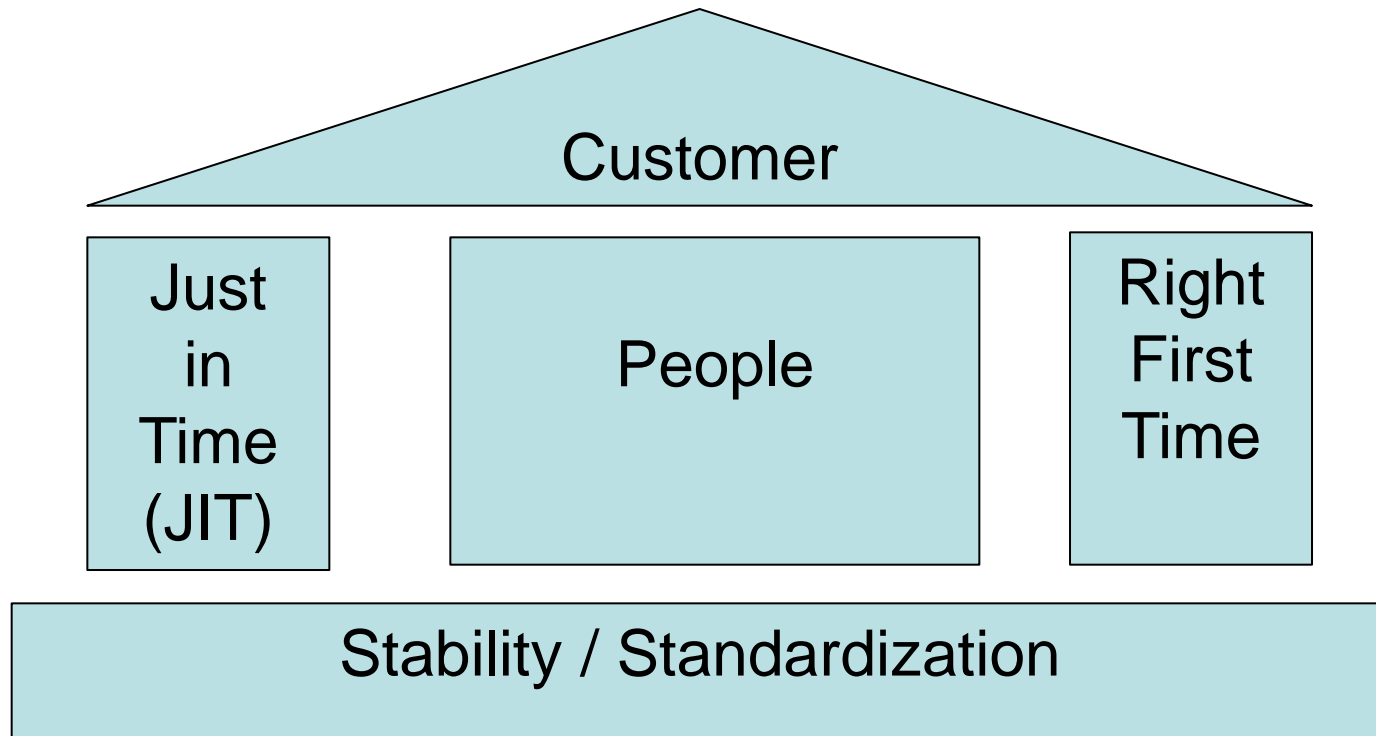
Presentation to LEO Louth / Monaghan

Robert Hernan
Dec. 1st. 2016

What is Lean?

- Quicker, Better, Cheaper.....Together
- Time, Money, Effort
- Capture the facts - What, How, Why
- Make things better - Who, When
- All Business activities from order to delivery
- All sectors

Lean Philosophy



The Toyota Way

- Continuous Improvement

 - Challenge

 - Kaizen

 - Go, Look, See (Genchi genbutsu)

- Respect for People

 - Respect

 - Teamwork

What is Lean?

- ‘Lean is a management system rooted in key principles (continuous improvement and respect for people)
- With key objectives (such as create value for customers)
- Supported by processes and tools (such as kaizen, 5S, process mapping, standard work, root cause analysis, etc)’
- The Government Finance Officers Association



HOW CAN WE HELP YOU?

