

Volume 11, Issue 37 □ September 20, 2004

Important Dates to add to your calendar...

- **Sep 20-22nd**, Winnipeg Consortiums to visit HPM's Mancor & Rockwell – plus AfEE's Stack-A-Shelf and Ledco facilities this week.

- **SEATS OPEN: Thursdays, Sep 23rd**: **HPM Forum: Practitioner-to-Practitioner Focus on Lean Office** ~ "Value Stream Mapping Administrative Processes." Best Practices by [Corporate Express](#), [Cascades \(Winnipeg\)](#), [Orenda Aerospace](#), [World Vision](#), [Canada Post](#). Register Now: www.hpmconsortium.com

- "Practice of Leadership & Coaching" DEFERRED TO JANUARY START DATE
- **Oct 18-22: 2004 AME "20th Anniversary" International Lean Conference in Cincinnati.** "Focus on Global Enterprise Excellence" This will be held concurrently with the [Advanced Mfg & Productivity Exposition](#). Free to attendees. Check: www.ame.org
- **Oct 27th NEXT LEAN ACCOUNTING STEP: Solving the Standard Costing Problem** The Lean way to think about costing. Ask Nicole at 519-893-6260 for an outline. www.hpmconsortium.com
- **Oct 28th NEXT LEAN ACCOUNTING STEP: Strategic Performance Measurement for Lean Manufacturing** A "Starter Set" of performance measures linked to Lean goals. Ask Nicole at 519-893-6260 for an outline. www.hpmconsortium.com
- **Oct 24-Nov 9th, Fact-Finding China Tour – Innovation Insights**, NRC & CME provide a dramatic 'up-close & personal' look at the Chinese engine. info@hpmconsortium.com.
- **Nov 3rd 8:00 - 4:30 HPM Share Showcase '04.** Location: G.E. Meadowvale Theatre. Limited to HPM'ers who'll 'showcase' their 'Best Practices.'
- **Nov 18th HPM Forum: "Workplace Health, Safety & Wellness"** World Class performance demands a World Class environment. This will be a practitioner-to-practitioner exchange.
- **Dec 1st AME/HPM 8:00 to 5:00pm "Breaking the Safety Barrier: Implementing Culture Change"** Dr. Steven Simon. A 1-Day intense culture change workshop. Call AME: 905-681-3960.
- **Dec 6-7th The Lean Design Workshop** – 2-intense days with one of North America's best Design & Project Management leaders – **Ron Mascitelli**. His new book is included. Designed for companies who simply need **more products faster** by driving waste out of the process.

- **Dec 9th The Lean Accounting Roundtable** – A **frank exchange among implementers** that will help protect one's investment in Lean strategies.
- **Jun 6-10 (2005): "Implementing & Sustaining Lean Thinking Across the Enterprise"** An AME major Practical Lean Conference in Edmonton. www.measureupforsuccess.com

Thursday's Forum: PLEASE Don't Miss This Opportunity... Hear how 5 organizations are increasing their effectiveness by driving waste from Admin processes... In the end – it is the **'Total Enterprise's Effectiveness'** that **wins**. Because you can't drive a part or a service through your organization any faster than the information that precedes it. