















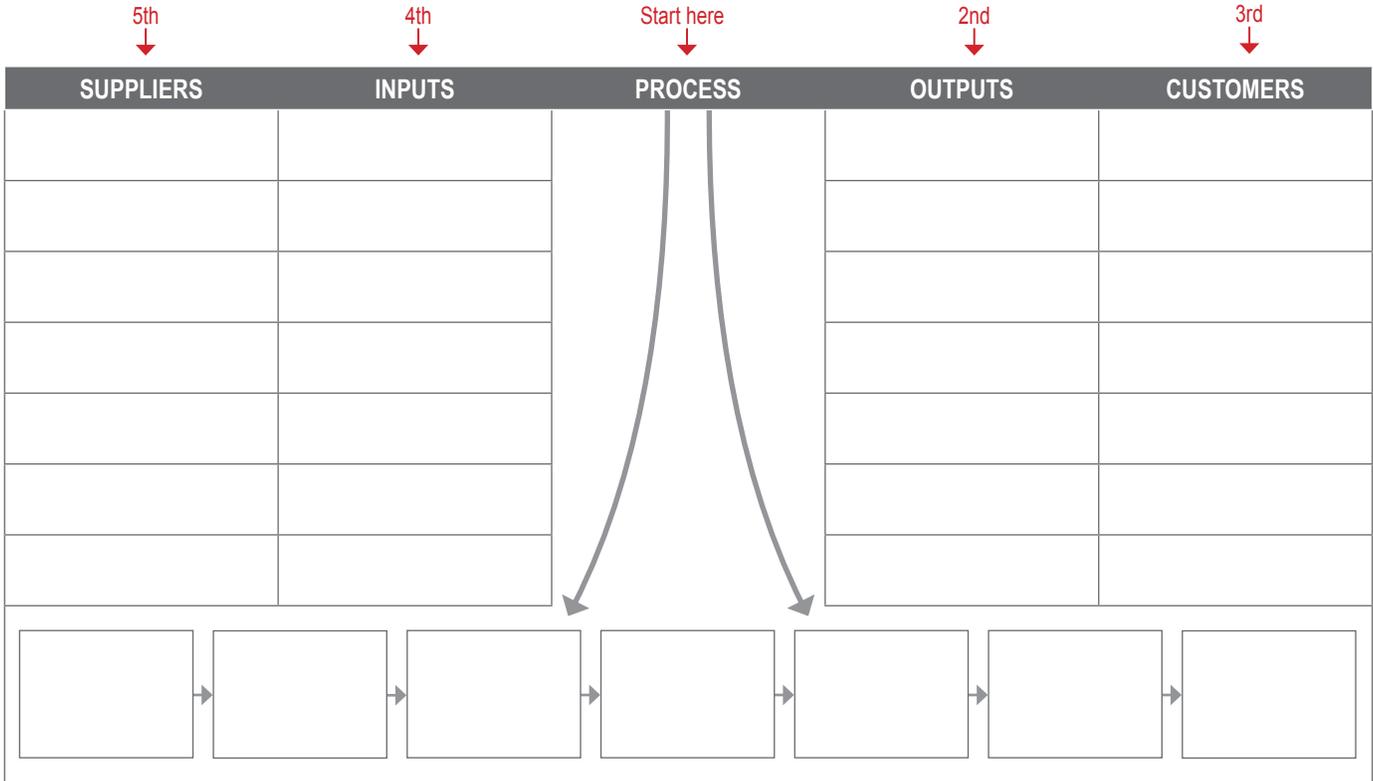




Continued...

The template continues below, giving you a chance to create a SIPOC (which will serve as a macro view of the process) and identify key measures. These important stage-setting steps will get your project started right.

• **STEP 6: Create a SIPOC.**



• **STEP 7: Identify key measures.**

Without measures, it's hard to tell whether a process is being improved – and impossible to tell the degree of improvement. The key with Lean is to identify a set of meaningful measures that drive the process improvement effort.

Some of the most commonly used measures are listed on the right. For example, lead time (which measures the total process time from first step to last step) is a mainstay measure in Kaizen, with most teams aiming to reduce lead time by at least 50%.

For your own process improvement project, what are three critical measures that will best convey the degree to which your improvement effort is successful? What will you most want to track?

You can easily justify having additional measures, but for this exercise, narrow in and write down the top three.



<b>Time-based process measures</b>	<ul style="list-style-type: none"> <li>↓ Lead time</li> <li>↓ Cycle time</li> <li>↓ Waiting time</li> <li>↓ Time to complete form</li> <li>↓ Motion, travel time</li> </ul>
<b>Count-based process measures</b>	<ul style="list-style-type: none"> <li>↓ Process steps</li> <li>↓ Handoffs</li> <li>↓ Decision points</li> <li>↓ Loopbacks</li> <li>↓ Delays</li> <li>↓ Customer complaints</li> <li>↓ Number of forms</li> <li>↓ Inventory quantity</li> <li>↓ Backlog</li> </ul>
<b>Outcome measures</b>	<ul style="list-style-type: none"> <li>↑ Customer satisfaction</li> <li>↑ Direct cost savings</li> <li>↑ Customer cost savings</li> <li>↑ Redirected work hours due to gains in efficiency</li> </ul>