10 Lean Tools Recommended for Nonprofit Organizations

By Shelby Morrison

What is Lean?

Lean is a systematic approach to eliminate waste and optimize processes in various industries and organizations. The focus of Lean is to deliver maximum value to customers with minimal waste, while continuously improving efficiency and quality. It encourages a culture of continuous improvement, employee involvement, and problem solving, ultimately striving for streamlined processes that enhance overall organizational effectiveness.

Why Lean at The Moses Closet?

The Moses Closet is one of over 1.5 million nonprofit organizations in the United States with the mission to help all foster, adoptive, and kinship families, including international families, by providing tangible items needed. While nonprofit organizations are not driven financially and do not strive necessarily to compete with other organizations, it is still vital for them to have organizational change models such as Lean Process Improvement. In building a Lean culture within a nonprofit organization, both the leaders of the organization as well as the volunteers have awareness on the following:

- How to develop processes that are optimal for their customers
- How to identify when processes have waste and brainstorm the most effective methods for removing the waste
- How to continuously adjust and re-evaluate per the organization's purpose

After completing a walkthrough with one of The Moses Closet Executive Directors in May 2023, there was an observed lack of internal organization expertise on the Lean Process Improvement methodology. The root cause of this issue was a lack of training or experience with Lean Process Improvement as well as a lack of standard work procedures for sorting and collecting donations.

A Girl Scout Gold Award project was started to not only fill this knowledge gap, but also demonstrate through hands-on learning how Lean tools can make a difference.

10 Common Lean Tools Used to Easily Improve Efficiency

In working with The Moses Closet in Tomball, TX on a transformational project to add more value to volunteers and customers, a prospective Girl Scout Gold Award recipient applied and presented the following ten Lean tools to the Board of Directors (as pictured in Figure 1). These tools are recommended for nonprofit organizations as they are simple methods that will create sustained results, as found by The Moses Closet.

Figure 1. Shelby Morrison presenting Lean tools to the Board of Directors at The Moses Closet

1. Five Lean Principles

There are five Lean Principles to provide structure and understanding for the Lean Process Improvement methodology. These principles are to specify value, identify the value stream, create flow, create pull, and aim for perfection. The Moses Closet applied these principles to improve the process with sorting clothes to increase effectiveness and time management. The first principle listed, specify value, was used in inspecting donated items and ensuring the items were sorted neatly for efficient pick up by families. The next principle, identify value stream, is used to map the stream of process steps currently in place. Knowing the current process will help to look for ways to improve efficiency. In understanding the current value stream at The Moses Closet, it was surprising to learn the process took 24.8 minutes to sort one bag of donated clothes from inspecting the quality to placing it in a labeled bag and that there were over 70 sorting categories. Creating the visual pictured in Figure 2 enabled a clear understanding of where the sorting process could break down (i.e. not inspecting correctly) and which process steps to improve (i.e. creating labeled bags).

Figure 2. Value Stream of Sorting Clothes at The Moses Closet

The next principle, create flow, is the product of eliminating wasted steps or non-value added work. Improved flow results in decreased turnaround time from start to finish. A streamlined clothes sorting process with a labeling kit at The Moses Closet reduced the sorting time for one bag of donated clothes by 8.5 minutes. A second round of improvements where volunteers had specific roles reduced the time by a total of 15.6 minutes, a 63% improvement! Next, create pull, is used to achieve a process where products or services are produced without a push, or forced need. For example, The Moses Closet created a wish list of donations that they would prefer people to drop off. The wish list is their way of pulling in the inventory they want to add value for their customers. The last Lean Principle is to aim for perfection. This creates a culture of improvement and sustainability where it's everyone's role to detect, communicate, and eliminate errors.

