

**Volume 11, Issue 05 □ February 02, 2004****Important Dates to add to your calendar...**

- **Feb 18, HPM Board Meeting Host: Samuel Strapping.** Guest Speaker – HPM's Knowledge Supply Chain link – Dr. **Jay Myers**, Chief Economist, CME. Topic: 'Trends & Prospects for the CDN\$'.
- **'Feb 20: Practitioner-to-Practitioner Value Stream Mapping Forum. Host: COM DEV Space in Cambridge, Limited to 25 People.'**
- **Feb 24-27: 3<sup>rd</sup> Western Canada conference on "Best Practices in Lean Excellence 2004"** – Theme: **"Applying Lean to remain profitable as the Canadian Dollar rises."**
- **Mar 4&5: HPM's Practice of Leadership & Coaching Begins 7 Dates: Apr 1&2, May 20&21, Jun 24<sup>th</sup>** This 4-month long, results-based process focuses on achieving breakthroughs. Thirty people are required for it to run as HPM is utilizing a General Electric USA trainer with a proven record of achievement. 24 of 30 are confirmed to date. **To reserve space, call Laura at 519-893-6260 for full details & brochure.** Limited to 30 people.
- **May 12<sup>th</sup>, Consortium-to-Consortium Exchange** HPM will be contacting 'consenting consortiums' from Newfoundland to BC via simple conference calls to share greetings, practices and doing what consortiums do best – exchanging ideas on their best practices for mutual benefit. There will be a series of calls on this day & more to come. Interested consortiums should give Dave a call at 519-893-6260 to get connected.
- **June 2<sup>nd</sup>, First Annual HPM Consortium-Consortium Challenge Cup** This fun-oriented, opportunity-rich exchange of practices is proposed for Wednesday June 2<sup>nd</sup> where various Consortia would select one of their members to share their best practice. The idea is not to generate competition but to gain value from the exchange process. The cup may be awarded by the participants voting for who they think was the best. The criteria is yet to be confirmed but could include, the most innovative; the most unique... etc. Lot's of discussion to come.

**HEADS UP1: "INTRO TO LEAN ACCOUNTING"**

April 27 &amp; 28, 2004 (1.5 days), Location: TBA

**Twenty-Two % of responders** to the new LEI mfg. survey reported barriers to world class competitiveness were caused because **"The traditional accounting system doesn't recognize the financial value of shop floor improvements."** This introductory course is **first in a series to be offered across Canada in 2004, culminating with a Lean Accounting roundtable to be scheduled this fall.** [Those interested in the possibility of running sessions in their province should call HPS's Gen Gundy at 519-893-6260.] This important workshop will be delivered by Bruce Baggaley who is no stranger to

**The new HPM Vision for 2004...  
"Leveraging learning for customer success."**

HPM'ers as he led the last Lean Accounting session at COM DEV. Bruce also received exceptionally high scores at last fall's huge Lean Conference in Toronto last October. More details to come. He's an important part of BMA, North America's leading firm in Lean Accounting, led by our very good friend Brian Maskell, who is also well known to HPM'ers for his books on performance measurement.

To download excellent, understandable, common-sense information from his highly recommended site — check out [www.maskell.com](http://www.maskell.com) and download away.

**Heads Up2: Canada's Lean Accounting Roundtable**

This fall, a unique Lean Accounting Roundtable will be held to reveal companies who are using Lean Accounting. Included will be a tour of such a facility. HPS's Gen Gundy will be announcing dates and location in the near future. This Roundtable will follow the outstanding one organized by Brian and his team with a visit to the industry-leading Wiremold Corporation. Throughout this year, a series of Lean Accounting sessions will be provided leading to the roundtable to be scheduled for the fall.

It is designed for **accounting AND operations** professionals who are on the lean journey together and **want to learn how to bring accounting, control and measurement processes in line with Lean.** Registrants will receive access to a free e-tutorial on Value Stream Mapping, which will be a pre-requisite to the course.

**LAST CALL This Week... We need to reach 30**

**participants for the "Practice of Leadership & Coaching"** process to proceed March 4<sup>th</sup> – We ask, if you have been considering this well-proven process designed by companies for companies – **to contact us this week.** We need to reach 30 for it to be delivered by a Kathy Grad. We invite all **suppliers & customers to consider joining us.** Contact Laura for more info at 519-893-6260.

**The original Palm Pilot**

**Mancor's Posted Mission**

To help our customers be more successful and profitable ~ and in the process be more profitable and successful ourselves.

