Lean Energy Management in Manufacturing

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Lean manufacturing is by now a widely understood method of making wide variety, small quantity products. Few manufacturing managers are not familiar with the idea of lean manufacturing having come of age in the 1980s. This movement has effectively created the low-cost, wide variety product universe in which we live now. Industrialized societies have become so efficient at making stuff in such variety that we're literally drowning in it.

There is still one logistics sector that has lagged this trend. Established in the 1930s, the energy sector was an area of our economy run in part by governing commissions make that political decisions, where service and variety have been slow in coming, and very few, if any, understand Variance Management, or what to do with Defects per Million Opportunities. Monopolies still thrive in large parts of the country, offering poor service and reliability — all those things that modern manufacturing really is no longer about. Yet, industrial and manufacturing companies are very much dependent on it.

United States industrial businesses have been doing a spectacular job in doing more with less energy. The adjacent chart shows how much more energy efficient the U.S. industrial sector has become, largely due to price competition. Between 1960 and 2010, the industrial sector has improved energy productivity by nearly 1,000 percent — an order of magnitude.

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