2. Eight Types of Waste: TIMWOODS

A second Lean tool helpful to nonprofit organizations is an acronym called, TIMWOODS, that stands for eight types of waste. These include transportation, inventory, motion, waiting, overproduction, over processing, defects, and skills. Figure 3 provides definitions of these types of waste as well as examples observed at The Moses Closet. Since a key objective of Lean is to reduce waste, frequently a Lean toolkit is created for end users to remember when and how

Eight Wastes: TIMWOODS

Transportation	Unnecessary transportation of products	Example: Transportation of clothes in vehicles to volunteers' homes and back to Moses Closet for sorting
Inventory	Excess quantity of work product	Example: Having more clothes than storage space inside Moses Closet
Motion	Excess movement of people	Example: Unnecessary movement by volunteers to sort clothes in a designated space
Waiting	Idle time due to items, services, or information not ready	Example: Wait time for clothes to be sorted
Over Production	Producing more than needed or before needed	Example: Sorting clothes before bins are empty to store them
Over Processing	Using more resources (space, energy, people) than required	Example: Sorting same clothes multiple times (by gender, by season, by size)
Defects	Errors in product and/or service due to the process	Example: Clothes having stains, the words "Mom or Dad", or damaged (from sitting on back patio)
Skills	Not utilizing a person's full training, license, or talents	Example: Not having process improvement skills and knowledge

Figure 3. Definitions of the eight types of waste and examples

to use the tools. An example of a Lean toolkit provided to The Moses Closet is attached at the bottom of this article for others to use.

3. Gemba Walk

A third effective Lean tool is called a **Gemba Walk**. Gemba is the place where the work is done, while a Gemba walk is going to see work done in person. It's important to validate current processes instead of making assumptions about the process. As shown in Figure 4, a list of what to do and what not to do when going to the gemba was provided to The Moses Closet. An important takeaway is to stay open-minded and be respectful.

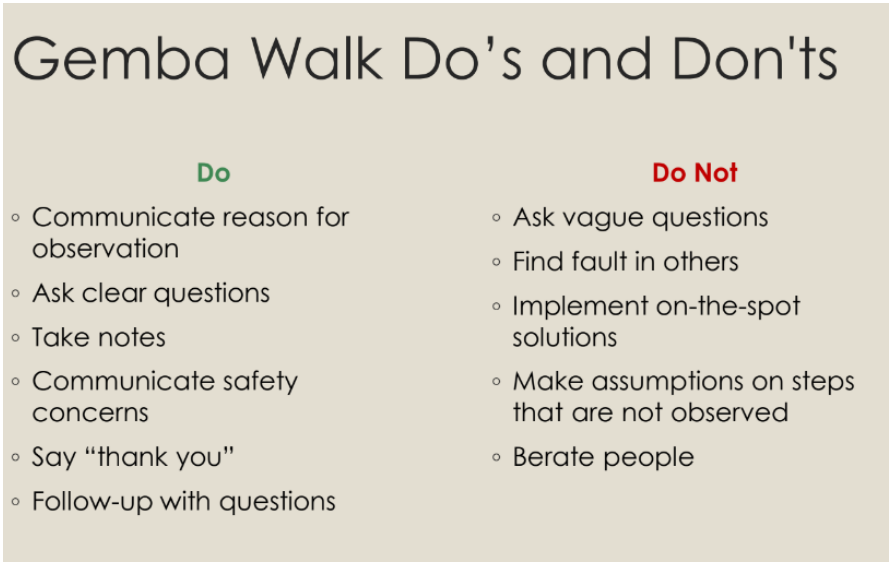

Figure 4. Gemba Walk Do's and Don'ts

4. 5W1H

A fourth Lean tool is called **5W1H**. This is an acronym to remember to ask open ended questions starting with who, what, when, where, why, and how. Common examples could be "What can I do to make this process better?" or "How can I change this so it doesn't negatively impact my business?" This is a very simple tool that anyone can use to learn more. Asking The Moses Closet, "How should donations be sorted," instigated more questions and spurred brainstorming of how to improve the process at the same time.

