

Volume 11, Issue 21 □ **May 24, 2004***Important Dates to add to your calendar...*

- **May 26th, HPM Board Meeting** This Board Meeting will open eyes via a first-hand look at how a 150 year old organization applies Lean in a high velocity Cellular workspace in one of the most advanced Post Offices in the world. Canada Post now officially consults to other countries & was a major Sponsor last fall. Senior staff of Canada Post will sit in to hear Dr. Robert Hall after the facility tour.
- **June 8th, AME LEAN COMMUNICATION – A CGL Case Study** A unique pioneering workshop that supports the first principle of Lean Thinking: “The only perception that matters, of the value you bring to your customer – is that perception held by your customer.” BUT do you really know what they value about you? If not, much of your communication budget may be wasted on things the customer does, indeed, not value. This is one of the top 5 Workshops at the Lean Conference last year. It focuses on finding out what your customer really values – and what to do about it. For more info or to register, check out www.ame.org
Remember – as an HPM'er, you are extended the AME Member rate – a saving of \$195 CDN. And if you send 4 the 5th person goes free.
- **June 9th, 8:00-10:30 BKFST: HPM Manufacturing 20/20**, HPM has been registered as one of the over 60 'designated sites' across the country for input into the Mfg. 20/20 project. The intent is to harvest from Mfg. leaders what they see as the Mfg Vision needed to succeed. This will be facilitated by the CME and held at the **CDN HQ of the General Electric Corporation in Mississauga**, and is limited to 24 (3 teams of 8) top Mfg. leaders, in roundtables. If interested, call Dave at 519-893-6260 for more information. *'If we don't provide our view, who will?'*

Two New Lean Accounting Courses

– Take them alone - or, use them as part of a strategy to actually implement Lean Accounting in your facility as a Pilot Site. Click: www.highperformancesolutions.ca

- **June 15th, Solving the Standard Costing Problem** This one-day course is mandatory for those thinking of taking advantage of being a Pilot Project & implementing Lean Accounting. Even if you're not, it will have high value.
- **June 16th, Strategic Performance Measurement for Lean Manufacturing** The course provides participants with a “Starter Set” of performance measures. This set contains a hierarchy of performance measures for the lean cell, value stream and plant that are linked to the goals of the lean company at each of these levels.
- **June 30th Deadline for reduced registrations to Lean AME Conference in Cincinnati Oct. 18-22.**

Wednesday's Board Meeting – Highlights

Dr. Robert Hall, founder of AME & Editor-in-Chief of Target Magazine.... Plus tour of the Parcel facility @ Canada Post.

What do 154 Canadians Know?...

That's *how many Canadians are already registered* for the next AME Conference this year in Cincinnati from Oct. 18-22. It's where AME began 20 years ago... Check out the details at www.ame.org. **Major Discount: If you register before June 30th you will save substantially.**

Your registration cut 25% off full fee to:	\$1460.00 USD
For 5-19 Team Members, cut 30% to:	\$1365.00 USD
(Plus \$125 USD each for those who are not AME members)	
For 20 + Team Members, cut 40% to:	\$1,170.00 USD
(Plus \$125 USD each for those who are not AME members)	

Two “Lean Basics” Training Sessions June 9th & June 18 ~ Waterloo Inn

These proven workshops are now recognized from coast to coast in Canada

Wed: June 9th: Hands-on Introduction to Lean Principles 101 A completely involving plant simulation with not one spare minute in the day. This one is the best of a wide range of simulations because, at the end of the day, the concepts of One Piece Flow, Value Stream Mapping, Plant Layout, Visual Measures and many more Lean concepts will have been provided. Participants generate their own data to get results rather than take data provided. This workshop is regularly presented to all leaders responsible for supporting Lean and for its success – Participants from the Shop Floor to the Board Room, Marketing, Finance and Supply Chain participate as they take on a role which enables them to 'learn by doing.' Ask for HPM/Consortium prices.

Fri: June 18th: Value Stream Mapping Administrative Processes: Increasing enterprise productivity and competitiveness by driving out Waste in Administrative Processes.

This workshop has been – and will be – an eye-opener as to how to make the information flow visible to the point that the reservoirs of waste become easy to see. Leaders have reported that from an enterprise perspective, there is more waste in the information and administrative processes. Unfortunately, most effort is aimed at just one component – manufacturing. This one day could be one of the most valuable days this year for your company. Ask how this could be provided on-site - with your own staff trained to deliver it for broad deployment. [Note: Opportunity for HPM'ers to bring more folks up to speed] Ask for HPM/Consortium price.



