

Achieving Social Responsibility Through Lean Enterprise

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Session B4:
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Learning Objectives

At the conclusion of this session, attendees should be able to:

- Understand how Lean relates to Social Responsibility
- Use Lean tools for Social Responsibility initiatives
- Examples of how Lean can impact environmental, health, safety, ethical behavior, and supporting local communities

Social Responsibility (SR) and ASQ

- No Boundaries: ASQ Future of Quality Study
 - Globalization
 - Social Responsibility
 - New Dimensions for Quality
 - Aging Population
- Common Ground: Quality and Social Responsibility – ASQ White Paper
- ISO 26000
- The SRO.org

Evolution of Lean

- Lean Production to Lean Enterprise
- 8 Wastes
 - Overproduction
 - Motion
 - Inventory
 - Transportation
 - Waiting
 - Under Utilized People
 - Defects
 - Over-Processing



Reference: Alukal, George and Anthony Manos. Lean Kaizen: A Simplified Approach to Process Improvements. Milwaukee, WI: ASQ Quality Press, 2006.

Lean to Green

- Also known as:
 - Green Manufacturing
 - Lean Sustainability
 - Green Sustainability
 - Environmental Lean
 - ...and many more.

Green Manufacturing

- Extension of Lean Enterprise by considering the Environment
- Green Manufacturing creates a focus on the preservation of life sustaining resources (soil, air, and water) and the reduction of toxic material release into the environment that can harm the earth's ability to support life.

8 Green Wastes

- Water
- Electricity
- Gas
- Earth Material
- Emissions
- Product Use
- Raw Material
- Byproducts



Goals of Green

- The ideal state of Green Manufacturing is to use 100% renewable resources with complete usage of materials and no byproducts, or zero waste.

Goals of Green

1. Minimize the use of nonrenewable resources
2. Maximize the value usage of nonrenewable resources
3. Maximize the value usage of renewable resources
4. Maximize the value use of materials
5. Maximize the reuse of scrap raw materials

Goals of Green

6. Minimize total byproducts
7. Maximize byproducts that can be used
8. Minimize non-usable byproducts
9. Minimize product materials and packaging
10. Maximize reuse of product materials and packaging after use

Scope of Social Responsibility

- Malcolm-Baldrige National Quality Award (MBNQA) Criteria
 - Ethical Behavior
 - Protection of Health, Safety, and the Environment
 - Anticipating Adverse Impacts
 - Practicing Good Citizenship
 - Support of Local Communities

Reference: [Criteria for Performance Excellence](#). Baldrige National Quality Program. 2008.

Lean's Connection to SR

- Principle #1 (Toyota's 14 Management Principles):
Base your management decisions on a long-term philosophy, even at the expense of short-term financial goals.

The stock market as such has nothing to do with business. It has nothing to do with the quality of the article which is manufactured, nothing to do with the output, nothing to do with the marketing, it does not even increase or decrease the amount of capital used in business. It is just a little show on the side.

-Henry Ford

Reference: Liker, Jeffrey. [The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer](#). New York, NY: McGraw-Hill, 2004.

Ford, Henry and Samuel Crowther. [Today and Tomorrow](#). New York, NY: Doubleday, Page & Company, 1926. (Reprint available from Productivity Press, 2003).

Next Evolution of Lean - SR

- Re-define the 'customer' to include society, local communities, and employees' quality of life of outside the organization
- This can be achieved both internal and external means
- Strive to be self-sustaining within impact to society and provide for society

Ethical Behavior

- Processes
 - Surrounding ethical infractions
 - Reporting infractions
 - Root Cause Analysis of infractions
 - Communicating resolution
 - Implementing corrective action
 - Transparency of operations
- Tools
 - Value Stream Mapping
 - Visual Management / Visual Controls

Health, Safety, and Environment

- Processes
 - Safe workplace
 - Emergency Response
 - Environmental Waste (Paper reduction)
- Tools
 - 5S (6S by some organizations)
 - Value Stream Mapping
 - 5 Why's
 - Mistake Proofing
 - Visual Management / Visual Controls
 - Standard Work

