



# How can you work less, beat your competition and unlock greater profits in your business?

It's so frustrating when you're told that you should be working 'smarter' and not 'harder'.

But what are the practical proven insights on how exactly you can work smarter?

It's true that many business owners and their people are too busy, being busy.

But who do we turn to for inspiration on working smarter?

The world's most successful car manufacturer should be your inspiration!

In this edition of Business Bitesize you'll discover 7 ways to work smarter and 7 things you too can use to make your business leaner and meaner.

Toyota is the creator of and world's No.1 expert at 'lean manufacturing'. A key element of 'lean' is waste reduction. 'Lean' waste reduction is an effective way to work smarter and to build a better, more profitable business. Waste less and you do less, use less, wait less, move things around less, and stockpile less.

Reduce waste and you become leaner. Reduce waste and you drive profits up. Unless of course you're too busy to improve your profits?

## In a nutshell

Fail to eliminate waste and you fail to maximise profits from your business.



## Beat your competitors with lean thinking...

Removing waste from processes gave Toyota a competitive edge. A competitive edge that helped Toyota become the most successful car maker in the world.

It took a while, but most car manufacturers adopted lean and eroded Toyota's competitive edge using lean.

Will you adopt lean and gain a

competitive advantage? Or will you allow your competitors to benefit first from lean thinking?

Lean thinking has now spread to other types of businesses. Now you can find dentists, undertakers, retailers and even accountants adopting and applying lean thinking.

Lean thinking is relevant to every business. That's why you find lean being taught at Cranfield Business School, Harvard and all leading business schools around the world.

## Here's a proven solution for you...

Manage the 7 wastes out of your business and you'll become lean and make more money.

## Even a local school can reduce waste and improve teaching, with a key...

The new headteacher of a local school introduced himself to his teaching staff. He then asked them a question:



*During your working day, what are you waiting for?*

***“What one thing is making your job harder than it should be?”***

Almost in unison the teachers replied: ***“Classroom keys!”***

Every teacher regularly experienced a locked classroom. They estimated 10 minutes wasted each time, with 20 lessons a week. All because the caretaker had the only set of keys!

By issuing every teacher with a set of keys, they clawed back 200 minutes of teaching time a week. With a 13 week term that meant 43 hours a term more teaching time per class. With 30 pupils a class that’s 1,300 hours of student learning no longer wasted every single term.

Naturally the new headteacher was an instant hit with the teachers. All he did was reduce 1 of the 7 types of waste – lean thinking changed a little thing for this school and made a big difference.

You can do the same in your business. Better manage the 7 types of waste and you avoid missing out on the profits, cash and growth you could have...

**In which of the 7 wastes does your business burn the most cash?**

Toyota and other lean businesses seek out and manage out the 7 types of waste:

- 1. Unnecessary Waiting Waste:** People stop working because they are waiting for something. Teachers are waiting for keys to unlock a classroom (for the full impact of the keys on teaching have a look at the support tools for this Business Bitesize). Staff wait for a manager to arrive so they can start or finish their shift.
- 2. Over-Production Waste:** Doing more or

making more than is needed.

A carvery bar slices more meat at lunchtime than they need to. A taxi firm sends an 8-seater to collect 2 passengers.

- 3. Transportation Waste:** Moving products or equipment around unnecessarily. Walking to the corner of the office to collect from the printer. Carrying one box at a time from the store, instead of using a trolley to bring them all together.
- 4. Processing Waste:** Repeated action that adds no value to a product or service for the end customer. An apprentice chef finely chops vegetables that could be roughly chopped, A 30 page report when a short 2 page executive summary would have done.
- 5. Inventory Waste:** Unnecessary levels of stock or work in progress (WIP). Steel is stockpiled for a few forecast orders and uses up valuable storage space for more regular orders. Projects get started but not finished on time, building up WIP that can’t be invoiced.
- 6. Motion Waste:** Unnecessary movement of workers that does not add value. Are there too many steps needed to set up a new client? Can essential forms and files be quickly found on the computer?
- 7. Defect Waste:** Poor customer service or ‘not-fit-for-purpose’ products are produced.

