LEAN - excellence in operations

Lean is a methodology currently used by most leading multinationals, which allows companies to gain competitive advantage, provides the organization with increased flexibility and cost reduction. At Ernst & Young, Lean is understood as successive and permanent elimination of waste and the creation of mechanisms within companies that promote continuous improvement.

LEAN Approach:
Focus on eliminating activities that do not add value, i.e. those for which the customer is not willing to pay given a choice, including:
- transport
- cost of excessive inventory
- waiting time
- equipment failures
- the cost of poor quality

Traditional Approach:
Focus on activities that add value from the client's perspective:
- increasing labor standards
- local "revolutions"
- overloading of the process
- acceptance of waste

Lean approach is based on improving efficiency by eliminating waste, which occurs always and everywhere.

Through the use of Lean tools and methods all operations performed are subject to scrutiny. This allows you to optimize the operations that add value from the client’s perspective and it does eliminate steps that do not.
“We get brilliant results from average people managing brilliant processes. We observe that our competitors get average (or worse) results from brilliant people managing broken processes.”

- Fujio Cho, Vice President of Toyota Motor Corporation

Activities that do not add value from the customer perspective, according to Lean terminology, are referred to as waste (Japanese: “muda”). There are 7 basic types of waste:

- overproduction,
- excessive inventories,
- defects and rework,
- unnecessary movement,
- overprocessing,
- waiting,
- unnecessary transport.

Lean has developed a wide range of tools that can be successfully used in the various industries and sectors, including services, government, healthcare, supply chain and manufacturing.

- VSM
- 5S
- JIT
- Pull system
- Kanban
- Poka Yoke, Andon
- Six Sigma
- Kaizen, Continuous Improvement
- Standardization
- Visual management
- One piece flow
- SMED
- TPM
- ...

- Market advantage
- Increased level of customer satisfaction
- Increase in productivity
- Improved cash flow
- Reduction of costs
- Shortening the time of key processes
- Improving quality
- Improving internal cooperation between departments
- Increase in employee satisfaction
- Organizational culture focused on continuous improvement
- Increased business flexibility
- Effective problem solving
- Better supply chain management
- ...

VA - value added operations
NVA - non-value added operations
Our approach

Ernst & Young team provides professional and thorough implementation of Lean management in any organization, manifests itself by developing our unique methodology for implementation, putting equal emphasis on “hard” and “soft” aspects of Lean. The first of these manifest themselves in an adequate and carefully tailored to customer needs use of the main tools of Lean Management. These are each time tailored to the expectations and needs of the Client.

On the other hand, during implementation, we place great emphasis on the “soft” aspects, i.e. the implementation of Lean in the daily duties of employees at all levels of an organization, because these determine the sustainability of implementation. A comprehensive approach to the implementation of Lean management must take into account the culture of the organization and its talent. The ability to involve the people will tip the scales of Lean implementation success. Therefore, our methodology allows the implementation to achieve the best results.

Include
Our projects are carried out together with the employees of your organization. This allows us to better understand your needs and the needs of your customers. In this way, our knowledge and experience are passed onto your organization.

Develop
Development of solutions, recommendations, and the target model always takes place with regard to the development of your potential. The organization actively participates in ongoing work with our active support and coaching.

Engage
Involvement of your employees at all levels of the organization ensures the success of jointly developed solutions. So from the very beginning they participate in improving the organization.

Ernst & Young balances the “hard” and “soft” aspects of Lean management in building a culture focused on waste elimination and continuous improvement.
Areas of activity

We employ top-class experts in Lean Management with years of practical experience in implementing Lean. Our consultants have gained expertise in the country and abroad, carrying out implementations of Lean Management for leading manufacturing and service companies.

Their skills are confirmed by the success of projects completed and a number of national and international training courses they have attended, organized by renowned universities and institutes. As a result, we are able to offer you a smooth and professional implementation of Lean, based on the highest standards and global models in this area.

