

Lean Warehousing:

Service up, cost down

Lean in the warehouse

In every warehouse project, Supply Today utilises a customer and process-focused deployment strategy that is built around obtaining measurable performance, customer satisfaction, and financial results in logistics, warehouse and supply chain processes. We base our strategies on 'Lean Thinking practical solutions'.

What is Lean?

Lean Thinking incorporates the concepts of customer value, continuous flow, pull, and relentless waste reduction, and applies them to all company improvement activity. It is an integrated set of industrial principles and methods that grew out of a groundbreaking 1990s study of the Japanese automobile industry. Lean Thinking gives you the power to:

- find the best way to specify value for your customer
- identify the value stream for each of your products
- ensure your products flow smoothly from concept to customer
- permit the customer to pull value as needed from the producer
- make a leap toward perfection

In your supply chain and warehouse, Lean Thinking translates as lean techniques for product development, production, purchasing, and customer support. It asks questions such as:

- Why are you doing this? (If because you always have, then rethink what you are doing.)
- Are you doing something that is not adding value to your customer service levels and/or increases your logistics, supply chain or warehouse costs?
- Are you doing something that adds control to your logistics or supply chain but increases bureaucracy?
- Are you measuring what you can but not what matters?
- Are you focusing on the future or correcting the past?
- Are you persisting with something that doesn't work?
- Are you attempting to improve something that already works?

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It is also crucial to understand the importance of flexibility in a process, because customers demand it and third party logistics processes need to eliminate it.

The Five Steps of Lean Implementation

- Step 1: Specify Value** - Define value from the your customer's perspective. Express value in terms of a specific product which meets the customer's needs at a specific price and at a specific time.
- Step 2: Map** - Identify the value stream, the set of all specific actions required to bring a specific product through the three critical management tasks of any logistics, supply chain or warehouse: the problem-solving task, the information management task, and the physical transformation task. Create a map of the Current State and the Future State of the value stream. Identify and categorise waste in the Current State, and eliminate it.
- Step 3: Flow** - Make the remaining steps in the value stream flow. Eliminate functional barriers and develop a product-focused organisation that dramatically improves lead-time.
- Step 4: Pull** - Let the customer pull products as needed, eliminating the need for a sales forecast.
- Step 5: Perfection** - There is no end to the process of reducing effort, time, space, cost and mistakes. Return to the first step and begin the next lean transformation, offering a product that is even closer to what the customer wants.

Contact Us Today

Call **1300 – 4 TODAY** (1300 – 486 – 329) or email consulting@supplytoday.com.au to discuss lean in your warehouse.

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