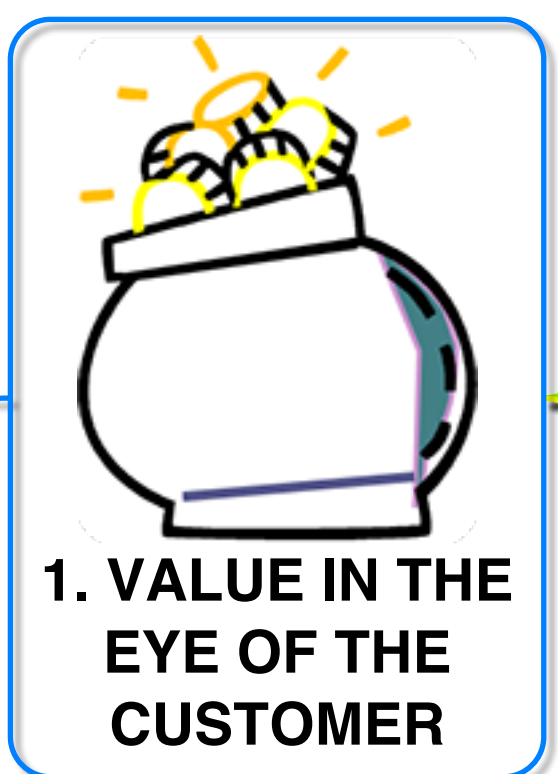
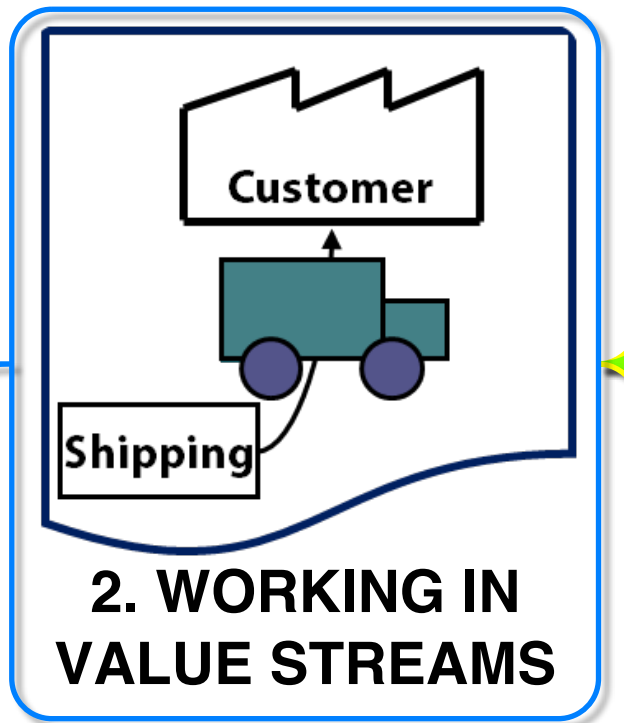


