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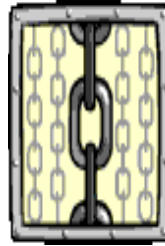
Important Dates to add to your calendar...

- ☐ **Mar 9th 8:30-5** **Introduction to Standardized Work** - A workshop based on the Toyota Production system's practices. Register www.hpsinc.ca ~ **6 Seats left**
- ☐ **Mar 21st 8:00-12:00** **HPM IT Roundtable Discussion** - *Open to all involved in providing IT in their companies.* Host: Rus Deacon, Hammond Power Solutions Inc. Register with Nicole
- ☐ **Mar 28, 9-11 am** **HPM Employee Leveraging Tours: Velcro Canada**, Brampton. Host: Stephanie Cirrilo. 12 seats only available - first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- ☐ **Apr 11, 9-11 am** **HPM Employee Leveraging Tours: Canada Post**, Host: Arlene Yam. 12 seats only available - first come. Register now with Nicole at 519-893-6260 or, info@hpmconsortium.com
- ☐ **Apr 19, 12-3:30** **HPM GMT Meeting**. Host: Hammond Manufacturing Limited (Enclosures) Guelph
- ☐ **April 25th 8:00 am - 4:00 pm** **AME CDN Region Leadership Forum**. Host: Magellan Aerospace - Orenda facility. Register online at www.ame.org
- ☐ **Apr 27th 9:00-11:00**, **HPM Employee Leveraging Tours**: Host: Frank Dolinsek. 12 seats only available - first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- ☐ **May 3rd** **HPM Health & Safety Forum... details to follow** - This forum rescheduled from last fall.
- ☐ **May 10th 8-5**, **Quick & Easy Kaizen**, with Chuck Yorke, Location: Cambridge Hilton Gardens Inn
- ☐ **May 17th** **HPM Board Meeting** Host: Bird Packaging, Guelph
- ☐ **June 12-15th**, **Second Canadian Regional Conference... Kitchener-Waterloo Region Canada**. Consider accelerating your Lean Journey. Download from www.hpmconsortium.com - Click "Resources"
- ☐ **Jul 5th, 12-3:30** **HPM GMT Meeting**, Host: Mancor, Speers Road facility, Oakville
- ☐ **Aug 23rd, 11:30-5:00** **HPM Board Meeting** Host: GE Multilin, Markham
- ☐ **Oct 11th, 12:00-3:30** **HPM GMT Meeting**, Host: COM DEV Space, Cambridge
- ☐ **Nov 22nd, 11:30-5:00** **HPM Board Meeting** Host: Hammond Power Solutions, Guelph

AME Repeats Popular "Leadership Forum" April 25th

Beginning at **8 am at GE HQ in Mississauga**, this will be the 4th time this Forum has run - and every time it has been sold out with a waiting list. Check out www.ame.org under 'Events'.

Speakers include HPM's **Dave Hogg**, CFN President, **Barry Wood**, GM Blue Bird Bus, **Tony Kerwin** with a combined tour of Orenda Aerospace. For any information contact AME's Barb Jacklin at 905-681- 6039.



Conf. Personal Knowledge Supply Chain Theme Takes Root... June 12-15th

- At last week's meeting of the Conference Organizers, it was agreed **to provide each attendee with a "Learning Journal" to help**

focus on extracting every ounce of value from this conference. Included in the Learning Journal will be a place to track the "Personal Knowledge Supply Chain Links" attendees connect to.

- **Also** - there's now an on-site strategy developing that will enable any attendee of a Best Practice Session to indicate that he/she wants to talk more about the content of the session. The conference will be setting up locations and rooms for folks to get together and really exchange top value.

More Coming!!

NOW IS THE TIME TO GET SERIOUS ABOUT LEAN!

Timing can be everything, as implementing Lean is anything but trivial...

For most companies in North America - 'Going lean' is still only in the 'thinking & dabbling' stage with a little 5-S here and a dab of Kaizen Blitz there. Those looking at what is required - and disturbed by the amount of work involved in the culture change involved - are continuing to ponder. Yet, pondering now means risking missing one of those rare windows of opportunity.

