

Volume 13, Issue 16 □ **April 17, 2006**

Important Dates to add to your calendar...

- **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 with Nicole at 519-893-6260
- **May 5th HPM Health & Safety Forum... details to follow** – This forum rescheduled from last fall. The agenda is being confirmed now. To suggest agenda content - email info@hpmconsortium.com
- **May 10th 8-5, Quick & Easy Kaizen,** with Chuck Yorke, Location: Cambridge Hilton Gardens Inn
- **May 17th HPM Board Meeting** Host: Bird Packaging
- **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
- **Nov 29th, 8:30-4:30 HPM Share Showcase** – See the diversity & harvest innovative ideas from each HPM'er

Hammond Ships World's Largest Dry Transformer of its Type Last Week! Weighing in at 74,000 lb & 19MVA, with operating voltages of 38,000/ 632 Volts, this monster's on its way to an export market that will sure help Canada's (& Hammond's) balance of payments.

Every problem is an opportunity to improve the process and every problem is also an opportunity to develop your people. The two go hand in hand.

- Dan Jones, Lean Academy

Last Week's IT Roundtable Confirms Commonality of Issues & need for Exchange

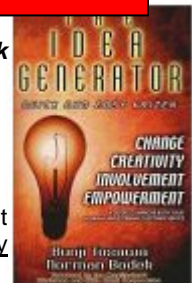
Russ Deacon, Hammond Power Solutions' IT leader and host for the 'Shirt-sleeve Roundtable' shared the approaches taken by his company to advance their competitive edge with HPM Members from **Gerrie Electric, Mancor Industries and Tempress** quick to follow. The exchange was stimulating from the beginning and deemed 'excellent' and 'very necessary' and certainly indicates we are struggling with the same challenges, according to the participants.

The Challenges Ahead

Disaster Recovery: This on again-off again component is definitely on again. Two members are moving forward & investing in developing responses (Cont'd)

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The **Quick and Easy Kaizen** workshop returns May 10th led by **Chuck York** – a top presenter in Edmonton, and the man who led the turnaround at **Technicolor** that produced over 30,000 improvements actually documented and put in place by the employees. Each attendee will be provided a copy of the best seller "**The Idea Generator – Quick & Easy Kaizen**" authored by Shingo Prize winner Norm Bodek. More information below.



Quick & Easy Kaizen – CAN BE Just That... It works!

Workshop Coming May 10th – Cambridge: This workshop delivers value and practices you can take away and use. It sold out in January. Having sat through this – my best advice is to send as many team members as you can – but clearly communicate to them that they are to implement what they learn when they get back.

May 10th at the Hilton Garden Inn in Cambridge - **Chuck York, the just retired Dir. Of Operations for Technicolor in Livonia Il** will present "**Quick and Easy Kaizen**" – a simple no-nonsense approach that boosted his employee improvement suggestions from 217 some 3 years ago to over 30,000 installed this year! This, high value session was delivered at the Edmonton Lean Conference by Chuck and Norm Bodek. The result?: **This 'Best Practice' was rated #1 to a standing room only crowd of practitioners.**

Chuck brings the direct input you'd expect from the Director of Operations of an 1800 person company that is yielding outstanding results. **With improvement numbers such as these - you know they could not be implemented by management.** And that is the secret... supporting employees to make improvements like this possible is what Lean is all about!! Our colleague, **Tony Kerwin, GM of Blue-Bird in Brantford** is using the process & is now harvesting over 40 improvements a month from his far smaller plant. **To Register:** Call Nicole at 519-893-6260 or better still

You can Register online at www.hpsinc.ca – for full details on the Workshop & on Chuck York

(Cont'd)...systems. Both saw high value in exchanging knowledge and know-how as the systems developed

Preparing for Increased Border Security:

This is underway for any exporter and involves approaches from video recording of loading trucks before they leave your plant – to the systems needed to meet minimum standards and beyond. This issue is being propelled to a high priority simply by current government decisions between the US and Canada.