Enterprise Ireland Lean Resources

enviroCentre.ie
Supporting Industry, Supporting the Environment



- COMPETITIVENESS**
- Company Health Check
- Lean Business Offer
- Build a Green & Sustainable Business
- Lean Publications
- Presentations
- Lean Case Studies
- Green Case Studies
- Technical Feasibility Case Studies

www.Envirocentre.ie
COMPETITIVENESS
<http://bit.ly/1eCo7iJ>

ENTERPRISE IRELAND
where innovation means business



BECOMING LEAN

Practical steps to build competitiveness

Richard Keegan



Lean Case Studies

The screenshot shows the Enterprise Ireland website with a blue header and a 'PRODUCTIVITY' banner. The main content area is titled 'Lean and Green Case Studies' and includes a sub-section for 'Lean Case Studies'. It lists several benefits of implementing LEAN, such as improved operational performance, competitive advantage, quality, cost reduction, and customer service. A link is provided to view more case studies.



Key Features of the Lean Business Offer

LeanStart

- introduce lean principles / agile processes
- complete a specific cost reduction project
- includes Environmental Best Practice Initiative
 - 1st Steps to Green Competitiveness
- 7 days consultancy, extending over typically 8 -12 weeks

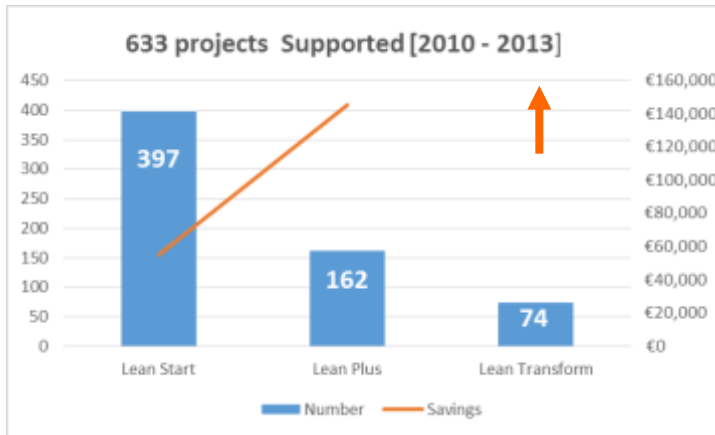
LeanPlus

- medium-scale business process improvement project
- sustained use of Lean & similar business process improvement methods
- significant measurable gains in capabilities & competitiveness
- typically be not less than 6 months duration

LeanTransform

- extensive, holistic company transformation programme
- embed the culture & competences necessary for sustainable competitiveness gains across the business and its supply chain
- assignments will typically extend for at least 1 year

Why Lean?



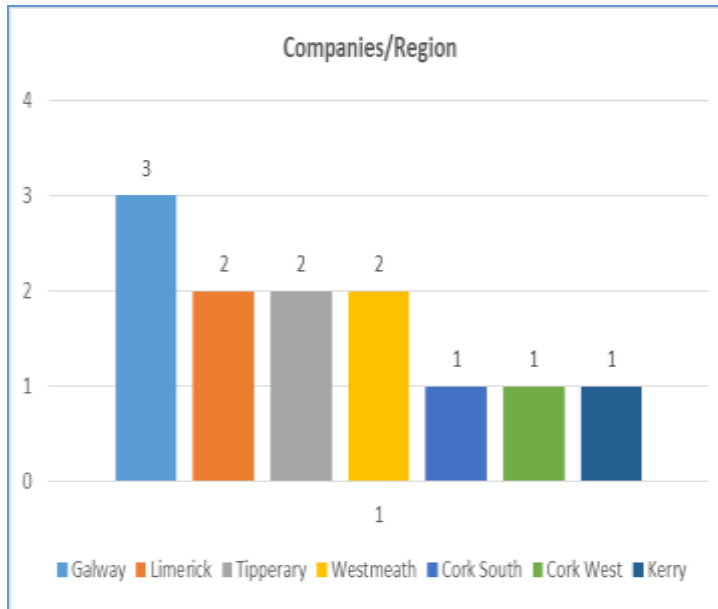
↑ Lean Transform Significant savings

Lean Works

- Sales up **40%**
- Delivery adherence up **43%**
- Product & Service quality up **30%**
- Sales per Employee up **€37k = 20%** Productivity Improvement
- Employment up an average of **11%**
- Total productivity gains = **€662 million**

