

# SER® REPORT

## WASTE #6 - MOTION

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# SER® REPORT

## WASTE #6 - MOTION

Welcome to the Steel Efficiency Review® Report for Waste #6 – MOTION. This report has been compiled from our unique and proprietary industry insight resource – The Steel Efficiency Review®.

# 1053 >>>

## REVIEWS



### 7 YEARS ON OUR SOLUTIONS CONTINUE TO CREATE CUSTOMER VALUE

To date we've completed 1053 Steel Efficiency Review® visits nationally, with steel businesses both large and small.

This has amounted to over 2863 hours developing real solutions to save them time, money and reduce risks.

From these SER® appointments we have isolated findings relevant to specific industry sectors and niche businesses within that sector to identify business improvement insights – those that can help you run your business more profitably.

### IN THIS SER® REPORT, WE FOCUS ON WASTE #6–MOTION.

This report provides you with a summary of the common challenges faced by steel businesses serving diverse industries in Australia, relevant to **MOTION**. We also offer solutions to help you to build a more efficient and profitable business.

We hope this SER® Report provides an opportunity for you to look closer at your business and review your operation.

You're also welcome to participate in our complimentary Steel Efficiency Review® as a 'fresh set of eyes' helping you to identify ways to turn steel into gold.

If you have just participated we look forward to working with you to uncover the 'gold' in your business.

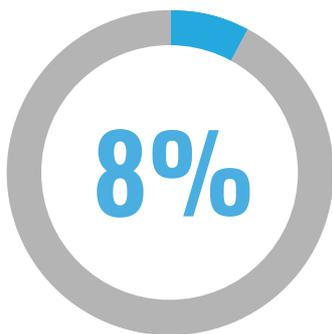
Regards

**The SER® Team**



# KEY FINDINGS FROM CONDUCTING OUR STEEL EFFICIENCY REVIEW® ON 1053 AUSTRALIAN STEEL BUSINESSES - RELEVANT TO MOTION

**MOTION** was considered to be a challenge for steel businesses serving diverse industries in Australia.



**86 clients from the 1053 completed Steel Efficiency Review® consultations, a total of 8% found opportunities to make improvements and savings in MOTION.**

These clients worked with our SER® consultants to jointly identify hidden MOTION wastes in their operations. Key SER® findings revealed the issues at hand with proposed solutions to provide step change improvements resulting in operational savings, greater efficiencies in production flow and overall profit improvement.

Excess **MOTION** tends to hide problems on the workshop floor, which must be identified and resolved in order to improve operating performance. This waste is related to physically moving product and is seen in all instances of bending, stretching, walking, lifting, and reaching. Jobs with excessive motion should be constantly reviewed and redesigned for improvement.

The Steel Efficiency Review® process recommends operations and production teams to make what the customer wants when they want it, pulling only what is ordered through your work flow. Excess **MOTION** causes increases in operational costs. Many businesses fail to eliminate excess **MOTION** as a waste as they simply won't change current operational and production methods or are not convinced on the improvement or change required.

With 1053 Steel Efficiency Review® consultations completed, we have found if you could eliminate or possibly reduce excess MOTION the savings would be straight back on your bottom line improving the profit in your business.

## COMMON CAUSES OF WASTE #6 -EXCESS MOTION:

### » **Poor Warehouse Layout**

Excess Motion can be caused by poor warehouse layout and lack of balance in the work flow - causing workers to physically move product and themselves unnecessarily. Examples comprise placing steel products at floor level on pallets, poorly arranged warehouse space, lack of space and no organization for component parts.

### » **Work Method Matching Design**

Another cause can be the design of a product not matching the existing work method and processes. This can then impact productivity – forcing workers to either cut corners or over exert themselves based on the design and supporting specifications.

### » **Unclear Standards**

Many operators will try to do the best job possible by either doing more to the product or less by adding or removing a process. Not following procedure or a work standard will create additional cost and waste.

## 3 KEY RECOMMENDED SOLUTIONS – EXCESS MOTION

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Utilising the Steel Efficiency Review® to better understand businesses serving diverse industries, our SER® consultants have recommended the following 3 key solutions to help with EXCESS MOTION:



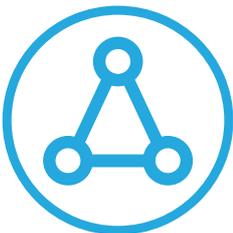
### 1. ENABLING 5S IN YOUR OPERATIONS

5S implementation with the use of Standard Operating Procedures to provide written instructions for all of your employees. These procedures will ensure the standardisation of methods across shifts and workers, combined with on the job training they are an highly effective way to improve the quality of your product as well as ensuring the reduction in MOTION.



