



Extended LEAN™ Increases Speed to Competitive Advantage. Continuous Improvement Method Takes Companies from Surviving to Thriving.

Most operations and logistics leaders have spent at least part of their careers implementing LEAN principles within companies to improve quality, cost and delivery performance. The majority likely learned basic LEAN methods in week-long doses of kaizen (“good change” in Japanese) events trying to reduce wastes. Today many of those early adopters – and new LEAN thinkers alike – are implementing Extended LEAN to maximize continuous improvements outside their four walls and beyond the shipping and receiving docks. COOs and CEOs around the world are embracing Extended LEAN, as it takes their businesses from surviving to thriving.

Businesses which struggled to sustain the initial gains from LEAN are experiencing a paradigm shift with Extended LEAN. All of the same principles of LEAN apply within the supply chain, but on a much broader scope. Instead of looking at one process or one facility on a value stream map, companies look at their entire supply chain network, which may cross multiple companies, facilities, industries and countries. This broader view of seeing the whole value stream defines Extended LEAN and takes supply chain continuous improvement from tactical to transformational.

By value stream mapping the flow of information and materials, businesses see and eliminate the waste in upstream and downstream processes – from the originating supplier to the end customer. By visualizing the current state of the entire supply chain, businesses are able to create a robust future state. The Extended LEAN roadmap reduces costs, saves time, creates long-term enterprise value and increases speed to competitive advantage.

Efficiency gains can be realized through mapping the value streams of concept to market, raw materials to finished goods and order to cash. Logistics-related process improvements in the order to cash value stream are applied to achieve rapid results through enhanced carrier sourcing, freight invoice audit and payment services, transportation management systems technology and business intelligence, including interactive web-based analytics.

At Transportation Insight associates continue to hone their knowledge of LEAN principles, so that they can use this thinking style coupled with their supply chain analytics tools and logistics expertise to change the “game” for our clients. We want to continuously

improve every part of our clients’ extended value streams while their internal teams focus on their strategies, culture and behaviors to drive excellence. This co-managed approach of looking at network optimization, inventory management, international options, warehousing wastes, sourcing strategies and LEAN improvements enables us to continuously improve their business from the eyes of their customers.

Internationally-recognized Executive Director of the Shingo Prize for Operational Excellence Robert Miller spoke with Transportation Insight at the 2013 Shingo Prize Conference. Miller shared his insights on value creation. “Our work in identifying and recognizing the world’s best organizations has revealed three important insights,” Miller said. “First, every great organization that consistently is able to flow value to their customers understands that value creation only comes when every element of the supply chain is fully aligned and constant in their purpose. Second, great organizations build improvement into their culture rather than attach programs, events and tool kits to an existing culture. Finally, great organizations understand that ideal results are a consequence of ideal behaviors,” Miller added. “Very few of even the best organizations have been successful in building a strong supply chain based on these important insights.”

At Transportation Insight we partner with great organizations that are looking for ways to improve every part of their supply chain. By applying Extended LEAN methodology and the co-managed approach to enterprise logistics, our clients not only survive in a competitive environment, but they thrive as agile, adaptive and dominant players. Traditional LEAN may take years to impact the bottom line. Extended LEAN shaves years from the company’s continuous improvement journey – in some cases doubling the size of the business.

Eric Lail is one of the world’s 200 Shingo Prize examiners and an expert in Extended LEAN. Transportation Insight is a global lead logistics provider. For over a decade, the 3PL has partnered with hundreds of manufacturers, distributors and retailers to achieve significant cost savings, reduce cycle times and improve customer satisfaction rates by providing customized LEAN supply chain solutions. For more information, please contact us at 877-226-9950, extendedlean@transportationinsight.com or www.transportationinsight.com.