Executive Summary

Due to the recent economic downturn, the San Luis Obispo Children's Museum's budget has been reduced by half. The entrepreneurial Museum Director is searching for ways to cut costs and increase revenue. This project aimed to apply Lean methodologies, traditionally used in manufacturing organizations, to the Museum, a non-profit service organization.

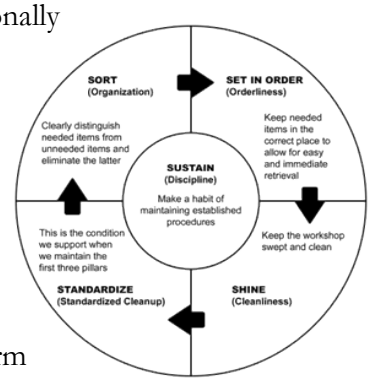

Figure E1: 5S steps (Source: EPA)

The project objectives were to have an organized storage area using principles of 5S; determine excess inventory; consolidate available exhibit information; create guidelines for exhibit production to ensure high quality exhibits with sufficient user documentation are created; perform a sampling of exhibit use in order to have a list of exhibits ranked by popularity; identify areas of waste and initiate record-keeping in these areas as basis for future projects.

The storage area was organized, but 5S was not fully applied because the labeling and storage containers were not standardized. Before and after photos of the storage area are shown in Figures E2 and E3. Some excess inventory was identified, but more is still likely to be found in the front office and the business offices. Exhibit information was consolidated and the *Guidelines for Exhibit Production* were completed and implemented. Exhibit sampling was performed, but lacked scope. Further sampling should be performed over a greater number of days.

Figure E2: Storage area, before 5S

Figure E3: Storage area, after 5S

This project found that applying Lean methodologies in a non-profit, service organization was effective in producing both the quantitative and qualitative benefits typically seen in traditional applications in manufacturing organizations. Yet, these benefits will be short-lived at the Museum if lean thinking is not adopted across the entire organization and the organizational culture is not transformed into a Lean culture. Many more areas of the building would benefit from 5S implementations.

Future Directions include making exhibit improvements; tracking birthday party costs and attendance, and inventory use; determining optimal staffing levels; and locating all inventory in various areas of the building by performing 5S.