

A medium nonprofit cuts non-value-added work by up to 84%: Finance and administration

NONPROFIT AND EDUCATION

MEDIUM

FINANCE AND ADMINISTRATION

-84%

NON-VALUE-ADDED TIME [1]

-30%

PRODUCTION CYCLE TIME [1]

92%

PROCESS EFFICIENCY [1]

PROBLEM

Disorganized parts storage increased search time, movement, production delay, and non-value-added work. Employees had to locate materials in a system that did not reflect demand or point-of-use needs.

SOLUTION

The center used DMAIC, value-flow analysis, 5 Whys, 5S, ABC inventory, ergonomic storage, visual labels, and min-max replenishment. The redesigned storage system placed frequently used parts clearly and established controls for replenishment.

RESULT

Non-value-added time fell by 82% and 84% for two product variants. Both cycle times fell by 30%, and process efficiency reached 90% and 92%.

BUSINESS LENS

SWOT: mission expertise was strong, while disorganized storage consumed scarce capacity. Simple controls protected service output.

ASSUMPTIONS AND LIMITS

One service center and two wheelchair variants. Clinical assessment time was excluded. The employee-band source is not contemporaneous with the intervention.

DEPARTMENT APPLICATION

FINANCE AND ADMINISTRATION

Less searching improved use of scarce resources.

Application analysis based on the cited source. It is not a separate measured result.

Prepared by Ocmulgee Business Process Solutions from the cited independent source. This is not an Ocmulgee client engagement or an original Ocmulgee result.

SOURCE [1]

Cheng and Chang, 2012. Implementation of the Lean Six Sigma Framework in Non-Profit Organisations: A Case Study.
<https://doi.org/10.1080/14783363.2012.663880>

Peer-reviewed journal case | Size basis: The parent nonprofit is listed in the 51-200 employee band.
Maria Social Welfare Foundation organization profile: <https://www.linkedin.com/company/maria-social-welfare-foundation>