

Reflections on Susilawati, et.al, 2013

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**What is the aim of
the paper?**



Aim of the paper

- ...to develop a framework of performance measurement and improvement model for lean manufacturing practices.



Performance Measurement Systems

- Balance Score Card (BSC)
- The Strategic Measurement Analysis and Reporting Technique (SMART) system
- Performance Measurement Questionnaire (PMQ)
- Performance Prism
- Integrated Dynamic Performance Measurement System (IDPMS)
- Integrated Performance Measurement System (IPMS)
- European Foundation for Quality Management (EFQM) Model



**So, how to develop
Performance
Measurement Systems for
lean manufacturing?**



Methodology

The PMS framework is developed in the following steps



Methodology

Step 1

- To develop and establish an indicator to determine the potential benefits of lean manufacturing techniques.

Step 2

- To develop a framework of appropriate performance measurement model that is applicable to the lean manufacturing practices.

Step 3

- To apply the indicator and the framework of performance measurement model developed in (2) and (3) to monitor the performance improvements of specific companies as a result of applications of lean manufacturing practices.



Methodology

- According to Neely et al. (1995) the objective of a performance measure is quantifying efficiency and effectiveness of an action.
- Pun & White (2005) argued that performance measurement should facilitate decision making to align actions with strategic objectives and provide feedback on operational performance and internal capabilities to the strategic level.



Methodology

Objectives of Performance Measurement Systems:

- Monitor and record actual performance.
- Identify and close the gap between expected performance and actual performance.
- Identifying performance improvement opportunities.
- Providing information in making a strategic decision.
- Enabling internal communication across processes and stakeholders.
- Encourage continuous improvement.



Methodology

Characteristics of lean manufacturing:

- Elimination of waste
- Continues improvement
- Zero defect
- Just In-Time (JIT)
- Pull of material
- Multifunctional term
- Decentralization
- Integration of functions
- Vertical information systems



Methodology

- Based on the **objectives of performance measurement** and the **characteristics of lean manufacturing**, the main measure that included in Performance Measurement System is identified.