

APPLYING LEAN TOOLS TO MINIMIZING WASTE IN A COMPANY LOCATED IN PERAK



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ABSTRACT

The purpose of this research is to identify the main wastes that exist in a SME company located in Perak. This has affected the company in term of the profit performance. This research will recommend the solutions to be implemented in the company in order to improve their company's performance. A qualitative method has been chosen for data collections. It involves interview with 9 participants which are the workers of the company. This research findings indicates that, the main waste that exist in the company is unnecessary motion. Therefore, the researcher has come out with proposed solutions to minimize the waste by applying appropriate lean tools.

INTRODUCTION

This study is done to help a SME company in Perak to identify main wastes that exist in that company which leads them to suffer on reduction of company's profitability and recommend proper solution to be implemented in order to improve their company's performance.

SIGNIFICANCE OF STUDY:

The minimization of waste in the company will resulting the company to lowering the cost, increase in profitability and enhance performance environment (Hyde et al. 2003).

OBJECTIVES

1. Identify the main waste that exists in the company using value stream mapping.
2. Recommend improvement to be implemented by the company to minimize waste that has been identified.

METHODS

This research will be carried out by using qualitative method ; direct observation and conducting an interview session.

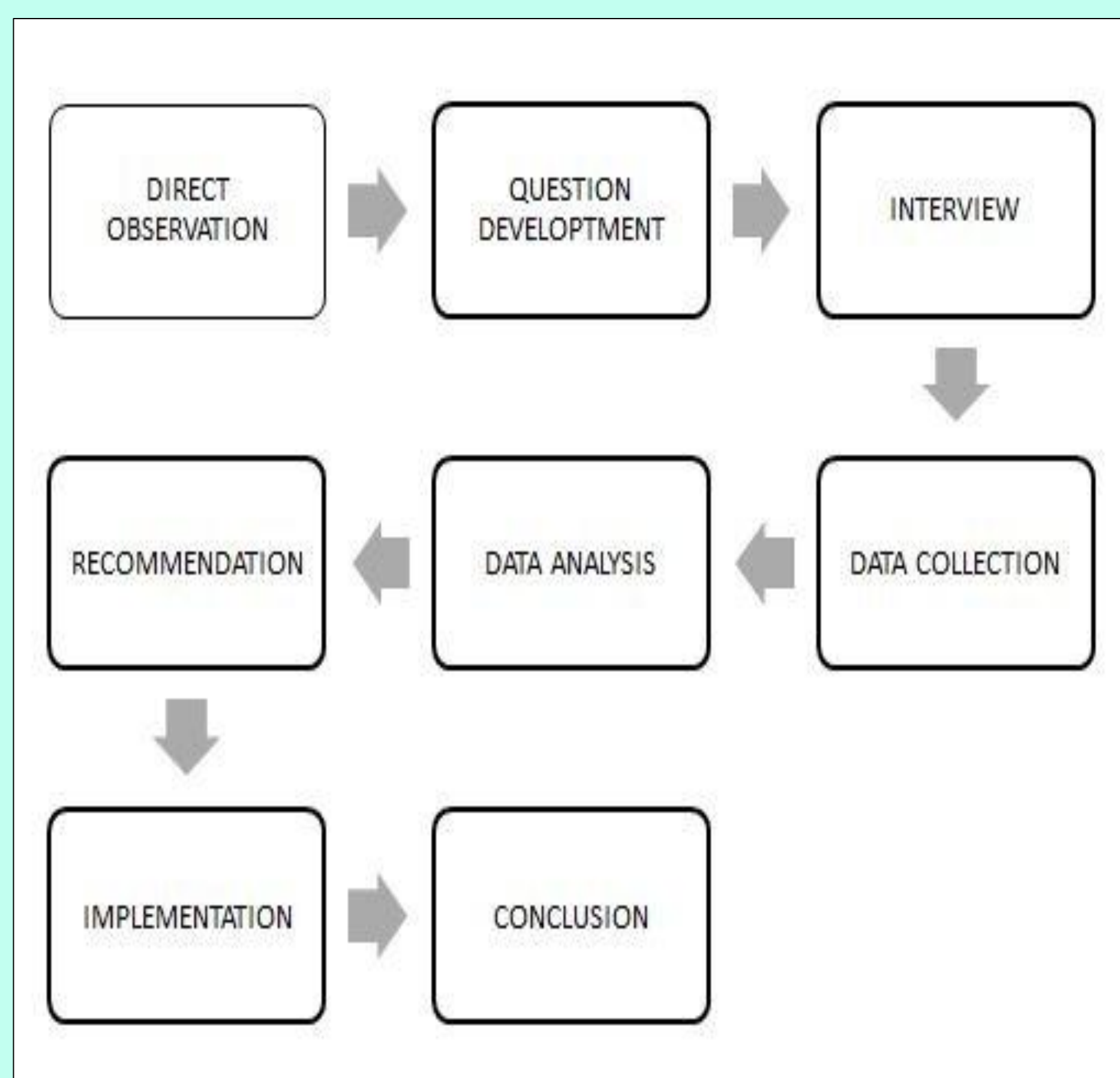


Figure 3.1 : Flow diagram method for study

RESULTS

MAIN WASTE IDENTIFIED : UNNECESSARY MOTION

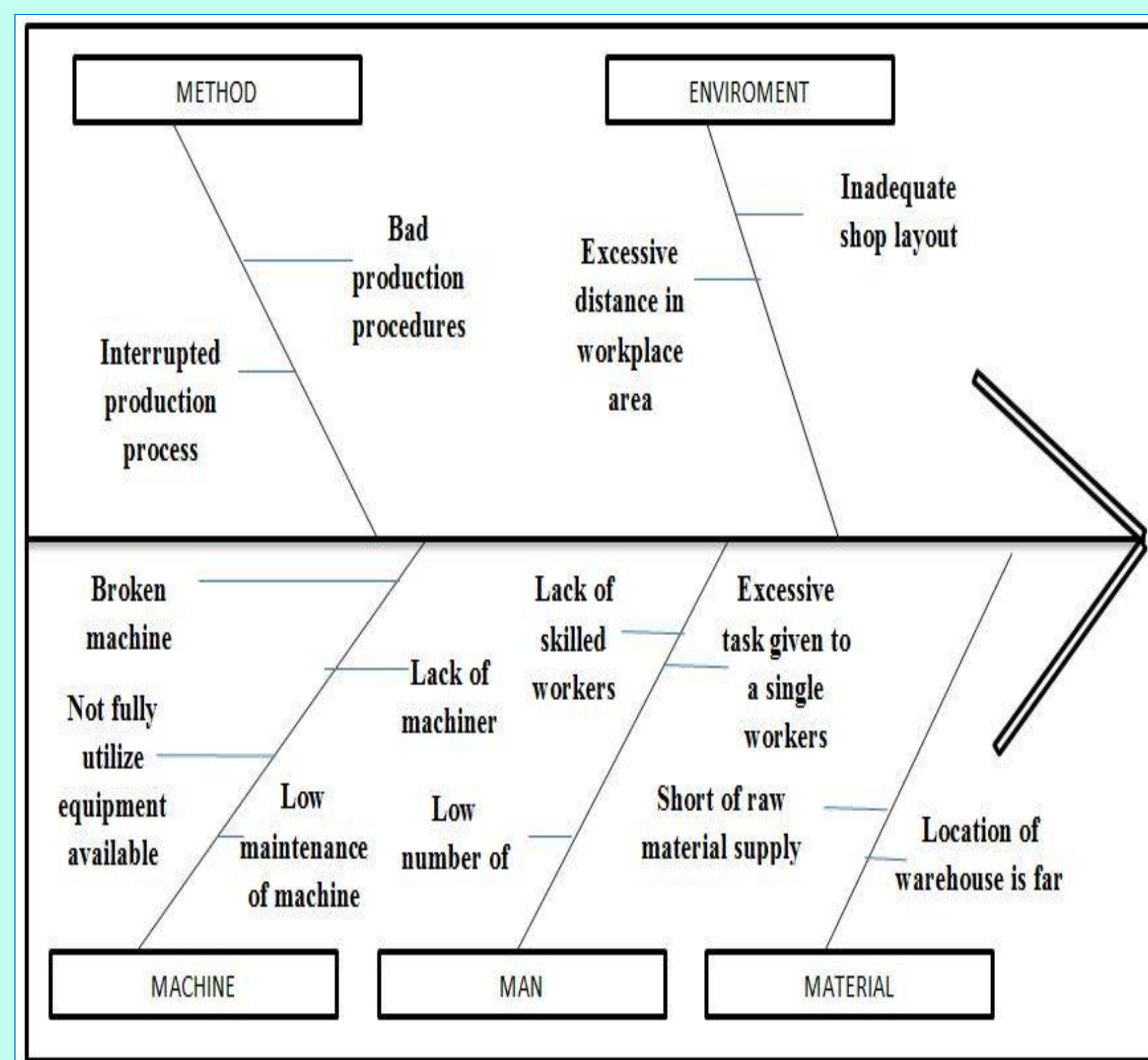


Figure 5.1: Cause And Effect of Unnecessary motion



Figure 5.2 : Summary of 5 Why analysis of the research

PROPOSED SOLUTIONS: IMPLEMENTING KAIZEN

1. Improving and upgrading the efficiency of training for the workers ;
 - Extend the duration of training period
 - Hiring expert to conducting training session
2. Adjusting the current shop layout. - Minimizing the motion waste.

