

**Volume 11, Issue 24** ☐ **June 14, 2004***Important Dates to add to your calendar...***Lean Accounting Sessions Rescheduled**

*In consideration of the expressed interest, BUT because of conflicting participant schedules, the valuable **June 15<sup>th</sup> & 16<sup>th</sup>** practical Lean Accounting courses listed below will be rescheduled. We are working this out with the session leaders for the fall... if you have a preference let us know.*

☐ **"Solving the Std Costing Problem" June 15<sup>th</sup>, and, June 16<sup>th</sup>, Strategic Performance Measurement for Lean Manufacturing**

☐ **June 30<sup>th</sup> Deadline for MUCH REDUCED Registrations to International Lean AME Conference in Cincinnati Oct. 18-22.** For details check out [www.ame.org](http://www.ame.org).

☐ **Heads Up: Sept/Oct: The 4-5 Month "Practice of Leadership & Coaching" continues to be requested.** Some fourteen folks are looking to begin this essential training this fall. Kathy will provide dates shortly. *As before – the sessions must be filled or they will be cancelled.*

☐ **The Next HPM Practitioner-to-Practitioner Forum** will focus on **"Value Stream Mapping in Non-Mfg/Administrative processes."** We will be working with our Chair of Learning to determine the best date. Stay tuned – we are getting recommendations to defer to the fall instead of July.

**Lean Service Summit 2004****Check out at [www.lean.org](http://www.lean.org)**

*It's happening. The long anticipated move to apply Lean across the enterprise is being given a boost in Europe later this month by last years MeasureUP Keynote, Dan Jones, of the Lean Enterprise Academy and of course, with Jim Womack, of the Lean Enterprise Institute.*

**WHY the Lean Service Summit?**

Improving the performance of office and service processes will be the key to increased competitiveness and rising living standards in the next decade. Many pioneers in a wide range of service industries have already begun this journey, learning from the progress made by leading manufacturers in streamlining factories & supply chains.

The most successful approach to the industrialization of office and service processes is Lean Thinking, originally pioneered by Toyota. For the first time this Lean Service Summit brings together leading-edge examples of Lean Management in practice and the most experienced lean experts from around the globe. It offers a unique opportunity to begin the lean transformation of your organization.

**For Those Who Go Where the Action Is...**

1. *Is there any chance that any of your customers will demand reduce prices from you based on their belief that they can get actual lower prices from Chinese sources?* There is more to dealing with China than the sweet purchasing price and your customer may be in for a surprise when all costs are totaled. **Here May Be An Opportunity:** *Would there be any value for you to go to China this fall to find out exactly what it is like to deal with the country's manufacturers and their infrastructure? Could this give you valuable, accurate information that could be used to help keep you customer?* If so, a small number of Canadian Mfrs are traveling to several mfg sites in China to see the country and the infrastructure first-hand. While there is a price, it is being organized by the National Research Council through their support of Jon Fenwick's Innovation Insights program.  
**The flight leaves October 23<sup>rd</sup>, and returns November 9<sup>th</sup>. If you are interested in full information – contact Jon Fenwick at 905-568-8300 X294, or let me know. Tell him, Dave sent you – and I will buy you coffee throughout the trip should you go. It appears China will be around for a while... hence learning about them and their competitive approaches could be of value....** And if that helps you to save a customer from making a mistake – then that is a win-win as the focus in 2004 must be on our customer's success.
2. **"Lean Services Summit"** – See information on this page for more details. [www.lean.org](http://www.lean.org)
3. **Cincinnati is the home of this year's AME Major International Lean Conference.** You have until the end of this month to purchase passes at the much reduced rate... plus if you send 4 the 5<sup>th</sup> goes free... check out at [www.ame.org](http://www.ame.org)

**The Objectives**

- To learn to see the new opportunities for creating value for customers, for removing waste from every process and for creating more rewarding jobs for employees opened up by Lean Thinking.
- To show how Lean Management can be applied in every kind of office and service activity in both the private and public sector.
- To learn how to choose the lean pathway that is right for you and to create your own action plan for implementing Lean in your organization.
- To give you the chance to question the leading experts and get practical advice from those down the lean path.
- To create an ongoing movement of lean practitioners sharing experiences in Lean Service Management in Europe and across the world.