5. Voice of the Customer

Voice of the customer is a Lean tool used by organizations to make sure that they are asking customers about their needs and fulfilling those needs to provide desired services or products. Developing processes with customers' needs at the center and thinking of how they will react (positively or negatively) is one of the first steps in process improvement. There are many ways to collect the voice of the customer, for example surveys, interviews, or customer feedback data. At The Moses Closet, two surveys were developed to gather feedback from not only families

receiving donations, but also the volunteers that are helping to provide those donations in an efficient and effective way. Figure 5 below shows some ideas of what to ask customers about.

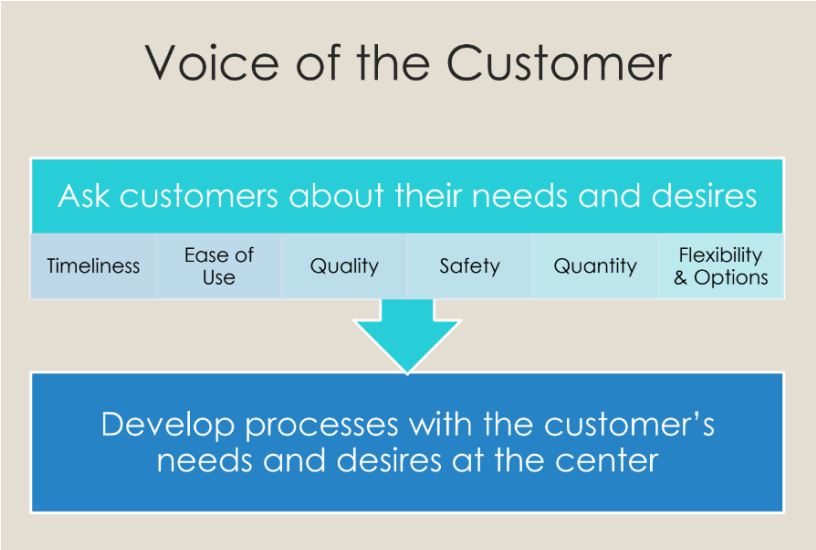

Figure 5. Ideas for what to ask customers about

What is value? It is essential to keep in mind that the customer defines value. Nonessential process steps that result in waste do not add value, while any product or service that the customer is willing to pay for is considered to add value. Understanding process steps from the customer's perspective may seem straightforward, but there could be different perspectives if there are primary and secondary customers. At The Moses Closet, for example, families receiving donations are the primary customer while volunteers could be considered a secondary customer.

6. One Piece Flow

One piece flow is a process method to minimize batching, improve process time of all items, and reduce defects. An example relating to The Moses Closet would be to gather donations and then handle each donation one at a time as follows: inspect the quality of one item, sort accordingly, fold neatly, and place the item in the appropriate bag. This tool not only reduces defects but improves neatness and turnaround time.

7. 5S

5S is a Lean tool that stands for sort, set in order, shine, standardize, and sustain. This tool was perfect for volunteers at The Moses Closet! Sorting is the first step to eliminate unnecessary donations from the workspace. Setting donations in order is the process of arranging items so they are easy to use, find, and put away. Shining is the process used to keep donations and work areas neat and clean. Standardizing is the process of creating consistent instructions for tasks and procedures. Lastly, sustaining is when a team makes a habit and routine of updating the

procedures to fit what's best for the organization as it grows and develops. This tool can help when an organization needs to update or redevelop their standard work instructions because it keeps everyone organized and on-track.

