

The Seven Wastes.

The Mindshop Process of Implementation

Purpose

To identify the seven common causes of waste in an organization and to develop specific actions to address the highest priority issues.

Typical Time taken to use

Allow half a day to do properly.

Where to use

When driving for increased efficiencies, to reduce costs or look for lost opportunities in a business.

Introduction

Processes either add value, or waste to the production of an item or service. Waste elimination is one of the most effective ways to increase profitability in businesses. To eliminate waste it is therefore important to fully understand exactly what waste is and where it can be found. Toyota, the Japanese automobile manufacturer, after years of work to remove waste identified the following seven wastes as the most prominent ones.

1. Overproduction is to produce more than needed or to produce it before it is required. It is the result of producing to the 'Just in Case' scenario instead of 'Just in Time'.

2. Waiting This occurs whenever time is not being used efficiently. Much of a product/services lead time is tied up in waiting for the next operation. This usually is because the material flow may be poor, the production run too long or the distances between work centers are too great. It is not unusual for a product/service to spend 99% of it's time waiting. Waiting may sometimes seem to contradict overproduction, but time can be used to add value by improving the processes.

3. Transporting Customers do not want to have to pay for transportation between processes, so this is a clear source of non-valued cost. More than this, every transport event is an opportunity for damage/loss to occur and quality to deteriorate.

4. Inappropriate Processing Can be easily explained by using the analogy 'using a sledge hammer to crack a nut'. Are you using the right tool/process for the job? Are you using big expensive high precision equipment when simpler tools would suffice? Are you using the right person for the job?

5. Unnecessary Inventory Is Work in Progress (WIP) and is a direct result of overproduction and waiting. Reducing WIP allows the other problems to surface. The analogy often used is that of a ship sailing along on a sea of WIP which hides rocks

expense. It does not need to be exact dollars, only an estimate and a year is a good example of a period of time to audit. If further clarification/assistance is required to work out costs, look at breaking the issue down and examining the problems associated with that particular cause of waste. For example they may be salaries, overtime, replacement/repair of equipment, re-work costs, administration costs, office space to name a few.

4. Now that you have allocated a dollar value to the first issue move across to the 'Ease of Removal' column and mark on the scale provided (minus 5 being the most difficult), how easy you think this waste would be to remove.

5. Continue this process for the remaining issues until you have completed all of the issues. You may need to rework some of the previous dollar values of the issues as new costs are proportioned.

6. When you are satisfied with the audit details select the top three issues to work on. They are the ones that are going to give you great dollar value back to your bottom line and are easy to remove. If you have added other columns to the audit these will also be taken into consideration.

7. Finally we suggest you look at the Force Field tool* and establish project teams to develop specific action plans. Again audit the waste after the teams have implemented their action plans.

Contact Bua Consulting for a document entitled '[Some examples of waste](#)' in organisations. Alternatively if you feel your organisation can benefit from a thorough audit by Bua Consulting please contact Fergal Coleman at fcoleman@buaconsulting.com or 0423 198184 to discuss.

*Please contact Bua Consulting if you are interested in using the Force Field and other Mindshop tools.