

The benefits of LMS



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Integrated Quality Innovation
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Do you have a system that identify **HIDDEN COSTS** and aimed at removing them?



LMS consists of four stages that starts with identifying the hidden costs. Subsequent stages involve identifying the root cause and steps taken to remove them. Final stage is to ensure the system is maintained. Each stage is supported by a set of tools or techniques.



01 IDENTIFY AND PRIORITISE



02 INVESTIGATION



03 IMPLEMENTATION



04 MAINTENANCE

Example Case: Congestion at packing room.

Congestion gives rise to additional movement of material. When there is not enough space, forklift drivers tend to put materials in “temporary” locations. Materials in these “temporary” locations are then moved from one location to another. This will increase work load and energy consumption and thereby increasing the operating costs.

What are the hidden costs in this case? Hidden costs incurred when processes do not go smoothly. In this example, hidden costs are the extra work load and more mileage travelled by the forklift. Work load is not reported in the company’s profit and loss (P&L) sheet but labour is. To reduce cost, companies reduce labour that is the number of employees or working hours. But the root cause is not labour but work load. If the work load is not decreased, reducing labour will make the problem worse.



The following table lists out the training which are provided by IQI Frontiers to support organizations planning to implement the LMS. These training will help organization get a thorough understanding of the tools and how to use them effectively. It is advisable to attend all the training and complete all the stages in the sequence listed.

Stage	LMS Approach	Tools
1	Identify and prioritise	1.1 Operation Strategic Review (OSR)
2	Investigation	1.2 Root Cause Analysis 1.3 IQI Sieve
3	Implementation	1.4 Visual Operation 1.5 Kanban System 1.6 Rapid Changeover 1.7 Continuous Flow 1.8 Leadership, coaching and time management
4	Maintenance	1.9 A3 Report 1.10 Gemba Walk

In addition to training, IQI Frontiers also provide consulting to help companies to get their Lean Management System (LMS) up and running as quickly as possible. The longer an organization delays in implementing the LMS, the greater the operation costs will be.

