



## **Typical misconceptions about "Lean System Thinking."**

During our seminar on lean system thinking and its effect on business profitability to SME's CEO gatherings, some of them had raised queries about *lean, lean manufacturing, cultivating the lean system thinking in an organization, etc.* While appreciating their queries, we realized that most of queries are the misconceptions about lean system thinking.

Some of the misconceptions and the clarity, which we had given to them, listed below for awareness purpose.

### **Lean means cost-cutting**

No. In a typical organizational environment, cost cutting means cutting down the expenses whether it is essentially required or not. Whereas, lean principles emphasis more on cutting down the wastes or unnecessary expenses, which are not adding value to the business in any form. Lean is all about doing more rightly with less.

### **Lean manufacturing is all about manpower efficiency improvement**

Partially it's true. Lean focuses on waste elimination or reduction in any form like the man, machine, material, and process. By eliminating or reducing wasteful activities in any form, efficiency improves. Improvement in manpower efficiency is one of the benefits of waste elimination or reduction. Through lean manufacturing, more improvements possible like delivery lead time reduction, asset utilization, and quality improvements, etc. Hence, lean is not only for manpower efficiency improvements.

### **Lean system thinking is applicable for manufacturing organization only**

No. As said, lean is all about waste elimination. As long as activities are there in any business or organization, waste will be present. Wherever waste is there, lean system thinking is applicable. Hence, it is not only applicable to manufacturing.

### **Lean system thinking can be implemented only in large organizations**

No. One of the assumptions is that implementing lean requires investment and only large organization can afford to implement lean initiatives. Actually, understanding the lean concept, tools, and techniques is easy and does not require much investment. Lean thinking and practices can be implemented in any size of the organization. In fact, Lean can be easily implementable in small and medium-size organizations because of relatively lesser complexities than large organizations.

### **Lean system is all about 5S and Visual Boards**

No. Most of the people think that doing housekeeping (5S) and putting display boards are all about the lean system. Of course, the fundamental requirement for waste elimination is housekeeping, i.e., keeping the workplace in order, but that alone does not constitute a Lean system. Lean is beyond implementing housekeeping practices. Similarly, visual management is one of the elements of the lean system in which display and control are part of it. Hence, Lean is beyond 5S and visuals. In fact, lean system thinking is beyond tools and techniques. It is the philosophy and way of conducting a business.

### **Lean is for during lean seasons**

Not necessarily. One of the most misconceptions is that lean implementation should not be during peak season as everyone is busy with activities and lean is for during the lean season. Lean is nothing to do with the busyness of people either peak or lean period. Lean is for waste elimination or reduction. In fact,

implementing and practicing lean concepts during peak periods will give more savings and benefits as it is all about waste elimination.

### **Lean can be useful during recessions**

Same as above assumption. There is no right time as the recession or booming economic environment. In fact, if lean system thinking is internalized well, external factors will not affect the organization much as we had seen some successful SME organizations did well even during 2008 recession because of its lean system thinking and practices.

### **Lean is only for automobile and ancillary organizations**

No. As said, Lean is not specific to any industries. Wherever there are activities involved; lean can be implementable. The reason behind its familiarity in auto and ancillary industries is that the lean concept was evolved and tested first in automobile industries.

### **Lean system implementation is time bound**

No. No organization can claim that they implemented lean system thinking, because fundamental of lean is zero waste, zero accident, zero defects and it is impossible to achieve and thus it calls for continuous improvement or excellence journey. Lean implementation is a process or journey. It is not a destination.

To summarize,

*Lean system thinking is more than the application of tools and techniques.*

*It is a culture of doing continuous improvement in all business processes, and it is a way of working or winning mindset of everyone working for the organization.*