Anticipating Adverse Impacts

- Processes
 - Product design
 - Reporting and responding to complaints
 - Correction of societal issues (recall)
- Tools
 - Mistake Proofing
 - One Piece Flow
 - Swim Lane Flow Charts
 - Standard Work
 - Value Stream Mapping

Practicing Good Citizenship

- Charity vs. Providing

I have no patience with professional charity or with any sort of commercialized humanitarianism. The moment human helpfulness is systematized, organized, commercialized, and professionalized, the heart of it is extinguished, and it becomes a cold and clammy thing...A philanthropy that spends its time and money in helping the world do more for itself is far better than the sort which merely gives and thus encourages idleness.

-Henry Ford

Reference: Ford, Henry and Samuel Crowther. *My Life and Work*. New York, NY: Doubleday, Page & Company, 1922.

Practicing Good Citizenship

- While charity is a factor in SR, is it the least waste way to utilize all resources to achieve philanthropy?
- Two choices: Money or Resource Knowledge

We can do one of two things: we can either give a little and forget about it, or we can give a lot, get right into the management, and see to it that the place is self-supporting.

-Henry Ford

Reference: Ford, Henry and Samuel Crowther. *Today and Tomorrow*. New York, NY: Doubleday, Page & Company, 1926. (Reprint available from Productivity Press, 2003).

Support of Local Communities

- First Step: Adopt Lean to free up your resources
- Second Step: Choose how to use those resources (SR Thinking)
 - Become Lean teachers within the local community
 - Partner with other organizations important to the local community to help them improve
 - Work towards improvement of the community to increase the quality of life of the employees

Healthcare – The Ford Hospital

- Like the Model-T, for society to provide Healthcare the business model so that the best possible Healthcare could be afforded by everyone.



Healthcare

- Partnerships with local Healthcare providers
- Help them implement Lean within their operations
- Work with them on Lean Events in the Healthcare organization
- Invite them to participate in Lean Events at your organization

Education – The Ford Trade School

- A school based on three rules:
 1. *That the boy was to be kept a boy and not changed into a premature working man.*
 2. *That the academic training was to go hand in hand with industrial instruction.*
 3. *That the boy was to be given a sense of pride and responsibility in his work by being trained on articles which were not used.*

Reference: Ford, Henry and Samuel Crowther. [My Life and Work](#). New York, NY: Doubleday, Page & Company, 1922.

Education – The Ford Service School

- A school based on the following:

...the purpose of which is partly to prepare foreign-born students for work in our branches abroad, but more largely to spread the idea of our methods of production. For we have no trade secrets. If we are doing anything which another manufacturer may find use for, then we want that manufacturer to have the benefit of what knowledge we possess.

Reference: Ford, Henry and Samuel Crowther. Today and Tomorrow. New York, NY: Doubleday, Page & Company, 1926. (Reprint available from Productivity Press, 2003).

Education – The EAST Initiative

- Arkansas program (www.eastinitiative.org)
- Provides students with the tools and training to solve real problems within their local communities

Education

- Partnerships with local Education institutions
- Help them implement Lean within their operations
- Provide students opportunities and tangible projects for them to tackle
- Improves education of the local workforce pool

Non-Profit Organizations

- Government 'bailouts'
- The Benefit Loop:
 - Improving local services and civic organizations, reduce government burdened resources, thereby reducing 'taxes' and other resources required by the organization while improving the local community and helping it grow.
- Use Lean with internal processes related to identifying needs in the community, process for acceptance and distribution of funds, foundation operations, etc.

Conclusion

- SR, like Lean, is a choice.
- Organizations must deal with the SR factor in all its operations, processes, and partnerships.
- When Lean exposes additional capacity within an organization, explore SR possibilities with those resources.

Conclusion

True Meaning of Lean?

All stakeholders working together to continuously improve the world and make it a better place.

If Toyota, one company, can change a nation, can we collectively change the world?

Thank You

Comments and Questions?

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