KEY LEARNINGS: REDUCING DEFECTS AND WASTE

1. The Link Between Data and Action
- In the last chapter, we learned how data-driven decision-making helps spot inefficiencies.
- But once we see the problems, the next step is fixing them.
- How? By reducing defects and waste—the two biggest obstacles to efficiency.

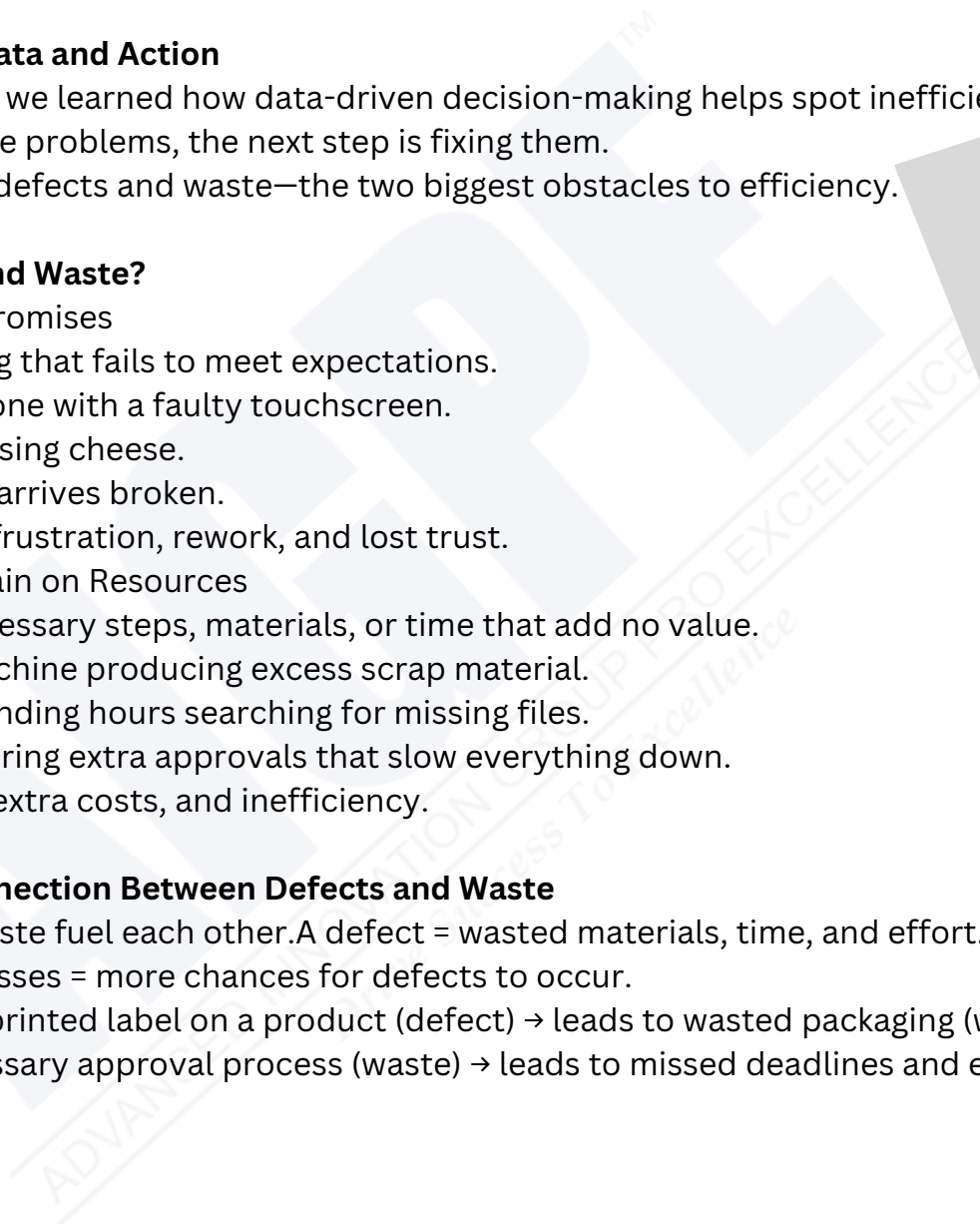**2. What Are Defects and Waste?**
Defects: The Broken Promises
- A defect is anything that fails to meet expectations.
  - Examples:A phone with a faulty touchscreen.
  - A sandwich missing cheese.
  - A product that arrives broken.
- Result? Customer frustration, rework, and lost trust.

Waste: The Hidden Drain on Resources
- Waste is the unnecessary steps, materials, or time that add no value.
  - Examples:A machine producing excess scrap material.
  - Employees spending hours searching for missing files.
  - A process requiring extra approvals that slow everything down.
- Result? Lost time, extra costs, and inefficiency.

3. The Dangerous Connection Between Defects and Waste
  - Defects and waste fuel each other.A defect = wasted materials, time, and effort.
  - Wasteful processes = more chances for defects to occur.
  - Example:A misprinted label on a product (defect) → leads to wasted packaging (waste).
  - A long, unnecessary approval process (waste) → leads to missed deadlines and errors (defects).

Reducing Defects and Waste

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4. Why Should This Matter?
- Two companies make the same product.Company A: Constant defects, wasted materials, stressed employees.
- Company B: Streamlined process, low waste, high customer satisfaction.
- Who wins in the long run?Company B—because efficiency = profitability, trust, and growth.

5. The Real Benefit of Reducing Defects and Waste
- Saves money—Less rework, fewer recalls, lower costs.
- Improves morale—Employees feel less stressed when things run smoothly.
- Boosts customer trust—Consistent quality = repeat buyers & strong reputation.
- Drives long-term success—Efficient companies stay ahead of competitors.

6. The Big Question: How Do We Eliminate Defects and Waste?
- Now that we know the problem, how do we fix it?
- What tools, methods, and strategies can make processes nearly flawless?
- The answer lies in Lean Six Sigma… and that's where we go next!