

# PEOPLE AND LEAN

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# An Action Plan

## Value Added

- An activity that transforms or shapes raw materials or information to meet customers needs

## Waste

- Activities that consume times, resources and space but do not contribute to satisfying customer needs



# The Three Dimensions of Work

## Value Added

- Any process that changes the nature, shape or characteristics of the product, in line with customer requirements
- Eg: Assembly, welding etc. (maximize)

## Non Value Added

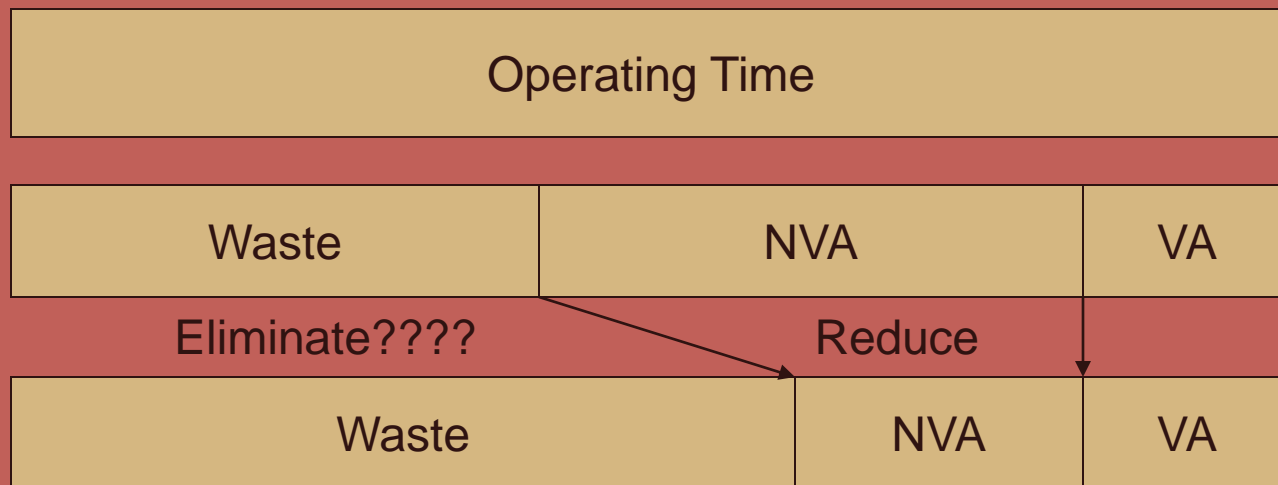
- Any work carried-out, which is necessary under current conditions, but does not increase product value
- Eg: part movement, tools changing etc. (minimize)

## Waste

- All other meaningless, non essential activities
- Eg: 7 waste categories



# Objective: To raise the ratio of VA to NVA and Waste



# Toyota Waste

- The Toyota Motor Company is credited as being the most efficient Automotive Manufacturer in the world, yet have 85% waste in their process
- This clearly demonstrates the opportunities for other Automotive Manufacturer's

VA (5%)	Waste (85%)	NVA (but Essential) – 10%
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# Waste Elimination

- Toyota Production System is driven by one guiding principle
- The elimination of waste, of which there are 7 types

Over production	Parts becoming obsolete, more storage area
Waiting	Parts shortages
Processing	Going beyond customer requirements
Transportation	Excessive distance between stores and line side
Motion	Poor process layout
Inventory	Poor stock rotation
Rework	Delay



# Overproduction

## What?

- Producing more than customer demands

## Why?

- Hides manufacturing problem
- Creates inventory resulting in ALL other wastes
- Consumes resources ahead of schedule



# Inventory

## What?

- Stocks of raw materials, WIP and finished goods

## Why?

- Does not add value but adds costs













