



## Early Lesson in Lean Manufacturing

While working at a large Test & Measurement manufacturing company many years ago, I led a bar-coding implementation project in the final assembly production department. Our objective was to use bar-coding for more efficient capture of direct-labor contribution. We designed the data collection to scan the product's bar-code and every consecutive work center's bar-code, manually entering direct-labor hours at each work center in the final assembly routing. We bought bar-code readers for all 20 work centers, and fed the data into the ERP system. This improved the accuracy of direct labor reporting – and, incidentally, provided all the work-center supervisors with evidence that their staffing levels were justified.

A year later, the beginnings of Lean Manufacturing swept through the company. We were learning that we could lower manufacturing costs by removing all activity that did not directly add value to the products. Even so, it was a shock when I stopped by to check up on last year's labor-reporting project, and found the bar-code readers gathering dust in the bottom drawer of every supervisor's desk. When I asked "What happened to our gem of a data collection system?", I was told that labor-hour reporting requirements had been slashed from 20 separate operations, to only ONE. The standard cost of all work centers' contributions was now applied to product pricing, instead of the granular center-by-center labor costs.

This sweeping change transformed the production floor from being work-center centric to product-design centric. There was no need to justify the importance of each work center's direct labor force. In fact, this Just-in-Time rethinking reduced the labor content of every product to a fraction of what it was before. We had redesigned for manufacturability, and this gave the company a huge competitive edge. We had learned that the way to succeed was to simplify.

And that's what we do, at Simplifying Software. Please contact us, and we'll show you how.

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