

development, high interest rates of bank loans, the lack of enforceability of franchising within the legislation of Ukraine, the absence of experience in doing such a kind of business and the threat of losing the company's image because of franchisee's improper operations without an enabling environment for development of franchising.

Therefore adequate conditions should be set to implement franchising in Ukraine effectively, which would provide an opportunity for its stable development and functioning, namely to implement a program of assistance to small business at the national level, provide tax exemptions at the outset and development of franchising for this kind of enterprises, allow maintaining a simplified system of accounting statements, create consultative centers on franchising management throughout the territory of Ukraine.

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THE IMPLEMENTATION OF THE LEAN MANUFACTURING SYSTEM

A clear awareness of production losses is required to implement the automation of all business processes effectively. The analysis of lean manufacturing is a topical direction of research which makes it possible to solve a number of problems faced by enterprises.

It is determined that lean manufacturing is a scientific paradigm of management that seeks to eliminate all kinds of expenses involving, meanwhile, every worker to the process of optimization of the activities, focusing on consumer needs. The goods are produced at minimal costs according to consumer needs and demands. This concept aims at minimizing all kinds of costs and possible increasing efficiencies of resource utilization improving all company's operating processes needed to meet consumer demands. The purpose of this concept is to reduce labour and time costs related to new products, industrial areas and development and creation of warehouses, to ensure that the commodity is delivered to the client and to improve the quality while decreasing the total value of the goods. From the customers' point of view, the products are really valuable if they are made of the most valuable components. The idea of lean manufacturing aims at removing defect-related costs, product manufacturing which is higher than demand and other indirect expenses paid by consumers.

Taiichi Ohno, known as a the creator of Toyota manufacturing system, is a founder of this system, who outlined such types of expenses as designing the products which do not meet customers' demands, a surplus of production over

the demand what causes the excess of materials, useless movement and transportation, the output of defective products which can be repaired, unnecessary raw material and components processing, the time lost due to waiting, the unrealized capacity of the work force and employees' ideas, overworked stuff, irregular working rate that obliges either to wait and or to be in a rush. The idea of this production concept can be defined as a method of product designing with nothing superfluous in it. Its main idea is the overcoming of the processes which do not create value, the reduction of product delivery time, the elimination of all possible costs and the constant improvement of quality. The philosophy of lean manufacturing can be formulated as a permanent improvement, enhancement; focusing on immediate processes, goods production depending on market demands; the reduction of restructuring time what helps easier to deal with small consignments and, where required, rapidly to switch the production to another item; a high-speed execution of orders including large-volume purchases. In case of problems not finger-pointing but the correction of the situation is carried out by a manager being a coach and the personnel being not a reason of losses but an instrument of the effective influence on the company activities. At the same time it is essential to continuously improve the operations of the organization by eliminating the expenses in different processes, smoothing out the flow of value creation, repeating the manufacturing operations, reducing time wastes and production cost. Goods are delivered to the consumers depending on their demands ensuring a straight movement of products of a relative value in a flow directed at the client. There is a number of common mistakes in the concept implementation plan among which the employees' misunderstanding of the leader's role and their resistance to the implementation of this system, the lack of flexibility in the system, realizing the final stages rather than building a basis, a useless collection of data and analysis of various situations, which take much time whereas it is better to enable different advancements.

It is examined that the world's largest companies use this concept and are highly successful in adopting practices. They include Porsche, Boeing, Alcoa, United technologies, etc. The concept was first used in automotive industry, and then its philosophy went beyond and was gradually being adapted to the commerce and services, health care, communal economy and other sectors.

To sum up, the implementation of the lean manufacturing system helps the company to create a well-established production and manufacturing operations management system, to build relationships with suppliers and customers and to design the product according to the consumers' demand with minimum probability of defect occurrence. The lean manufacturing requires a lean culture where the major component is a collaborative work which is carried out with the help of employees' high qualification gained with training and coaching.

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