# FIVE PRINCIPLES of LEAN THINKING



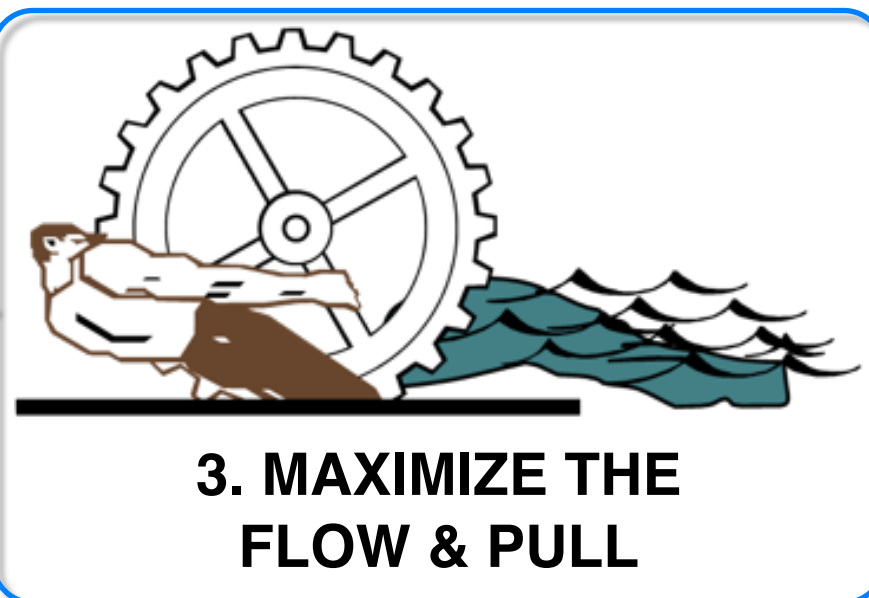
1. VALUE IN THE EYE OF THE CUSTOMER

- THE STARTING POINT OF ALL LEAN
- Thoroughly understand what the customer values.
- Create Products, Processes, & Methods that more than satisfy customer's needs.
- Tangible methods for identifying & measuring customer value.
- FULFILLING CUSTOMER NEEDS SUPERSEDES EVERYTHING EXCEPT SAFETY.



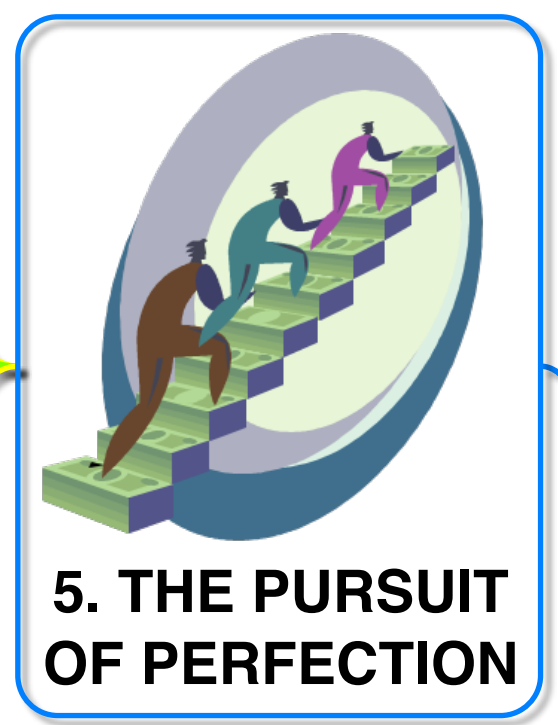
2. WORKING IN VALUE STREAMS

- ORGANIZE OUR PROCESSES AROUND THE VALUE STREAMS.
- Make, manage, measure, & improve through the value streams.
- Address the end-to-end processes.
- Entire flow from first contact, thru quoting, scheduling, purchasing, production, shipping, cash collection, and support tasks.
- VALUE STREAM MANAGER HAS FULL ACCOUNTABILITY



3. MAXIMIZE THE FLOW & PULL

- MATERIALS, INFORMATION, & CASH FLOW WITHOUT STOPPING
- Eliminate obstacles to flow: waiting, motion, transportation, inventory, defects, overproduction, unneeded processes.
- Every step moves at the rate of the customer need: the Takt Time.
- All flow comes at the direct pull of the customer.
- THE FASTER YOUR PRODUCTS & PROCESSES FLOW THE LOWER THE COSTS



5. THE PURSUIT OF PERFECTION

- CONTINUE LEAN IMPROVEMENT UNTIL EVERY PROCESS IS 100% VALUE ADD
- Lean is a long term business strategy, not a tactical cost-saving initiative.
- You don't have to do everything at once. 60% is good enough.
- Lean improvement comes from aligned & empowered people making small changes every day.
- PLAN - DO - CHECK - ACT  
The Scientific Method of Problem Solving & Improvement



4. EMPOWER THE PEOPLE IN THE COMPANY

- THIS IS THE PRIMARY TASK OF A VALUE STREAM MANAGER
- Standardized work defines each process.
- Visual management enables lower level decision-making.
- Train everybody in root causes & problem solving.
- Empower people for lean improvement every day.
- ALIGN EACH PERSON'S JOB TO THE CUSTOMER VALUE & COMPANY PROSPERITY.