



SOLUTIONS SOURCE
BUILDING BLOCKS OF 5-S

*The Importance of Red Tag Areas
in Workplace Organization*

WHAT IS A RED TAG AREA?

A Red Tag Area is a designated area where items of uncertain use / need are held until their disposition is determined.



HOW DOES THE RED TAG AREA FACILITATE CONTINUOUS ORGANIZATION AND IMPROVEMENT?

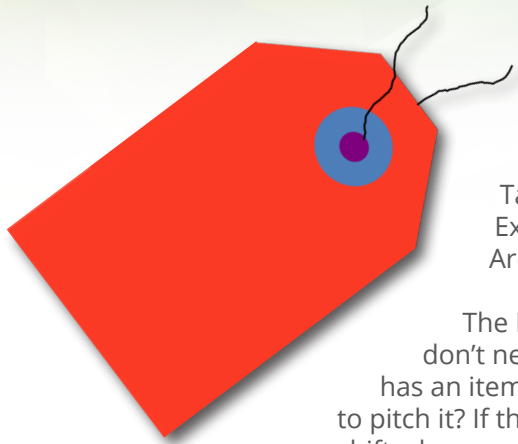
The Red Tag Area is most useful during the “Sort” phase of 5-S. When sorting items, it is often difficult for people to part with things they have had for years; it is human nature to collect things. Too often we think “I might need that,” or “I better keep this just in case,” or “what if...,” etc. Sorting is about getting through and reviewing many things and making quick decisions. When sorting, it’s best to move your items into five key buckets:

1. Keep locally (I use the item frequently)
2. Keep remotely (I don’t use the item frequently, but I am confident I’ll need it and it’s difficult to replace – find a long-term storage location for this)
3. Relocate (Need to return to its appropriate location / owner)
4. Scrap (Typical materials include steel, aluminum, stainless)
5. Dispose (Obsolete or non-functioning items)

There are often those items which don’t obviously fit into any of these categories; items which need some thought or time to determine the best solution. Perhaps they are really needed or could be used by others. This is the purpose of the Red Tag Area. If you ask someone to make a quick decision on an item, they will most likely default to keeping it. Perhaps they really don’t need it, but given less than 30 seconds to decide to keep something or say goodbye forever, most are going to keep it and have it collect another year’s worth of dust.

The Red Tag Area serves as a buffer, provides an “undo button,” and reduces the anxiety of being separated from the item that hasn’t been used in 5 years, but you feel desperate to keep. Sometimes keeping these items is legitimate (expensive, difficult to replace, repeatable periodic use), but most often they are not needed.

There can also be some paralysis in sorting when you have multiple shifts. If first shift throws away something that someone on third shift uses (perhaps different staffing levels require it), then people get angry and 5-S gets a bad name. The Red



Tag Area serves as that “undo button,” and the item can be retrieved. Experience tells us it is better to return something from the Red Tag Area to production than search through a dumpster for it.

The Red Tag Area also serves as a location for employees to put items they don't need anymore, but are otherwise afraid of disposing. If an employee has an item they don't want or need, what do they do? Do they have the authority to pitch it? If they pitch it, will they get in trouble from a team member on another shift who uses the item? From accounting or from management because it still had book value? Not having authority to dispose of the item, they will likely just leave it to clutter the work area or find an out-of-the-way place for the item from which it will never be seen again. **The Red Tag Area allows the employee the authority to remove it from the area without risk of throwing out an item of value or consequence.**

Although the Red Tag Area is most useful during a focused 5-S event, it is good practice for a company to always maintain one. There may be times it is empty, but it is an available space for employees to place items that they believe they no longer need and initiate the structured process of determining the fate of the item. It is an opportunity for continuous improvement and continuous organization.

WHAT IS THE RECOMMENDED SIZE AND STRUCTURE FOR A RED TAG AREA?

Red Tag Area size will vary; some may be as large as a 2-car garage (perhaps larger), and some may only require a 30" x 36" cart. Ultimately it will depend on the number of items you have accumulated and the size of the items.

Ideally, the Red Tag Area is in a conspicuous location that is both easily accessible to most and has a lot of visibility. Ease of access promotes use. If an employee has to walk to another building to place something into, or remove something from the Red Tag Area, they may not want to do it. Visibility serves two purposes:

1. It allows others to see what has been removed, which may ultimately be items of interest or of good use in other departments, and
2. It does not allow us to forget about the Red Tag Area. If the Red Tag Area is on a mezzanine at the back of the building, it becomes a black hole, full of years of clutter; out of sight, out of mind.

