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Think Lean: A Survival Strategy for Today's Companies

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It's a new world.

An excerpt from a recent Harvard Business Review article by Chris Zook captures some of the essence of our new world. "New technologies lower costs and shorten product life cycles. New competitors, including China and India—shake up whole industries. Capital, innovation, and management talent flows more freely and more quickly around the globe. The churn caused by all this is wide-ranging. The average holding period for share of common stock has declined from three years in the 1980s to nine months today. The average life span of companies has dropped from 14 years to just over ten, and the average tenure of CEOs has declined from eight years a decade ago to less than five today. Business leaders are acutely aware of these waves of change and their ramifications."

While many traditional reactive responses to abrupt economic shifts and market changes such as mergers & acquisitions, massive layoffs, and cost containment/cost cutting are often still applicable, an alternative strategy is fast emerging that affords the organization agility and mobility in an ever-fluctuating environment.

Adopted from "lean manufacturing" fathered by the likes of Frederick W. Taylor, W. Edwards Deming, Henry Ford, and Toyota's Taichii Ohno, the **lean business** model is not about doing more with less. The strategy is to do more with what you already have; swiftly developing people and resources to their highest and best use.

The primary objective of the lean business model is to design business processes and procedures that reduce process cycle time and variance, eliminate waste and the probability of errors, uncover hidden capacity, decrease learning curves, improve service quality, and subsequently increase process output capacity. Behind any internal (departmental, interdepartmental, or organization-wide) or external output - - from invoice approval and payment (internal) to processing a closed sale (external) - - is a process that is often unnecessarily complicated and burdened with unnoticed waste and inefficiencies which cost companies and their clients time and money.

Lean business fundamentally begins with a top-down organization-wide commitment to observe, un-learn, experiment, work smarter not harder, and most importantly break old habits and the "we've-always-done-it-that-way" paradigm. Irrespective of company size, industry sector, scope of services and customer base, lean business techniques have been successfully applied by leading organizations and small to mid-size companies around the world.

By adopting a lean business model also known as "thinking lean", your organization is better prepared to anticipate, flex, and respond to abrupt changes in the global economy,

increased competition, scarce availability of a qualified workforce and other issues that plague the minds of executives and business owners through the incorporation of **continuous improvement**. A truly lean organization continuously identifies, reduces, eliminates, standardizes, and improves.

Thinking lean with its focus on continuous improvement spurs the momentum for the entire organization to exist in a constant modality of anticipating, innovating, and looking for ways to improve in order to stay agile and competitive, in order to stay responsive and alive.