

Lean Manufacturing

Is Your Industrial Metal-Cutting Organization Too Lean?

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What You Need to Know

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Another dangerous outcome of being "too lean" is being unable to adjust to changing market conditions.

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Over the last decade, the term "lean" has become synonymous with "success" in manufacturing. In today's market, only the "leanest" survive.

This trend has hit almost every segment of manufacturing, although some have jumped on the bandwagon faster than others. At this point, most leading industrial metal-cutting organizations have incorporated some form of lean principle into their operation, and those that haven't are starting to consider it. In fact, our eBook, *Five Performance-Boosting Best Practices for Your Industrial Metal-Cutting Company*, recommends that lean manufacturing should be at least part of your operational strategy.

However, is it possible for your metal-cutting operation to be too lean? According to a *recent article from EHS Today*, the answer to that question is yes. "The more you reduce costs – the more you do with less – the more you believe is accomplished and the closer you approach maximum efficiency," the article states. "The drawback of this popular leadership strategy is that the line of acceptance is a moving target with the point of failure centered about the moment of imbalance."

The article goes on to say that over time, "the reduce-reduce strategy" can stretch an organization beyond the elastic limit, usually without anyone noticing. "Like our bodies, organizations need minimal resources to function properly," the article explains. "Year-over-year reductions compounded with additional performance requirements will cause the organization to rely on calories they do not have to burn."

How do you know if your organization has reduced beyond its limits? Below are a few warning signs, according to *EHS*:

- Untimely and numerous early retirements by the most knowledgeable resources.
- Unexpected and voluntary separations from early and mid-career professionals.
- Organizational culture indifference to change.
- Missed commitments.
- Lower quality productivity.
- Higher injury experience.
- Lower customer satisfaction.
- Higher absenteeism.
- Lower standard of excellence.
- Loss of leadership credibility.
- Long working long hours.
- Organizational undercurrents of frustration.

Another dangerous outcome of being “too lean” is being unable to adjust to changing market conditions. An *article from Lean Manufacturing Tools* explains: “Too many people in the past have used a lean definition that concentrates purely on waste reduction and have created anorexic processes that fail as soon as customer demand changes.”

This is not to say that lean manufacturing tools are short-term and cannot be used over a long period of time. Instead, *experts* suggest that lean manufacturing tactics should evolve as a company evolves and improves. In addition, *this article from IndustryWeek* says that management needs to be sure they treat lean manufacturing as “a way of life,” not just a project.

Like anything, the key is finding a balance. Efficiency and waste reduction should be a priority, but they can’t come at the cost of safety, quality, or the overall financial health of the company. As the article from *EHS* explains, “Success comes in realizing how much ‘efficiency’ is the right amount to preclude organizational excellence from reaching the point of inevitable failure.”

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Are there any areas of your industrial metal-cutting organization that have become too lean?

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