

Volume 11, Issue 08 □ February 23, 2004**Important Dates to add to your calendar...**

- **Feb 24-27: 3rd Western Canada conference on "Best Practices in Lean Excellence 2004"** – Theme: **"Applying Lean to remain profitable as the Canadian Dollar rises."** Dave will chair the conference and deliver an "Intro to World Class" session. **To Register: Linda at 780-426-6622.**
- **Mar 3: AME & HPM Event: Lean Case Study: One on one with a Lean Journeyman ~ Insights into a Lean cultural transformation.** Half-Day 12:30-5:00 **Host: Avnet Electronics, Miss. Our favorite Australian, Mr. Gary Kerr, will lead the session. Will share his perspective as the president of AME Australia. Register: at www.hpmconsortium.com**
- **FULL GO: Mar 4&5: HPM's Practice of Leadership & Coaching Begins 7 Dates: Apr 1&2, May 20&21, Jun 24th** This 4-month long, results-based process focuses on achieving breakthroughs. **30 now confirmed...** some slight additional space is available by calling Laura at 519-893-6260 for full details & brochure. .
- **Apr 13&14 High Performance Relationships – a company-wide complement to the 5-month "Practice of Leadership & Coaching" process.** These 2 days provide the common language, philosophies, and key skills as provided in depth to those who will lead their company's transition to world class. It is two days of hands-on, nuts & bolts training for practitioners that's presented by practitioners. Call 519-893-6260 or check www.hpmconsortium.com
- **Apr 27&28, Intro to Lean Accounting 1.5 days** There will be a series across Canada in 2004 culminating this fall in a "Lean Accounting Roundtable"
- **May 12th, Consortium-to-Consortium Phone Exchange** HPM will be continuing to chat with 'consenting consortiums' from Newfoundland to BC via simple conference calls to share greetings, practices and basically 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 email Dave at dhogg@netcom.ca or call 519-893-6260.

June 2nd, Putting the proposed Annual HPM Consortium-Consortium Challenge Cup into perspective: Under the leadership of Opportunities and Alliances Chair, Paul Deckert, this fun-oriented, exchange of practices is proposed for Wednesday June 2nd where various Consortia would participate around a yet-to-be-worked-out format that would be a win-win for all. The idea is not to generate competition but to gain value from the exchange process.

We have our 30 Seats... The Practice of Leadership & Coaching will Proceed! Even room for more...

Thank you everyone – we are **ready to go** as the threshold has been met. As the maximum capacity is 36, up to 6 more can be accepted. Folks will be coming from as far as Edmonton to take this 4-month process. If you would like to join, you will be partnered with someone from one of the following participating companies: **Gerdau Ameristeel, Rockwell Automation, Ledco, Matrix, Image Craft, Satcom Operations, Zircotec, SCM, BC Instruments, Cryocath, Hammond Power Solutions, Umicore, COM DEV Space, CPL and KBR.**

Speaking of the Practice of Leadership & Coaching...**Coming April 13th ~~****"High Performance Relationships"**

Beginning April 13th there will be a compact 2-day version of the 4-5 month **"Practice of Leadership & Coaching (PLC)"** for the rest of us." It's nuts & bolts and targeting results.

In a Nutshell

It is designed to help put in place the culture needed to improve problem-solving, cooperation, and increased productivity. It is a complement to PLC but for wide distribution throughout a company to the bulk of employees. In other words, the 'big 4-5month long' PLC is aimed at the leaders of tomorrow while this 2-day session is intended to provide a solid platform of relationship skills for the entire workforce to build their own leadership and coaching skills upon. ***What High Performance Relationships (HPR) provides, is a linking language based on the values, the thinking, and, the common philosophies that tie these two programs together.***

A Broad Description**Success in Lean or in any venture calls for High Performance Relationships**

Companies that respond quickly and effectively win in today's global marketplace. And that requires a culture based on straight talk, generous listening, and the fostering of committed relationships. To achieve sustainable results, relationships among team members - and with their environment - call for High Performance Relationships

Regardless of the culture within your organization, this two-day course provides the skills needed to increase your value-adding potential. Designed for industry, by industry, it equips people with a common language when interacting both up & down stream throughout the organization. By working together, we can take on the best the world has to offer. Will you be ready?

