

Waste of Excessive Production Notes

The Seven Types of Waste

Waste Type	Description
Defects	Errors, mistakes, or problems with a product or service
Waiting	People waiting for something to happen
Excessive Walking	Walking or other human movements that are not needed to serve the customer
Excessive Processing	Performing more work than is needed to serve the customer
Excessive Production	Making or ordering more material goods than are needed to serve the customer
Excessive Inventory	Storing or holding more material goods than are needed to serve the customer
Excessive Transportation	Shipping or moving material goods farther than is needed to serve the customer

1) What is the waste of excessive production?

Excessive production means MAKING or ORDERING more MATERIAL GOODS than are needed to serve the customer

MATERIAL GOODS are products, supplies or any other physical / tangible object

Manufacturers, like General Motors, MAKE and sell goods to their customers

Restaurants MAKE and sell meals to their customers

Wholesalers and retailers, like grocery stores, ORDER and sell goods to their customers

Most organizations ORDER supplies for their own use, like cleaning supplies and copy paper

Examples of excessive production waste:

Gas station orders 24 bottles of window cleaner when they only use 1 bottle per month

Retail store orders merchandise, not realizing that it has gone out of style

Fast food restaurant assembles too many pre-made salads

2) Who cares about excessive production waste ... why is that important?

We care because excessive production ...

- Is costly

- Results in delays

- Leads to the waste of excessive inventory

Receiving and processing periodic large orders of goods can DISRUPT the smooth flow of work

3) How to find excessive production waste?

You can find excessive production waste by OBSERVING and actively looking for the SIGNALS:

a) MAKING/ORDERING PACE IS HIGHER THAN DEMAND PACE: You order at a pace (rate) that is greater than the rate of usage – good indicator is that your level of stock continues to go up

b) MAKING/ORDERING GOODS WHICH ARE NOT NEEDED: You keep materials that were ordered or shipped in error

How to know if the production is “excessive?”

- Rely on intuition and common sense

- If practical and available, use analytical purchasing or production scheduling tools

4) How to eliminate excessive production waste?

Ask WHY the excessive production is occurring and then address the answer to that question

Give proper time and attention to the ordering or production scheduling activity

“Right-size” your orders – not too large, but not too small

Signals of Waste

Waste Type	Signals to Look For
Defects: Errors, mistakes, or problems with a product or service	<ul style="list-style-type: none"> • Rework, needing to do something over again • A customer who did not get what was promised
Waiting: People waiting for something to happen	<ul style="list-style-type: none"> • People waiting in some form of line • Things seem to be stalled
Excessive Walking: Walking or other human movements that are not needed to serve the customer	<ul style="list-style-type: none"> • People walking around a lot, especially back and forth • People suffering from movement-related ailments such as sore backs, joints, or hands
Excessive Processing: Performing more work than is needed to serve the customer	<ul style="list-style-type: none"> • A lot of activity or people involved in the work • Work products that are not used and are discarded
Excessive Production: Making or ordering more material goods than are needed to serve the customer	<ul style="list-style-type: none"> • Pace of ordering exceeds pace of consumption • Materials received which are not needed
Excessive Inventory: Storing or holding more material goods than are needed to serve the customer	<ul style="list-style-type: none"> • Signs of old inventory such as dust on storage boxes • Stock items which are being discarded
Excessive Transportation: Shipping or moving material goods farther than is needed to serve the customer	<ul style="list-style-type: none"> • A lot of goods being held on carts and in vehicles • Long in-transit times