

**Volume 13, Issue 20 ☐ May 15, 2006**

*Important Dates to add to your calendar...*

- ☐ **May 17<sup>th</sup> HPM Board Meeting** Host: Bird Packaging.
- ☐ **May 23<sup>rd</sup> 9-11 HPM Leveraging Tour – COM DEV**
- ☐ **May 25<sup>th</sup> AME Classic Lean Workshop & Golf Tournament & Networking Dinner.** Location: Rockway Golf Course, Kitchener. Contact Barb for a Registration form at [bjacklin@ame.org](mailto:bjacklin@ame.org)
- ☐ **Jun 12<sup>th</sup> 1 to 3pm ALL HPM Member Employees – "Demystifying & Understanding China & Current Manufacturing Trends"** With Dan Joseph, Manag'g Director, ESS China – Jayson Myers, Chief Economist, CDN Mfrs & Exporters. **Tony Laraia:** Location: Rockwell Automation. Four reps per company for now. Pls email names to Nicole. No charge.
- ☐ **June 12<sup>th</sup> 5:30 to 9 pm LEANLEADERSNIGHT.** Theme: "Global Competitiveness - A Leader's Conversation." For 150 Sr. Leaders & their Lean implementation champions.
- ☐ **June 12-15<sup>th</sup>, Second Canadian Regional Conference... Kitchener-Waterloo Region Canada.** Consider accelerating your Lean Journey. Download from [www.hpmconsortium.com](http://www.hpmconsortium.com) – Click "Resources"
- ☐ **Jul 5<sup>th</sup>, 12-3:30 HPM GMT Meeting.** Host: Mancor, Speers Road facility, Oakville
- ☐ **Aug 23<sup>rd</sup>, 11:30-5:00 HPM Board Meeting.** Host: GE Multilin, Markham
- ☐ **Oct 11<sup>th</sup>, 12:00-3:30 HPM GMT Meeting.** Host: COM DEV Space, Cambridge
- ☐ **Nov 22<sup>nd</sup>, 11:30-5:00 HPM Board Meeting** Host: Hammond Power Solutions, Guelph
- ☐ **Nov 29<sup>th</sup>, 8:30-4:30 HPM Share Showcase –** See the diversity & harvest innovative ideas from each HPM'er

**World Class Best Practice Shows Power Of Applying Lean Thinking to Health & Gov't**

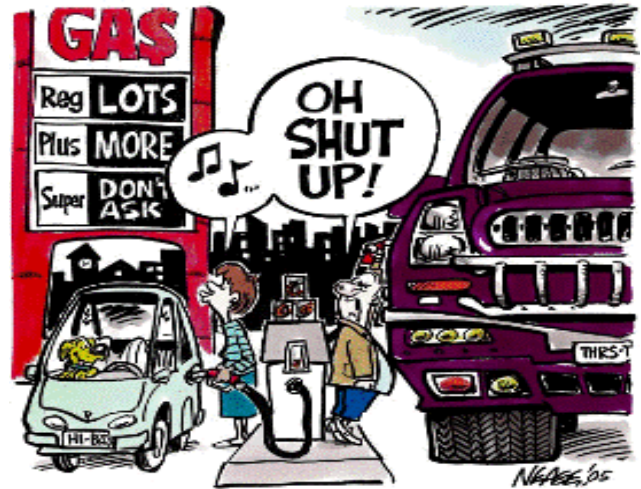
**Outstanding:** The grandson of the founder of the world - leading Shouldice Hospital - a true Focus Factory – will deliver facts that will both jar you and inspire you as you hear what is possible in a healthcare environment. **Daryl Urquhart's** case study is the top Harvard Business Review reprint tapped by students every year.

Their vision since 1911 is centred around three main tenets: **Accessibility, High Quality, and Affordability.** Here is an indicator to entice you to sit in...

**Disposable Costs per Operation in CDN \$**

- Average General Hospital - \$250.00 - \$850
- Mesh Repair - Trelex - \$ 140.00
- Mesh Repair - Composix S- \$345.00
- Mesh Repair - Composix L- \$945.00
- **Standard Shouldice Repair - \$17.82**

**Rockwell's Cynthia Bruns** is the Value Stream leader for the "High Performance Sustainable Organization" Stream and is responsible for bringing proof as to how powerful the application of Lean can be in non Mfg. environments.