Communication isn't over when you finish delivering your message... it is only just begun. Your job is to followup, show visible interest and generous listening which will transform your words into a credible communication that results in action.

Objectives:

Upon completion of this two-day interactive training course, participants will be able to:

1. Adjust for future competence in behavioral conduct when relating with others
2. Shift from reactive to pro-active actions during an upset or breakdown
3. Create confident distinctions rather than simply transferring data through generous listening, straight talk, trust building, and more
4. Learn to tackle problems with greater confidence
5. Create committed partnerships and increase corporate loyalty
6. Acknowledge reactions to behavior (Automatic Way of Relating-AWR) and shift to playing-to-win techniques
7. Improve listening skills in order to take action aligned with company goals
8. Learn the art of using Facts vs. Story.
9. Declare breakdowns & implement breakthrough opportunities
10. Make use of a common language to effectively communicate with post graduates from the Practice of Leadership & Coaching program

“From the depth of the ocean to the heavens above, Value Stream Mapping Works...” Clinic Participant

This was a quotation provided at the conclusion of Friday’s Value Stream Mapping Clinic (VSM) by an attendee at clinic host Rockwell Automation. He had just listened to how COM DEV Space applied extensive VSM approaches - and the effect it had on their company which provides components to over 80% of all orbiting space craft. The ocean connection came from the intriguing story provided by Bob Kerr of how the world’s largest provider of clam meat utilized VSM to actually extend their competitive lead in the harvesting of clams.

The Format

Forty practitioners attended to a) refresh their knowledge and commitment to applying VSM, b) learn about how to apply VSM from those with experience and c) enable those with VSM to enhance their application of this powerful tool beyond that which they had achieved.

The day began as a low-key discussion with the exchange between participants encouraged throughout the day. The cross section of participants came from many companies with ‘many very different heartbeats.’ Attending were, **Canada Post, Cryocath (Montreal), Rockwell Automation, COM DEV Space, GE Power Systems, Image Craft, Kaba Ilco (Montreal), Orenda Aerospace, Ledco, Trojan Technologies, Accutech, Mancor Industries, Volvo Motorgraders, Gerrie Electric, Avnet Electronics, Umicore, Camtac and Exkor Mfg – Linamar.**

Attendees brought their Value Stream Maps which were taped to the walls of Rockwell’s

Classroom with their originators identified so exchanges and discussions could occur throughout the day.

The Format

Case Study 1: Rockwell’s Lean Master, Cynthia Bruns set the stage with a clear perspective of just what VSM was, and how Rockwell had evolved to their current activity, which regularly includes manufacturing and non-manufacturing maps both internally and externally with their customers and supply chain members.

Case Study 2: Katherine Crewe, VP Operations for Cryocath, shared an outstanding approach to Value Stream Mapping which they used to **drive the cultural change from an environment based on Research & Development mindsets to a manufacturing approach** to respond to the rapid acceleration of sales and products.

Case Study 3: A Synopsis of many approaches to VSM in companies from Newfoundland to Alberta was presented by **HPS’s Bob Kerr**, with the highlight of his illustrated presentation being – without doubt – the application of VSM to the clamming industry.

This case study excited people - not just because of the application of VSM, but more because of the fundamental change in thinking that its application precipitated. The results have been measured and the process improvements have brought very large double digit improvements whose dollar figures will range into the millions over the coming year.

Case Study 4 was presented by **Jeff Caswell, Value Stream Leader and Robert Knox, Process Excellence Advisor.** They teamed to clearly illustrate why Canada Post has taken a world-leading position in the application of VSM but has also used its power to draw the interest of other post offices in the world who now come to Canada for advice on how to put Lean into their operations. But again, there were many additional valuable gems provided, including how the VSM’s were used to drive flow and drive performance reviews and productivity measures that were being achieved in a highly unionized environment.

