

**Management Consultants to the Precast Industry**

## RESULTS IMPROVEMENT BULLETIN

*PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN*

*Precast Business Results Improvement Bulletins are published by MJS Management Services. Additional bulletins that summarize current management challenges and solutions for the precast industry can be found at [www.mjsmanagement.net](http://www.mjsmanagement.net).*

*MJS Management Services is a consulting firm that works exclusively with clients in the precast industry to improve business performance and results. For assistance with this or other management challenges please call 206-388-5209 or contact us by email. Visit our web site for a full description of the services we provide.*

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### **INNOVATION AND LEAN MANAGEMENT – SUGGESTIONS ON HOW TO MAKE SIMULTANEOUS PROGRESS ON TWO KEY STRATEGIES**

Innovation is moving to the top of the strategic priority list for many leading businesses. Major business publications (for example Harvard Business Review, BusinessWeek) have recently dedicated cover stories to the topic of innovation and creativity. The emphasis on innovation is driven by:

- The need to identify growth opportunities – after a number of years where the focus has been on managing costs and streamlining operations.
- Companies (such as GE) identifying creativity, imagination and innovation as a core competency.

For most organizations, the goals of innovation efforts are to capitalize on growth opportunities through better understanding of customers and markets. Innovation can result in new products, services, delivery methods and internal processes.

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### **Use Lean Management to Foster Innovation**

BusinessWeek rated lean manufacturing as one of the top 8 innovations in business and finance. For precast management teams lean management can be a very effective means to achieve innovation objectives.

A fundamental of lean thinking is to provide the highest level of “value” to customers and eliminate all sources of waste. Accordingly, when applied to the total business, lean thinking goes well beyond innovation only in manufacturing productivity and processes. The lean goal to totally eliminate waste sets a stretch target that stimulates the development of highly innovative solutions.

Innovation successes in using a lean approach will lead to:

- Re-thinking products and designs to better meet the needs of customers.
- Deeper understanding of the customer’s view of “value” and how to best provide value.
- New relationships with suppliers, customers and other partners to create “waste-free” solutions.
- Creation of innovative internal processes that optimize productivity, throughput and quality.

### **A Hidden Benefit of Lean Management – Focus and Simplification**

A strong hidden benefit of adopting Lean Management is that many important business objectives are combined under one initiative. For example, productivity, innovation, throughput, customer focus, quality and safety are all by-products of successful lean implementation.

Organization change and goals are achieved more quickly with a laser focus on a single program such as Lean Management rather than hopping from one fad to the next. The rotating mix of new themes adopted by some companies can be confusing to employees. A well thought out lean implementation avoids this problem.

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#### **Precast Innovation Opportunities Through Lean Management**

Precast organizations that adopt lean management techniques identify many opportunities to innovate. Some examples:

**Manufacturing** – a lean management assessment of most precast manufacturing processes will identify waste factors (activity that is not producing value for the customer) in the range of 30% and higher. High degrees of innovation are required to define and implement revised processes to reduce these high waste factors to provide more customer value

**Engineering/Design** – lean thinking applied to design processes encourages a much deeper understanding of the customer's needs (both external and internal). An in-depth understanding of customers and markets encourages the creation of new products and solutions with improved characteristics such as lower cost, less weight, less labor, better finish – self consolidating concrete, C-GRID, etc. Increased focus on internal customers results in process innovation to improve productivity and throughput – design for manufacturing.

**Sales and marketing** – again, greater focus on understanding value from the perspective of the customer/market encourages innovation in products, solutions and selling techniques.

#### **How We Can Help**

A strong characteristic of successful innovators is that they encourage serial innovation (take chances) and open up to new ideas from outside.

MJS Management Services provides the precast industry with a source for fresh ideas, methods and best practices – all leading to higher performance. We assist with strategies for innovation including comprehensive lean management implementation services.