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**Article**

# **Lean Office: Finding The Waste That's Not On The Plant Floor**

By Laura Lee Rose

Missouri Enterprise Project Manager

Companies have used the tools of Lean for several decades to identify and eliminate waste within their manufacturing organizations. They have established flow, used 5S, reduced changeover time, but still struggle to hit their delivery deadlines. A common complaint is that lead times are eaten up on the front end of the process, that is, by transactional processes including order entry, engineering and various required approvals. There can be issues with customer service, accounts receivable and collections on the back end as well. Together, these hidden wastes cost businesses significant amounts of money in terms of lost productivity and customer satisfaction.

Waste in the office is often harder to spot than waste on the plant floor, because the processes are spread over many value streams and because inventory in computers is much harder to see than parts stacked on the factory floor *and* more difficult to measure. But anyone who works in the “office” can readily testify to the wasteful processes that occur there every day.

Centrally located copiers and printers may make financial sense to the purchasing department, but if they are located too far from those who use them (and if there are fellow employees to chat with along the way), the savings may be eaten up in harder-to-measure office productivity. Redundant approvals and waiting to toggle between computer software screens are also high on the list of wasteful activities that office employees face. And as customers, we too, are frustrated by giving information numerous times, whether to the school district or at the doctor’s office.

Many times waste in the office is not identified because no one has ever really looked at the processes with a “Lean eye.” At one company, Kaizen Continuous Improvement Event participants identified more than 160 distinctive steps that were part of an accounts receivable process. Many of

these steps had been added as quality checks as the result of errors made many years ago. At the end of the Kaizen Event, the team had pared those steps down to less than 30, with little to no investment in changing processes or implementing software.

Lean methods work in the office works as well as on the plant floor. It just requires thinking about the eight wastes and the tools in a different context. Instead of parts sitting between work stations, work in process in the office is most likely in folders in your computer. Your email inbox is a form of work in process, as are unfinished reports, bills to be paid or customer prints awaiting approvals.

Another company, during a Value Stream Mapping (VSM) exercise, discovered that waiting for customer approvals was eating up most of their lead times and they adjusted their promised dates accordingly.

Overproduction is rampant in the office – it just looks a little differently than it does on the factory floor. But it, too, leads to other wastes. For example, what about reports that no one reads, broadcast emails (or the even worse “reply to all”), extra “just in case” copies or printing a work order or bill of material a week before the work is to be done?

Missouri Enterprise recommends and helps companies use Value Stream Mapping for office processes as a way to identify wastes and help structure Kaizen Events to attack the problem areas (that’s why we refer to it as Lean Enterprise, not Lean Manufacturing). By including the transactional cycle times, companies can see how much of their lead times are tied up on the front or back end of the process (usually more than 50%). The VSM tool also helps companies see the effect batching has on their entire value stream as well as the need for standard work and better policing of hand-offs between departments.

The eight wastes are found in many forms and in many places throughout a company, not just on the manufacturing floor. But, since Lean is a proven method of identifying and eliminating waste on the plant floor, wouldn’t it make sense to try it across the entire operation, including “in the office.”