Wireless Stock Checking: Automating this one area, has led to a welcome reduction in staff interruptions, with one member confirming over 100 hits per day coming in wirelessly, with no bother

Mobile Computing: Considerable debate has flourished around IPAQ, BlackBerry and other platforms to enhance flexibility and effectiveness. Russ demonstrated the flexibility and ruggedness of their commitment to Blackberry.

Next IT Roundtable – Sept. 19th - Gerrie

Last week's meeting was characterized by the exchange of experiences, application of different tools, software effectiveness, and discussions on process effectiveness and innovative approaches contributed by every member present.

This exchange will continue informally, as the exchange of business cards indicated. It is the intent to have a more structured and formal meeting in September

Hence, a second "Shirt-Sleeve IT Roundtable" is set for Tuesday September 19th and will be hosted by Gerrie Electric in Burlington.

For Those Flying to the Conference... Remember your WestJet Discount

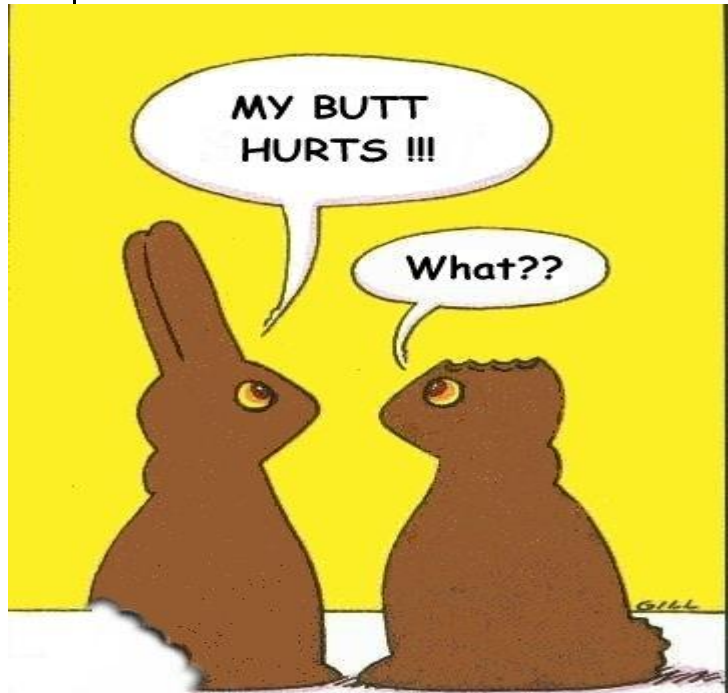
For those flying to the Conference – or considering bringing in a Customer or Supplier, remember that WestJet is the Conf. Carrier. To ensure you get your

discount, email specialproducts@westjet.com and reference the booking number of QC #3185.



POWER Purchasing...

Initial interest in the best ways to purchase power from all the current choices has been raised... HPM'ers – bring thoughts to Board Mtg May 17th.



Easer Greetings

Clarification –Leader Sessions

Out of some 80 events, 3 are designed for Senior Leaders who provide & support the future vision

But because of the high demand for the limited "Invitation-only" 1) **Toyota Leaders Tour** and the 2) **Lean Leaders Night** spaces – a unique approach to selection needed to be devised. AME Canada's Director, Barb Jacklin, headed up a team that has come up with a novel opportunity to give everyone a fair chance. Barb has worked out a plan with the Greater Kitchener-Waterloo Chamber of Commerce and her AME team which will adhere to the following process.

It will work like this:

- 1) All registered leaders – eg: paid Conference registrants as of midnight April 14th who have a Senior Leadership title on their registration such as President, CEO, COO, VP, Plant Manager etc. will be selected this week.
- 2) To ensure fairness, the invitations to all selected names will be issued simultaneously on Friday, April 21st. When the invitations are received they must be replied to ASAP
- 3) The **first 44** who reply for the Toyota tour will be registered (up to 2 per company) and the **first 100** who reply for the Lean Leaders Night will be registered (up to 3 per company)

How Culture Influences Process Thinking Eg: Baking Potatoes ~ The Toyota way vs. the North American Approach 😊

Thanks go to our good friend and colleague Chris McKellen, who writes the excellent AME-UK Newsletter. Have fun.