Case Study 5 saw **COM DEV Space** detail their leading approach to the implementation of VSM into their business which has actually changed the way they do business. An exciting element of their achievement is the accomplishment’s completion in a highly professional environment which provided a quite different perspective. Because they have achieved the complete leveling of the previous ‘process villages’ in their facility, cut cycle times by over 45% on some lines, have increased quality,

and, as Canada Post has done, they have put managers over the entire Value Stream.

The Report Out

Considering the above diverse VSM experiences, it was very fitting that a closing comment was: **“From the depth of the ocean to the heavens above, Value Stream Mapping Works...”** Here were the actual comments & lessons learned as expressed by the 40 highly skilled practitioners present:

- VSM is more important in the office than in production
- Great take-aways
- Understanding who is the customer
- Real world, real life presentations by real companies facing real problems and achieving results
- Sparked several ideas for future
- The importance of changing the way we think
- The exchange and the sharing with other companies was very beneficial
- Great mix of presentations showing the VSM journey
- Rockwell's 101 Guidelines & COM DEV's application
- Everything was useful....

Lean Manufacturing--The Key to Survival

Jim Simpson, Pres. De-Sta-Co Ind., Troy (From SME ME)

For 20 years now, we've had access to information on how to run a lean company by eliminating waste. That's the good news. The bad news is that of the 30-40% of US manufacturers who claim to have implemented lean principles, only about 5% are truly running lean manufacturing operations. In light of what's happening to manufacturing jobs here in the US, I find this frightening.

Over the years we've experienced an alarming migration of jobs--first from north to south, then to Mexico, and most recently to the Far East. The remedy for this is clear. To be competitive and profitable in a global economy, manufacturing costs must be reduced.

This migration of manufacturing operations and employment opportunities is disturbing to me because of what it means to the long-term health of the US economy.

Most new jobs and continued economic growth in the US during the past few years have come from services. Thanks to manufacturing productivity, our overall standard of living is still improving. As more jobs move to the Far East, however, many (myself included) believe that the standard of living in the US will decline.

US companies must be able to produce goods at a competitive price to compete and maintain profitability. Profits, after all, are the critical "fuel"

companies need to make the ongoing investments necessary for continued productivity improvement. It's a vicious cycle in which the elimination of waste in the value-delivery system--a fundamental concept of lean manufacturing--emerges as a key solution.

What exactly is waste, and how do we reduce it? Quite simply, waste is all time and activities in our offices and factories during which value is not added to the product. Notable authors have written that value in both the manufacturing and service sectors is added in the typical product-delivery system (including design, engineering, administrative functions, and manufacturing operations) only 0.5-5.0% of the time. This means that an unbelievable 95.0-99.5% of a company's time is classified as waste.

This waste takes the form of a product quote on a piece of paper that passes from one in-basket to another on its way from customer service to engineering to cost estimating. Waste also takes the form of a machine completing the desired number of components, and then sitting idle while fasteners are threaded to remove the tooling and re-threaded to put in new tooling. Waste is also caused by products coming from several work centers to a bottleneck or constraint somewhere in the manufacturing process, and then waiting for the next value-added operation. Such waste results in work in process or WIP--the most common form of waste in a factory.

Elimination of waste is at the heart of our crusade at our company, as we show manufacturers how clamping products can replace threaded fasteners to reduce setup and part-to-part changeover times. Remember, time is money, and during the few seconds or minutes it takes to thread and unthread fasteners, machines are not running and money is not being produced. Putting an end to bottlenecks with flexible automated solutions that can assist human operators will allow the manufacturing process to function with less waste.

Applying ingenuity to eliminate waste in our manufacturing processes is not only necessary for keeping manufacturing jobs in the US--it's achievable. If products from the Far East, let's say, are 20-50% lower in cost, we must become 30-60% smarter. This may seem impossible, but realizing that we add value only 0.5-5.0% of the time suggests that there is a lot of room for improvement. We can become leaner. We can compete. And we can keep manufacturing jobs in the US.

Jim Simpson is President of, Troy, MI. Article is from Manufacturing Engineering published by SME(Society of Manufacturing Engineers).