A Tale of Two Systems - Finding and Removing the Hidden Factories in Your Facilities

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Abstract

Our factories are designed to run smoothly with predictable, repeatable processes. We measure efficiency, productivity, demand, lead times, costing, pricing, set-up times, cycle times, operational availability, yet we still have significant amounts of waste, loss, and defects, as well as a chaotic working environment. Why do our measurements reveal that our actual performance is far below what the system has been designed to produce? Because we have Hidden Factories. Hidden Factories are the informal processes and workarounds that exist all throughout an organization. On the shop floor, in the office, in the supply chain… everywhere. This session will define Hidden Factories, and show you how to use Little's Law ($L= \lambda W$) to locate and eliminate them. Dr. John Carrier (Senior Lecturer, MIT Sloan School of Management) and Muhammed Asif (Lean Transformational Expert) will present the theory and the real-world lessons. The discussion will feature the twenty year journey of a mid-size US manufacturer (VIBCO) as well as successful examples from the automotive, food, and oil & gas industries. You will leave this session with a challenging mission, a tool to help you solve the problems, and a method for you to measure success.