GUIDE TO A PRODUCT BECOMING LCS APPROVED
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1. INTRODUCTION

1.1 GUIDE CONTENT & PROCESS OVERVIEW

This document explains what LCS Approved is and details the process that results in a product gaining LCS Approved status for a two-year period, after which there is a renewal process.

The process involves the applicant completing an LCS Approved Application Form, which provides evidence on how the product aligns with the function and purpose of a lean enterprise.

Being LCS Approved means that a product has been evaluated against a set of criteria that indicate it is consistent with and aligned to lean oriented principles.

Note that the word product is used generically to refer to a product, service, technology or system used by an organisation to support its operations.

1.2 LCS APPROVED & PURPOSE OF THE LCS

LCS Approved is aligned to the LCS purpose - in particular (i):

i. To promote the adoption of lean thinking and related avenues of thought in organisations in order to help improve operational effectiveness and achievement of purpose.

ii. To help employees better understand and apply lean thinking philosophy, tools and techniques so they can be more effective in continuous improvement activities.

iii. To contribute to the development and understanding of lean thinking.

1.3 LEAN THINKING SCOPE & DEFINITION

The LCS definition and interpretation of lean thinking, developed in the Lean Enterprise Research Centre, is one that promotes a holistic, ‘systems’ approach to continuous improvement, acknowledging that lean is much more than simply improving processes through the application of tools and prescriptive principles. Successful lean organisations employ lean strategies, lean leadership and understand the need for an engaged, empowered workforce.

In simple terms, lean is defined as delivering appropriate customer and stakeholder value with the minimum of resources.

Lean is used as the umbrella term for a continuous improvement philosophy that encompasses a variety of approaches, that include tools and techniques from the Toyota Production System, Six Sigma, agile, theory of constraints and systems thinking. Other commonly used terms include business improvement, service improvement, process excellence, operational excellence, operational effectiveness, business excellence and lean six sigma.

The LCS accepts that there are many different continuous improvement methodologies and maintains that different organisations require their own, bespoke implementation solutions for sustained, cultural change – thus adopting a contingent approach.

1.4 KEY BENEFITS OF LCS APPROVED

For an organisation using an LCS Approved product, it provides reassurance that the product will support lean operational methods and behaviours and play a positive role in the journey to building a sustained, continuous improvement culture.
For an organisation providing LCS Approved products, it makes its offerings more attractive to companies committed to adopting lean thinking – providing assurance, reducing risk and it helps associate its brand with best-practice operational thinking.

1.5 LCS APPROVED: DEFINITION & CRITERIA

LCS Approved is a status conferred on a product confirming that the LCS considers it is aligned with, and supportive of, lean thinking principles and so will be conducive to fostering the development of appropriate lean practices and behaviours that underpin the creation of a sustainable, lean culture.

To establish that a product has the requisite attributes to be deemed LCS Approved, it needs to demonstrate it is aligned with a series of level Lean Enterprise Characteristic Statements. These are shown below, grouped under four headings.

For each of the statements, the product owner rates the level of alignment of the product on a five-point scale, from no alignment to very high alignment. The product owner also provides a summary statement for each, justifying the rating and a more detailed explanation can be included in a later section.

1. LEAN ENTERPRISE PERSPECTIVE & CI CULTURE
   1.1. Supports the long term objectives of the organisation and promotes constancy of purpose
   1.2. Fosters the development of an extended enterprise beyond the operating unit in which it is implemented
   1.3. Encourages the organisation to manage by data.
   1.4. Supports a value stream perspective, process/systems thinking and scientific thinking.
   1.5. Supports organisational alignment – clarity of purpose and connected goals.
   1.6. Supports the pursuit of perfection, focus on long term solutions and simplification.

2. LEAN LEADERSHIP, POSITIVE ENGAGEMENT, RESPECT FOR PEOPLE
   2.1. Facilitates senior management engagement in operations and Gemba activity.
   2.2. Supports the development of staff capability competency in problem solving
   2.3. Supports a leadership style characterised by humility and respect for every individual.
   2.4. Encourages the development of a learning organisation, a questioning culture, and the promotion of new ideas.
   2.5. Supports empowerment, trust and effective communications.