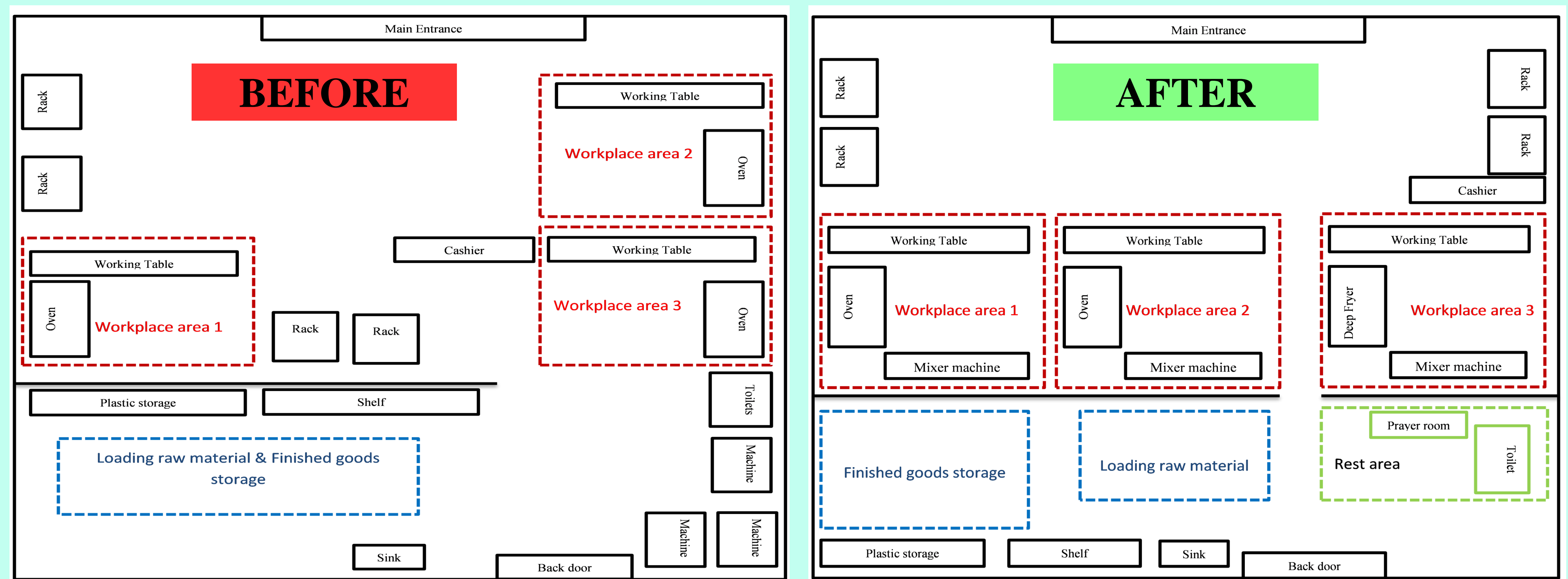


Figure 5.2 : Current shop layout proposed current layout

BEFORE	AFTER
<ul style="list-style-type: none"> • Machine is located at the back of the shop (far) • Raw material are mixed with finished goods storage. • Cashier location is far. (increase movement) 	<ul style="list-style-type: none"> • Machine are placed near the working area • Loading raw material and finished goods storage are improved • Cashier location are placed near to customers

CONCLUSIONS AND RECOMMENDATION

In conclusion, implementation of kaizen in the company may help to minimizing unnecessary motion waste in NAB Industri Enterprise. It is the best option of solution because kaizen involving all people in the organization and incurs low cost for implementation. The improvement will be made later will minimizing company waste and indirectly will increasing the profitability of the company. For future research, it is recommend that researcher improves the scope of the study and also expanding the target of participant which by comparing two (2) or more SME company.