

You would use this approach as part of the design of your manufacturing process and material replenishment systems.

## Projected performance gains



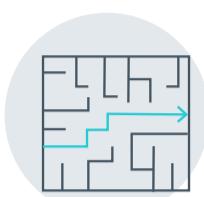
### Improved

- Working environment
- Safety
- Efficiencies
- Product quality



### Reduced

- All of the 8 lean wastes
- Lead times



### Simplify

- The flow of production information

## What investment is needed to understand the concept?

### DIFFICULTY



#### Medium

Requires some reading around the subject and a structured approach

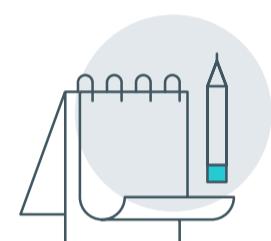
### ACTIVITY



#### Team

Best results come from a team of Engineers, Assembly Operators and Material Handlers

### EQUIPMENT



#### Some

Conveyors, Benches, Racking, Tote bins and more. This depends on the nature of the process, parts or products.

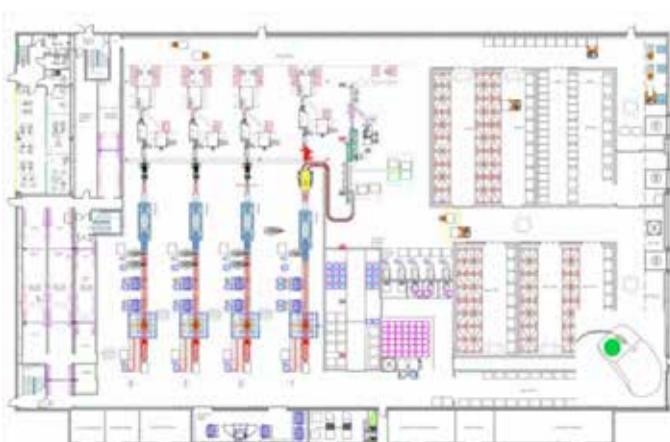
## Explanation of the concept

Factory layout has a significant effect on the performance of the whole manufacturing system and the day to day working experience of employees. The opportunities to influence and improve factory layout can come in a number of ways:

- Day to day Continuous Improvement activities/Kaizen events
- Introduction of a new product/process/machine
- Move into a new premises
- Expansion of an existing premises

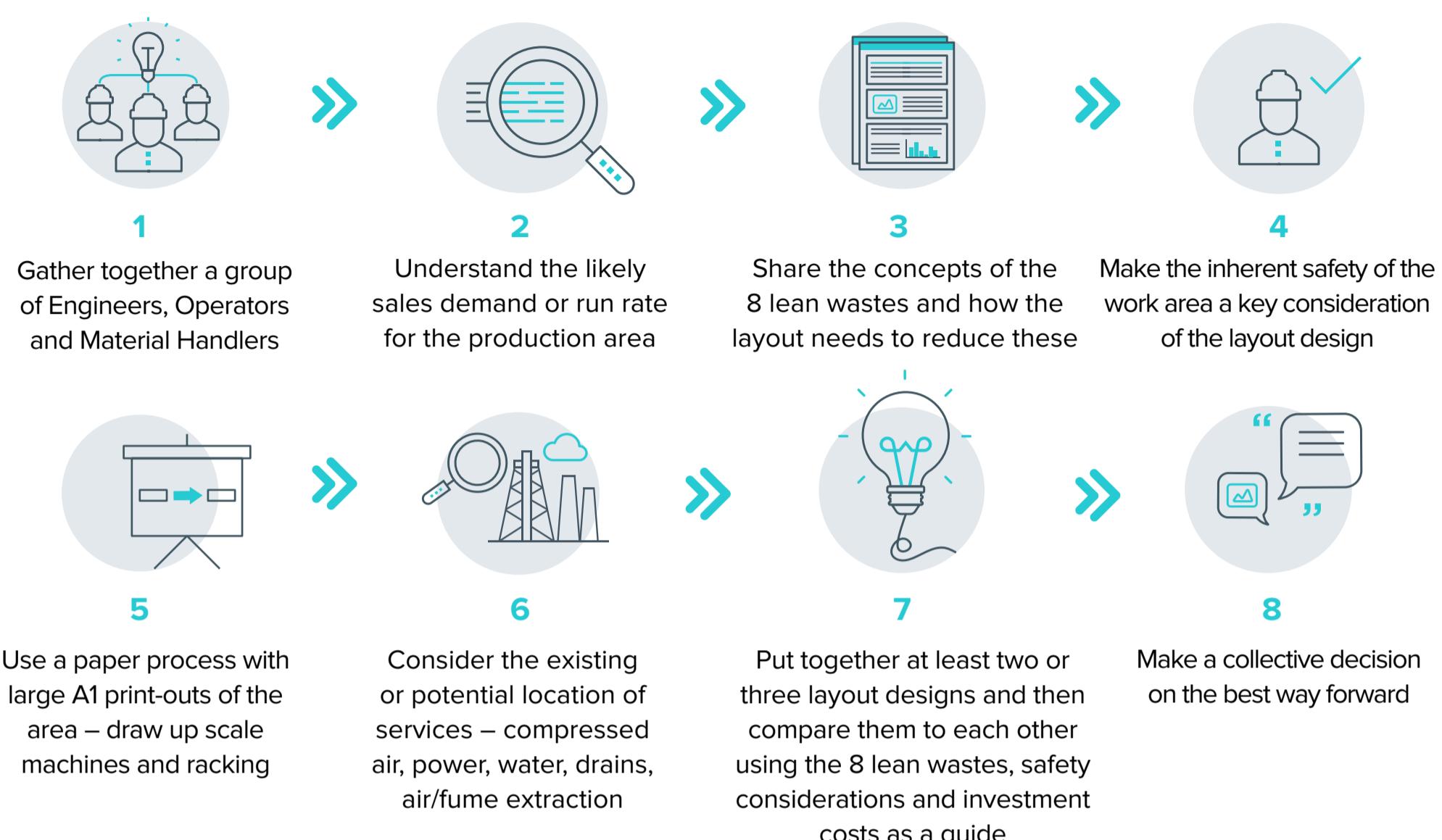
Unfortunately, many companies do not take advantage of these opportunities and pay the price of having a poor layout every day. The best layouts are generated by teams of people who use the work areas. The roles in these teams can be:

- **Engineers** – bringing the understanding of the equipment set and technical aspects
- **Assembly Operators** – bringing their knowledge of the best ways to assemble the product
- **Material Handlers** – bringing their experience of feeding the production area with materials and taking away finished products



Example of a factory layout

## What action should I take?



## Recommended reading



Suzuki, K. (1987). *The New Manufacturing Challenge*. The Free Press.  
ISBN 0-02-932040-2



Rother, M. & Harris, R. (2001). *Creating Continuous Flow*. The Lean Enterprise Institute.  
ISBN 0-9667843-3-2

Factsheet 7 Value add and the 8 wastes

## Glossary

**Kaizen** – a small improvement for the better

**Kaizen Event** – a team based problem solving and continuous improvement activity focused on a specific product, process or issue

**8 lean wastes** – wasteful activities that can be found in any production process and targeted for reduction

**Run rate** – using current production performance to predict future performance over a period of time

For more advice, case studies and additional factsheets visit:  
[www.businessgrowthhub.com/manufacturing](http://www.businessgrowthhub.com/manufacturing)