3. QUALITY, PROCESS FLOW & PULL
   3.1. Delivers improvements in productivity
   3.2. Supports the presentation of visual controls and problem visibility
   3.3. Facilitates demand responsiveness and pull systems.
   3.4. Supports the levelling of workload, reducing unevenness
   3.5. Supports quality at source and the delivery of “right first time” in both material quality and service quality
   3.6. Delivers waste identification & removal
   3.7. Supports the appropriate standardisation of processes

4. VALUE, CUSTOMER, STAKEHOLDER UNDERSTANDING
   4.1. Helps the operation respond effectively to customer demand
   4.2. Promotes customer focus and the creation of customer or stakeholder value
In order to corroborate the rating, a sample of customers using the product is asked to state their level of agreement or disagreement with the product owner’s self-assessment and to comment generally on the product.

Note that the statements have been developed from a range of sources, including Womack and Jones’ Five Lean Principles, the ten Shingo Model Principles and Liker’s 14 principles of The Toyota Way.

2. LCS APPROVED – APPLICATION & EVALUATION PROCESS

2.1 APPLICATION

- An application form is completed by the product owner, which collects information on the company and product.
- The form includes a series of Lean Enterprise Characteristic Statements and an applicant assesses its product against each of these, in terms of how well aligned it is on a five-point scale (no alignment to very high alignment). Narrative supporting the self-assessment is included.
- The applicant provides the names of customers that use the product in their operating system and a sample of these is contacted by the LCS. They will be asked to state their level of agreement with the product owner’s self-assessment and add supporting comments where necessary.
- Detailed information on the product is also supplied as part of the application - eg detailed description, specification, marketing material, etc

2.2 OVERALL EVALUATION

Evaluating the product’s impact on an organisation’s lean operation involves an assessment of the product’s function, features, and benefit, plus an assessment of product users’ corroboration of the product owner’s claims.

The product needs to demonstrate it has an overall positive impact and a scoring system is used to provide a balanced overall appraisal.

2.3 OVERALL STAGES

The LCS Approved process has seven stages:

<table>
<thead>
<tr>
<th>Stage #</th>
<th>Activity</th>
<th>Who</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Guide and Application form sent to applicant</td>
<td>LCS</td>
</tr>
<tr>
<td>2</td>
<td>Completed application form submitted with supporting evidence</td>
<td>Applicant</td>
</tr>
<tr>
<td>3</td>
<td>LCS Review – including queries &amp; amendments</td>
<td>LCS</td>
</tr>
<tr>
<td>4</td>
<td>Customer corroboration</td>
<td>Customers of Applicant</td>
</tr>
<tr>
<td>5</td>
<td>Evidence &amp; Sign off meeting (inc. demonstration, if appropriate)</td>
<td>LCS/Applicant</td>
</tr>
<tr>
<td>6</td>
<td>Decision on application</td>
<td>LCS</td>
</tr>
</tbody>
</table>
2.4 EVIDENCE & SIGN OFF MEETING

Once all relevant information has been collected and assessed the evidence and signoff meeting takes place, the standard agenda of which is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Introductions</th>
<th>LCS/company</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Who’s who, meeting aim, etc</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Application Summary</th>
<th>Company(LCS)</th>
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<tbody>
<tr>
<td>2</td>
<td>Background, key points.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product Demonstration (if applicable, practical).</td>
<td></td>
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<tr>
<td></td>
<td>LCS comment on application.</td>
<td></td>
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</tbody>
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<thead>
<tr>
<th></th>
<th>Ongoing Activity, LCS Update &amp; Developments</th>
<th>LCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Ongoing activities during licence period</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collaboration opportunities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LCS developments, innovations</td>
<td></td>
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</tbody>
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<thead>
<tr>
<th></th>
<th>Actions</th>
<th>LCS/Company</th>
</tr>
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<tbody>
<tr>
<td>5</td>
<td>Welcome pack</td>
<td></td>
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</tbody>
</table>

2.5 FEES

There are three fee bands, based on the turnover of the company that owns the product to be approved:

- Band A: £4,950 (t/o – up to £15m pa)
- Band B: £9,950 (t/o – from £16m to £50m pa)
- Band C: £14,950 (t/o – above £50m pa)

Notes about fees:

- VAT is added to the fee, unless the product owner is based outside the UK and the LCS Approved product is not used in the UK.
- Fees are payable at the start of the LCS Approved period.

