

Lean: Definition

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Lean: Definition

The term "lean" stands for the entire array of principles, methods and procedures that serve to systematically orientate the provision of services to the **benefit of the customer**.

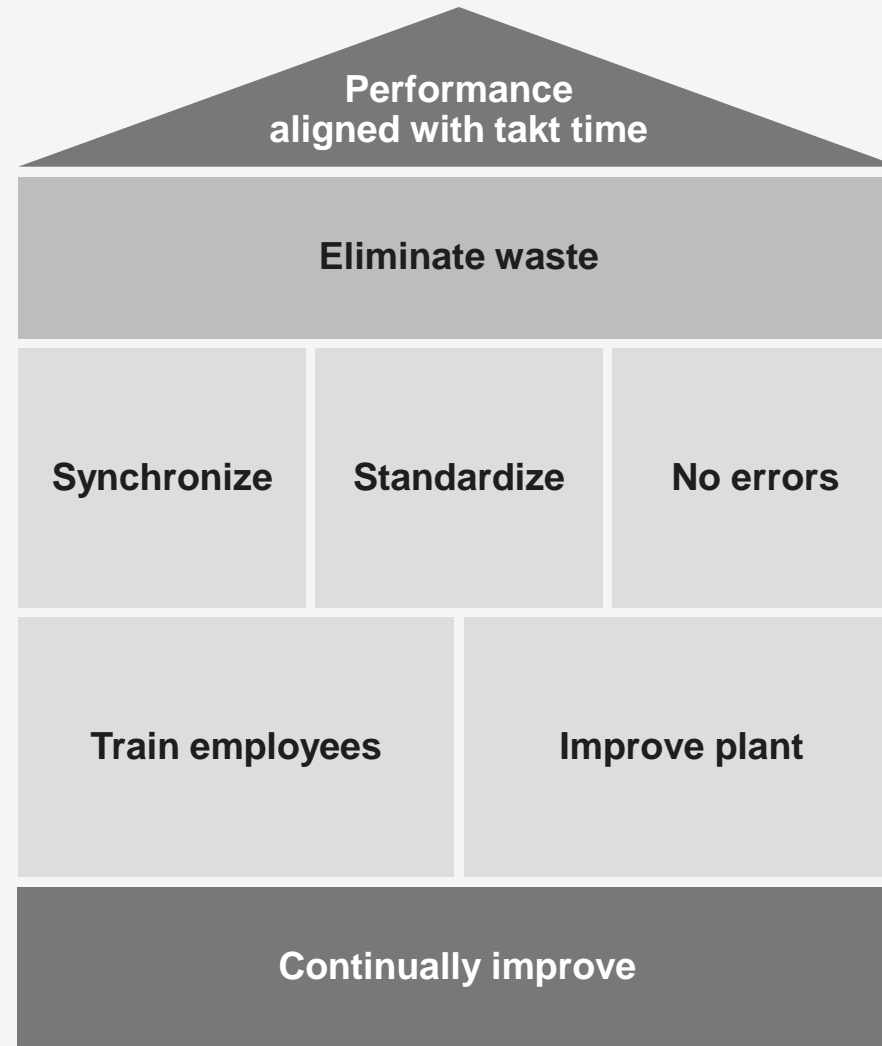
Lean builds on a comprehensive **understanding** of service provision and processes and of value added as seen from the point of view of the customer.

The aim is to **avoid** all activities that are of no benefit to the customer and as far as possible **simplify** all other activities.

If sustainable success is to be achieved, Lean principles must be **embedded** throughout the entire organization.

Necessity is the mother of invention – Toyota invents Lean Manufacturing in 1950.

The Toyota Production System: Forefather of all modern production systems



- Japanese economy had to **rebuild** after the war
- **No money** to invest
- Credo: **Get the best** out of the **existing plant**
- No room for **errors and waste in processes**
- Achieve success by implementing **many small steps** instead of through leaps and bounds
- The Toyota Production System **made a virtue of necessity** by focusing on process optimization

Lean manufacturing brought success to Toyota.

Performance gap in 1990



Assembly time (per vehicle)	31h	16h
Faults (per vehicle)	130	45
Inventory	2 weeks	2h
GM was outclassed		

- The **dramatic superiority** of Japanese automakers in many important performance criteria measured in 1990 triggered shockwaves and concern elsewhere
- **In the meantime**, Japanese manufacturing methods have been **introduced in many industries worldwide** and have led to massive increases in productivity
- **Today, Lean is the foundation** of every competitive manufacturing company

Thank you

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