Thanks to the experience and competencies of the team we can offer the implementation of Lean Management in the areas of:

- Production
- Services
- Administration
- Healthcare Services
- Supply Chain
- Customer relations

The Ernst & Young experience, based on a unique methodology, ensures success and sustainability of the implementation of Lean Management in the areas of manufacturing, services (including banks and insurance companies), government, healthcare, supply chain and customer relations.
## Industry experience

Below we present examples of the benefits to our customers which resulted from the implementation of Lean methodologies:

<table>
<thead>
<tr>
<th>Production</th>
<th>Banking/Insurance</th>
</tr>
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<tbody>
<tr>
<td>• Productivity growth</td>
<td>• Increased customer satisfaction</td>
</tr>
<tr>
<td>• Reducing lead time</td>
<td>• Improved internal collaboration between departments</td>
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<td>• Balancing the workload between stations</td>
<td>• Changed organizational culture towards continuous improvement</td>
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<tr>
<td>• Implementation of the principles of standardized work, 5S, visualization of results</td>
<td>• Creation of platform for exchange of best practices</td>
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<td>• Implementation of incentive schemes</td>
<td>• Introduction of management by objectives</td>
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<tr>
<td>• Reduction of costs</td>
<td>• Reduced time spent on improving poor quality (called „failure demand”)</td>
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<tr>
<td>• Increase in employee satisfaction through better organization of work</td>
<td>• Increased customer satisfaction</td>
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</table>

<table>
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<tr>
<th>Supply chain</th>
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<tr>
<td>• Segmentation of suppliers and developing a concept of cooperation for each of the segments</td>
<td>• Increased operational flexibility and improved working capital management (improved liquidity)</td>
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<tr>
<td>• Minimizing the level of stocks of raw materials</td>
<td>• Established mechanisms for initiating innovation from suppliers</td>
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<tr>
<td>• Improving the quality and timeliness of delivery allowing for the implementation of JIT</td>
<td>• Limiting the number of quality deficiencies</td>
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<tr>
<td>• Establishing mechanisms for joint problem solving</td>
<td>• Improving the efficiency of transport</td>
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<td>• Establishing open communication structures</td>
<td>• Standardization of storage processes</td>
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Ernst & Young’s experience includes the implementation of Lean in all sectors. Using our global experience we act locally, adapting our activities to individual customer needs.
What makes us different?

We are distinguished by the fact that, among others we:

- focus on the practical aspects of implementation of Lean methodologies and
- we operate within the framework of a global consulting company, which means that we are able to offer comprehensive consulting services in areas beyond the Lean methodology.

Our comprehensive offer ensures consistency of the proposed solutions for all areas of activity of your company covered by the project and helps you coordinate the project.

We provide services for the majority of the 100 largest Polish firms in the “Rzeczpospolita 500” ranking (2011 Edition).

We employ over 200 consultants. They gained experience and qualifications working in many companies in the industry of advisory and audit, and in large multinational corporations, as well as in the public sector. They have numerous certificates and diplomas recognized in Poland and abroad, attesting their qualifications. These include: Six Sigma, MBA, PMP, CFA, CIA, CISA or ACCA.

Our customers benefit from the investments that we make in the knowledge of people, methodology, technology and knowledge systems. Together with our customers we face the challenges of risk in a rapidly changing global market.

In addition to Lean, Ernst & Young provides advisory services in the following areas:

- efficiency management,
- business risk management,
- financial risk management,
- fraud risk management,
- IT consulting,
- financial advice,
- tax optimization and acquisition of EU funds,
- transaction advisory,
- customer relationship management.

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 152,000 people are united by our shared values and an unwavering commitment to quality.
Our experience shows that Lean projects often require a combination of advice in other areas. As one of the few on the market, we are able to address these needs and offer you a comprehensive product that includes advising on strategy, cost optimization, IT systems (including ERP), taxes, optimizing financial functions, working capital management, etc.

We make a difference by helping our people, our clients and our wider communities achieve their potential.

What marks us apart from competitors is the fact that during the project, we are able, at any moment, to offer you additional support in five different business areas, involving more than 200 consultants.
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... do more and more, using less and less human effort, equipment, time and space, providing customers with what they want just in time ...
About Ernst & Young

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