

Identifying and Eliminating The Seven Wastes or Muda

By Prof. Rene T. Domingo
Asian Institute of Management
rtd@aim.edu
www.rtdonline.com

What is Waste?

The elimination of waste is the primary goal of any lean system. In effect, lean declares war on waste – any waste. Waste or muda is anything that does not have value or does not add value. Waste is something the customer will not pay for. When the great Italian sculptor Michelangelo was asked what he was sculpting, he responded he was not sculpting but releasing the figure (value) inside by removing the unnecessary rocks (wastes). Like Michelangelo, we should eliminate all forms of wastes in any process or product until only what is valuable remains. The key is to spot waste and then stop waste.

There are two types of wastes: obvious wastes and hidden wastes. It is important to uncover and eliminate the latter since they are usually bigger. Wastes take the shape of an iceberg, the tip consists of the obvious wastes while the seen bulk under the water contain the hidden wastes. Wastes are not necessarily ugly, and most are outside the waste can! Waste can be in the form of unnecessary output, input, or processing. It can be in the form of materials, stocks, equipment, facilities, manhours, utilities, documents, expenses, motion, and other activities that do not add value.

The steps to effective waste elimination are:

1. Make waste visible.
2. Be conscious of the waste.
3. Be accountable for the waste.
4. Measure the waste.
5. Eliminate or reduce the waste

In other words, before one can stop waste, he should be able to see it, recognize it as waste, identify who is responsible, and finally appreciate its size and magnitude. Waste that is not seen cannot be eliminated. When something is denied as waste, it also cannot be stopped. When one refuses to accept responsibility for the waste, then he will not eliminate it. Finally, when the waste is not measured, people may think it is small or trivial and therefore will not be motivated to stop it. As the saying goes “What is not measured, is not improved”.

Muda, Mura, Muri

Aside from “muda” or wastes, the lean system also attacks and avoids “mura” or overload or overburden and “muri” or unevenness. Mura refers more specifically to overloading an equipment, facility, or human resource beyond its capacity. This undue stress may cause downtime, defects, delays, and even disasters. Muri refers to unevenness in production volume. The wild fluctuations due to extreme highs (peaks) and lows (valleys) in production scheduling cause periods of overload and long idle time. One way to reduce muri is to implement heijunka or production leveling. In a way, muda and muri also cause wastes but in a particular way. Muda, mura, and muri cause inefficiencies and high costs in any operation.

What are the seven types of wastes or “muda”?

A lean system declares war on wastes or “muda”. These wastes are classified into 7 types:

1. Over-production waste
2. Processing waste
3. Transport waste
4. Waiting-time waste
5. Inventory waste
6. Motion waste
7. Defects

Over-production waste

Definition

- producing more than what is needed
- producing faster than what is needed

Causes

- volume incentives (sales, pay, purchasing)
- high capacity equipment
- line imbalance; poor scheduling/shifting
- poor production planning
- cost accounting practices that encourage build up of inventory

Over-production waste occurs when more goods are produced than can be sold, resulting in idle finished goods inventory. Over-produced goods are often hidden wastes since many think they are assets with value, when in fact most of them may be obsolete or costing the company unnecessary expenses just to keep them until they can be sold if ever. The just-in-time, pull system, and kanban rules prevent over-production wastes. Also, lean systems favor smaller equipment over large ones to avoid overproduction due to high but unnecessary capacity utilization.

Processing waste

Definition

- non-value added man processing
- non-value added machine processing

Causes

- unclear customer specifications
- frequent engineering changes
- excessive quality (refinements)
- inadequate value analysis/value engineering
- unclear work instructions

Processing waste comes from unnecessary processing that does not add value to the item being produced or worked on. Examples are additional steps that do not enhance quality or steps that simply adds excess quality which customers do not require. Unnecessary documentation is also a form of processing waste. Identify value-adding and non-value adding activities in the process using techniques such as value stream analysis and the waterfall diagram.

Transport waste

Definition

- unnecessary material movement
- unnecessary tools or equipment movement

Causes

- poor route planning
- distant suppliers
- complex material flows
- poor layout
- disorganized workplace
- line imbalance

When anything – people, equipment, supplies, tools, documents, or materials – is moved or transported unnecessarily from one location to another, transport waste is generated. Examples are transporting the wrong parts, sending materials to the wrong location or at the wrong time, transporting defects, and sending documents that should not be sent at all. One way to cut transport waste is co-location, wherein customers are served by nearby suppliers, usually less than one-hour driving distance away. Departments working with each other or serving each other are also put near each other to cut transport waste. For example, materials and tools departments may be moved, relocated, or pre-positioned beside or nearer the user departments or their internal customers.

Waiting time waste

Definition

- man idle or waiting time
- machine idle or waiting time

Causes

- unsynchronized processes; line imbalance
- inflexible work force
- over-staffing
- unscheduled machine downtime
- long set-up
- material shortage or delay
- manpower shortage or delay

When resources like people and equipment are forced to wait unnecessarily because of delays in the arrival or availability of other resources including information, there is waiting time waste. Waiting for late attendees in a meeting, waiting for tools to start work, waiting for a signature for a process to continue, waiting for a late vehicle to transport workers to a project site are examples of this waste.

Inventory Waste

Definition

- excessive process (WIP) inventories
- excessive raw material inventories and supplies

Causes

- over-production

- imbalanced line
- big batch sizes
- long lead times
- local optimization (turf mentality)
- large minimum order quantities
- high rework rate
- JIT-incapable suppliers
- lack of material requisition and issuance standards

Inventory wastes come from the purchasing, issuance, storage of excess or excessive supplies, materials, and other resources. This waste can also be caused by overproduction as excess materials and work-in-process are accumulated. Inventory waste is often due to lack of planning and failure to match purchases with the actual consumption or usage rate of a particular resource. Another example is the storing of slow-moving and obsolete stocks like tools and materials.

Motion Waste

Definition

- unnecessary movement and motions of worker

Causes

- poor lay-out and housekeeping
- disorganized work place and storage locations
- unclear, non-standardized work instructions
- unclear process and materials flow

Motion waste happens when unnecessary body movements are made when performing a task. Examples are searching, reaching, walking, bending, lifting, and other unnecessary bodily movements. Workers commit this form of waste by searching for tools or documents when their workplace is cluttered or disorganized. Motion waste often delays the start of work and disrupts workflow.

Defects

Definition

- processing due to the production of defects
- processing due to rework or repair of defects
- materials used due to defect and rework

Causes

- unclear customer specifications
- incapable processes
- lack of process control
- unskilled personnel
- departmental rather than total quality
- incapable suppliers

Quality is doing the right thing right the first time. It is about prevention and planning, not correction and inspection. Bad quality or defects do not only result in customer dissatisfaction and damage to company image, but also in wastes due to additional costs and time to recall, rework, repair, and replace the defective items. Continuous quality improvement and preventive measures are the most effective means to cut defect wastes.