

## Chapter 9

# Analysis and Evaluation of Lean Culture Adoption: The Industrial Multinational Company Case Study in Portugal

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### ABSTRACT

*With increased competition, speculation, changes in customer expectations, and world events that significantly disturb the markets, managers have more technical difficulties in coordinating/monitoring organizational processes and practices. The lean philosophy made it possible, through the identification of the most recurring problems within the company under study, to understand the restructuring needs of the organizational culture, the revision of fundamental key processes, the significant improvement in response times, and the assumption of a commitment by stakeholders from the various areas of activity in the company. In this context, this work, carried out in the scope of internship, aims to analyze and evaluate the importance of adopting the lean concept in a multinational company, inferring about the benefits achieved and the improvements felt with regard to competitiveness and service level. In this sense, it was clear that the adoption of lean allows the optimization of key processes.*

### INTRODUCTION

The concept and the Lean approach defined uncontroversial themes of the reality of management in economic associations. Although Lean has emerged in the automotive industry, its relevance has been rapidly adopted in other sectors of economic activity, currently being found in most organizational concerns as a guiding axis for efficiency and effectiveness gains. We can thus say that Lean aims to improve economic competitiveness.

Strong competition and pressure from markets to reduce prices permanently challenges management to optimize the respective organizational practices in order to free unnecessary activities to increase

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efficiency and effectiveness. Lean encourages the use of the necessary resources, that is, nothing more than the identification of what is necessary to carry out a certain activity, process or project. In this way, it is possible to minimize waste, reduce costs and increase competitiveness.

Its adoption should not be developed through specific and targeted approaches to the specificity of existing problems. Lean must have a holistic or systemic perspective at its base that facilitates the increase of benefits to the entire organization, which presupposes the contextualization of problems within a broader scope of organizational functioning or of the value chain. Its correct adoption and application by management, by providing a better use of resources, (human, material, financial), allows direct gains to be obtained associated with the specificity of the problems treated and improved situations, but also the generation of synergistic gains by systemic effects in other organizational areas.

Referring to some examples of benefits that can be obtained with the adoption of Lean, we can consider the identification and elimination of obstacles that restricts the normal execution of processes, the clarification of workflows and the consequent improvement of communication between the respective stakeholders; the adequacy between the inputs and outputs associated with the various activities that integrate the processes, the adequacy of demand to the products or services requested, guarantee of the quality levels associated with the final products and services, among others.

The Lean approach thus assumes three central ideas in the scope of management: delivering value from the customer's perspective; the elimination of waste (everything that does not add value to the final product) and continuous improvement.

In general, nowadays organizations are driven by hundreds of business processes. However focusing on a core and restricted number of business process will create a Lean culture. Lean methodology cannot be implemented in the same way in every situation: it needs to be adjusted to the particular characteristics of each sector of business and be able to respond effectively to what customer demands.

Lean is about a mindset that must be established among all organization's areas - dealing openly with mistakes to improve processes. In fact, learning from the mistake is only identifying ways to progress, thinking about doing things better, quicker, at economical cost, generating minimal waste in terms of materials, time and rework.

Everyone in an organization is called upon to contribute to sustain the "Lean approach" (its practices and tools) for a lasting period, transforming conceptual thinking into concrete actions where leaders and followers are actively participating in the search for solutions. Leadership in this context of cultural change must be consistent and persevering. Lean manager leads by example, takes initiative and demonstrates that there will always be a better way to go between points A and B. He also leads by empowerment, delivering more responsibility to employees and at the same time more autonomy.

Processes aligned with well-defined boundaries and tasks translate into an advantageous support for effective time management, reducing the complexity of the actions and consequently the waste that result from them. In fact, trainings and coordination with department managers contributes for bring a team to the same level of Lean understanding - together they all recognize the benefits of adopting Lean as a model and management tool. Above all, lean reinforces business process management supporting decision making and ensuring process optimization along the value chain.

The main objective of the present work is to highlight the study carried out in relation to the analysis and evaluation of the importance of adopting the lean concept by a multinational company, identifying which improvements have been achieved for the company with regard to competitiveness and service level.

This multinational company operates in the world of process measurement technology, automation solutions and service provision. For the company, it is very important to realize that everything starts and

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