**HEADS UP – Excellent Leveraging Tour**

Here is a chance for **any HPM Member employee** to both **HELP** and **SEE** inside a company whose equipment ends up out of this world! **COM DEV's quality is legendary** as **THE** "Supplier of Space Technology that never fails!"

**They are a tour site for the June Lean Conference and are asking for your eyes to see what they can improve. And they mean it!!**

**To Register:** You'll need to file with Nicole at 519-893-6260 **by May 19<sup>th</sup>** for security reasons.

**Location:** COM DEV, 155 Sheldon Drive Cambridge

**Site Coord:** Nabeel Mirza 519-622-2300

[nabeel.mirza@comdev.ca](mailto:nabeel.mirza@comdev.ca)

**Tour Date:** Tuesday May 23, 2006 ~ 9:00-11:00 am

**Register:** 1. Send names, title, phone number and email address of participants to: [info@hpmconsortium.com](mailto:info@hpmconsortium.com) **First come.**  
2. Pls register by **Friday May 19**

**Tour focus:** Establishment of the flow lines and paperless process in their Ancillary Business Unit (both in action since 06)

**Host would Value from You:**

Feedback on the layout of the shop, flow of work, kanban systems, supermarkets, 5S.

**COMDEV really wants your help folks...**

**They will use your thoughts, observations & ideas to get ready as a Tour Site for the Conference in June.**

Last Month, the AfEE Consortium sent 21 folks who really 'audited' Nabeel's operations. He loved it and so did Joe Kane who expressed his appreciation for the 'straight-from-the-shoulder-feedback' that makes any company better!

It's now your turn to help – and besides - you will get to see a World Class competitor up close... **Register ASAP with Nicole before this weekend.**

**Key Thoughts from Jim Womack... Your Conference Keynote – Tuesday June 13<sup>th</sup>****We Need Fewer Heroes ~ More Farmers!****As a guy who began by running a farm – this message hits home – thanks Jim (Bolding is mine)**

Dear David,

I recently met with the chief executive of a very large American corporation organized by business units, each self-contained with its own product development, production, purchasing and sales functions. I asked what a CEO does in this situation and got a simple answer: ***"I search for heroic leaders to galvanize my business units. I give them metrics to meet quickly. When they meet them, they are richly rewarded. When they don't, I find new leaders."***

I noted that his firm, like many others I've examined, has a high level of turnover in its business unit heads. So I asked a simple question: "Why does your company need so many heroes? Why don't your businesses consistently perform at a high level so that no new leaders are needed? And why do even your apparently successful leaders keep moving on?"

The answer was that business is tough, leadership is the critical scarce resource, and that a lot of turnover indicates a dynamic management culture. But I couldn't agree. As I look at this and many other businesses I encounter on my walks, I usually see three problems apparently unnoticed by the heroic leader at the top rolling out the latest revitalization program.

These are confusion about the business purpose of the organization's core processes, poorly performing product development, production, supplier management and sales processes that tend to get worse instead of better, and dispirited people operating these broken processes at every level of the enterprise. Needless to say, there are also mini-heroes at every level devising workarounds for the defective processes.

***What's needed instead? More farmers!***

Let me explain by means of a second example. Recently I received a copy of the leading motor industry magazine with its annual listing of the fifty most influential (read "heroic") leaders in the global motor industry. Bill Ford at Ford. Carlos Ghosn at Renault/Nissan. Rick Wagoner at GM, etc.

What I found striking was that the list contained no "leaders" from Toyota, except for one American in a U.S. marketing job. Yet Toyota is the world's most successful car company. How could the most successful company have practically no heroes? ***Because its managers still think like the farmers around its headquarters in the remote Aichi region of Japan where the company was created.***

The job of the hero is to tackle a situation in which everything is out of control and quickly impose some

semblance of order. And sometimes heroes are necessary. Taiichi Ohno, Shotaro Kamiya, Kenya Nakamura, and Kiichiro Toyoda certainly took heroic actions at Toyota at moments of crisis as the company's core processes were being defined after World War II.