A fitted kitchen needs rework when being installed because measurements and patterns were inaccurate. A manager fails to ask the right questions at a job interview and unqualified people are recruited; needing excess training or dismissing.

Toyota is famous for its rigorous involvement of staff in improving processes and reducing waste – why don’t you do this too?

If you don’t involve your team you’ll be

‘wasting’ the valuable insight of your people. And they are closest to the work and best placed to identify waste.

**Quick and profitable wins from managing waste...**

With the right approach you’ll quickly prove to yourself that managing waste pays off.

Waste reduction strategies come in 4 categories

- Short-term low-cost (STLC)
- Long-term low-cost (LTLC)
- Short-term high-cost (STHC)
- Long-term high-cost (LTHC)

**Time-Cost Grid**

	Timing	
Cost	STLC	LTLC
	STHC	LTHC

To begin with you’re looking for STLC (short-term low-cost) ways to reduce waste. STLC waste reduction means it will pay off for you and your team fast.

To help you apply STLC reduction to your waste look for the Post-it note strategy on the back page and in the support tools for this edition.

**The opposite of waste is value...**

Lean thinking and managing waste is ultimately focused on value.

Every process in your business either delivers value for your customers, or it doesn’t.

Reduce the waste in a process and you either reduce costs or impress customers or both.

Are you ready to take waste reduction action with your people?

**TIME TO DISAGREE:**

**“We run a really efficient business, and don’t need to manage waste.”**

As you’d expect, Toyota run a really efficient business too.

Toyota is also constantly looking to reduce waste across their business sites and business processes.

Are you really suggesting you are more efficient than Toyota? If you are, then you’re right in thinking there’s no competitive advantage, no cost savings and no profit improvement to be gained from managing waste.

Why not ask your team the question used by the headteacher and see what they suggest.

**“There are too many other things to do before we start managing waste.”**

Every business owner has many things to do every day and every week and every month.

So why not simply factor managing waste into one of your priorities for the week?

Hunting out STLC ways of reducing 1 of the 7 wastes should add little to your work schedule. It might even reduce the number of pressures on your time.

You’ll find the STLC framework in the tools section of this Business Bitesize. Why not use the Post-it note exercise and connect the STLC framework with 7 wastes?

You’ll then quickly have a profitable impact on your business, similar to the headteacher on page 1.

### Use the Business Bitesize Support Tools And Resources

to help you make the most of this edition of Business Bitesize – go here: [www.businessbitesize.com/aa\\_chartered\\_accountants](http://www.businessbitesize.com/aa_chartered_accountants) to download these

**Your feedback is important to us.** We’d love to know what you think of this edition of Business Bitesize and how you use it or plan to use it. Also we’d welcome your suggestions for future editions of Business Bitesize. To give us your thoughts please use the simple feedback form here: [www.businessbitesize.com/aa\\_chartered\\_accountants](http://www.businessbitesize.com/aa_chartered_accountants)

**“Getting the buy-in from my people can be hard work – I’m not sure they’ll go for managing waste.”**

Getting team engagement can be tough. And yet, of all things, managing waste can be the easiest way to get their buy-in. After all, you’re talking about making their job easier and making their job more pleasant. They too will want to deliver more value to your customers because customer satisfaction secures their job and secures their future.

Remember how a small interruption and small change can have a big impact.

All the headteacher did to create a leaner (less wasteful) teaching process was to get his teachers to LOOK at what and how they were doing their job.

He then chose to ASK his teachers a great question:

*“What one thing is making your job harder than it should be?”*

It was then easy to LISTEN and focus on an ‘STLC’ change – buying a few classroom keys.

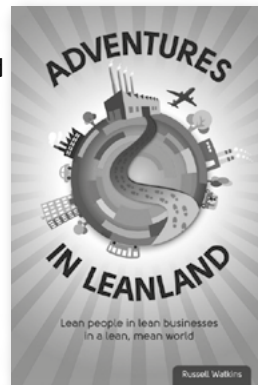
Worth trying LOOK ASK LISTEN ACT don’t you think?