### 2. REVIEW OF WAREHOUSE LAYOUT AND PRODUCTION LINES

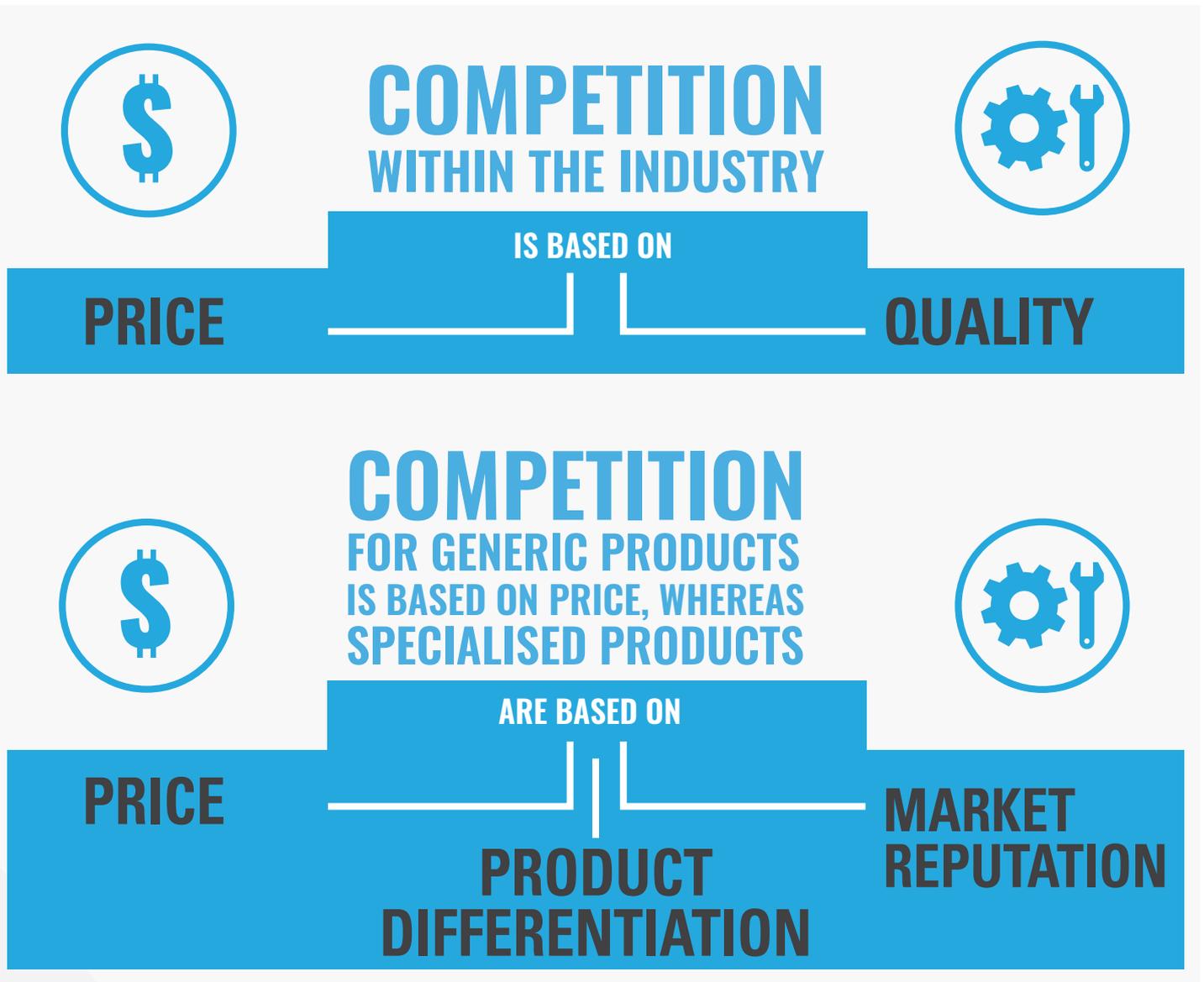
Look at the warehouse layout and by balancing the production processes to ensure that work in progress does not build up between production lines. It is not important to run every machine as fast as it can be run, at the end of the day we only need to make things as quickly as the customer wants them, no faster. A reviewed layout can ensure that we balance our processes and prevent excess motion.



