

THE BUSINESS TIMES

SME

22

The Business Times | Tuesday, June 25, 2019

Doing more with less could be the way forward with lean thinking

Through SSG and LTIC's Lean! Project, local SME Shalom International Movers succeeds in improving processes. **BY JAWN LIM AND MARK TAN**

BLINDLY doing more does not guarantee more value for an organisation, and failure to define the value of a product or service from the stakeholder's perspective could result in unproductive processes.

Cutting staff or resources without considering how it impacts value creation are often the ways of a management that is myopic. Wisdom calls for knowing what wastes to remove from a business process, while ensuring that value-generating portions of the business will not be affected.

For a company to ensure that it practises maximised customer value while minimising waste, imbuing Lean Thinking into its culture is key. Lean practices not only create, but also capture, more value for businesses without the need for more resources to be used.

A university-industry partnership

In partnership with SkillsFuture Singapore (SSG), the Singapore Institute of Technology's (SIT) Lean Transformation Innovation Centre (LTIC) was established to promote and develop manpower lean practices and solutions for local enterprises.

Working closely with local companies to identify and address performance gaps, LTIC offers sustainable solutions for long-term productivity gains through workshops and masterclasses that promote the adoption of Lean capabilities.

One of LTIC's signature programmes, known as The Lean! Project (TLP), is designed for local small and medium-sized enterprises (SMEs). Conducted over three months and comprising two phases, the programme is led by trained SIT faculty members and staff. Phase 1 involves training and scoping over two days, while Phase 2, conducted across 48 hours in four-hour blocks, includes project coaching that is customised on-site and in iterative cycles of Plan-Do-Check-Adjust.

Addressing the often-heard complaint that employees who attend training tend to forget what they were taught theoretically, the programme designed by LTIC ensures that lean principles are applied to the actual conditions of the company in training. This mode of engagement, a reflection of SIT's status as Singapore's university of applied learning, centers on in-depth project coaching based on real issues faced by the company.

What is value creation? A case study on the success of Shalom International Movers

In 2018, SIT invited local SME Shalom International Movers (Shalom) to parti-



Shalom Movers' chief operating officer Gabriel Lam (left), seen here with his brother and chief executive officer Gideon Lam, says he is happy that his company's lean journey has also resulted in employees embracing the culture of continuous learning and become happier at work. **BT FILE PHOTO**

cipate in the TLP (then known as the Lean Skills Development Programme), in which several employees took part.

Integral to the training sessions was the on-site Gemba Walks, a procedure where a detailed walk-through was conducted at the client's premises to observe, measure, clock and draw out processes. These processes, along with a clear view of the different types of wastes, were then meticulously charted out into value-stream maps.

Shalom began with the fundamental question, "What is a good day?", and concluded that customers simply want their things to be moved without having to wait for too long while it is being done.

Shalom identified wastes within the processes that affected its value proposition, and began assessing ways that could provide more value to customers.

The first change it implemented was the "flow" concept. Previously, there could have been four to five movers on-site at a customer's place to wrap, pack and move the cartons to a holding area (typically a space next to the elevator), and then shift all the cartons to the truck.

This would incur an additional staff's time and resources to stand guard. Once Shalom adopted a Lean principle of Just-In-Time, the movers

transported the cartons directly to the truck instead of having the additional, non-value creating step of accumulating cartons at a waiting area.

The second change that Shalom implemented was the "pull" concept. In the past, the trucks – Shalom's costly assets – would remain idle at the customer's site waiting to be loaded while the movers packed. By using Lean strategies, Shalom deployed under-utilised trucks to other job sites that are only "pulled" from the vicinity when there is a need to transport the cartons from one site to another.

Thirdly, Shalom examined its store operations and layout. The store's "organised chaos" that had been tolerated for a long time saw moving staff haphazardly lining the pathways in order to get their packing materials. Without consistent accountability, teams would occasionally forget to collect certain supplies and thus waste more time doing multiple retrievals.

Pilferage of supplies could also go undetected. In order to solve these issues at the store, Shalom conducted

several experiments and redesigned the store layout and flow of resources to ensure that its trucks are equipped and leave for the customer's location by 8am every day.

The benefits of lean strategy implementation are not limited to improvements in processes. Apart from the tangible and measurable benefits gained from the overall increased productivity as well as reduction of process time, the impressive intangible improvements within the work culture were also noticed.

Lean practices not only create, but also capture, more value for businesses without the need for more resources to be used.

"What made me happy is seeing our employees embrace the culture of continuous learning and improvement not just in theory, but also on the ground where they keep implementing tweaks to their work. When they see their suggestions making a difference, they become happier and more confident at work," said Mr Gabriel Lam, chief operating officer of Shalom International Movers, referring to his company's lean journey.

The seed of Lean Thinking, which has taken root within the team, has led to a growth mindset that has seen an increase in ownership of work and improvements in attendance.

Staff members also took on new responsibilities willingly and were more willing to suggest improvements. The culture of continuous improvement at Shalom is flourishing, with employees understanding the importance of not only efficiently delivering value to customers, but also understanding the value of the work that they do individually and as a team.

■ Jawn Lim is assistant professor at Singapore Institute of Technology. Mark Tan is assistant director at Lean Transformation Innovation Centre, Singapore Institute of Technology