**What are the biggest obstacles to Lean implementation at your facility?**

The Lean Enterprise Institute (LEI) provides an annual survey on issues relating to Lean. This year's 2004 survey can be accessed by logging on to [www.lean.org](http://www.lean.org) and proceeding to sign up at no cost. **To find it:** 1) Register (no cost) 2) Click on 'Community' 3) Click on 'Library & Achieve' 4) Select '2004 Survey Results'.

It is worth it for every aspiring lean manufacturer to connect to this site for the resources that can be tapped from it. **In 2004, here are the major obstacles that folks identified.** See how your perceptions compare – and think not only about the kinds of strategies needed to overcome them, **but about the consortium activities necessary to overcome some of the problems.**

... Here's what the recent LEI survey says...

<b>Backsliding to the old ways of working</b>	35%
<b>Lack of implementation know-how</b>	25%
<b>Lack of a crisis to create a sense of urgency</b>	24%
<b>The traditional cost accounting system doesn't recognize the financial value of shop floor improvements</b>	22%
<b>Middle management resistance</b>	21%
<b>Lean is viewed as "the flavor of the month"</b>	19%
<b>Failure to remove "anchor draggers" who oppose change</b>	18%
<b>Employee resistance</b>	11%
<b>Supervisor resistance</b>	10%
<b>Failure of past lean projects</b>	6%

**Wow – It's Happened Again – Lean Wins**

It is official; **Toyota has outsold Ford** to become "Big #2". The data indicates that 2003 sales reached 6.78 million vehicles (up 9.9% from previous year)... with Ford's numbers reaching 6.72 million vehicles -- down 3.6%. (The numbers are even worse as Toyota counts only those sold to customers – Ford counts every vehicle delivered to a dealer)

In typical Japanese style, the folks at Toyota declined to compare themselves to Ford. Instead, and in accordance with **Lean Thinking's first principle** that "The only assessment of the value you bring to the table is that made by the customer" – **Toyota stated that the numbers were due to 'rising customer satisfaction.'**

The number 1 seller was GM who weighed in at 8.6 million vehicles last year. In case you are in the market for a new car, the very best selling car in America last year – for the second straight year – and the 6<sup>th</sup> time in the last 7

years – is Toyota's Camry. All in all, this past year was the best in Toyota's 46-year history. Gee perhaps a closer look at Lean is coming. Conference attendees will remember **Masaaki Imai's** description of his new book which asks the penetrating question "With full & open access to the Toyota Production System [Lean] for many years – why do so few North American Mfrs look at it?"

**Forum - Value Stream Mapping ~ Feb 20<sup>th</sup>**

**A full day of 5 VSM apps from hands-on practitioners**

- **COM DEV Space**
- **Rockwell Automation**
- **Canada Post**
- **Jamesway Hatchery**
- **And a very unique one – applying VSM in the food chain ~ "Keeping Canada competitive in the international harvesting of clams"**

**This is a show-and-tell, low key, practitioner-to-practitioner exchange of know-how and thinking. Bring your own Value Stream Maps to be put up on the wall for discussion... Call Laura to register - \$175 for HPM Members & Consortiums... \$275 for our associates.**

**You know you're living in 2004 when...**

As a follow-on to the nostalgia items for folks over 40 in our January 12<sup>th</sup> issue – here's a few items which may ring a bell or two and cause one to pause. If we are to win in the future through innovation, we will need to look at issues from every perspective. If you find any significance in the following... some thought will surely follow.

**You know you're living in 2004 when.....**

- 1) You accidentally enter your password on the microwave.
- 2) You haven't played solitaire with real cards in years.
- 3) You have a list of 15 phone numbers to reach your family of 3.
- 4) You e-mail your friend who works at the next desk.
- 5) Your reason for not staying in touch with friends is that they do not have e-mail addresses.
- 6) When you go home after a long day at work you still answer the phone in a business manner.
- 7) When you make phone calls from home, you accidentally dial "9" to get an outside line.
- 8) You've sat at the same desk for four years and worked for three different companies.
- 10) You learn you've been laid off on the 11 o'clock news.
- 11) Your boss doesn't have the ability to do your job.
- 12) Contractors outnumber permanent staff and are more likely to get long-service awards.
- 13) You read this entire list, and kept nodding and smiling.
- 14) As you read this list, you think about forwarding it to your "friends".
- 15) You got this e-mail from a friend that never talks to you any more, except to send you jokes from the net.
- 16) You are too busy to notice there was no # 9.
- 17) You actually scrolled back up to check that there wasn't a #9. [Thanks to our good friend Don Kivell]