Unusual AME Course Worth A Hard Look "A CGL Case Study"

To the left is the unusual cover of the promotion for a Lean workshop that does not look like a Lean workshop.

Because it is different, it runs the risk of being dismissed out-of-hand since it "doesn't look like a mfg. piece." It comes in the mail from the Association for Mfg Excellence (AME) describing what "Lean Communication" can do.

What Is It? It hits hard at "Lean Communication" – **something not many mfrs have really thought about.** In a nutshell it shows you how to determine exactly what the customer sees in the value you think you bring to the table. And once you see it, it becomes very clear what wasted & unnecessary communication may be taking place - including dollars spent on materials & promotion to customers that either don't value what you are trying to convey (since it's really not important to them) – or the key things that should be said are being missed. All because we don't know what the customer's perception of your value really is.

Why is this a Big Deal: It begins with the first of the 5 principles of Lean Manufacturing. The one that says that '**The only perception of the value you bring to a customer that matters, is the perception held by your customer – not the head of marketing, sales, or the president.**' Hence, if you do not really know how your customer sees you --- **much of your communication with the customer could be MUDA.** That's just what this course is all about – understanding how to look at yourself as your customers do so you can drive out waste from your communications processes.

Some Points to Consider:

- Do you know your top 5 customer benefit values?
- How does Customer Value Mapping clarify what customers value about you, your products & services?
- This workshop was one of the 5 Top Rated workshops at the MeasureUp Conference in Toronto last year
- Hear a Case Study showing how a Customer Value Mapping Process delivers a strong ROI by improving communication processes, and reducing expensive resource time, while reducing production costs.
- It is not an academic discussion – but rather a full Case Study from one of Canada's leanest companies – **CGL in Guelph** - who are suppliers to our Vovlo Motor Grader team member.
- Lean communication applies a Pull & Flow process. So instead of pushing information out, you communicate using messages built on clearly established customer benefits and common values. This has cut lead times in some cases by up to **90%**
- CGL will share the impact of how they communicate now, based on Customer Value Mapping.
- If this interests you, check out www.ame.org to register

The Rest of the World Needs Lean

Healthcare needs Lean & may need our encouragement

Any World Class person knows that upon detecting a possible problem, the first step is always to gather data. And in one area that's starved for Lean Thinking, much data has been gathered – and what it shows is not good.

We are talking Healthcare. This week's revelation in the national papers confirms what is already well documented in **The Human Factor** by Kim Vincent, and more recently in "**Prescription for Excellence, how innovation is saving Canada's health care system**" by Michael Rachlis co-author of "**Second Opinion & Strong Medicine.**"

The just released findings about to be reported in the *Canadian Medical Association Journal* conclude that:

- Of the 185,000 patients harmed while being treated in CDN hospitals each year, between 9,000 and 24,000 die after from a surgical accident or medical oversight
- If you are in a CDN hospital, the rate of hospital-related error you may experience is some 7.5%, which is more than double that of a US hospital, which is around 3%
- 1 in 13 patients treated in hospital is at risk of suffering an unintended injury or complication that results in death, disability, or delayed hospital discharge

Dr. Peter Norton, co-author of this study of "adverse affects" in CDN hospitals, feels the numbers are underestimated.

Some of The issues

Peter Drucker refers to hospitals as 'the most complex organisms devised by man'. Perhaps that's a piece of data to make us feel better about Kim Vincent's figures that 98,000 preventable deaths occur annually in US hospitals. However, as mfrs who bring people, processes, & technology together as well, there is some discomfort in learning that 77% of the surgical residents in NY City worked 95 hrs per week in '98. Canada has similar stats with not only doctors but nurses as well, who take on overtime just after completing a 12 hour shift.... But check out the above books for the full story. Is there a connection between these figures & the state of a human's mental acuity? Two big issues are 1) Where do you start to change a culture that has supported this for decades, and 2) The need to gather data and apply Continuous Improvement/Lean Thinking in a 'No blame environment' to make the right decisions and drive in solutions that are sustainable.

Similar Cultures

Wendy Nicklin, founding board member at the Canadian Public Safety Institute, believes hospitals need to change their 'blame' culture before they can fix the problems that generate unsettling figures. She points out, that in a blame environment, not many whistles will be blown – nor would they in a manufacturing environment, either.

What we can do? When major grant allocations are under discussion, there's nothing wrong with tying them to the recipient hospital's adoption of Lean. At every opportunity, the community can help by expressing the need to change and providing support. Just more money from taxes isn't an option as that hurts our ability to compete... as it drives up the prices to our customers.