

Volume 11, Issue 09 □ **March 01, 2004***Important Dates to add to your calendar...*

- **Mar 3: 12:30 to 5pm AME & HPM Event: Lean Case Study: One on one with a Lean Journeyman** ~ Host: Avnet Electronics, Two seats left. **Register @ www.hpmconsortium.com**
- **Mar 4&5: HPM's Practice of Leadership & Coaching Begins** 7 Dates: Apr 1&2, May 20&21, Jun 24th Full GO! – **can take a few more seats.**
- **Mar 8: GMT Operations Meeting**. Host: Mancor
- **Apr 13&14 High Performance Relationships – the company-wide complement to the 5-month "Practice of Leadership & Coaching" process.** These 2 days provide the common language, philosophies, and key skills 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 **This fall...** there will be a "**Lean Accounting Roundtable.**" We're looking for HPM'ers and readers of the Weekly Update serious about implementing LA. If interested, attendance at this session (and others) is a pre-requisite for being considered as a "Pilot Site," & for participation as a Case Study at the Roundtable.
- **May 12th, Consortium-to-Consortium Phone Exchange** HPM will be continuing to chat with 'consenting consortiums' from Newfoundland to BC to share ideas on 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.

"Best Practices in Lean Excellence 2004 Conference's superb vibrancy proof Lean is a pathway to meeting today's competitive pressures"

**Tony Laraia, Incoming President AME
GM Wiremold's Connecticut facility
"Presentations & thinking tops"**

HPM's WU asked Wiremold's GM Tony Laraia, the incoming President of AME, for his observations following last week's Lean conference in Calgary which was attended by some 200 people from across Canada. He was quick and direct in his response as he stated:

"What stands out is that the Lean movement is marching forward. I saw commitment, refreshing vibrancy, and high energy from both those sharing real results and from those who came to learn. There's no question - manufacturing is under stress and the disruptive impact of external competition is taking its toll on us, but this world-class conference provides more proof that Lean is a pathway to compete & win in today's unforgiving global markets."

There is much happening in Western Canada - **and it is outstanding.** To draw a crowd in Kelowna, Victoria, Vancouver, Edmonton, Red Deer, Medicine Hat, Lethbridge, Winkler, Brandon, Winnipeg, Saskatoon, Regina - *where ever there are manufacturers* – just drop the word "Lean" and the discussion will be underway. In all of these centers the number 1 issue today that's on everyone's mind is the CDN \$\$ and its unsettling 23% spiral in less than one year. Lean is being investigated like never before as a partial antidote.

To help companies respond, the CME under the leadership of Brian McCready, this past week organized a

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June 2nd, Emerging Thoughts RE: Proposed Consortium-Consortium Challenge

Paul Deckert, our Opportunities and Alliances Chair, is proposing a true value-adding win-win session for all participating consortiums. **The idea is to hear from real companies; real expressions about the real value that being a member of a Consortium brought them.** From Paul's perspective, the "**Simple logic behind the Consortium Challenge**" is this... "*Attendees would see for each consortium represented:*

- 1) Objective evidence from each consortium of how one of their member's progress to world class (or Lean) has been accelerated -- and what they see as the tangible results for them [A testimonial of sorts], and,
- 2) A review of the process their consortium provided to achieve the progress and the results.

In other words, Item One would inspire all of us to achieve greater results - and **Item Two** would provide an opportunity to learn new approaches to achievement from the different consortium models.

Consortiums could select their representative company in several ways. It could be as informal as letting their consortium facilitator select a company – or, it could be as formal as having a full member vote. Either way, the consortium could get the benefit of seeing which members are using the consortium, and which members are accelerating to world class. "We would not suggest that the company representing any consortium is that consortium's top company. This is way too subjective. Any company selected would merely be a great example of the progress companies are achieving within their consortium. The company selected should be a reasonable user of their consortium's resources.

We would award a simple prize to one company to add some level of fun to the day. All companies and consortiums participating should be winners.