Why Now?

A quick tour last week of some 20 excellent manufacturers in Saskatchewan, Edmonton and Calgary confirmed yet again what was already clear last year. And that is - **the shortage of workers is not only real -- it is causing the turn away of work** - and exhaustion in those who are working.

Last week's discussions in these three provinces with some 60 manufacturing practitioners ranging from presidents to Operations Leaders at all levels - leaves little uncertainty that the problem is real and appears to be getting more acute as it spreads

across the North American continent. So again, why now?

It is not complicated. To make the transformation to sustainable waste-free Lean processes means changing the way a workforce thinks and works. It honestly means values adjustments and cultural adjustments – and that does not happen in a short period of time nor does it happen without consistent and focused leadership.

When times are good the resistance to change is as expected as spring rains, as the need for change is harder to see and support – plus the whole issue of job loss associated with improvement is a specter. When a workforce is overloaded, or there is a shortage of people and business is being lost, the time is ripe for Lean which can enable you to do more with less. This can mean there is no need for additional people, or that the increased productivity of everyone enables customer deliveries on time without overtime and exhaustion.

Starting now radiates a clear message that there is a need to improve that is well understood.

So What Is the Big Deal?

Over the last 23 years of watching the impact of "World Class thinking" or, as it is called now, "Lean Thinking" – it is easy to draw these deductions:

1. Those who obtain real and sustainable value from the transition to lean are those who 'Go Lean' across the enterprise while they focus on the success of their customers as they eliminate waste everywhere
2. **Success demands a change in culture** – we just cannot avoid it any longer... Failure to grasp this has accounted for most of our delay over the past 23 years
3. **Vision is everything.** Without a 'laser' vision (future desired state) how on earth can we ever get everyone on the same page?
4. **Leadership is the key.** To achieve maximum value demands Leadership which requires "the ability to generate followers" And as we know – two major competencies every leader carries are:
 - a. **The ability to see a future desired state** (a Vision) and,
 - b. **The ability to communicate it** - in terms the workforce can understand, taste, and feel. And that's only possible in a winning environment when leaders spend enough time with their folks to understand them in order to ensure the communication is precise and crystal clear. Remember Gandhi's philosophy – "*I must follow them, for I am their leader.*" This philosophy fits in any home, school, level or operation.

So What is The Message?

▪ June Conference selected as new Lean Certification Program Exam Site June 16th –

To check out the program visit www.sme.org

▪ 25 UK Delegates confirmed to attend – 10 will be industrial executives from the world's only Lean Master's program which is at the University of Cardiff. 15 will be part of a CME CDN-UK exchange led by the Innovation Insights Program & the Dept. of Trade & Ind.

▪ Anxiously looking for an Industry sponsor for the Consortium evening June 14th

Looking for a supporter for a light reception to be attended by Consortium Members across Canada.

If you believe Lean is in your future – and that there is urgency... Here are some thoughts that can be completed while you still get your 16 tons of coal out every day...

1. Begin building the Vision of the realistic future desired state
2. Initiate discussion around the vision with timelines. Look at books for wide reading such as "**Andy & Me**" or "**The Toyota Way.**"
3. Begin to amass a clear strategy that reveals what is not known – and what is known
4. Look closely at what you really need to know – and who needs to know what
5. Look at the content in the Lean Conference coming June 12-15th and deploy staff to harvest every nugget possible
6. Re-read and deploy the "How to get the Most from This Conference" in the January 23rd issue of the HPM Weekly Update
7. Coach your folks to understand the power of a "Personal Knowledge Supply Chain" by initiating a plan where those returning from that conference with have real value in tow.

By the time you reach #7 – there will be so much change to the original Vision that a re-cast is in order to assemble a much clearer one. The beauty of this is that more people will now be on board and beginning to pull on the oars.

In conclusion

The shortage of workers, which is mounting, can be the opportunity we are looking for to launch Lean thinking across the company. It took the US Air Force long enough but their total commitment last November to "Lean Across the Air Force" will generate change because they needed it. But it does not matter if you are big or small, the thinking is the same. And like all opportunities, to achieve them they must be made visible and become part of the vision and the passion of leaders at all levels - to be achieved.

