

Volume 11, Issue 15 □ April 12, 2004

Important Dates to add to your calendar...

- **STILL SEATS: Apr 13&14 Building A Lean Floor Culture -High Performance Relationships.** **Location: Valhalla Inn, Hwy 427, begins 8:00am.** This 2-Day workshop for shop floor value-adders provides employees with the same practical perspective which has been provided to many operations leaders' through the 4-month-long "Practice of Leadership & Coaching" process. In this way, the managers and the shop floor value-adders are talking the same language. What it really provides, is a **common way of thinking – plus – the basic philosophies, and key skills to help Continuous Improvement actually begin to happen.** It's hands-on, nuts & bolts training for practitioners presented by a practitioner. Call Laura at 519-893-6260 or check www.hpmconsortium.com
- **Apr 14, AME Intro to Value Stream Mapping.** Host: Image Craft. Contact Barb 905-681-6039
- **Apr 15, HPM Quick Lean Diagnostic,** Mancor
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- **Apr. 13-14, HPM Value Stream Mapping.** Venue: Orenda Aerospace
- **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 & Weekly Update readers serious about implementing LA. If interested, attendance at this session is a prerequisite for being a "Pilot Site." dhogg@netcom.ca for info.
- **May 18-20th, Leadership in Manufacturing ... How the Best Plants Do It!** A Special AME Conference with **Industry Week** Magazine featuring the top "America's Best Plants Competition" winners – including the second Canadian winner: Guelph's Collins & Aikman. Check out www.ame.org

Building a Lean Shop Floor Culture – Through High Performance Relationships

This Tuesday, this 2-Day Pilot Launch begins at 8am at the Valhalla Inn on HWY 427 in Toronto. There are open seats still available for those who see a genuine need to begin building the kind of corporate culture **where relationships become the currency that communicate the exchange of ideas.**

It is no mystery that in a 'Blame' environment, the tendency is to hide mistakes and venture very little in order to escape the embarrassment of ridicule in front of others for a mistake. **Lean – properly defined – is all about achieving results through people!** It is about people solving problems and being unafraid to have open 'Conversations for possibilities.' Actually, the working definition used at Western Canada's Lean Conference organized by Brian McCready & CME in February used the following definition of lean... and if you attended the

MeasureUP Conference in October you could not escape the consistency of the same message from all 60 presentation teams and the other 84 messages that came from those leading plant tours, the 14 keynote speakers, or the 31 Workshop leaders... The message was the same: **"You cannot keep doing the same thing and expect better results."** China, Indonesia, Mexico, and the CDN \$\$ are real and they are impacting us right now like never before. Just look at what Canadian Tire, Wal-Mart and others have to offer and where their products are made.

Change does not take place by edicts on the wall but by conversations between people every day. This workshop addresses the Gemba – or where the rubber hits the road – in our companies, and that is precisely where the value gets added.

The cultural change needed (which is not well appreciated in North America), is the change that drives decision-making downward with employees genuinely involved. And that's what this course is all about. In non-sense terms, It provides the basic 'Relationship skills' needed to communicate for results to produce sustainable achievement and standards that stay put – plus more.

What is Lean? Really??

For those who really 'think simplicity':

"Lean is driving out waste – EVERYWHERE."

For those who want a little more 'meat':

"Lean is a philosophy/mindset that is committed to achieving a totally waste-free operation that's focused on your customer's success... that 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, processes, flow, visibility, partnerships, integrity, and true value as perceived by the customer."

...And for the more detail-oriented Operations folk:

"Lean production rapidly cuts/avoids costs & inventories to free cash, which is critical in a slow economy. It also supports growth by improving productivity & quality, reducing lead times, and freeing huge amounts of resources.

Lean production frees office and plant space & increases capacity so companies can add product lines, in-source component production, and increase output of existing products... without acquiring new facilities. Companies implementing lean now can take advantage of increased profitability and renewed growth by increasing sales without major cost increases."

In Summary:

How can such definitions be met without the involvement of everyone – and **systematic Continuous Improvement?** Both demand simple relationship building tools – such as those provided by this kind of workshop. It's important such a workshop be delivered by a practitioner.

Special Announcement to all employees of HPM Member companies...

All Canadian Regional AME events are available at AME Member prices.

