

Volume 11, Issue 11 □ **March 15 2004****Important Dates to add to your calendar...**

- **Apr 13&14 High Performance Relationships** – the 2-Day company-wide complement to the “Practice of Leadership & Coaching” process.

These 2 days provide the *common language, philosophies, and key skills to value-adders who will lead their company's transition to world class*. It's hands-on, nuts & bolts training for practitioners that's presented by a practitioner. Call Laura at 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.”

HPM'ers & readers of the Weekly Update serious about implementing LA should attend this session as a pre-requisite for being considered as a “Pilot Site” for a Case Study at the LA Roundtable this fall. For info on how to be a Pilot Site – email Gen Gundy at ggundy@highperformancesolutions.ca

- **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.

- **Apr 6-8, “How do Leading Companies Manage their Supply Chain”**

– Dell-Toyota-Lockheed Martin-Cisco. This AME event has Dell's VP of Americas Mfg. Operations, Dick Hunter, & Toyota's Exec. VP of SW Mfg and TMMMA. For more info, check out www.ame.org and look for “EVENTS”.

- **May 18-20th, Leadership in Manufacturing ...**

How the Best Plants Do It! Loc: Cleveland. A Special AME Conference with Industry Week Magazine featuring the top “America's Best Plants Competition” winners – including the second Canadian winner in Collins & Aikman. Check out www.ame.org

Learning About Lean - <http://joelylean.blogspot.com>

Check out this source and you might find some lean support of value.... Just an FYI. Here's one quote:

“My experience (further grounded by observing two daily start-up meetings just this morning) is that the team leader is a key person in getting these local improvements. When he/she a) identifies an annoyance and then b) asks for a way to address that annoyance, she/he lets the team know that it is OK to make proposals. When he/she then follows up on them, encourages them, charts them, and (gasp) requests others to make further improvements on the improvements, the team gets the hang of it. OTOH, when the team leader sees local improvements as an imposition of paperwork and/or boring and/or irrelevant, surprise, the group shows little involvement in improvement”

Thanks to Don Breakey, Coord, Manitoba Consortium for Mfg Exc.

HIGH PERFORMANCE RELATIONSHIPS

An HPM Member-produced “**Weapon for Mass Instruction**” to align the winning workforce

Almost every HPM Member participating in the 'member climate survey' with Dave, identifies the escalating of the \$CDN (a 23% rocket in 8 months) as a very serious competitivenesscrippler. It is bringing people to Lean Thinking – **and to the recognized need to involve people** – in droves from Victoria to Newfoundland. It was the talk of Calgary's major Lean conference – **and not in a positive sense**.

Whether you listen to your heart, or to the Best Practices shared by those at the largest Lean Conference, or the Best Practices in Lean Excellence Conference 3 weeks ago **THE MAJOR OPPORTUNITY/CHALLENGE IS PEOPLE**... properly focused, properly trained & equipped, and properly led!

Today, budgets have been boosted for leadership training, as they should – **but our workforces need 'the basics' as the numbers of our leaders thin**.

There is a huge need to bring our workforces into laser alignment around the right values... that is, around those values that inspire folks to add value, to listen, to innovate, and to achieve results.

And to help make that happen, **Hammond Power Solutions**, with the assistance of our Leadership & Coaching guru, Kathy Grad, have developed a practical nuts & bolts, common-sense workshop that distills the key ingredients of an effective workforce **which is delivered by a 100% practitioner**.

Why HIGH PERFORMANCE RELATIONSHIPS?

HPM's definition of Lean has received wide support across this land, and was selected as the official definition of the Calgary conference - in part, it reads “

“Lean Thinking is a mindset & commitment to achieving a totally waste-free operation, focused on your customer's success. It is achieved by simplifying and continuously improving all processes AND RELATIONSHIPS in an environment of trust, respect, and full employee involvement. It is about people, simplicity, flow, visibility, partnerships, and true value as perceived by your customer.”

Management in 2004 is all about “Achieving results through people.” And success is all about speed, speed, and speed.

