

Common Lean Six Sigma Wastes in SMBs

The 8 Wastes (TIMWOODS) & How They Show Up in Small Businesses

1. Transportation

What It Is

Moving materials, products, or information unnecessarily between locations.

How It Appears in SMBs

- Multiple trips to retrieve documents or supplies
- Inefficient warehouse layout requiring excessive movement
- Poor inventory placement causing workers to travel long distances
- Email chains instead of centralized communication systems

Quick Win

Reorganize your workspace using the “5S” methodology to minimize unnecessary movement.

2. Inventory

What It Is

Excess stock that ties up capital and increases storage costs.

How It Appears in SMBs

- Overstocking due to poor demand forecasting
- Dead stock that never sells
- Safety stock that's too high
- Raw materials sitting idle waiting for processing

Quick Win

Implement a simple inventory tracking system and review stock levels weekly.

3. Motion

What It Is

Unnecessary movements by workers during their tasks.

How It Appears in SMBs

- Poorly organized workstations requiring excessive reaching or bending
- Tools and materials scattered around the workspace
- Repetitive motions that could be eliminated with better ergonomics
- Manual data entry when digital systems could automate

Quick Win

Audit your top 3 processes and identify repetitive motions—often 20% of motion causes 80% of fatigue.

4. Waiting

What It Is

Idle time where nothing is being produced or added to value.

How It Appears in SMBs

- Customers waiting for service or quotes
- Projects waiting for approvals
- Employees waiting for tools, materials, or information
- Bottlenecks in production or service delivery
- Long lead times from suppliers

Quick Win

Map your top 3 processes and identify where waiting occurs—often the biggest opportunity for improvement.

5. Over-Processing

What It Is

Doing more work than necessary or adding features customers don't want.

How It Appears in SMBs

- Creating reports nobody reads
- Over-engineering solutions to simple problems
- Excessive quality checks that don't add value
- Multiple approval layers for routine decisions
- Adding features to products that customers don't use

Quick Win

Ask customers what they truly value—you might be surprised what you can eliminate.

6. Overproduction

What It Is

Making more than what's needed right now.

How It Appears in SMBs

- Batch processing everything (printing, manufacturing, etc.)
- Producing to forecasts rather than actual demand
- Making “just in case” inventory
- Running full production runs when smaller batches would suffice

Quick Win

Shift from batch processing to smaller, more frequent production runs aligned with actual demand.

7. Defects

What It Is

Errors, rework, and quality issues that require correction.

How It Appears in SMBs

- Customer complaints and returns
- Rework and corrections eating up 10-30% of labor
- Data entry errors requiring manual fixes

- Quality escapes that damage reputation
- Lack of standardized processes leading to inconsistency

Quick Win

Implement a simple “Poka-Yoke” (error-proofing) system for your top 3 processes.

8. Skills Underutilization

What It Is

Not using the full capabilities and knowledge of your employees.

How It Appears in SMBs

- Employees doing repetitive tasks below their skill level
- No continuous improvement culture
- Lack of training and development
- Ideas from frontline staff not being heard
- High turnover due to lack of engagement

Quick Win

Start a simple suggestion system and implement one employee idea per month.

Quick Assessment: Where Are Your Biggest Wastes?

Rate each waste area on a scale of 1-5 (1 = minimal, 5 = severe):

Waste Type	Rating	Notes
Transportation	---	
Inventory	---	
Motion	---	
Waiting	---	
Over-Processing	---	
Overproduction	---	
Defects	---	
Skills Underutilization	---	

Next Step: Focus on the top 3 areas with the highest ratings. These are your biggest opportunities for improvement.

The 80/20 Rule in Action

In most SMBs, **80% of waste comes from just 20% of processes.**

- Identify your top 3 problem areas
 - Apply Lean principles to those areas
 - Expect 20-40% improvements within 30-60 days
 - Scale to other areas once you see results
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Common Quick Wins for SMBs

1. **Standardize Processes** (1-2 weeks): Document your top 5 processes
2. **5S Workspace** (2-4 weeks): Organize, clean, and label your workspace
3. **Visual Management** (1-2 weeks): Use boards, charts, and dashboards
4. **Daily Standups** (Ongoing): 15-minute daily team meetings to identify blockers

5. **Error-Proofing** (2-4 weeks): Add simple checks to prevent common mistakes

Resources for Deeper Learning

- **Lean Six Sigma Certification:** Green Belt programs (120-150 hours)
 - **Books:** “The Lean Startup,” “The Goal,” “Lean Thinking”
 - **Online Courses:** Coursera, Udemy, LinkedIn Learning
 - **Consulting:** Lean Genie Advisors specializes in SMB transformation
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Ready to Get Started?

Schedule a free 30-minute consultation with Lean Genie Advisors to identify your top 3 wastes and create a quick-win action plan.

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