

## Lean Management vs Traditional Management

Are the functions of a manager different in a lean manufacturing environment versus a traditional management structure truly different? Of course it will differ in some ways and in other ways it won't at all. It is important though to understand what the differences in a lean manufacturing environment for managing people and processes are compared to in a traditional manufacturing environment.

So what are the differences? In a lean manufacturing environment production is based on real customer demand. In a traditional manufacturing environment production is based on what you hope to sell. Instead of pushing product into the market, lean production pulls the product through a system that is set up to quickly respond to a customer's needs and demands.

Below are some of the differences, that are outlined and side-by-side, so you can see how the different management practices are truly different. For this demonstration though we are just going to focus on the manufacturing side of the organization.

<b><u>Lean Management</u></b>	<b><u>Traditional Management</u></b>
Production is made to order	Production is based on a forecast
Products are made to fill customer orders	Products are made to replenish the inventory
Cycle times are in hours and days	Cycle times are in weeks and months
Inventory levels are based on one-piece flow	Inventory levels are based on large batches
Stations are set up by product flow	Stations are set up by department function
Quality is tested at each station	Quality is done through random sampling
Workers are empowered for identifying improvements	Workers have little or no input
Manufacturing schedule flexibility is high and easy to adjust	Manufacturing schedule is rigid and hard to adjust
Manufacturing costs are controlled and decreasing	Manufacturing costs are rising and very difficult to control

As you can see, by utilizing lean manufacturing practices, organizations are more likely to produce high quality products and services and at a lower cost, since the products are made-to-order.

Traditional management is old school and is very costly to an organization. Not only is it seen in the manufacturing processes, but throughout the organization, such as through leadership, customer satisfaction, cultural, operational capability, maintenance and engineering, to name a few.

You need to start with a sound business strategy—using traditional management practices focuses on exploiting economies of scale for product designs and technology that is not unique. When you implement lean management practices the shift is customer-focused that is geared towards attaining a competitive advantage.

Lean management principles is truly about operating your organization in the most efficient and effective way possible, through reducing cost and eliminating waste.