

Thursday, June 18, 2009

'Lean and Green' can go hand-in-hand

Can your company go "Lean" and "green" at the same time?

"Absolutely," says Jason Schulist, director of Continuous Improvement at DTE Energy. Schulist spoke on "green Lean" concepts at the Leadership During Organizational Transformation conference, hosted in part by the Oakland University School of Business Administration and the Pawley Lean Institute.

Schulist said incorporating "Lean thinking with green principles into your company's practices can result in a positive triple bottom line – social, environmental and economic effects."

While green principles focus on the environment, Lean thinking concepts incorporate tools, techniques and management philosophies to streamline processes and eliminate waste in areas across the board. Designed to benefit Oakland University students, schools, non-profits, government and industry, the Pawley Lean Institute shares Lean thinking concepts and practices of "Lean manufacturing" to create leaders and learners in the university, public and private sectors, and the community. The Pawley Lean Institute works with leaders at organizations like DTE to implement the most effective practices.

Schulist gave several examples of changes made at DTE that resulted in a significant Lean and green impact.

"We looked at how our transformers were being cooled and realized that water was going through the transformers to cool them all year long," he said. "Yet the transformers only get hot, and need to be cooled, at certain times of the year."

Schulist said the company created a plan that more efficiently cooled the transformers. The results were a reduced use of more than 20 million cubic feet of water (a 79 percent reduction), which was good for the environment.

"The new system also reduced costs -- a \$700,000 annual savings -- and that was a social good because that money helped us avoid layoffs," he said.

Companies can also look at under-used resources to create programs that benefit the company and the community, Schulist said.

"DTE had a large piece of land in Detroit that housed a substation but was essentially unused. For a long time, we simply mowed the grass on this property," he said. The company now works in partnership with Gleaners Food Bank to use the land to grow fresh produce.

"Now 5500 pounds of food is produced -- from what was an empty plot of land -- that is distributed to needy individuals through Gleaners Food Bank," he said.

Schulist explained that when looking at ways to become "leaner" and "greener" it is important to assess the possibilities across the board.

"Look at all areas of your company to see what can be done more efficiently -- and look at the trade off for each action," he said.

And then, when a successful solution is found, ask:

- Can this approach work for other problems?
- Can it be applied broadly?
- Do we have the capacity to apply it throughout the company?
- Can we institutionalize it?

Schulist said applying Lean and green principles is possible, no matter the size of your business.

"Using this same tool set you can adapt the ideas to any size business," he said.

For more information on Lean and green principles, visit www.oakland.edu/lean.

SUMMARY

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