### Tell me more...

Lean thinking has profoundly changed thousands of businesses, thanks to Toyota sharing their lean insights in many books.

Russell Watkins has worked with Toyota, JCB and other UK businesses.

His book ‘Adventures in Leanland’ provides some brilliant examples and brilliant insights into making your business a lean and profitable business.



## 4 helping hands for you...

Lean thinking requires a time-out so that you can think clearly about what you’re doing.

Here are four helping hands to get you started:

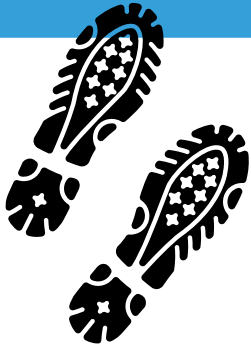
- 1. LOOK at a process you do regularly in your business**
- 2. LOOK at how you do this process and LOOK for 1 or more of the 7 wastes**
- 3. ASK your people performing the process the ‘headteacher’s question’**
- 4. LISTEN to the answers, capture all the suggestions and seek out the STLC things you can quickly change**

**ULTIMATE ARGUMENT:** “How do I know this will work for me and my business?”

You don’t know until you test using LOOK ASK LISTEN to hunt out waste. However, Toyota and many other world-class businesses treat lean thinking and waste management very seriously.

**STOP:** being busy busy busy and have a closer look at any processes you complete regularly or often.

**START:** hunting out 1 or more of the 7 wastes so that you can become more competitive, reduce your costs and increase your profits.



## Your next steps:

Here's your three-step approach to flushing out waste (no pun intended!).

This checklist will help identify the everyday tasks that are harbouring waste and engage your team in the pursuit of a more profitable and effective business for all of you.

## Start by asking the 'headteacher's question' to yourself...

In the tools section accompanying this edition of Business Bitesize you'll find the templates for your 'waste wall' and the 'do the maths' cheat sheets.

## More tools and information for you:

As well as the checklist here, you can use the exercises and tools in the online supporting material. Together they'll help you make more of this bitesize business breakthrough.

# Three steps so your business can reduce waste and increase profits

### 1. Prepare well:

- Get your hands on a pile of yellow and blue Post-it notes and plenty of pens.
- Take 8 sheets of flipchart paper. Mark 1 of the 7 wastes on each sheet and leave the last sheet blank.
- Book 2 x 30 minute training sessions with your team one week apart in a space that has at least one blank wall – your 'waste wall'.

### 2. Training session 1:

#### Find the waste

STOP your people "doing" for 30 minutes, ASK them: "What one thing is making your job harder than it should be?" LISTEN to their comments – actively encourage everyone to write something down on a yellow Post-it note and place it on the blank flipchart sheet of paper.

#### Categorise each Post-it note in turn

- Which of the 7 wastes do their suggestions fall into (it could be more than one)
- Use the Time-Cost Grid (see the tools) to identify STLC waste reduction actions for the Post-it notes
- Choose one STLC waste reduction action for one of the Post-it notes and implement immediately – ACT FAST

#### Add to the Post-it pile:

Ask your people to add more ideas (blue Post-its this time) to the pile whenever they think of them through their working week.

### 3. Training session 2:

- Do the maths for the STLC waste reduction you've already implemented
- Categorise the wastes written on the blue Post-It notes
- Choose the next waste to solve

For more details on this step-by-step process please visit the tools in the link below.

**YOUR SUPPORT TOOLS ARE HERE: Go to the link below and you'll find a suite of Business Bitesize reports and their step-by-step support tools that will help you grow your business. These tools will provide you with the keys to unlock the potential in your business.**



**Find the support tools to help you here - [www.businessbitesize.com/aa\\_chartered\\_accountants](http://www.businessbitesize.com/aa_chartered_accountants)**

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