Smaller businesses may have one Red Tag Area for the entire organization, while larger businesses may have several. Some companies will have local Red Tag Areas where items remain for a short period – perhaps a week – and central Red Tag Areas where the local items are moved after the initial week. In this case, the central Red Tag Area should be a place where many people pass by and serves as an opportunity to repurpose items.



WHY DO WE NEED A RED TAG AREA MANAGER?

Red Tag Areas must have an appointed individual to manage them. The Red Tag Area Manager should be someone with significant authority who is responsible for:

1. Ensuring the rules are enforced for placing / removing items,
2. Regular reviews are conducted to dispose of aging items, and
3. Answer staff questions regarding the Red Tag and Sort procedures.

HOW DO YOU DEFINE RED TAG AREA RULES?

The 5-S team will determine rules for the Red Tag Area. These will include who can place items in the Red Tag Area, who can remove items from the Red Tag Area, how long an item will remain in the Red Tag Area prior to disposition, whether or not a tracking/log system will be used and for what type of items, and how often will the Red Tag Items be reviewed and by whom.

Rules will vary by business based on factors such as size of the organization, complexity, and culture. Start with a foundation and update or improve them if you find it does not suit your structure.

WHAT INFORMATION DO YOU PLACE ON THE RED TAG?

You may purchase pre-printed Red Tags or purchase them and fill in the detail that is appropriate for your team and organization. In general, it is best to include the name of the person originating the tag, the date (necessary for determining aging of the item later), and the area from which it came. Some companies include an item description or purpose for Red Tagging.



WHO CAN PLACE SOMETHING IN THE RED TAG AREA?

Most commonly, anyone can place items into the Red Tag Area. However, organizations may find it's best to allocate this responsibility to one or a few individuals. For example, one business made a rule that only the plant manager could place an item into the Red Tag Area. The intent of having only one point person was that the plant manager could make many quick decisions and reduce the amount of "junk" going into the area.

Typically an item must have the approval of a supervisor or manager to be removed from the Red Tag Area. This is to give the system structure and reduce items unnecessarily being repurposed. Some companies (generally very small ones) have allowed anyone to take an item from the Red Tag Area at any time, but this is uncommon.

HOW LONG WILL THE ITEM STAY IN THE RED TAG AREA?

30 days is the most common, but in the industry you will find anywhere from 7 to 90 days is not uncommon. Shorter than 7 days runs the risk of not allowing employees enough time to experience missing a necessary item, while more than 90 days makes the disposal process sluggish and may result in too many items residing in the Red Tag Area. If employees can remove an item at-will for repurposing, there is essentially no mandatory waiting period.

TO TRACK OR NOT TO TRACK?

Often, hundreds of items may be placed in a Red Tag Area during a focused Sort procedure and tracking every item may become cumbersome. Every item can be tracked, or nothing can be tracked. It's up to the team to decide, but consider the effort to track items vs. the value of doing so. You may not be concerned about the fate of a flat-head screwdriver (especially if you have a dozen prior to sorting), but a working air compressor or tooling worth hundreds of dollars is a different story. You may make a policy to track items with an estimated value of over \$XX.

Tracking methods vary. One company used the process of writing the disposal information on the Red Tag and placing the Red Tag in a box. Another business used a log, numbered each Red Tag, and wrote the description of the item, date, original location, person originating the Red Tag, and disposition of the item on the log.

RED TAG ITEM REVIEW

The items in the Red Tag Area need to be evaluated and disposed of regularly. What you don't want is an ever increasing pile of junk. This works best if it is scheduled, perhaps monthly or semi-monthly (depending on the hold time). Someone very knowledgeable of the business with significant authority is best equipped to conduct the review to determine the fate of the items in the Red Tag Area. This is often an owner or plant manager. One business implemented a monthly team review which consisted of the Operations Manager, Engineering Manager, and Maintenance Manager. Through those functional roles, they felt they could likely determine the need of virtually anything on the property.

