



Lean Manufacturing Overview

February 2006

What is Lean Manufacturing?



Lean Manufacturing is an operational strategy to achieve the shortest possible cycle time by eliminating waste associated with inventory management and process inefficiencies

A Lean approach moves manufacturing from a “PUSH” model, which builds product in response to forecasts, to a “PULL” model that builds product for actual customer orders.

Why Do Companies Implement Lean Manufacturing?

Lean creates opportunities for –

- **Overall cost reduction**
- **Reduced inventory, waste and scrap**
- **Reduced lead and cycle times**
- **Higher quality and reliability**
- **Self-directed, highly efficient work teams**
- **Greater flexibility to manage change**
- **Improved customer communication and satisfaction**



Lean Manufacturing Is an Industry Best Practice Used by Many Leading Businesses

AVON



WIKAL

Canon

stryker®



The United States Mint



What Is “Cisco Lean”?

From:

To:

“Push” Model Based on Forecast

“Pull” Model Based on True Orders

Higher inventory levels

Inventory reduced across supply chain

Redundant processes for our multiple business units

Simplified, consolidated, and more efficient processes

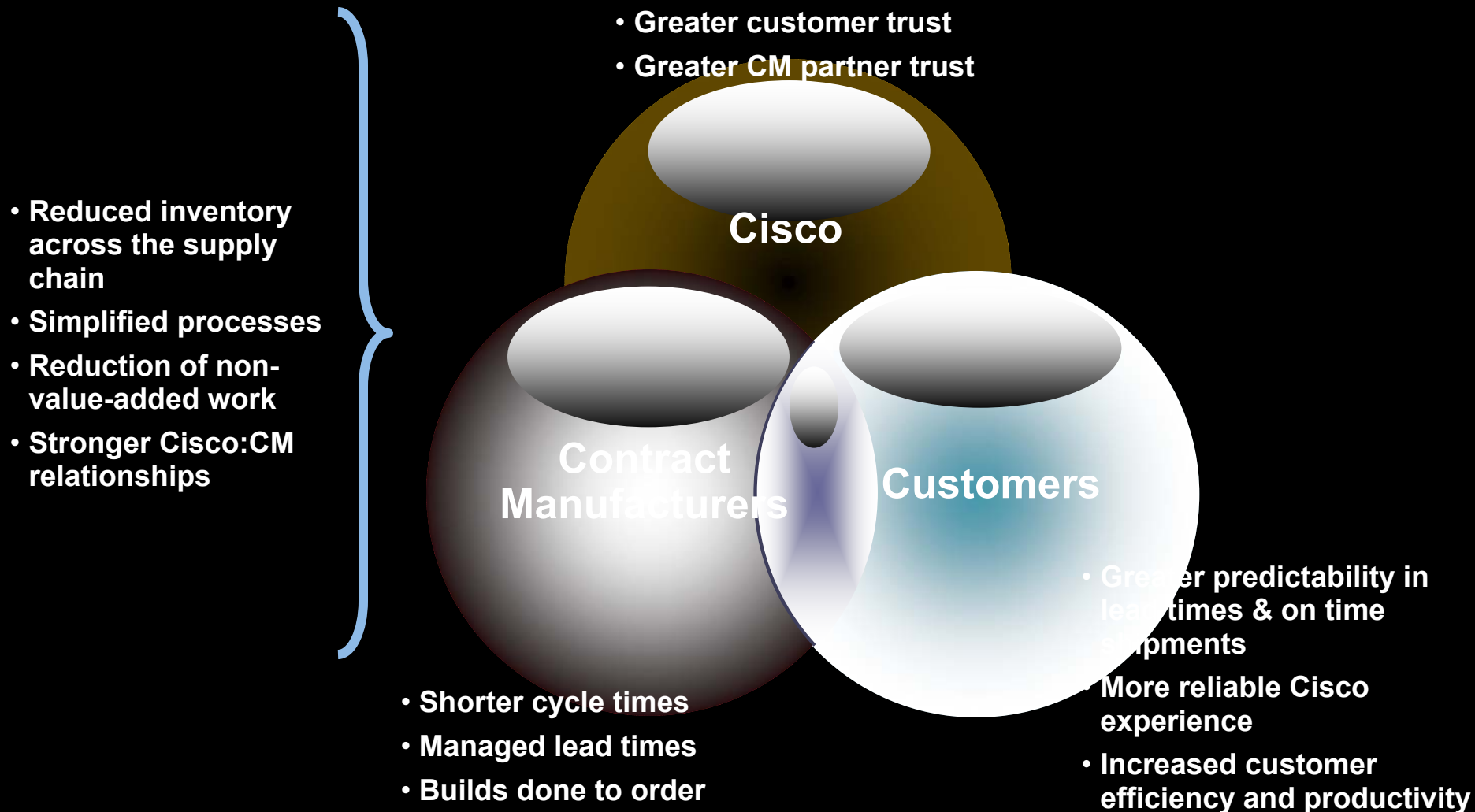
Higher IT systems complexity

Increased flexibility and scalability of IT systems

Good Supply Chain Management

Best in Class Supply Chain Management

Cisco Lean Offers Benefits to Customers, Partners and Cisco



CISCO SYSTEMS