**WHERE can we see lean in Action?**

- In all the supporting office functions of manufacturing businesses, such as finance, sales and marketing, engineering, human resources, purchasing (General Motors and GE).
- In all kinds of insurance, banking, and financial services (Jefferson Pilot Financial and Standard Life).
- In technical support and customer services, (Fujitsu Services and Porsche GB).
- In large infrastructure, logistics and utilities organizations, (Deutsche Telecom, Deutsche Bahn, Canada Post and Dansk Post).
- In public sector agencies & city governments (the Dutch Alimony Office LBIO and the Home Housing Assoc.).
- In the management of many healthcare organizations.

**HOW can we go lean?**

By redefining customer value and the customer interface (Fujitsu Services and Porsche GB).

By creating model processes using lean methods (GE, Jefferson Pilot, Standard Life, LBIO and Home Housing).

By rapidly spreading these model processes across the whole enterprise (GM and Canada Post).

By integrating model processes into a complete lean system redesign (Deutsche Telecom and Deutsche Bahn)

**The Organizers**

This first Lean Service Summit has been jointly organized by the Lean Enterprise Academy, UK, and the Lean Management Institute, the Netherlands, and the Lean Management Institute, Germany. They are all non-profit education and research organizations dedicated to promoting the implementation of Lean Management through action learning workbooks, workshops, train the trainer programs and Lean Summits.

Full details of their activities can be found on their web sites [www.leanuk.org](http://www.leanuk.org), [www.lean-management-institut.de](http://www.lean-management-institut.de) and [www.leaninstituut.nl](http://www.leaninstituut.nl).

All are members of the Lean Global Network established by Dr. James Womack and Professor Daniel Jones, the coauthors of Lean Thinking. From the founding of the first Lean Enterprise Institute ([www.lean.org](http://www.lean.org)) in the USA in 1996 they have helped to organize over 20 Lean Manufacturing Summits in the USA, Brazil, UK, Germany, France, Poland, Turkey, South Africa and India. Over 50,000 lean practitioners are active in the lean movement and the Lean Global Network is coordinated by Jose Ferro from the Lean Institute, Brazil ([www.lean.org.br](http://www.lean.org.br)).

**The Five Steps of Lean Implementation****Step 1: Specify Value**

Define value from the perspective of the final customer. Express value in terms of a specific product, which meets the customer's needs at a specific price and at a specific time.

**Step 2: Map**

Identify the value stream, the set of all specific actions required to bring a specific product through the three critical management tasks of any business: the problem-solving task, the information management task, and the physical

**Many companies emulate the Toyota Production System (TPS), but there's only one original – Toyota's. Each Toyota location has its own personnel and process history, so each learning journey has assumed a local flavor.**

**To prevent the system's DNA from being corrupted, a "mother plant" sows its TPS seeds in each new Toyota location.**

**Almost always a green field site.**

**Most Toyota experience converting another system to TPS is with suppliers and other companies they have assisted.**

**- Dr. Robert Hall**

transformation task. Create a map of the Current State and the Future State of the value stream. Identify and categorize waste in the Current State, and eliminate it!

**Step 3: Flow**

Make the remaining steps in the value stream flow. Eliminate functional barriers and develop a product-focussed organization that dramatically improves lead-time.

**Step 4: Pull**

Let the customer pull products as needed, eliminating the need for a sales forecast.

**Step 5: Perfection**

There is no end to the process of reducing effort, time, space, cost, and mistakes. Return to the first step and begin the next lean transformation, offering a product which is ever more nearly what the customer wants.

**A Novel Idea With 2-Years of Proof**

The innovative and very interesting Consortium-to-Consortium conference call with consortiums from **Portland Oregon to St. John's Newfoundland** generated some high interest with HPM'ers.

**And Here is Just One Best Practice**

**... the rest will be discussed at the HPM GMT meeting in July with the best of the lot being proposed to HPM'ers for action this fall.**

**The Challenge:** How to ripple out the benefits of exchanges among consortium members to the folks who don't attend the Board Meetings. In other words, how do we get the 'grass roots involvement' of our value adders to see (& borrow) best practices.

**Answer:** From **Don Breakey**, Facilitator for the Manitoba Consortium for Mfg. Excellence... they have scheduled plant tours at member plants every two weeks and have extended invitations to MCME member company employees to 'come one or come all.' And for over 2-years, the tours are still full with lively exchanges continuing. **A salute of the HPM hat to MCME for simple innovation with a high impact.**