8. PICK Chart

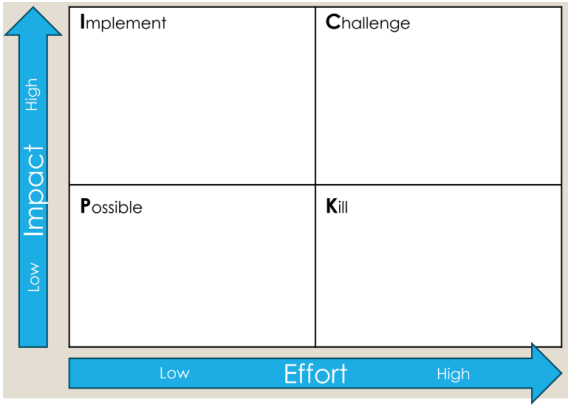

Figure 6. Blank PICK Chart template

A PICK chart is a Lean tool used to prioritize ideas to decide what should be implemented first by assessing the level of impact and effort. PICK is an acronym for possible, implement, challenge, and kill. A blank PICK chart is shown in Figure 6. To facilitate a PICK chart, it's recommended to have post-it notes available and write one idea per post-it note. Once all ideas are collected, come to consensus on where the post-it note should be placed with reference to the y-axis (impact) and x-axis (effort) labels. Ten solutions were brainstormed at The Moses Closet to improve processes and then prioritized using a PICK Chart, as shown in Figure 7. The ideas in the top left quadrant were implemented first as part of the Girl Scout Gold Award project started.

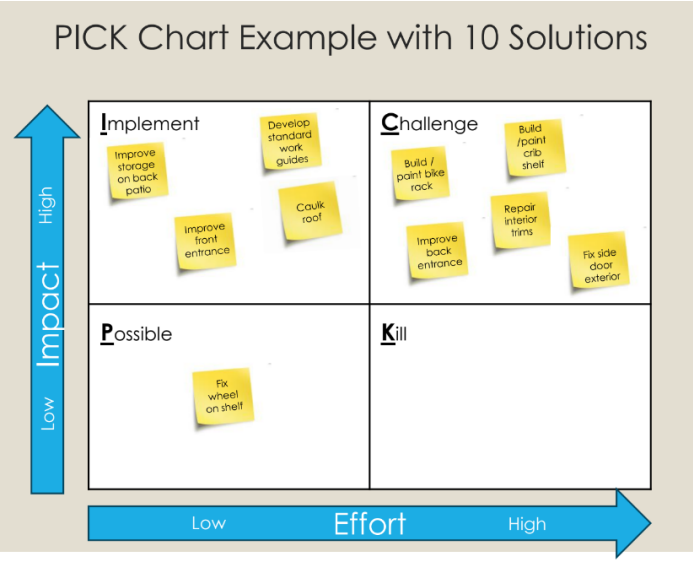

Figure 7. Completed PICK chart with solutions for The Moses Closet

9. Communication Plan

A communication plan is used to communicate various messages to different audiences at different times. It is used to track progress and stay organized. A blank communication plan template is shown in Figure 8. In working with The Moses Closet, the communication plan ensured that all key stakeholders were kept informed.

