

## Lean Thinking

While the elimination of waste may seem like a simple and clear subject it is noticeable that waste is often very conservatively identified.

The core of Lean Thinking (Lean) is founded on the concept of continuous product and process improvement and the elimination of non-value added activities. The value adding activities are simply only those things the customer is willing to pay for, everything else is waste, and should be eliminated, simplified, reduced, or integrated. Therefore, improving the flow of

material through new ideal system layouts at the customer's required rate would reduce waste in material movement and inventory.

Essentially, lean is centered on preserving value with less work.



Lean manufacturing is a management philosophy

derived mostly from the Toyota Production System (TPS). Lean manufacturing is based on optimizing flow. It aims to increase efficiency through decreasing waste, and using empirical methods to decide what matters, rather than uncritically accepting pre-existing ideas.

The main method of Lean is not the tools, but the reduction of three types of waste: muda ("non-value-adding work"), muri ("overburden"), and mura ("unevenness"), to expose problems systematically and to use the tools where the ideal cannot be achieved. The principles

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## Trusting Social Media

Social media is the use of web-based and mobile technologies to turn communication into interactive dialogue. It is a blending of technology and social interaction for the co-creation of value.

One of the key components in successful social media marketing implementation is

building social authority. Social authority is developed when you establish yourself as an "expert" on a topic, thereby becoming an influencer in that area. It is through this process of building social authority that social media becomes effective. That is why one of the foundational concepts in social

media has become that you cannot completely control your message through social media but rather you can simply begin to participate in the "conversation" in the hope that you can become a relevant influence in that conversation.

However, this conversation participation must be clever

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## Lean Thinking (cont.)

*Consumer Prices in May, as measured by the CPI, increased by 0.1% in the month. This compares to an increase of 0.6% recorded in May of last year. Prices on average, as measured by the CPI, were 2.7% higher in May compared with May 2010. The annual rate of inflation for Services was 3.6% in the year to May, while Goods increased by 1.4%.*

The volume of **retail sales** (i.e. excluding price effects) decreased by 3.9% in April 2011 when compared with April 2010 and there was a monthly decrease of 0.8%. If Motor Trades are excluded, the volume of retail sales decreased by 5.0% in April 2011 when compared with April 2010, while there was a monthly decrease of 1.0%.

At a national level residential property prices in the year to March 2011 fell by 11.9%. Since reaching their highest level in 2007, Residential Property Prices have fallen by almost 40% nationally. The largest price decline was for Dublin apartments where prices have fallen by 52% since February 2007.

include: pull processing, perfect first-time quality, waste minimization, continuous improvement, flexibility, building and maintaining a long term relationship with suppliers, intelligent automation, load levelling and production flow and visual control.



For example, the "flow" (or smoothness) based approach aims to achieve JIT (just-in-time), by removing the variation caused by work scheduling and thereby provide a driver, rationale or target and priorities for implementation, using a variety of techniques. The effort to achieve JIT exposes many quality problems that are hidden

by buffer stocks; by forcing smooth flow of only value-adding steps, these problems become visible and must be dealt with explicitly.

Muri, on the other hand refers to all the unreasonable work that management imposes on workers and machines because of poor organization, such as carrying heavy weights, moving things around, dangerous tasks, even working significantly faster than usual. It is pushing a person or a machine beyond its natural limits. This may simply be asking a greater level of

performance from a process than it can handle without taking shortcuts and informally modifying decision criteria.

But all of these concepts have to be understood, appreciated, and embraced by the actual employees who build the products and therefore own the processes that deliver the value. The cultural and managerial aspects of Lean are possibly more important than the actual tools or methodologies of production itself.

Lean implementation is therefore focused on getting the right things to the right place at the right time in the right quantity to achieve perfect work flow, while minimizing waste and being flexible and able to change.

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## Trusting Social Media (cont.)

erly executed because while people are resistant to marketing in general, they are even more resistant to direct or overt marketing through social media platforms.

Of course, there are many ways authority can be created and influence can be accomplished; providing valuable content through

social networks on platforms such as LinkedIn and Twitter; article writing and distribution through sites such as Ezine Articles; and providing fact-based answers on social Q&A sites such as EHow.

As a result of social media consumers are more likely to make buying decisions based on what they read

and see in platforms we call "social" but only if presented by someone they have come to trust. This is why a purposeful and carefully designed social media strategy has become an integral part of any complete and directed marketing plan but must also be designed based on building that consumer trust.

