

Lean Kaizen Business Consulting

System Assessment/Audit

*Become a least cost producer with
world class Quality & Delivery*



Key to the future Survival

I have always believed that if you put in the work, the results will come.
– Michael Jordan

A Journey to World class organization.....



Why System Assessment/ Audit is necessary?



An assessment of these scorecards articulates if the company making progress or if amelioration is required.



The assessment scorecard is beneficial for monitoring the monthly company score and set targets for the future months.



A lean assessment is not merely an audit of the current operations while implementing the lean production system, daily management and lean accounting but also a directive to take the company to the next level of operations.



Lean assessment steers the focus of the decision-makers in the right direction and acts as the true North Star for the company by laying down the road map for the future.

Lean Assessment Scorecard

Currently where we are ? - A lean assessment scorecard is designed for this purpose. Every company in each industry is unique in its own way, and before any company starts benchmarking against the industry's best players, it can use this assessment tool to assess what is the current status of the company and analyze the progress achieved every quarter.

Table 17.1 through Table 17.18 show the assessment audit score methodology.

18 Yard sticks-It has 18 yardsticks to judge the company's implementation journey of the lean production system, daily management system and lean accounting system.

The assessment is initiated after evaluating the progress of implementation of the following benchmark areas:

1. 6S Audit Score of the Company
2. TPM – OEE, MTTR, MTBF, TBM, CBM implementation
3. TQM
4. Progress of Continual Improvement Projects in Hand across Functions
5. Flow and Pull of Kanban System
6. Flow and Pull – Supermarket Kanban System Implementation as a Percentage of Total Products Applicable
7. Daily Management and Visual Management
8. Value Stream Implementation
9. Performance Measures on the Work Center and Value Streams
10. Performance Measurement System
11. Production Capacity Measurement
12. Corporate Scorecard
13. Product Costing Based on Lean Accounting
14. Value Stream Budgeting and Planning
15. Continual Improvement Projects across Functions
16. Financial Benefits Due to Implementation of Lean Production System and Daily Management.
17. Transactions Elimination and Transaction Time Reduction
18. Change in Role of Finance People Due to Lean Implementation

Lean Assessment Scorecard



1. If the assessment scorecard has **an increasing trend**, then the lean production system, daily management system and lean accounting system implementation will be giving positive results
2. **Increasing trend** in the assessment scorecard will motivate managers, staff and workmen to work harder to achieve the target score in the future.



A negative trend of the lean assessment score will mean the implementation process needs to be reviewed.

Perfect Gear Company lean assessment was done as per the above methodology every month from 31st March 2018.

Only two lean assessment scorecards for the months of March 2018 and March 2019 are exhibited here in detail to showcase the methodology.

Key Takeaways- Lean Assessment Audit-

1. Audit with Direction to take to next level

A lean assessment is not merely an audit of the current level of operations while implementing the lean production system, daily management system and lean accounting system but also a directive to take the company to the next level of operations.

2. Acts as North star

It steers the focus of the decision-makers in the right direction and acts as the true North Star for the company by laying down the road map for future. The lean assessment scorecard is designed for this purpose.

3. Judge progress every month

Every company in each industry is unique in its own way and before any company starts benchmarking against the industry's best players, it can use this lean assessment tool to assess what is the current status of the company and analyze the progress achieved every quarter.

4. Must show upward trend-

If the lean assessment scorecard has increasing trend, then the lean production system, daily management system and lean accounting system implementation will be giving positive results.

5. Review the negative trend

- A negative trend of the lean assessment score will mean the implementation process needs to be reviewed.

6. Great Motivation with positive trend

Increasing trend in the lean assessment scorecard will motivate managers, staff and workmen to work harder to achieve the target score in the future.