Input anyone? Contact Paul Deckert at 519-740-5526, or (even better) email Paul at pgdeckert@ra.rockwell.com

Driving the principles of the “Practice of Leadership & Coaching” process deep into the organization”

“High Performance Relationships”

Registrations are being accepted now for the broad deployment of the 2-day version of the 4-5 month “Practice of Leadership & Coaching (PLC) for the rest of us.” As confirmed last week, **its nuts & bolts content will be provided by an HPM practitioner to equip manufacturing associates and ‘Value-Adders”**

A Broad Description: Success in Lean - or in any venture - calls for High Performance Relationships. Companies that respond quickly and effectively win. 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 calls 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 for 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?

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 Automatic & Generous Listening/Straight Talk/Building Trust
4. Learn to tackle problems with greater confidence
5. Create committed partnerships & increased loyalty
6. Acknowledge reactionary behavior (AWR-Automatic Way of Reacting) 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 graduates from the Practice of Leadership & Coaching program

A dramatic opportunity for those who see

Lean Accounting

in their future ~ to protect their Lean Investment

Measures are part and parcel of our journey to World Class performance. We know that measures drive behaviors – and no measures are more powerful than financial measures. The problem for ‘Leaners’ is that standard accounting systems are not kind to Lean initiatives simply because the perspectives are different. But interest is continuing to grow – as evidenced this past week by the full and anxious class of participants from excited companies at the Best Practices in Lean Excellence conference in Calgary.

The Challenge

The biggest stumbling block to applying **Lean Accounting is to get it understood – and then implemented**. To achieve this, paradigms must change and many sacred (not mad) cows must be sacrificed. Conversations between Operations and Financial functional leaders must increase by orders of magnitude - with much discussion around Value Stream Mapping thinking. Upon implementation, the result is a financial system that complements and supports one’s lean investment both by reporting true corporate value and – by enabling accurate assessments of the \$ return on proposed new Lean projects.

The Opportunity

Because of the belief in the need for change in how our financial measures drive performance, HPM and HPS have been bringing in a top North American firm **Brian Maskell & Associates**, of New Jersey to provide the initial underpinnings of just what Lean Accounting is all about.

The sessions have been held right across Canada – from St. John’s to Vancouver **with the most recent at COM DEV**. However, this year signifies an emerging opportunity for HPM’ers & Weekly Update readers who want to actually implement Lean Accounting. Here is the proposed opportunity.

- **A selected number of Canadian companies will be chosen as a ‘Pilot Project’ to implement Lean Accounting.** They will partner with BMA (Brian Maskell & Associates) and HPS to actually implement Lean Accounting by this fall. And if you have an interest, here is how to get the ball rolling:
 - Communicate your interest to the project leader **Genevieve (Gen) Gundy** at HPS by email at ggundy@highperformancesolutions.ca
 - A selection process developed by BMA will be initiated with some 3 to 5 companies selected.
 - Those selected as ‘Pilots’ will have already attended, - or will commit to attending – the “**Introduction to Lean Accounting**” workshop and other training, including Value Stream Mapping preparation, which will be presented in various areas across Canada. To ensure a smooth implementation, the top financial officer and the top operations leader should plan to participate in these events together
 - Coaching from HPS will be provided to assist in implementing & linking the measures and processes directly to the shop floor
 - This fall, an open “**Lean Roundtable**” will be organized at which the Pilot companies will share their challenges, successes & recommendations

That’s it – if you are interested, or want more data, contact Gen at the email address above.

References: Check out the many downloads available on Brian Maskell and Bruce Baggaley’s website www.maskell.com. Their new book has just been published: “**Practical Lean Accounting – A proven system for measuring and managing the Lean Enterprise**” Productivity Press – www.ocapt.com

Lean conference which drew some 200 people to Calgary from across Canada. The energy was visibly high as operations leaders from their firms easily indicated **"We're here as we have little choice these days – And Lean appears to offer what we need right now."**

Many firms sent value-adders with their top operations folks, with one sending as many as 22 people to deliberately jump-start their Lean turnaround. But what was of most value was the straight-from-the-shoulder presentations by those who had implemented, or who were, implementing Lean & had results to share. The presenters were well selected with many equal to those selected for the Largest Lean Conference last fall.

The Message

The message was clear – manufacturers are under stress and they know it. And they believe they are largely on their own, as there is very little infrastructure understanding or support for Lean beyond the excellent support for the conference provided by Alberta Economic Development, Western Economic Diversification, Business Development Bank, Industry Canada and Economic Development Edmonton. With this reality, and under the leadership of Brian McCready – a manufacturer through and through who is the VP CME's Alberta Division – a World Class program was put together that drew accolades from conference keynoter & author of the **Kaizen Blitz**, Tony Laraia, who is GM of Wiremold's Connecticut facility and the incoming President of the Association for Manufacturing Excellence.

