

### Introduction - Core Idea

Maximize customer value while minimizing waste. Creating more value for customers with fewer resources. The ultimate goal is to provide perfect value to the customer through a perfect cost creation process that has zero waste.

Lean thinking changes management focus from optimizing separate technologies, assets, and vertical departments to optimizing the entire value streams that flow horizontally across technologies, assets, and departments to customers.

Eliminating waste along entire value streams, instead of at isolated points, creates processes requiring less human effort, space, capital, and time to make products and services. The increased efficiency enable companies to respond to changing customer demands with high quality, low cost options with very fast throughput times.

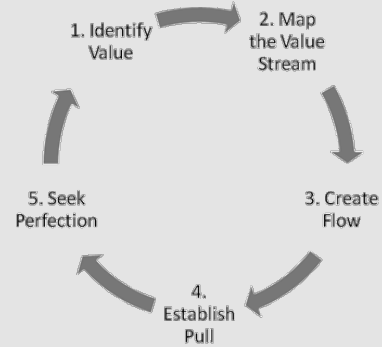
### Lean for Production and Services

Lean methodologies can be applied to every business and every process. It is not a tactic or a cost reduction program, but a way of thinking and acting for an entire organization.

The word transformation or lean transformation characterize a company moving from an old way of thinking to lean thinking. It requires a complete transformation on how a company conducts business.

The term "lean" was coined to describe Toyota's business during the late 1980s by a research team headed by Jim Womack, Ph.D., at MIT's International Motor Vehicle Program.

### LEAN



### 5 Step Process

1. Specify value from the standpoint of the end customer by product family.
2. Identify all the steps in the value stream for each product family, eliminating whenever possible those steps that do not create value.
3. Make the value-creating steps occur in tight sequence so the product will flow smoothly toward the customer.
4. As flow is introduced, let customers pull value from the next upstream activity.
5. As value is specified, value streams are identified, wasted steps are removed, and flow and pull are introduced, begin the process again and continue it until a state of perfection is reached in which perfect value is created with no waste.



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