



LEAN MARKETING

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Before learning application of Lean concepts, let's understand what is "Lean". The concept, as defined is as below,

Lean manufacturing, often simply "**lean**", is a systematic method for the elimination of waste ("Muda") within a manufacturing system. Lean also takes into account waste created through overburden ("Muri") and waste created through unevenness in workloads ("Mura"). Working from the perspective of the client who consumes a product or service, "**value**" is any action or process that a customer would be willing to pay for.

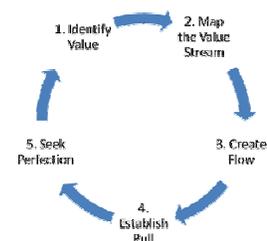
Essentially, lean is centered on making obvious what adds value by reducing everything else. Lean manufacturing is a management philosophy derived mostly from the Toyota Production System (TPS) (hence the term Toyotism is also prevalent) and identified as "lean" only in the 1990s. TPS is renowned for its focus on reduction of the original Toyota seven wastes to improve overall customer value, but there are varying perspectives on how this is best achieved. The steady growth of Toyota, from a small company to the world's largest automaker, has focused attention on how it has achieved this success. (From Wikipedia, the free encyclopedia)

Earlier, the concept of Lean was understood as only for auto manufacturing. In last few years, it is largely accepted that Lean can give better results in any segment of manufacturing as well as in Service industry. Lean and Six Sigma concepts are now been used in IT industry, Healthcare, Logistics, Banking, etc. As defined above, this concept is to increase Value by reducing Waste, in any system. The concept mainly is combination of Logic and Common Sense to be applied with Self-discipline.

Now, let's think how to apply Lean in Marketing activity. Marketing being most essential and important part of any business need to be addressed seriously. I have observed in many SME businesses, that there is no defined person for marketing, somewhere the Owner has appointed some general clerk for it and trying to get done in very un-professional way. In many businesses, Marketing and Sales is mixed and hence the person appointed cannot give his time for marketing in its essence. The activity of Sales concentrates on maintaining and increasing business of existing customers. Marketing will look after addition of Customers, increasing market geography and share, etc. Before going for Lean implementation, try differentiating them for your business sector. If we understand the thought process of Lean implementation, we can use it for improving our Marketing activity and grabbing a bigger share in the market.

The five-step thought process for guiding the implementation of lean techniques is easy to remember, but not always easy to achieve. Let's see each of the step and its relevance in Marketing activity. The five steps are as below,

1. Specify value from the standpoint of the end customer by product family.
2. Identify all the steps in the value stream for each product family, eliminating whenever possible those steps that do not create value.
3. Make the value-creating steps occur in tight sequence so the product will flow smoothly toward the customer.
4. As flow is introduced, let customers pull value from the next upstream activity.
5. As value is specified, value streams are identified, wasted steps are removed, and flow and pull are introduced, begin the process again and continue it until a state of perfection is reached in which perfect value is created with no waste.



1. Specify value from the standpoint of the end customer by product family.

Understand your real customer, the end user of your product. Differentiate your products in different value streams or product families in stand point of the customer. Value stream or Value chain here means Product for which Customer is of same type in sense of use, geographical market, etc. e.g. for a Gas spring manufacturer, use in Auto manufacturing, use in Hospital furniture, use in Home furniture may be different value streams; Domestic users, exports may also be different value streams.

2. Identify all the steps in the value stream for each product family, eliminating whenever possible those steps that do not create value.

Write down all micro steps in marketing activity like searching customer, creating enquiry, raising quotation, follow-up, sampling, trials, getting order, acceptance, manufacturing, delivery.... Brainstorm with your marketing team and list such steps with tentative time required for each of the step. Ask "Why?" to every step to find out is the step "Value" to your customer. Will customer pay for the step. Try find out Lead time of booking an order. As long is the lead time, more are chances of losing the order. Try eliminating steps as much as non-value adding steps to confirm order early. What is not Value to your customer is Waste ! Understand 7 Wastes. Mark these wastes in list of steps of your marketing activity in standpoint of your customer. The 7 Wastes are – Transportation, Inventory, Motion, Waiting, Overproduction, Over processing and Defect. During listing Wastes, you need to be very clear in understanding. You may not find every waste in your activity steps. Mainly, you may find wastes like Waiting, over processing, etc. Possibility is that you will find every step value adding. If you do this analysis correctly, chance is that you will find over 70% of the steps Non value adding and the same are consuming most of your Lead time. Its eye opening.

Brainstorm with your team for eliminating every NVA step; if it is NVA but essential, try reducing its time as much as possible. This exercise is not so easy. You need to do this exercise in controlled fashion. You need to be very much convinced during this funneling exercise. E.g. for a product that needs to take trial at customer end is NVA but essential. You need to reduce time in between requesting for a trial, sending material and person for trial, successful trial, etc. find out way to give a short trial of your product in your first visit. You need to find out different ideas for different needs. Seek guidance of professional for this exercise.

3. Make the value-creating steps occur in tight sequence so the product will flow smoothly towards the customer.

Now, when you have removed NVA steps from the list, you will find lead time is already reduced. Now you have to think on all VA steps and arrange them in tight sequence. E.g. reduce time between enquiry visit, raising quotation and getting order. Many times there is a big time lost in between these steps. Find out an idea to complete such steps in a single visit. Also, try reducing time in getting a visit appointment, try dropping in directly, if possible. See that all activities are flowing continuously and in maximum tight sequence.

4. As flow is introduced, let customers pull value from the next upstream activity.

Every officer in the chain of activities is a customer of earlier step owner. Flush out red strips in communication in between. Develop fast communication in between. Create pull in between different activities. Remember, less documentation means, less waiting, less over processing. Try every step right at first time. Deliver your step comfortable to next upstream activity. Deliver when he needs. Do not generate inventory of documents With you as well as for next step.

5. As value is specified, value streams are identified, wasted steps are removed, and flow and pull are introduced, begin the process again and continue it until a state of perfection is reached in which perfect value is created with no waste.

Try achieving perfection in every step. Prepare standard operating procedure. Create rules to be followed. Define Key Result Areas (KRA) of each activity to review performance of every step and step owner Perfection and self-discipline are keys of success through lean.

This all is theory. Some difficult to understand without practicing. If we could find waste steps correctly, further is easy. We need to understand NVA steps correctly. Eliminating them or reducing their time is an interesting exercise to be done courageously. But all this is for them, who are already doing something as Marketing. In various SMEs, there is nothing like Marketing activity. In these businesses, orders are coming in very uncertain

manner. There is no standard method for receiving and processing received orders. For such a business practices we need to start from beginning. Every business has to grow. Hence a serious and simple approach towards marketing is needed to develop.

- 1 Prepare standard document for receiving order like job-card, etc.
- 2 enlist all existing customers, with their order volume
- 3 analyze ABCD of this list – Monthly buying volume, payment attitude, opportunity for more orders, quick response possibilities
- 4 find growth opportunity in existing customers first
- 5 check whether they are fulfilling your manufacturing capacity
- 6 if not, think adding customers
- 7 for adding customer, first think of local market opportunities
- 8 also check for opportunities in nearer market
- 9 design standard and simple procedure to approach near market
- 10 avoid developing credit market
- 11 maintain quality, delivery and sanctity of your words from first supply

These are a few of tips to improve marketing of any product or service. Though look simple again, here also is a need of self discipline and will to win.