### 3. ONE STEP – ONE DOLLAR

Movement is not work, but it costs steel businesses' time and money; so look to examining and reducing wasteful motions from setup processes. Every step a worker makes equals a dollar in 'lean manufacturing terms'. This will reduce and eliminate excessive motion from production steps.

## WHAT ABOUT COMPETITIVE ADVANTAGE?



The first step is to identify the common causes of **EXCESS MOTION** and realise that your business is actually doing it. We have uncovered when discussing our key findings from our Steel Efficiency Review® consultations with our customers, a common understanding is required to ensure we admit to the waste and want to find possible solutions to eliminate or reduce it.

Once we all understand the issues and challenges associated we can work together as supplier and buyer to recommend improvements. Keeping it simple is something we aspire to with our key findings and possible recommendations to ensure buy-in and implementation. Using simpler and easy to implement processes ensure our customers will first want to invest the time to change and reap the rewards in the long term.

Once some change is made and a recommendation has been implemented, business results start to follow. The recommended solution can be as simple as "5S implementation with the use of

Standard Operating Procedures to provide written instructions for all of your employees. These procedures will ensure the standardisation of methods across shifts and workers, combined with on the job training they are an highly effective way to improve the quality of your product as well as ensuring the reduction in MOTION." (Recommended Solution #1)

In making this change, our customers not only eliminate or reduce **EXCESS MOTION** but they start to put their own customers first and even highlight the causes of many other problems within processes that are hidden by this waste.

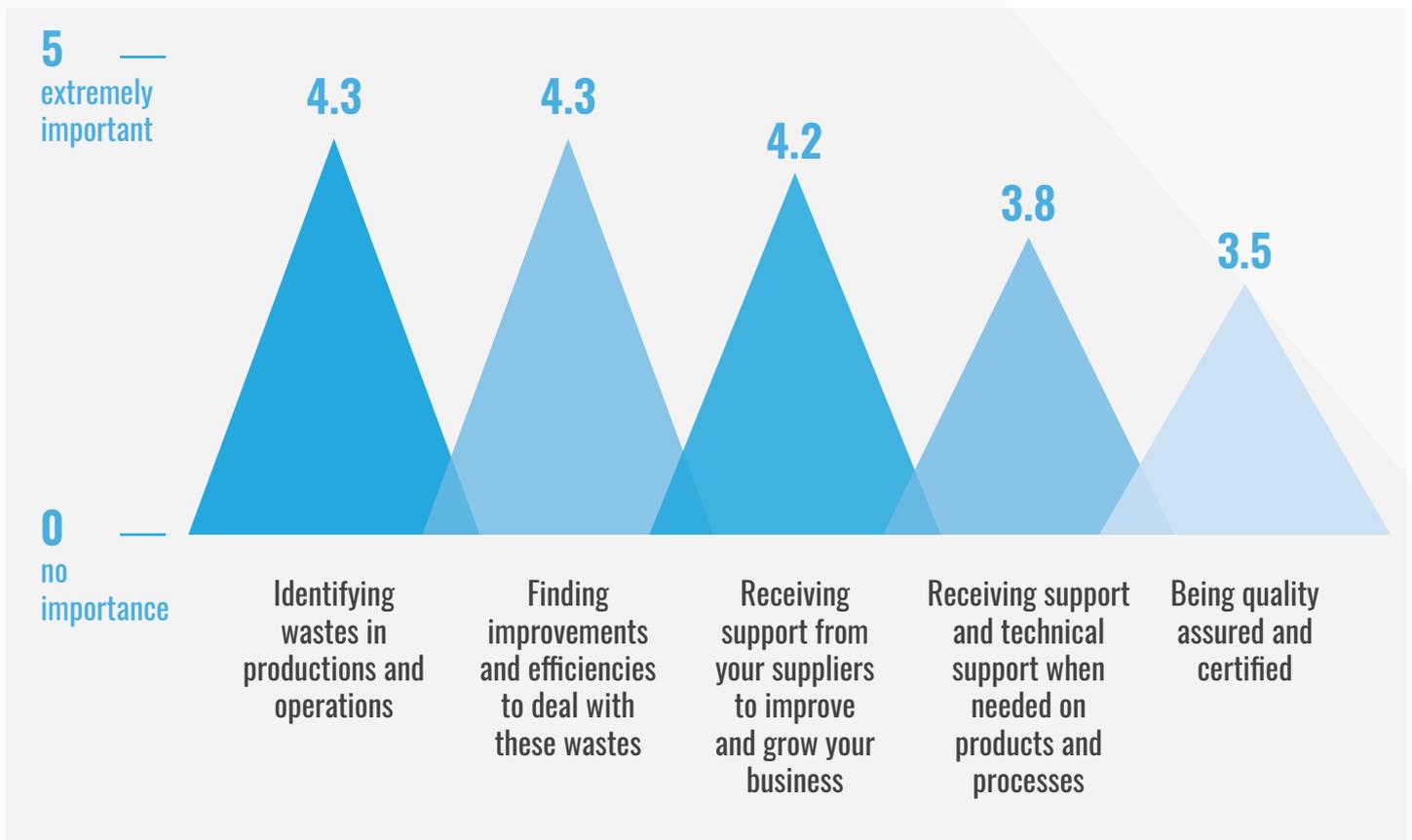
A competitive advantage starts to get built and can be very strong when customers start to experience a different and better offer, superior to others in the market. This then allows the right products to be produced based on customer demand. Add in a bit of customisation and expertise to develop specialised products – premiums can then be charged and more profit made.