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# Civil Partnerships and Co-habiting Couples



New laws, known as the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010 (CPCROC Act), allowing same-sex couples to register their civil partnership came into force at the beginning of 2011. The new legislation also allows for the taxation redress scheme for opposite-sex and same-sex cohabiting couples in the event of the break-up of their relationships.

Civil partnership is a legal arrangement that can be entered into by any two people of the same sex once they reach 18 years of age. Le-

gally, civil partnership differs from marriage but brings with it many of the same rights and responsibilities. As in a marriage, civil partners are obliged to maintain each other financially and to share resources. If civil partners wish to end their relationship they must enter a dissolution process, equivalent to a divorce. Such a dissolution can be granted only through the courts.

Legislative changes to give effect to the taxation changes arising from the CPCROC Act are contained in Finance (No. 3) Bill 2011. The Bill was published on 9th June 2011. Finance (No 3) Bill 2011 allows couples in civil partnerships to receive the same tax treatment as mar-

ried couples. The Bill allows registered civil partnerships to avail of the same tax benefits for areas such as income tax, stamp duty, capital acquisitions tax, capital gains tax and VAT. However, couples living together who are not married or in a registered civil partnership continue to be treated as single individuals and cannot avail of any tax relief under the proposed Act.

As mentioned earlier, the new legislation also allows for a taxation redress scheme for opposite-sex and same-sex cohabiting couples in the event of the break-up of their relationships. Following on from the break-up of a cohabiting arrangement, an individual who has been in

The standardised **unemployment rate** in May 2011 was 14.8%, up slightly from a rate of 14.7% in April. In May 2011 there were 440,947 people signing on the Live Register. Casual and part-time workers in May accounted for 19.3% of those on the Live Register, an increase from 12.1% three years earlier.

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## Mandatory eFiling of Tax Returns

The commencement order for mandatory online filing of tax returns came into effect on 1 June. Taxpayers have been notified of the requirement to file all tax returns electronically using the Revenue Online Service (ROS). Paper tax returns will no longer be available.

If you are not already registered on ROS you should go to [www.ros.ie](http://www.ros.ie) and complete the registration process. You will need a computer with internet access, your tax reference num-

ber and an email address to commence the process. The process will involve:-

- Applying for a ROS Access Number (RAN)
- Applying for a Digital Certificate
- Installing the ROS software and relevant tax forms onto your computer
- Set up your bank account details on your ROS account

The process takes over a week to complete as you will have to await

receipt of certain passwords / access numbers by post. Once you have downloaded the software and the digital certificate you will then be able to complete and file tax returns on line.

There is an option to apply for an exclusion from the need to mandatory online file your returns - due to limitations in access to technology, age or infirmity. You are required to make your request in writing to Revenue without delay if you intend making such an application. \*\*\*\*\*

**Rental yields** in Ireland (annual rent divided by property value) are averaging 4.0% according to the Daft.ie Rental Report. Such a low rental yield looks literally "daft" and unsustainable when a risk-free investment (German government 10-year bonds) currently yields 3.3%.



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## Civil Partnerships and Cohabiting Couples (cont.)

such a relationship for a period of 5 years or more (known as a qualified cohabitant), or for a reduced period of 2 years where they are the parents of dependent children, can now apply to the court for a maintenance order. Any maintenance



payment ordered by the court is treated as income of the person who received the payment, and this person is taxable on that amount.

The amount of the maintenance payment is allowed as a deduction from the income of the person who is legally obliged

to make the payment. In the case of a PAYE employee, the tax on maintenance payments arising under a legally enforceable agreement can be collected by reducing the tax credits and rate bands. In the case of the recipient of the maintenance payment, if they are self employed or a PAYE worker they will have to declare this income in their Return of Income. To qualify for tax relief the maintenance order must have been determined by the court rather than being an informal arrangement between the parties involved. Tax relief is not available for maintenance payments made in respect of dependent children.

Where a property adjustment order is made in respect of a

specified property, the transfer of the property shall be on the basis of a no gain or no loss for the person transferring the property. The person now getting ownership of the property will be treated as if they acquired the property at such a price that there was no capital gains tax liability for the original owner. There will be no capital gains tax, gift or inheritance tax issues on the transfer, and no stamp duty will be payable. In any subsequent disposal of this property the full period of ownership of the property by both cohabitants will be taken into consideration for the purposes of determining whether any capital gains tax is payable on the later disposal.

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