As part of our Operational Excellence initiatives, we are constantly looking for ways to improve what we do, so that tomorrow will be a little bit better than today.

Every year we dread the notion of taking inventory and doing inventory valuation - tedious but essential work we have to do to ensure our staff have the items they require to complete the important work that they do and that our accounting correctly reflects the assets we have.

In the last few years, we continually experienced inventory variances that could not be adequately explained. This was a perfect opportunity for improvement. In keeping with our Idea Generation process, four green idea cards were put forward by our staff to improve our inventory (see below). Using our Lean Six Sigma and Kaizen teachings, Bonnie and Louis took the initiative and acted on them. They reviewed the issues, brainstormed solutions, analyzed those solutions and achieved the following results:

- Identified the probable causes of the inventory variances and determined applicable solutions.
- Identified all the real cost items, such as consumables, taxes, freight and eco fees that should be but might not have been included in the recovery process.
- Created and documented a new a process to ensure that all items received are invoiced.
- Revised the Year End Inventory Valuation Process to materially reduce errors in inventory valuation.
- Documented the Revised Year End Valuation Process to ensure consistent practice.

During their investigation and analysis, Bonnie and Louis discovered additional issues not covered by the green cards. They identified items issued to work orders but never invoiced. This creates further anomaly in the inventory valuation. So they did the next logical step - create a new process and a report that will be used to monitor and manage the situation.

Well done team! Thank you for taking the initiative and helping solve a nagging problem!