But heroes shouldn't be necessary once an organization is transformed. **Instead every important process should be steadily tended by a "farmer" (who we often call a value-stream manager)** who continually asks three simple questions: **1) Is the business purpose of the process correctly defined? 2) Is action being steadily taken to create value, flow, and pull in every step of the process while taking out waste? 3) Are all of the people touching the process actively engaged in making it better?**

This is the gemba mentality of the farmer who year after year plows a straight furrow, mends the fence, and obsesses about the weather, even as the heroic pioneer or hunter who originally cleared the land moves on.

Why do we have so many heroes, so few farmers, and such poor results in most of our businesses? Because we're blind to the simple fact that ***business heroes usually fail to transform businesses.*** They create short-term improvement, at least on the official metrics, but it either isn't real or it can't be sustained because no farmers are put in place to tend the fields. Wisely, they move on before this becomes apparent. Meanwhile, we are equally blind to the critical contribution of the farmers who should be our heroes. These are the folks who provide the steady-paced continuity at the core of every lean enterprise.

***I hope that as you think about your job you will become a lean farmer who takes responsibility for the processes you touch and that you will work every day to plow the straight furrow, mend the fence, and obsess about the weather. These are the real value-creating aspects of management. When present they insure that no heroes will be needed in the future.***

Best regards,

Jim

Jim Womack is the Chairman and CEO of the Lean Enterprise Institute (LEI). He will kick-off the 2<sup>nd</sup> Annual AME Canadian Regional Conference in Kitchener on Wednesday morning, June 13<sup>th</sup>, at the Delta Hotel. You won't want to miss it.

ED: If the "Goldmine" excited you, there is "A Leader's Study Guide" to *The Gold Mine* online at the LEI web site at [www.lean.org](http://www.lean.org)



**How Value Stream-wide thinking generates winners**

*Innovation is touted as the 'antidote' to many of the challenges posed by India & China. But at the end of the day – it is the degree of innovation that exists throughout the entire Value Stream that determines how competitive we really are. And that doesn't need to mean a ton of money!*

The simplicity, innovation and elegance you see in this "parking garage" to the left, could be looked at as an infrastructure innovation that reduces wasted space while increasing the utilization of the space it does use. That's Lean. From a societal point of view, this innovation may reduce overall infrastructural costs (associated with where we put our cars) so a nation or city's ability to compete is enhanced.

Innovation comes in all forms - and from anywhere - if we'd only listen. Toyota did not get to where they are today by limiting their innovative thinking to the shop floor, as evidenced by the number of improvements recommended by the kitchen staff in Toyota City, and throughout their infrastructure.

Today winning demands that innovation occur at all levels, with the 'total win' being the sum of all innovation. For many years, we talked to the folks at the National Research Council who were not impressed with Lean thinking and seemed to feel that innovation did not include process innovation. It has seemed that their interest in Canada stemmed from the belief that little innovation could occur without a professor. A few years ago Perrin Beatty, President & CEO, began communicating the clear need for innovation to be enterprise-wide

because innovation was needed on the shop floors and in our offices if we were to be able to manufacture, to a world class standard, a superbly engineered and researched product design that would be globally saleable.

There are few sadder scenarios than to see a product fail in the global marketplace because it couldn't be manufactured to World Class standards at home due to a lack of attention to process innovation. Getting all steps in the entire Value Stream to a World Class standard is the challenge. It is good to see the thinking represented by Gardner's quotation is easing but there is more to do:

***"The society that scorns excellence in plumbing because plumbing is a humble activity, and tolerates shoddiness in philosophy because philosophy is an exalted activity, will have neither good plumbing, nor good philosophy. Neither its pipes nor its theories will hold water."***

John Gardner

**NEW: Growing Personal Knowledge Supply Chains**

A portion of the PKSC board is shown below, but it gives the idea. Look under "Value Stream 4" to see three cards on hooks. The LHS cards are left by each attendee wanting to 'talk with others interested'. The middle card is added by the VS leader who'd be willing to meet with them to talk further. The RHS card tells folks what room is empty & the time to meet. Lots more detail coming! **Bring lots of cards to exchange with each other... and bring them punched.**