Beginning with the AME "Introduction to Value Stream Mapping" session this Wednesday at Image Craft in Cambridge, HPM'ers can enroll at the AME Member rate. To do this, **contact Barb Jacklin at 905-681-6039** or by email at bjacklin3@cogeco.ca. For coming events, click www.ame.org 'events' - Upon registration, maps and details will be provided. **As always, the host company will approve participants.**

The 2004 Practitioner Series – *Practical content; delivered by practitioners; Industry hosted*

The CDN Region of the AME is providing a "Practitioner Series" aimed at those initiating their journey to lean – or those looking for confirmation of their trajectory. Sessions are provide by experienced practitioners with most sessions held on site to enable participants to see the topic in action.

April 14 Value Stream Mapping Host: Image Craft, Cambridge

This workshop focuses on what Value Stream Mapping is all about and the power it can bring in revealing waste elimination opportunities. A tour of Canada's largest maker of greeting cards will be available.

May 12 CGL Manufacturing's Lean Implementation Journey & Tour, Guelph

CGL Mfg Ltd. is committed to the Lean mfr of machined parts, components, weldments, fabrications & assemblies supplied to material handling, industrial & heavy equipment, construction machinery & railroad industry customers. Also Pre-production & Prototyping, Painting, Forming & Laser Cutting Services.

Presenting: The Journey to Lean Implementation; The Challenge Faced; The Strategic Plan; Lean Implementation Plan; Lean Tools; Critical Factors; Achievements; Lessons Learned; What's Next; What's Happened since the AME Conference in Oct 2003; Plant & Office Lean Tour

June 9 Visual Factory & Tour ~ final arrangements underway. More information to come

September 9 Continuous Flow & Tour of CTS Corporation ~ Workshop CTS, Streetsville was rated the top Tour Site at the largest Lean conference held in North America. More information to come.

October 13 Setup Reduction & Tour of Messier Dowty Inc. – A one day workshop

Messier-Dowty manufactures aircraft landing gear systems, and produces structure critical components on CNC Machining Centers. The machines are not dedicated and require multiple set ups, sometimes twice or three times per day.

Presenting: The fundamentals of Set Up Reduction; analysis of a pre-taped set up; determine opportunities to radically reduce set up times & remove waste from Value Streams.

"Measures drive behaviors... and no measures drive behaviors in industry more strongly than financial measures"... Here's a lead-in to April's "Lean Accounting"

NEW BOOK: Practical Lean Accounting – A proven system for measuring and managing the Lean Enterprise... by Brian Maskell and Bruce Baggaley ~ www.ocapt.com

Here's a book that provides a **roadmap for finance managers in companies seeking to transition their organizations into lean enterprises**. Brian and Bruce have refined their approaches by working directly with companies who are introducing the powerful and culture-changing methods of Lean Thinking.

Lean Accounting is often misinterpreted as simply applying Lean principles to accounting practices, which is NOT true. Lean Accounting is a new method of 'managing a business' that is built on lean principles and methods. This book shows that the methods are not new by-and-large – but they have been revamped and adapted to serve the urgent needs of lean organizations... or of those organizations that now find they must become lean because of the demands of owners – or because of what customers are demanding they achieve in cost reductions, value delivery, and more.

If you are not familiar with their website www.maskell.com it is worth the time to examine it closely and download the information that is of value. There are more case studies being tabled, and this year in Canada, Brian & Bruce and their team are confirming companies who would like to work with them to actually implement Lean Accounting.

What is coming? Following the April 27/28th sessions, two specialized workshops will be delivered in June. They are – "Solving the Standard Costing Problem" and "Lean Performance Measures". Those interested in being a "Pilot Project" will take one of these two and then implement a two-phase approach to implementation which will be followed by a post-implementation "Re-Evaluation" – all of which will culminate in a Lean Accounting Roundtable this fall that will be rich in experience and first-hand learning. Whether thinking about being a Pilot or not – this book is a must.