Baking potatoes from an 'automotive thinking perspective' might look something like this if it were to be done by a Toyota practitioner vs. a NA plant.

Process 1: How a Toyota employee bakes a potato:

- Preheat new, high-quality oven to 350 F
- Insert a 1.0 lb Idaho potato
- Go do something productive for 45 minutes
- Check for 'doneness', then remove perfectly baked potato from oven and serve

Competitive Process 2: How a Typical "N.A. Automotive" employee bakes a potato:

- Conducts market test with suppliers in Mexico, Brazil, and Turkistan to supply 0.75 lb potatoes, choose lowest cost supplier with best Wings tickets.
- Change to incumbent supplier of Idaho potatoes, insist they meet Turkistan pricing with 3% annual price reductions.
- Upgrade to 1.0 lb potato, insist supplier erred by pricing for 0.75 lbs as instructed when he knows Toyota uses 1.0 lb potatoes.
- Instruct potato supplier to preheat the oven to 350F
- Demand that the supplier show you how he turned the dial to reach 350 F, and have him come up with documentation from the oven manufacturer proving that it was calibrated properly.
- Review documentation, and then have supplier check the temperature using a sophisticated temperature probe.
- Direct supplier to insert potato and set timer for 45 minutes.
- Have supplier open oven to prove potato has been installed correctly, and request a free study proving that 45 minutes is the ideal time to bake a potato of this size and variability due to orientation within the oven.
- Request a Six Sigma Study showing variable cook times for various potato sizes and orientations.
- Check potato for doneness after 10 minutes
- Check potato for doneness after 11 minutes
- Check potato for doneness after 12 minutes
- Become impatient with supplier (why is this simple potato taking so long to bake?). Demand status reports every five minutes.
- Conduct Value Engineering session and new market test.
- Change to 0.9 lb potato because customers will only notice if potato weight is reduced to 0.85 lb.

- Check potato for doneness after 15 minutes.
- After 35 minutes, conclude that potato is nearing completion. Pass through Gate review reporting all Green status.
- Congratulate supplier, and then update your boss on all the great work you've done, despite having to work with such an uncooperative supplier.
- Remove potato from oven after 40 minutes of baking, as a cost save without loss of function or quality versus the original 45 minute baking time.
- Serve potato.
- Wonder aloud what on earth those Japanese folks are doing over there to make such good, low-cost baked potatoes that people seem to like better than a Typical NA potato.

A Web Consensus (?) – What's Still Holding Lean Back? Top 14

One of the best 'Chat Rooms' for manufacturers is the facilitated www.NWLean.net. Once signed up- you can be a spectator & learn by observing others or, you can enter into the exchanges. They recently completed a write-in of what participants felt were the barriers still preventing Lean from achieving its capability. Here they are as expressed.

Seeing the data may help envision the solution:

1. *Obstacle is the failure to convert to lean accounting - traditional accounting undermines lean at every turn.*
2. *Old people (oops, sorry, I should rephrase that – I mean, "Senior Management")*
3. *Lack of leadership understanding, support and involvement has been the biggest hurdle*
4. *Doing lean activities that are not focused on enhancing the corporate mission*
5. *For me the number one hurdle is when management has a track record of "reducing headcount"*
6. *The biggest hurdle that I am having a hard time with here is that everyone just seems to think that there is no time. Upper management seems to "buy in" to the implementation but will not follow through with sustaining "buy in" from their middle and lower management class. So if I were to answer the poll I would say upper management not sustaining the buy in*
7. *Lack of an over-arching LEAN STRATEGY (using tools without a roadmap)*
8. *Dependence on Lean Change Agents that aren't accountable (Consulting resources)*
9. *BANDWAGON Lean Managers (those looking to use lean to get a promotion)*
10. *Cost vs. Process focus*
11. *Lack of true impact (due to attacking 'non-value stream')*
12. *Leadership not understanding that lean is not a 'silver bullet'*
13. *Finding time to properly train ALL employees on a continual basis*
14. *Upper mgmt thinking that lean is a collection of tools instead of a BUSINESS STRATEGY*