RED TAG AREA RULES

Rules need to be conspicuously posted in the Red Tag Area to promote understanding and compliance. This creates the standard by which employees are expected to follow. Take a look at the example provided:

RED TAG AREA

PURPOSE

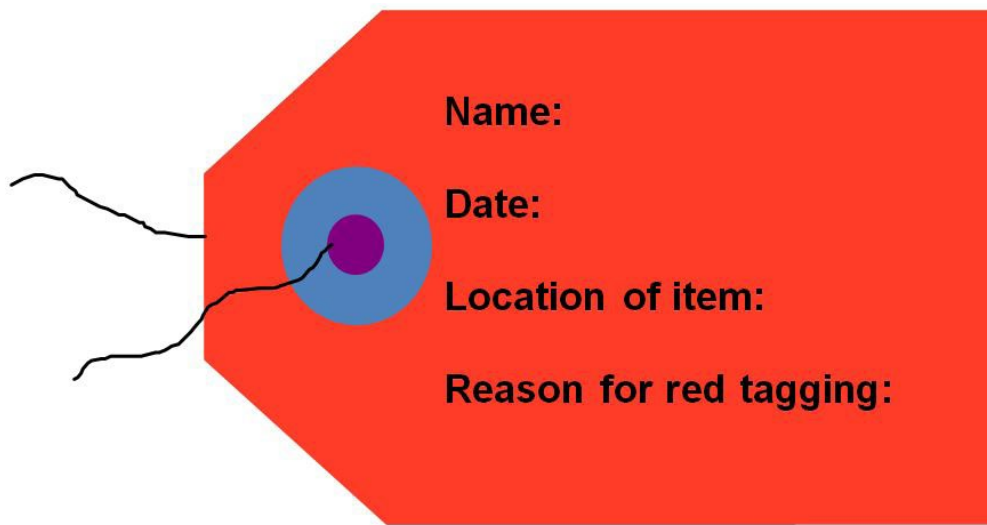
The RED TAG AREA is a temporary holding area for unneeded or questionable items. It is intended to assist with workplace organization and help prevent throwing away useful items.

RULES

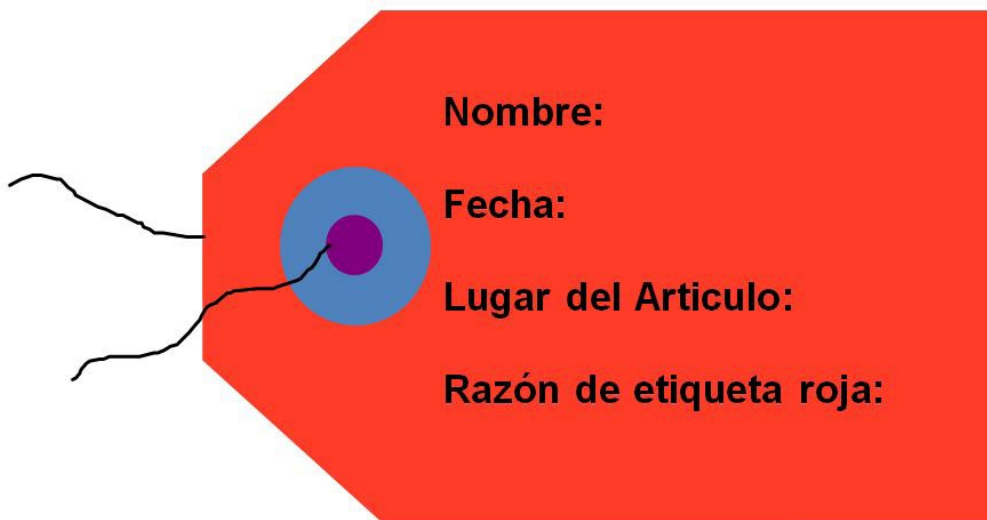
- Items placed in the RED TAG AREA will be dispositioned after 7 days
- Anyone may place an unneeded or unknown item into the RED TAG AREA (please fill out RED TAG)
- Please, no Gloves, Cardboard, or Garbage
- If you need an item in the RED TAG AREA, please request it from your supervisor or lead

RED TAG AREA MANAGER: John Smith

RED TAG SAMPLE



Muestra de la Etiqueta Roja:



RED TAG AREA EXAMPLES

Manufacturing and Office - Signage not yet posted



Below is approximately 150 – 200 square feet of space occupied by metal bread pans stacked knee to waist-high. When asked what it was the response was junk; spare parts and tooling for equipment that had been sold four years prior. The employees went on to explain that before it was in this location, it had been at another location, then one before that, and one before that. Quickly it was realized that everyone knew it should be scrapped, but no one felt they had the authority to scrap it. So, when an empty space was available, it all got moved. This was a clear demonstration for the team that one purpose of the Red Tag Area is the empowerment of employees to sort things out of their areas without the fear of getting in trouble for doing so. They make the first decision, but not the final decision.



Found among the bread pans...

