# Lean In The Office: What Is Waste?

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**This is the second part in a two-part series on implementing Lean in the office. To read the first part, go here [1].**

***3. Correct, much of what you do in the office is not the same every time and so the Lean approach to measuring waste must be re-thought — similarly, "value" is not easily defined for processes that do not directly produce product:***

Here is where I have experienced most of my arguments about Lean in the office. The rules for calculating the amount of waste and the value of that waste, or of your improvement, are less straightforward than on the factory floor. I'll give you my opinion, and instead of arguing viewpoints, I'll hope that it instead provides insight and ideas for how to handle it your own way.

On the factory floor it takes a few minutes or a few hours to watch the process as it unfolds, to take notes, build a map, and then go back and measure how long each step takes and how many piece parts are stacked up at each step. This is called "walking the process."

In the office it can take days or months to "walk" the process. Again, let's look at the product development process. It could take six to 18 months or more to develop a new product. Even if you did "walk" one, the next project would be different and a single projects' measurements are not representative of all of them.

Instead of "walking processes" and taking precise measurements, perform

autopsies of completed projects and settle for estimates. Examine short projects and long projects and look for the common elements.

Yes, estimates are prone to error, but you can't afford to spend three years walking a process, making changes and then walking it again to measure the impact. Besides, what's the point? If the truth turns out to be $250 or $400 million in additional revenues, who cares? It's a lot of money and you should do the project.

Use the project projections to predict the process improvement benefits. By all means, measure the benefits over the long term, but don't wait months or years to claim victory. Projections are good enough to make business decisions about what products to develop, why not to determine the value of process improvement initiatives?

Estimating the value of the projects can be a problem. If you reduce man-hours of waste, your accounting team may not give you "hard" credit for eliminating waste. After all, unless you lay off employees those personnel are still collecting paychecks. Also, the capital equipment is still there and producing product — even if it's doing it sooner — so it's hard to show how the business is spending less money.

Instead of reporting taxable-dollar savings, report the money value of the man-hours that are no longer wasted. If projects teams are spending four months fewer man-hours to complete a product development, show the dollar value of those man-hours, but don't claim that the bottom line for the business will be that much different. Make it clear that those hours are now re-allocated to the next project.

***4. Most of the intuitive solutions to pain in the office are distinctly not Lean:***

Take a look at your own office environment and answer "true" or "false" to the following statements for the way your office behaves:

- To get the job done in less time, we need to work harder, longer, or faster.
- To get work done quickly, we must keep our people busy all the time.
- We must place great importance on "on-time" delivery by departments and suppliers.
- Installing a resource management system will reduce lead times.
- Price breaks for large quantities are a good thing.
- Improving our processes will require large technology investments.

An answer of "true" to any question above would be both typical, and distinctly not Lean in perspective. The Lean perspective looks more like the following:

- To get the job done in less time, we need to eliminate waste.
- Multi-tasking is a great way to stay busy, but it frequently both results from waste (waiting) and creates more waste (waiting).

- Arbitrary deadlines create waste; it's more important to have information when you need it, or not to need it until it's available.
- Automated systems don't eliminate waste; they enable us to produce more waste, faster.
- Large quantity orders create inventory and overproduction (two wastes), which frequently overcome any price break savings.
- Most times, waste can be eliminated without large investments in technology – simple solutions are best.

An easy way to determine if your solution is Lean is to ask the following question. "Does this answer create or reduce the pain?" Working longer means more pain. Reducing the work means less pain. Focus on reducing the pain. Be careful not to simply share or shift the pain to others.

***5. Tasks within processes are often complex processes themselves:***

Looking again at the product development example, one of the significant sources of waste had to do with supplier selection. We had to change the supplier selection process. Note the name of the step we had to change is "supplier selection *process*."

The single step of one process in the office is very commonly a complete and complex process. Don't worry; just perform the same analysis again. Break it down into a map, evaluate value-added and waste steps or opportunities, get your best estimates, and re-design the process.

For the product development example I described, I mentioned that we identified nine sub processes to address. Each of those sub processes was assigned a process improvement lead and/or team, and each process was improved using the Lean methodology and other tools we had in our repertoire.

Don't let the apparent complexity disturb you. Instead, expect it, break it down, and deal with it.

***Summary:***

It does indeed require some translation and creativity to learn to use the Lean principles and methods in the office environment. That doesn't make it any less useful or powerful. In fact, as I hope my example showed, the business benefits of applying Lean to the office can be substantial.

Recognize that waste is felt, not seen, and you will be able to find it. Relax, and accept that you will need to use estimates, not precise measurements to determine how much waste there is and assess a value.

Have faith that most solutions will not require large investments in technology and that the best solutions are simple. Allow yourself and your team to recognize what you may have always done to be more efficient was probably wrong, and Lean can show you a better way.

Finally, don't be turned off by the apparent complexity of the office processes compared to factory floor processes. Any system or process becomes simple when it's broken down far enough. Break it down, analyze it, and fix it.

I have made my greatest impact by applying Lean to office and business processes. Follow the suggestions presented above and you will begin to see how to open your team's perspective and break a few paradigms about the Lean you learned in the factory. Once you break through these barriers of understanding, a whole new frontier of business improvement will be laid at your feet. Proceed with all due fervor.

Stay wise, friends.

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