## THE SER® CUSTOMER'S PERSPECTIVE SHINES THROUGH

It's clear when our customers are involved in the Steel Efficiency Review® they undertake a challenging role of looking at their business in a very different way.

They start to identify and examine wastes such as excess **MOTION** and try to understand the possible causes and drivers. They dig deeper and ask questions to determine possible solutions for improvement.

With the help of their SER® consultant the findings are then tested further and possible recommendations are considered. And when we look at the importance of relationships with our customers as we work closely together to create win-win opportunities, it's quite clear that supporting each other along the way creates a long lasting partnership. When we asked our SER® customers how they would rate the importance of the following factors to their business – we found:



## THE SER® CUSTOMER EXPERIENCE DRIVES A STRONGER RELATIONSHIP

So when it comes down to it, what actually drives our SER® customers to want to make a change in their business? And what is the role of the SER® consultant at this point in the journey?

When we asked our customers what drove them to undertake the Steel Efficiency Review® they answered both these questions. They commented on "needing some support to work on their business - rather than in it". They also mentioned they were after a "different point of view or perspective on their business".

This was the role of the SER® consultant to first build comfort into the process and ultimately look for win-win opportunities for both customer and supplier. 7 years on our customers will remember these initial wins and continually look for more improvements in wastes such as excess MOTION to implement some change to produce great results.

# CONCLUSION

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The key findings from conducting 1053 Steel Efficiency Review® on Australian steel businesses relevant to Waste #6 – MOTION, show the need for:

## HIGH QUALITY STEEL PRODUCTS MADE SAFELY, DRIVEN BY STANDARD WORKING PROCEDURES.

When speaking to 1053 steel businesses involved in diverse industries nationwide, we concluded that it comes down 3 key solutions to help with EXCESS MOTION:

- **ENABLING 5S IN YOUR OPERATIONS**
- **REVIEW OF WAREHOUSE LAYOUT AND PRODUCTION LINES**
- **ONE STEP – ONE DOLLAR AS A SOURCE OF FURTHER EXAMINATION**

In implementing these recommendations, our customers not only eliminate or reduce EXCESS MOTION but they start to put their own customers first and even highlight the causes of many other problems within processes that are hidden by this waste.

A competitive advantage starts to get built and can be very strong when customers start to experience a different and better offer, superior to others in the market. This then allows the right products to be produced based on customer demand. Add in a bit of customisation and expertise to develop specialised products – premiums can then be charged and more profit made.

We have found, our customers pursue the SER® as a vehicle to look at their business in a different way to make some small changes to reap big rewards. When we asked our customers what drove them to undertake the Steel Efficiency Review® they used words such as “fresh set of eyes” and “cost efficiencies” and “value” to determine their thinking behind their decision.

It's worth noting that product pricing was a considerable factor, mentioned by our customers more as the outcome rather than the deciding factor. This shows just how hard it is to build trust first, then get customer experience right - utilising the Steel Efficiency Review® process.

**STEEL EFFICIENCY**  
REVIEW®



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