

LEAN AND MEAN TRANSFORMATION

EFFICIENT STEPS:
MPC-driven effort helps firms shed wasteful practices

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In an effort to improve efficiency in an organisation, the Lean management system serves as a tool to eliminate wastage the world over, including in the manufacturing sector.

The movement was initiated in 2011 by the Malaysia Productivity Corporation (MPC) as part of efforts to improve the processes of small and medium enterprises in the country.

Lean is defined as a collection of principles and methods aimed at detecting and eliminating non-value-added activities via the continuous improvement of products and processes for the benefit of consumers.

It is effective in reducing cost in the manufacturing process, which allows an organisation to overcome business challenges, remain competitive and survive in the long run. The challenges include cost-effective measures in operations, customer demands and quality production inputs.

Under Lean, wastage includes excess of production; long hours between work stages; loading and unloading of raw materials for finished goods; unnecessary movement of people; non-value-added processes to meet consumer requirements; storage of large, unwanted quantities of products in warehouses; and sub-standard goods.

The implementation of Lean reduces paperwork, stress and operating costs,

as well as improves workflow, productivity, teamwork and customer satisfaction, both internally and externally.

Among the common Lean tools are Process Mapping, Value Stream Mapping, Pareto Analysis, 5S (Workplace Organisation), Fishbone Analysis and "Poka Yoke", which is a Japanese term for "mistake-proofing". Based on Lean implementers' experience, critical success factors of transformation include Leadership Commitment, Cultural Change, Excellent Project Management, Effective Communication, Great Implementing Team, Training, Education and Performance Evaluation.

Under Leadership Commitment, it has been found that 20 per cent of efforts are represented by using Lean tools and techniques, while the remaining 80 per cent are based on commitment shown by the top management. The top management has to constantly monitor the progress of projects and provide direction to implementation teams.

In regards to Cultural Change, the implementation of change must go hand in hand with operational matters to ensure that employees understand the mechanism and what is required to address problems in an organisation.

Effective Communication is required under the Lean transformation, where each individual and organisation must understand how transformation affects them. Communication is not a one-time event, as consistency and ongoing messages keep everyone informed.

Additionally, Lean training should be included in the human resource development plan to create a supportive environment for its implementation.

Lastly, the Lean project achievement needs to be integrated with the annual performance evaluation, where rewards and recognitions serve as motivation for implementation teams.

One of the companies that have implemented Lean is BUJ Technology Enterprise Sdn Bhd. The company, established in 2006, has a presence in Pahang, Perlis and Terengganu.

Its managing director, Mohd Badruddin Ibrahim, said the company's services included rubbish collection for 36,700 premises, cleaning 750km of drains and cutting grass in areas totalling two million square metres.

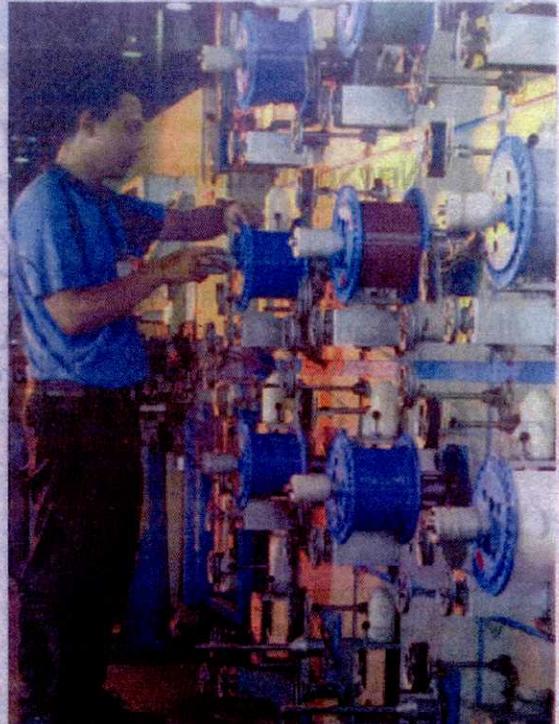
He said BUJ's work standards were monitored by municipal councils.

"The business requires vehicle maintenance to be tip-top, with each vehicle having a life span of less than seven years. Spot checks are carried out on the company to ensure that rubbish is brought to disposal areas on time."

A project under Lean is the management process of domestic waste collection. Since Lean was implemented in BUJ last year, the company has reduced its processing time by 11 per cent, value-added process steps (50 per cent) and process steps (38 per cent).

Consumer complaints have also seen a reduction.

Another company that has implemented Lean is Oriental Summit Industries (OSI) Sdn Bhd, one of the



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largest chassis manufacturers in the country. It has three plants — the Shah Alam headquarters, and branches in Tanjung Malim and Pekan — with a workforce of more than 850 employees.

Recently, the company was among the organisations recognised by MPC for implementing Lean practices as their core values to improve quality.

Its chief operating officer, Azlan Ahmad, said there was a need to be "lean" in a competitive environment.

"Throughout the years, OSI has implemented many strategies for improvement, including Lean."

The company's Lean recognition by MPC was for its arm-assembly, rear-suspension painting line.

OSI saw an improvement of 12.9 hours, or 19 per cent, in time saving and product savings of 67 per cent, or 80 sen per piece.

Azlan said employees did not work in silos and often multitasked.

"Among the strategies that the company has always employed is measur-

ing performance on a daily basis, as well as identifying at least three problems that need to be resolved."

Another company that has benefited from Lean in terms of productivity and improving its services is Opcom Cables Sdn Bhd.

Its chief operating officer, Yusree Putra Alias, stressed that in implementing Lean, it was important to identify the areas in which an organisation wanted to improve.

He said the implementation of Lean in Opcom's work process saw an improvement in the production of its high-core cable, which translated into monthly savings.

The company has cut the time taken to set up machines at all process lines by more than 20 per cent and has seen a 50 per cent reduction in the time taken for the setting up of the sheathing line.

Yusree said Lean helped the company progress and, at the same time, minimise mistakes made during production.



Mohd Badruddin Ibrahim



Azlan Ahmad



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BUJ Technology Enterprise Sdn Bhd has reduced its processing time by **11 per cent** since implementing Lean last year.