The Communicators

Every presentation was made by those with a clear passion about the urgency that surrounds manufacturing. Dr. Jay Myers set the stage with a graphic illumination of the economic terrain around us. His clear message was the same as that provided at the HPM Board meeting – that we must look at leveraging processes and technology **to do more with more** in order to drive productivity figures in the right direction. Innovation and value-adding thinking must be part of our thinking every day, as commodity related products will not provide the future we want.

Dr. Dan Shunk hit everyone – one more time – on the "What & Why" issues around the value of committing to a Lean Enterprise. In so doing, he demonstrated that he is far more than a professor at Arizona State University – he is a powerful communicator and intellect that you cannot help but listen to intently. He 'forced' us all to understand that the 'glass is half full,' as our future is only as bright as our will to adopt the right – and winning – perspective. It is up to us – no one else is going to build the future we want... "It won't happen – unless we do it."

Tony Laraia, Plant Manager Wiremold, Connecticut, provided the "How" perspective of becoming a Lean Enterprise. There was no mistaking that "Lean Manufacturing" must become "Lean Enterprise" to hold hope of competing and winning in the future.

Ben Hume, President of Alco Ventures, Langley and immediate past Chairman of the Board of CME, facilitated a "Bear Pit Session" which generated a long Q&A discussion. On the panel was HPS's Bob Kerr, Gary

Loblick, GM Grant Prideco Inc., Mel Svendsen, President & CEO, Standen's Ltd., Daryl Friesen, GM & CEO, Flexxaire Mfg. Ltd (National winner of Canada's Innovation Award for Technology) and Robert Mills, President Kudu Industries who market their product around the world.

Case Studies: Lucerne Ice Cream – superb team culture and 5S study; **Grant Prideco** – outstanding results through the application of the Theory of Constraints; The Pritchard Group, a truly inspirational look at how to shift the 'doomsday' exchange rate repeatedly to compete and win.

Dinner Speaker: Phil Kirby of OTI, took no prisoners with his focus on the need for a **"LASER VISION"** and the errors we make when we don't adhere to it and don't have the heart to build the discipline to make it happen. This excellent presentation had many walking away thinking very intently.

Day 2: Putting Lean and Six Sigma in perspective was Ron Leblanc, High Performance Value Stream, who presented his **Rockwell Automation Power Lean experience** and combined it with his Six Sigma implementation experience at **Bombardier**. The message was clear -- that Lean and Six Sigma is a continuum. When you use a 'walk before you run' mindset, both will be applied when they need to be and Six Sigma builds logically on your Lean investment.

Case Studies: KBR, Doepker Industries, and Brandt Engineered Products delivered powerful illustrations that **"High Mix Low Volume" worlds and Lean are truly compatible**. Each company is a job shop, and repeatedly illustrated the power Lean has provided them in making inroads into their markets.

Luncheon Speaker, Larry Cote, President Lean Advisors, presented a broad talk on Value Stream Mapping and its role in increasing capacity and finding waste – but keeping an eye on 'seeing the whole' picture during the process.

Owners Perspective: Robert Mills, President of **Kudu**, a unique company making unique pumps to extract oil from depleted wells, clearly stated that his company would not be alive today if it were not for Lean. **Pritchard's President Gordon Greaves** presented their story and how they have survived as the dollar kept rising.

Dale Crownover, President, Texas Name Plate – provided a Leadership Blueprint from the owner of the smallest company every to win the National Quality Baldrige Award. His presentation was the hit of the show as it drove home that you make your own future – and you do it by achieving results through people. His leadership style was inspirational, practical, and doable... **provided you care about, trust, and are prepared to work with your people**. Dale was made an "Honorary Calgarian" by the City of Calgary through the presentation of a rare "White Hat" – which made him one of the first Texans to be so honored.

The Legacy

It was announced that a Lean Mfg Conference is being planned for Alberta in 2005, organized by AME as part of Alberta's Centennial... AND that the next major international Lean Conference will be in Toronto in 2008 – this has just been confirmed.