Success today looks at the **entire enterprise** because ineptness in only one area affects the entire enterprise's ability to compete and win. **To be competitive demands 'Extended Enterprise Thinking' which means one has to think holistically**. Hence, it follows that relationships become the accelerant for knowledge, information, and intent as these entities must ripple through our organization's supply chains, customers, and employee infrastructures as fast as possible.

To win, we need relationships based on trust. And, the power of our relationships depends on how we are being perceived which is not considered as often as it should be. How can we possibly succeed in Continuous Improvement (the most formidable weapon any organization can achieve) if our relationships harbor fear, mistrust, and a muda-generating CYA (Cover your....) mindset? If they do, the standards upon which improvement is based will never be world class and neither will we.

[A New Intensive 2-Day Pilot Workshop](#) ["High Performance Relationships"](#)

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?

Who should attend ~ April 13 & 14th

HPR is aimed at all shop-floor & office operations employees and those who lead them. Consider sending a team to bring back elements for change into your environment (contact Laura for team pricing).

Learning 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 & increase corporate loyalty
6. Acknowledge reactionary behavior (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

The Facilitator ~ Frank Dolinsek

Frank is a practitioner's practitioner and has delivered this program in the US and Canada.

Registration: \$425+GST (HPM) \$595+GST (Non-Mbrs)
Cost includes continental breakfasts, lunches, refreshments & mtls. **Register:** www.hpmconsortium.com
Information: Location & Maps to all Registrants
Call Laura at 519-893-6260.

Time To Profile A North American Mfg. Champion From Guelph!

**Collins & Aikman Corp., Guelph Products,
Guelph, Ontario, Canada**

"A Partnership Of Muda Fighters" is how Industry Week Magazine refers to the Guelph winners of this past year's 13th annual America's Best Plants competition run by Industry Week Magazine. It is the only the second time a Canadian firm has won since TRW pulled it off in 1999. The following is available on the website and was written by John Teresko.

At Guelph Products, communication fuels an effort to eradicate waste (muda). In the past three years, customer cost of a typical product dropped 34.6%.

Quick Glance

- Plant: 240,000 square feet
- Start-up: 1986
- 15 PPM quality rating for 2003;
- Tool changes now average 34 minutes, down from 90 minutes two years ago
- Achieved \$7.4 million in customer cost savings in '02
- 2001 DaimlerChrysler Gold Award

Auto parts supplier Guelph Products, a site of Collins & Aikman Corp., builds a muda-busting partnership with its union employees on trust, starting with a policy that no layoffs can ensue from process improvements and efficiency gains. "We continue to build the partnership by emphasizing communication with the employees," says Chris Heinrich, plant manager. Hourly personnel, represented by the Canadian Auto Workers (CAW), have never been involved in a labor walkout, strike or disruption.

"By viewing our hourly workers as equals, the production effort gains partners with the knowledge and motivation to seek customer success via lean manufacturing methods," he adds.

The plant has a formidable corporate reputation to uphold. Its corporate parent claims a No. 1 or No. 2 North American market share position in seven out of 10 major automotive interior categories. (Last year three Collins & Aikman plant sites received IW's Best Plants Award - [Americus, Ga.](#), [Athens, Tenn.](#) and [Rantoul, Ill.](#))

The plants of Collins & Aikman are specialists in the design, engineering and manufacturing of automotive interior components including instrument panels, fully assembled cockpit modules, floor and acoustic systems, automotive fabric, interior trim and convertible tops.

The Guelph plant's evolution as a world-class manufacturing facility was not certain a decade ago when the journey was begun, says Heinrich. For example, some of the initial innovations, such as the no-layoff policy, were

met with disbelief. "At first, we found the no-layoff policy difficult to believe," admits Dale Heaney, the CAW chairperson for Guelph. (She is now a believer!)

The focus of the plant's lean initiative is the elimination of waste across all areas, including labor, materials and emissions. Heinrich says the Guelph experience proves that success with the principles of lean manufacturing can both maintain and build employee security. "Lean attracts new customers while motivating current customers to give us more business.

"Attracting new business also means we gain an opportunity to grow while picking and choosing the kind of business that we want. We seek the opportunity to align ourselves with high profile, very successful OEMs. In short, the principles of lean manufacturing have given us a choice."