"Leveraging learning for customer success"

Making World Class Make Sense

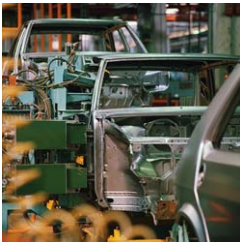
Both Dan Jones and Jim Womack are causing manufacturers committed to be the 'last suppliers left standing' to get more positive & aggressive! Get ready for Jim's straight-from-the-shoulder messages at the June conference!

NO MORE LEAN EXCUSES... Dan Jones

"Dear Dave,

I have recently been getting a striking reaction from many senior management audiences. They all agree that products have got vastly better over recent years, but they equally agree that the process of ordering and buying them and getting them serviced has got worse!

They spontaneously tell me that while they love driving their upmarket German premium brand cars, they will not buy another one because of the terrible experiences trying to get them fixed when they go wrong, which they seem to do all too often. Many of them wonder whether they would have the same experience owning a Lexus, built with Toyota's fabled quality levels.



This is in fact a symptom of a deeper problem, from which we can learn a lot. A decade ago as the Japanese car makers began to make serious inroads into world markets, European car makers decided their future lay in coming up with more distinctive designs, adding lots of new technologies,

offering a greater range of models and a huge choice of specifications so customers could customize their cars to make them distinctive. Business writers called this mass customization. For a decade or more it seemed to work. Now the chickens are coming home to roost!

The problem is not with the distinctive designs: when they work they really attract attention, as they do unfortunately when they fail to hit the mark!

Adding technology is also not the problem, provided it is thoroughly proven to work flawlessly in the highly demanding environment in which we drive our cars and provided it delivers real value to customers, rather than bewildering complexity. **The problem is that we can only really cope with so much choice.** As our lives get busier we have less time to deal with all these choices. Beyond a certain point the distinctions between different models and options add little or no value at all.

The real problem is when this complexity begins to negatively impinge on the ownership experience and on the cost base and profits of the producer. It is not difficult to add several thousand dollars of options as you specify your uniquely customized car. However when you come to sell the car, maybe even to the same sales person, you

*"Big shots are little shots
who kept shooting"*
Christopher Morley

discover that these options make no difference to the trade in price you are offered! This leaves a nasty taste in the mouth and makes you very reluctant to repeat the experience. Next time you will probably choose a brand that offers a package that fits your needs.

Although the dealer loves the extra profit on the options, these cars often sit around for much longer waiting for the next owner, tying up capital in the meantime.

However the crunch comes when dealers are expected to fix all the problems on this bewildering array of products and options, fitted with unreliable technologies. There is no way they can diagnose and solve all these problems, and order and stock all the required replacement parts.

Not surprisingly their ability to complete service and repair jobs right first time on time has fallen from the typical average around 60% to nearer 30%. **That means two thirds of customers are frustrated and disappointed! And they tell their friends and relatives.**



Extended warranties mean that manufacturers are paying for all this. Almost certainly most of the profits they traditionally make on selling expensive options and spare parts are now being lost in ballooning warranty costs.

Product proliferation is not the way to compete with the new industry leader, Toyota.

The longer term solution is to go back to the lean basics, to embed quality at source into every step in the design and production process and to review the product range and bundle the options.

The short term solution is to improve the parts system and dealers' ability to fix today's problems. In Lean Solutions we show how the same lean techniques we use in the factory can dramatically improve car dealers' ability to get jobs fixed right first time on time.

Toyota is now beginning to roll these techniques across its dealer networks across the world. It is surprising how other manufacturers are blind to improving this most frequent point of contact with their customers. Their future will critically depend on how long they take to follow Toyota's example. Most of them still do not measure the right first time on time experience of their customers.

Yours sincerely, Daniel T Jones
Chairman, Lean Enterprise Academy

[FYI: Dan's first book at the Lean Enterprise Academy is now available and worth a look – "Breaking Through to Flow" - by Ian Glenday. Check out www.leanuk.org