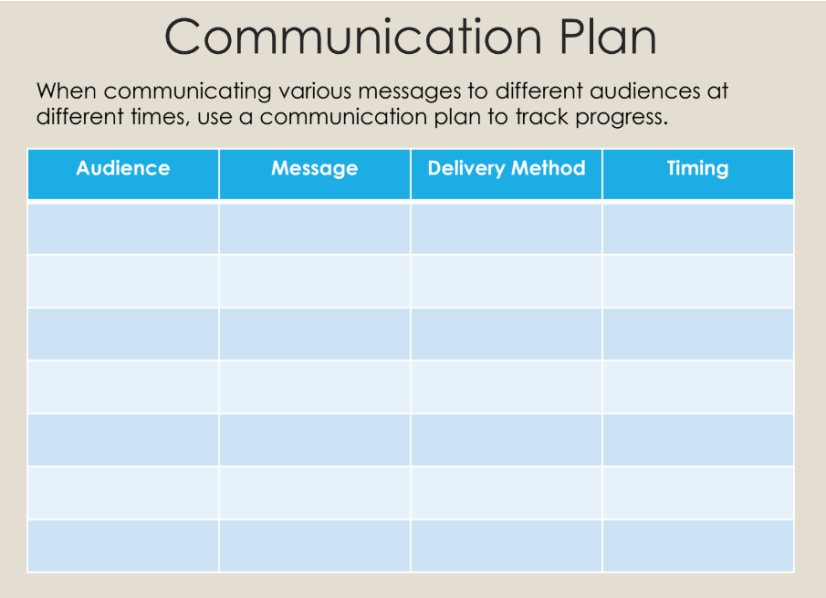

Figure 8. Example of Communication Plan

10. Plus/Delta Tool

A plus/delta tool, as depicted in Figure 9, is a common, simple tool that most people have either heard of or used at least once. The plus side is reserved for all the things that are going well according to stakeholders, while the delta side is reserved for suggestions for improvement. This tool requires feedback from stakeholders to explain what they love about the organization, and what they think can be improved. This helps the business provide the best experience for their customers and helps them adapt to exactly what they are wanting.

Figure 9. Example of Plus/Delta chart

How Lean Helped The Moses Closet

The Moses Closet receives donations of baby clothes, toys, shoes, etc. and they allow families to pick out clothes and resources for their children that they may not be able to purchase. Their building however was in very rough shape, making it hard for the parents and volunteers to access the supplies needed in an efficient timeframe. With the help of a volunteer team, the following projects were completed at The Moses Closet:

- Caulked the back patio roof cover to prevent flooding water pooling on the patio
- Acquired a donated shed for improved storage of donations on the back patio
- Built a bike rack to store bikes efficiently
- Fixed a broken wheel on one of the clothes shelves
- Painted the front door and added outdoor decor to make the entrance more appealing
- Sanded and painted the exterior back doors and interior trims that had paint peeling off
- Constructed a crib shelf to declutter the crib room and store them more effectively
- Provided standard work instructions for the clothes sorting process
- Saved a total of 15.6 minutes per bag in the clothes sorting process
- Created a Lean Toolkit and educated the Board of Directors on ten Lean tools
- Encouraged the Board of Directors to take a free online Fundamentals of Lean course
- Developed voice of the customer surveys for both volunteers and families
- Volunteered to continue to help The Moses Closet and provide ongoing feedback

The leaders of The Moses Closet were thankful for the crib shelf because they had expressed that it had always been a dream to improve that room, but just didn't know how. Using the Ten Lean Tools, specifically the PICK Chart for this example, the team was able to decide that the crib room was one of the top priorities for this project. The team was extremely happy and honored to know that the crib shelf was able to bring such joy to an organization.

Volunteering for the November 2023 coat drive, the team finished 30 minutes before expected as it was communicated that Lean Process Improvement tools helped the planning committee to think differently. While it seems like a small difference, it was the start to even more development. One of the leaders of The Moses Closet expressed that in past years, it had taken about five hours to set up for the annual coat drive. This year though, they applied everything they learned throughout this process, and they were able to complete the set up in under two and a half hours, cutting their time in half! They were also able to serve about 413 children in total this year, in 2023. In past years, they were able to serve 316 children in 2022, and 218 children in 2021. This shows that they are continuously growing about 100 children per year!

Learning about Lean Process Improvement has helped the Board of Directors to make an impact on the families shopping for clothes for their children as well as the volunteers that serve these families. In summary, "Lean was made for nonprofit organizations," from a common sense standpoint, "just in the way that jelly was made for peanut butter." Lean's fundamental principle being respect for people is a common value shared by The Moses Closet. With Lean, nonprofit organizations can "do more with less," not just have the "with less" part. (Source: https://nonprofithub.org/lean-was-mad-for-nonprofits/)

How Can You Learn More About Lean?

Please take this free online Fundamentals of Lean course to learn more.

Link to a PDLean Toolkit 7-12-23 PDF.pdfF copy of the toolkit