Lean for Micros Pilot Implementation

Lean for Micro



- 12 Companies
- Funding: €5000
(80% from LEO)
- 5.5 days engagement
- 8 Consultancies
- Duration: 1.5 - 5 months

Lean for Micros Pilot Outcomes

Annual Cost Savings:

- Average: €41,000
- Range: €8,600 to €151,000
- 1% to 25% of Turnover

Output / Capacity:

- Average: 45%
- Range: 10% - 100%

Other Benefits:

- Enhanced work environment, teamwork

Company Feedback

Lean for Micro



MedCo Ltd

"It has been a compelling and very worthwhile exercise with a lot of positive learnings for the business"

Savvy Kitchens

"The Lean project allowed us take stock of our whole operation and improve in a lot of areas"

RTR Electronics

"..improved productivity and quality....developed a long term vision.....I was delighted with the results"

Unison

"..standard methods and improved efficiency increasing ability to meet demand at a competitive price"

The Scullery

"Introducing Lean Manufacturing will give me the competitive edge I need to move forward to the next level of my business"

West Cork Vegetable Solutions

"The course has made our organisation more profitable by reducing distribution costs, increasing production efficiency and personally showed me how to protect my profit margins"



Oifig
Fiontair
Áitiúil

Local
Enterprise
Office

Lean Business Programme

October 2015 / January 2016



Michael Tunney

Local Enterprise Office Donegal



...Let's talk business

Donegal Pilot Implementation

- Kick off workshop
- 11 companies
- Single Lean Service Provider
 - Group introduction to Lean
 - 5 x half days mentoring

Lean for Micros Pilot Outcomes

- **Total savings: €646,000**
- **From €7,000 to €139,000**
- **Average saving: €58,727**
- **Average Output / Capacity Increase: 24%**

Results

Design and Print	Employees 12 Turnover €1.1M	€26,000 savings
New system for communicating order status; 5S workplace organisation & layout		
Food Processor	Employees 22 Turnover €1.5 M	€42,000 savings
75 % increase in productivity on one line, waste reduction (more accurate ingredients calculation; improved workflow and line balancing; standard work and versatility)		
Engineering	Employees 5 Turnover €375K	€26,250 savings
5S visual standards, racking etc; reduced set up times; new visual scheduling		
Engineering	Employees 10 Turnover €2.5M	€90,000 savings
5S workplace organisation (storage & reduced handling); stock reduction (37%)		
Food Service	Employees 10 Turnover €233K	€24,350 savings
5S Kitchen reorganisation (flow, access to stock, location and visibility of utensils etc.); improved cash flow with process mapping; improved order tracking		

Bakery	Employees 12	Turnover €1.1M	€139,000 savings
5S throughout; process improvements; increased employee versatility; reduced set up times			
Engineering	Employees 5	Turnover €400,000	€11,000 savings
5S workplace organisation; improved scheduling & visual management			
Food Service	Employees 15	Turnover €900,000	€48,000 savings
5S throughout & standard work; line balancing with increased flow, reduced staff cross overs; improved speed of customer service.			
Environmental Services	Employees 14	Turnover €1.2M	€7,000 savings
5S And achieved ISO on same day as audit as a result; improvements in spare parts inventory and in equipment utilization			
Monumental Sculptor	Employees 3	Turnover €350K	€125,000 savings
5S workplace organisation (layout and flow); visual management			
Food Service	Employees 22	Turnover €1.5 M	€107,000 savings
5S work flow; standard work; visual management; increased service speed			

Conclusions

- + Majority of owner/managers have adopted Lean philosophy
- + Workshop and 2nd person
- + Non financial benefits
 - Increased morale
 - Reduced stress
- - Timing (plus Christmas)
- Programme evaluation

Thank You