3. LCS APPROVED GENERAL TERMS

DEFINITIONS

‘LCS Approved’ refers to the status conferred on a product that confirms that the LCS considers it is aligned with, and supportive of, lean thinking principles and so will be conducive to fostering the development of appropriate lean behaviours that underpin the creation of a sustainable, lean culture.

The ‘LCS organisation’ refers to the body that manages and controls the Lean Competency System and is encompassed with Lean Competency Services Ltd, the company that holds the LCS licence.
The ‘Customer’ refers to the organisation that owns the product being LCS Approved.

VALIDITY

1. LCS Approved is valid for a period of two years from the date of issue, after which the customer may reapply. There is a renewal process, after which a further two-year licence may be issued.

FEES

2. The LCS Approved Fee is payable at the start of the two-year period.

3. The fee covers a standard range of LCS Approved activities by the LCS assessor. Should additional activities be necessary, then additional charges will be made on a day rate basis. This will be agreed beforehand by the LCS organisation and the customer.

QUALITY ASSURANCE

4. The customer is responsible for maintaining the integrity of its LCS Approved status, ensuring that appropriate quality assurance mechanisms and procedures are in place and enforced.

5. LCS management reserves the right to inspect records and quality assurance information, scrutinise training materials and observe training activity.

6. Should the LCS need to undertake an investigation as a result of a quality failure on the part of the customer, then a charge (the LCS daily rate) may be levied on the customer in compensation for the time spent on such activities.

LCS APPROVED PRODUCT CHANGES

7. Should the customer make any significant changes to its LCS Approved Product during its licence period it should inform the LCS of the nature of the changes and state whether the changes have any impact on the product’s ability to support lean transformations or implementations.

STATEMENT OF USE

8. A Statement of Use is required from the customer concerning its LCS Approved product use by its clients, summarising key information (e.g. volumes, name of clients/organisations using the product etc). This should be submitted for the two year renewal process.

COMMUNICATION

9. The customer can highlight its LCS Approved status in its marketing or communication activities and may use the LCS visual identity, which includes the LCS logo and the LCS Approved insignia. The use of Cardiff University visual identity is not permitted without the prior approval of the Cardiff University.

10. The LCS Approved customer will be listed on the LCS website, unless it informs the LCS organisation otherwise.

11. An LCS Approved customer must not claim in its communications that its product(s) is endorsed by any entity other than the LCS Organisation.
CONTINUOUS IMPROVEMENT

12. In the spirit of continuous improvement, the LCS organisation will occasionally make changes to the LCS Approved product and will ensure that customers are kept informed of these and may, if appropriate, discuss the potential impact of these changes on the customer’s LCS related activities.

CONFIDENTIALITY

13. Strict confidentiality will be maintained at all times by the LCS Organisation with regard to the LCS Approved customer’s application documents, materials and information that are scrutinised and held as part of the approval process.

TERMINATION

14. The LCS organisation can terminate a customer’s LCS Approved licence any time and without notice should it deem that these terms have been breached.

15. Should the customer wish to end its LCS Approved status and cease being linked to the LCS, then it should let LCS management know in writing. No refunds will be given in relation to the LCS Approved fee.

CONTRACTUAL RELATIONSHIP & ASSIGNMENT

16. A licence from Cardiff University to operate, manage and develop the Lean Competency System is held by Lean Competency Services Limited, a company registered in England & Wales (Company Number 8624706). For all LCS accreditation and related matters, the contractual relationship is between the customer and Lean Competency Services Limited.

17. In the event of the termination of the agreement between Lean Competency Services Ltd and the University, Lean Competency Services Ltd will assign its contract with the customer to the University.

OTHER

18. The Cardiff University logo is a registered trademark of Cardiff University, all rights reserved. Lean Competency Services Limited uses this logo under licence, is not controlled by or an agent of Cardiff University and is not authorised to make or enter into any commitments for or on behalf of Cardiff University.

19. These terms may be updated periodically without prior notice.