A NEW APPLICATION MODEL OF LEAN MANAGEMENT IN SMALL AND MEDIUM Sized ENTERPRISES

Nguyen, D. M.
University of Economics and Business, Vietnam National University, Hanoi, Vietnam
E-Mail: nguyendangminh@hotmail.com

Abstract
Although Lean management has been implemented by Vietnamese small and medium sized enterprises (SMEs) for more than ten years, the success rate as well as the sustainable effectiveness achieved by these firms remains limited. As revealed by the survey, the current model of implementation mainly focuses on Lean management tools such as 5S, Kaizen (continuous improvement) and Mieruka (visual management). A better implementation model is proposed with the focus laid on the central factor of “Tam the” - a Vietnamese word refers to the deep understanding of employees and managers about the benefits of their tasks and Lean management for themselves. A simulation model run by Crystal Ball software confirms the higher effectiveness of the proposed model, which provides scientific evidence to persuade practitioners to swiftly employ the new model of implementation.

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Key Words: Lean Management, Simulation, SMEs, "Tam the"

1. INTRODUCTION

Lean management is one of the most advanced management philosophies which focus on attaining customer’s satisfaction and creating values through waste reduction [1, 2]. The effectiveness and efficiency of Lean application is proven by numerous successful cases around the world including Toyota, Nissan, GM, Seven Eleven and etc. Specifically, implementing Lean management could help enterprises to reduce operating time by 50% and cost by 80%, to save production space by 30% and to enhance the productivity by at least 30% [3, 4].

Lean management has been implemented in many countries all over the world including Asian countries such as Thailand, China, Malaysia and Vietnam, etc. In those countries Lean management is applied in various fields ranging from manufacturing, retailing to health care service and education, etc. The method is becoming a new management trend in the 21st century [5]. Lean management is translated into a variety of tools and techniques including 5S, Kaizen (continuous improvement), Mieruka (Visual management), JIT, Heijunka, TQM (Total Quality Management) and TPM (Total Productive Maintenance), etc. [6-8].

Despite their limited resources [9, 10], SMEs can implement Lean management successfully [11, 12]. Implementing Lean would help enterprises taking advantages of resources in order to improve production capacity and meet customer requirements [13]. Lean should be introduced into SMEs by using a set of basic tools which does not require a large investment such as 5S, Kaizen, Mieruka and flow balancing production, etc. [12, 14, 15].

In Vietnam, small and medium sized enterprises which account for 97% of the total number of enterprises [16] are playing a vital role in the development of the economy. However, Vietnamese SMEs have recently faced a lot of challenges as the consequence of the global financial crisis and the domestic economic slow-down; the number of dissolved SMEs has been constantly increasing since 2010 while the remaining SMEs have been struggling for survival [16]. Therefore, finding new management methods to increase the SMEs’


