Lean Leadership in the Services Sector
GoA’s LEAP Service

15 October 2008- REMTECH
What is Lean

- A systematic elimination of waste in any process
- Tools used – Value Stream Mapping, 5S, Pull system, setup reduction, etc.
- Goal – highest possible process velocity with minimal inventory buildup
- More about culture than about tools
LEAN – Environmental Services

- Same concepts, different focus
- Examples of Waste in a service environment-
  - Incomplete information gathered from initial customer call
  - Quoting/Estimating wait time
  - Searching for information, tools, parts
  - Multiple material/information handoffs
  - Excessive transportation
  - Rework
  - Scrap/Excess Material
Some Expected Benefits

- Dramatic Reduction in Lead Times
- Increased operating margins
- Improved employee morale and customer satisfaction
- Improved service quality
Lean Enterprise Assessment Program (LEAP)

- Process Improvement Unit within Alberta Finance and Enterprise
- 4 Lean Professionals
- 30-40 clients every year
- Lean Enterprise Assessment Program (LEAP)
- www.alberta-canada.com/productivity
LEAP Salient Features

- 30-40 companies every year
- Assessment
- Recommendations
- Training
- Implementation Assistance
LEAP Process Flow

- 2-3 Weeks to schedule assessment
- Client fills out Initial Contact Information Form
- ½ day to full-day assessment
  - 10-15 minute Management meeting
  - Plant walk-through with Production Manager
  - 10-15 minute debriefing session with management
- Training Workshop
- Service Fees
Survey (2007) Results

Size of Firms Served by Number of Employees

- 50-200: 42%
- 1-19: 22%
- 20-50: 29%
- 200+: 7%

Percentage of Firms Served by Industry

- Manufacturing: 73%
- Food Processing: 17%
- Others: 2%
- Oil & Gas: 2%
- Supply Chain: 2%
- Service Industry: 2%
- Public Sector: 2%
Survey Results ...

Impact of LEAP Services (% of Surveyed Clients)
Survey Results....

- **Financial Impact* As A Direct Result of LEAP**
  - Mean Cost Savings $278,750
  - Mean Investment in Plant or Equipment $5,474,824
  - Mean Investment in Employee Skills $40,636
  - Mean Investment in Information Systems $61,240
  - Mean Investment in Other Areas of Business $1,005,000
Some AB Success stories

- Farr Canada – 25% reduction in space requirements
- Red Hat Co-op – Eliminated need to add new plant
- Plains Fabrication – Reduced inventory levels by more than $100,000 on one line of product
- Provincial Nominee Program – Increased files processed per person by more than 50%