



LEAN BEYOND MANUFACTURING

Is it true that lean can benefit the service industry as well?

As we all know, Lean thinking was developed in the automobile industry, and packaged as Toyota Production System made some people believe that lean was just meant for manufacturing. Simultaneously, it leads to creating a paradigm that lean is just not for service where you don't have an assembly line or tangible product to do time studies and make improvements. As I've been working in both industries, I've seen the same perspective among the people working in the service industry and people working in supportive manufacturing processes such as design, development, finance, resourcing, purchasing, etc.

What I've heard the most is, oh... Lean, it's not going to work out here, it's good for manufacturing but not for us!!

The service industry shows variety from hospitality, healthcare, banking, information technology, to many more extend. Even though processes may vary from one business line to another, the overall process's traits and characteristics are almost the same. The typical service process is intangible, complex, distinctive where majority tasks happen in less visible structure in people's mind or digital/electronic media.

However, some lean experts like Karyn Ross (2013) has highlighted that the service industry required lean same as manufacturing industry due to its unique and non-observable nature and lack of visibility. She justifies the need for lean to provide high-quality, consistent service, deliver complex service requests requiring the involvement of multiple departments and complicated system, and retain and satisfy customers in a highly competitive corporate environment. Furthermore, lean will help visualize and make visible the invisible complex variety of processes and develop teams' critical thinking and problem-solving to improve the operation and service.

If you still have doubts about adapting lean into the service industry, please check on the following success stories and outcomes gained.

- “Alaska Airline’s organization-wide Lean initiatives continue to yield performance gains. “At the end of our first year, instead of a 45-minute wait for baggage, we achieved a 20-minute wait. Our flight cancellation and missed bag rates went down. We became the No. 1 on-time airline in the country,” Bowers said. “Three years later, we are consistently rated in the top three.”

“Lean Six Sigma has forever changed GE. Everyone – from the LSS zealots emerging from their Black Belt tours to the engineers, the auditors, and the scientists, to the senior leadership that will take this company into the new millennium – is a true believer in Six Sigma, the way this company now works.” – GE Chairman John F. Welch.

- As a result of lean implementation, HSBC results in a 274% improvement in net income and a business 100% focused on continuous improvement.
- Members of the Premier healthcare alliance collectively saved over \$4.2 billion in 2011 through a combination of improved processes and care delivery efficiencies.

(Source:<https://goleansixsigma.com/lean-six-sigma-industry-success-stories/>)

The evidence provided above proves the lean implementation success in different business sectors. Still, your organization hasn’t started to follow and practice lean due to pretended perceptions; this article will be an excellent eye-opener to understand the power and results that lean could bring to you.



Lean is all about identifying non-value adding activities and eliminating them through continuous improvement. When you’re adapting lean, it doesn’t matter whether you’re producing a product or delivering a service. What matters the most is that you’re continuously working on identifying the value of your tasks to the service or product and eliminating the non-value adding parts. By doing so final expectations would be to deliver high-quality, consistent services on time for the lowest possible cost to make the customer happy and satisfied. For any industry, whether it’s service or manufacturing, organizations have to follow five principles and four rules of lean to make it work. If you’re ready to accept that lean is not just for manufacturing, but also for the service industry, I’ll discuss those two topics in my next article.

See you soon!

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