May 13th for the next HPM Forum – Host: Mancor Canada, Oakville – Limited to HPM Forum: “Leveraging Technology to Cut Cost & Waste”

Overcoming Obstacles to Automation of Design, Sales, & Costing... *Lean Manufacturing is increasingly being adopted by manufacturers, but many engineer-to-order producers have been hesitant to grab on to Lean Thinking. Why? This Forum will provide a perspective on selected issues that confront engineer-to-order manufacturers as they strive to implement Lean. One stimulating conversation will centre around the research of Dr. Paul Doherty and his contention that “ERP has outright failed Engineer-to-Order manufacturers. The forum is designed to provide insights into how technology can help run the competitive global race of ‘faster, cheaper, better’ by continuing to Think Lean (Elimination of waste everywhere) while leveraging technology to drive out waste.*

Highlights

- **Mancor** is an innovative company which is competing to win – not just to survive. And to do so is using technology combined with logic and innovative thinking. Mancor’s President & CEO, Art Church, will share their innovative approach to ‘Productive Prototyping’ that produces full 3-D parts quickly to provide high visible clarity to the parts they are being asked to build. Such rapid duplication leads to better decisions on manufacturability and increased customer satisfaction through shortened ‘Art-to-Part’ cycle times. They will also share their approach to ‘Affordable Visioning Technology’ that speed communication to robots in unmanned cells.
- **Dr. Paul Doherty, Professor, WLU School of Business** will make a clear case for *why ERP has failed Engineer-to-order companies* because of the inability of ERP to leverage its technology and produce justifiable returns on investment. His presentation of new research into the issues and a look at what may be the next evolution of ERA which is becoming known as Enterprise Resource Automation. Guaranteed this will be a lively and healthy discussion.
- **George Foss, President of 3L Filters**, will share their thinking and the development of their approach to Advanced Manufacturing Technology which builds on the use of full 3-D solids modeling to not only produce highly accurate quotes for customers in minutes – but also shop drawings that are ready for release in a similar amount of time. This application of technology magnifies the impact of one’s sales force while generating previously not probable accuracy in complex designs. People may remember the standing room only presentation at the MeasureUP conference.
- **Dan Morgan, Director, Tryllium Industries Inc.** will initiate the discussion by presenting a broad perspective and overview of the recent steps to ‘Level the Playing Field for Engineer-to-Order Manufacturers.’ Tryllium has seen technology come and go since its president’s involvement in the CAD/CAM Centre in Cambridge some 20 years ago.
- **Open invitation... see below... opportunity to share with some neat folks.**

Invitation: While this is one of the very few Forums limited to HPM Members, *those with a Best Practice within HPM – or from a company receiving the Weekly Update* - who would like to be part of this exchange, should call Dave at 519-893-6260 as soon as possible. We have room for two more Case Studies to become part of this practitioner-to-practitioner exchange.

Dr. Doherty’s view below is that a **huge ‘Technology Gap’** exists that is hurting Engineer-to-Order firms. ERA may well help - but time is getting short.

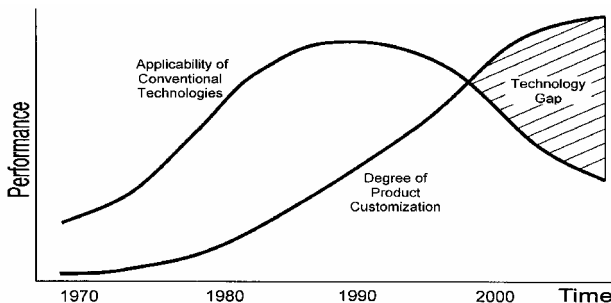


Figure 4 The evolving technology gap in ETO manufacturing driven by changing market conditions over several decades

Also from Dr. Doherty, possibly ERA will provide the increased productivity, and more, that’s needed. **Come to the Technology Forum and hear.**

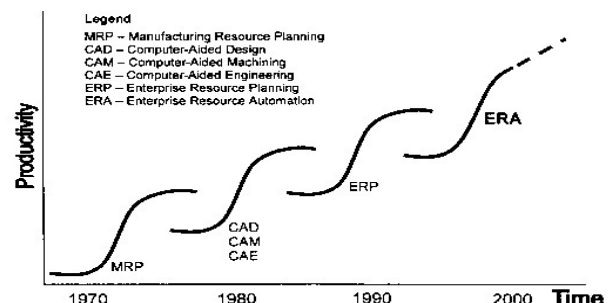


Figure 6 The evolution of software used in manufacturing