Lean principles are a fundamental part of Heinrich's strategy for maintaining profitability in the face of continuing OEM pressure for price reductions. He says such OEM pressures are the plant's greatest challenge. For example, in the past three years customer cost of a typical product made at Guelph has been reduced by 34.6%.

Heinrich explains that the suppliers wishing to secure work must absorb the costs of meeting an OEM's expectations. "To offset those costs we use the principles of lean manufacturing whereby each process is scrutinized for waste through the application of value stream maps."

What are the profit metrics of lean success? Over the last three years, the plant reports a 27.6% increase in EBITDA (earnings before interest, taxes, depreciation and amortization).

A multitude of awards testifies to the plant's achievements in satisfying customers and in using lean manufacturing prowess to attract new business. For example, DaimlerChrysler awarded the plant its coveted Gold Award in 1999 and again in 2001. Of DaimlerChrysler's 256 interior suppliers, only 15 receive the award.

Another testimony to manufacturing excellence is how the plant's manufacturing reputation attracts new customer programs. For example, the facility has been selected as the lead plant for the DaimlerChrysler 2004 large car (LX) program to supply, in sequence, the instrument panel, the door panels, console and interior hard trim and the front and rear struts.

As a result of becoming the greatest content supplier for that program, the Guelph plant also has taken on a new aspect of the automotive business. In addition to sequencing its own parts to DaimlerChrysler, the Guelph operation will act as a third-party sequence delivery provider for other suppliers.

Also new is Honda's 2005 TU truck program -- now in the preliminary stages of advance product quality planning. Currently Guelph ships components to DaimlerChrysler, Toyota Motor Corp. and New United Motor Manufacturing Inc., the Fremont, Calif.-based joint venture of Toyota and General Motors Corp. To provide room to grow, 17,000

Past HPM Board Chair, Roy Verstraete touched base to share his return (one of many) from China - where he will be returning shortly. "What you hear is true," according to Roy as he related his visits to GM, Nissan and other mfg. plants. "The Buick Regal made in China is unlike the same model here because in China purchasers have 'drivers' which means that the back seats are unlike any you will see, with video panels and much more." He still can't get over seeing apartment complexes going up for 100-500,000 units which stretch as far as the eye can see... *He'd be willing to visit an HPM Board meeting for a first hand 'show and tell.'*

square feet were added in 2000 followed by the acquisition of a second 112,000 square-foot facility in 2003.

Heinrich firmly believes that communication and people talents are the source of the plant's production excellence. "We view our versatile, talented people as partners -- as equals in accomplishing customer satisfaction. Both management and the hourly workforce take pride and ownership in what they do. They're superb in dedication, energy and focus. And I think that's [management's] reward for always striving to improve communications with the hourly partners."

Heinrich insists that refining communication skills is the single most important initiative in achieving Guelph's winning performance. "I cannot say enough about communicating what we're doing, why we're doing it, where we're going and why we want to go there."

A trip through the plant shows evidence that the communication emphasis is not an ephemeral abstraction or platitudes. For example, vision boards located in every department communicate the operating measurables that evaluate performance success.

The measurables include absenteeism, health and safety, overall equipment effectiveness, first-time capability, quantity requirements and delivery. Departmental progress in each category is color coded to enhance communication at a distance.

To instill a sense of ownership and accountability, employees have to do some of the actual calculations and post them on the board every shift, says Heinrich. Understanding the calculation process helps in relating operating factors to plant success.

The Guelph plant also communicates job instructions in a very accessible way via virtual job instructions at workstations. Using the personal computers that monitor the real-time production activity, the virtual instruction system allows an operator to view the job as it should be performed, along with written instructions.

Heinrich explains that the virtual instructions assist in training a multicultural workforce by providing both visual and written instructions that can be viewed over and over again at the press of a button. An added benefit is that these instructions also minimize the use of actual trainers and allow cross training with ease and flexibility.

For those wondering where the emphasis on communications and empowering employees originates, CAW's Dale Heaney offers a clue: Heinrich started his career at the company in human resources!

Source: Industry Week ~ www.industryweek.com