

What does Lean in business mean?

Lean is a term frequently used in the business world, but what exactly does it mean? Simply, lean can be described as creating greater value for the consumer while using fewer resources.

A business adopting lean principles will try to eliminate waste and increase operational efficiency. According to [Womack and Jones](#), there are five principles of lean thinking:

1. Specific value as perceived by the customer: When it comes to being lean, value is defined by the customer. Many organisations fail to observe a product from the customer's viewpoint. Products should be created to suit customers' needs; for example, organisations may need to re-examine the product itself if demand is poor rather than changing marketing strategy. Simply put, when creating a product, make sure that you are addressing customers' needs and giving them what they want.
2. Identifying the value stream: The value stream is the entire lifecycle of a product from the origin of the raw material/idea to the finished product. If an organisation examines the entire process, it will almost always reveal a large amount of waste (this is known as process re-engineering). If an organisation wishes to become truly lean, the value stream must be analysed and improved.
3. Making the value flow through the value stream: For the value to flow then waste needs to be eliminated. If the process fails to move forward, then this can be considered waste. A value-stream needs to be created where every aspect of production is completely synchronised with all the other elements. A proper structure, therefore, needs to be put in place to make sure that the entire production stream flows efficiently, thus eliminating waste.
4. Pulling the value from the value stream: Rather than pushing the product to the customer, you allow the customer to pull the product from you. This pull approach ensures that nothing is created ahead of time and facilitates a much more synchronized flow. To achieve this greater flexibility is required as well as a very short cycle of design and production.
5. Striving for perfection: An organisation that is "going for lean" is striving for perfection; however, this is an ongoing process. Getting value to flow faster will always expose hidden waste that is present in the value stream. What becomes evident is that there is no end to the process of reducing all the waste factors such as time, cost and mistakes. The company must always strive for perfection. *Image from Shutterstock.*