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28 | AMES BUSINESS MONTHLY | MARCH 2011

MID-IOWA BUSINESS

Targeting waste in the office

The concept of identifying and reducing waste as a means of improving business results has been around for centuries. None other than Benjamin Franklin devoted attention to the topic, providing practical advice in his books “Poor Richard’s Almanac” and “The Way to Wealth.”

Henry Ford, during the first part of the 20th century, and Toyota during the latter half, redefined the automobile industry not so much by the superior design of their products but rather by their ability to produce cars with less waste than their competitors.

To understand waste, we first have to identify the customer and what he or she values in our product or service. In short, value is anything for which the customer is willing to pay. Waste, then, is all of the non-value-adding activities about which customers couldn’t care less.

Seeing waste in a job that we have performed repeatedly without questioning for months or years can be tricky. Wasteful steps can be easily camouflaged amid all of the busyness of our business.

In an effort to help its workers more readily identify the waste in their work, Toyota classified seven forms of waste. While these categories were created for production work, they’re equally helpful in the office,



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where the vast majority of work is performed today.

- Transportation waste in manufacturing is the movement of products within a facility or between facilities. It is

manifested in planes, ships, trains, trucks, forklifts or employees carrying, pushing or pulling loads. Likewise in the office, transportation waste is the information or service being moved from one place to another via U.S. mail, intercompany mail, e-mail, or by workers handing off paper or electronic files.

- Waiting waste in production occurs when someone can’t immediately do work because the required parts or machine isn’t ready. Waiting waste in the office similarly occurs because required information isn’t available, computing systems are slow or a required piece of office equipment is unavailable for use.

- Over-production waste is producing or buying more of an item than is needed or procuring it before it is needed. In the factory, it shows up in the form of excess inventory, purchased or produced on speculation and

now waiting to be consumed. Over-production is less obvious in the office, since we typically don’t process insurance claims or patient admission forms based on speculation. But any time work piles up in the office behind a slower process, over-production has occurred.

- Defects waste in the factory is any product that has to be reworked or scrapped. Likewise in the office, defects result in repeating steps or starting over. Defects in the office typically result from missing or incomplete information, poor communication, malfunctioning equipment or poor software.

- Inventory is pretty clear-cut in production. It’s all the hardware — raw materials, work in process or finished goods — that’s awaiting use or sale. Inventory in the office is all the work and data stored in out-boxes, in-boxes and files, both hard copy and electronic.

- Motion waste in the factory represents all of the walking, reaching, bending and twisting required to perform a job. It’s the stuff that causes fatigue and injuries over time if excessive. In the office, motion waste results from poorly designed work areas and software causing unnecessary walking, mouse movements and clicks.

- Extra-processing in manufacturing

is characterized by unnecessary process steps. An example is unwrapping individually packaged components that could be purchased bulk-packed.

Extra-processing in the office is a major, yet extremely sneaky culprit. It frequently shows up in the form of printing and subsequently filing paper copies of electronic reports even though the latter are more retrievable and safer when stored on a properly backed-up system.

A simple acronym for remembering the seven forms of waste is “TWO DIME.”

It’s important to realize that it’s impossible to eliminate all of the waste associated with a given process, whether in the factory or the office. Some inventory is necessary, some transportation is required to deliver the final product or service and so on. The challenge is to continually identify the waste in the system and find ways to reduce it. That’s been the challenge for hundreds of years and will be for hundreds more.

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