

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

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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

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Some Expected Benefits

- Dramatic Reduction in Lead Times
- Increased operating margins
- Improved employee morale and customer satisfaction
- Improved service quality

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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

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LEAP Salient Features

- 30-40 companies every year
- Assessment
- Recommendations
- Training
- Implementation Assistance

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LEAP Process Flow

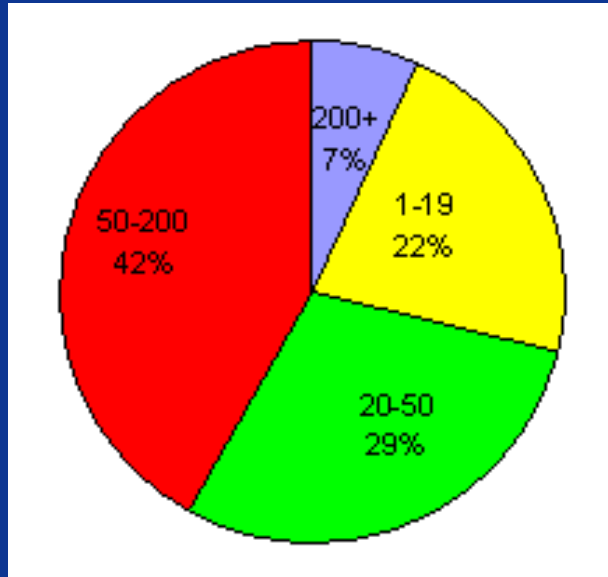
- 2-3 Weeks to schedule assessment
- Client fills out Initial Contact Information Form
- ½ day to full-day assessment
 - 10-15 minute Management meeting
 - Plant walk-through with Production Manager
 - 10-15 minute debriefing session with management
- Training Workshop
- Service Fees

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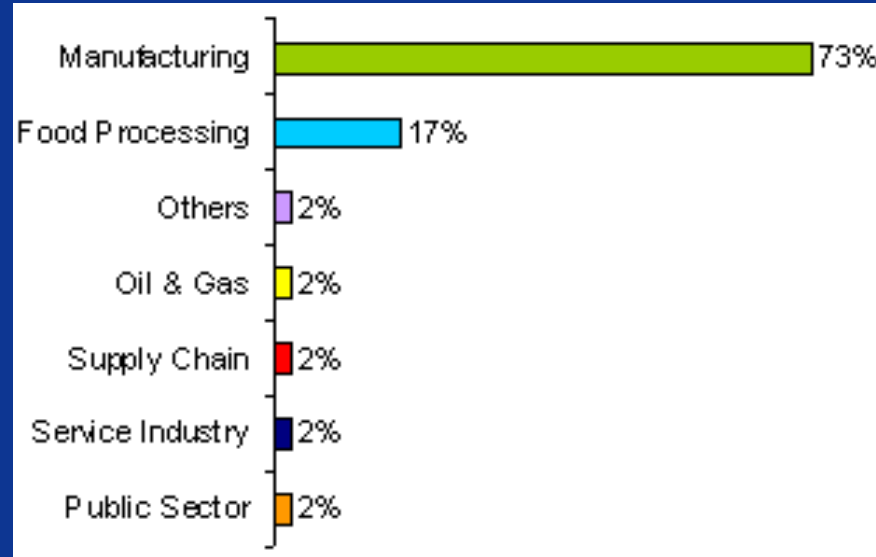
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Survey (2007) Results



**Size of Firms Served by
Number of Employees**



**Percentage of Firms Served by
Industry**

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Survey Results ...



**Impact of LEAP Services (%
of Surveyed Clients)**

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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

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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%

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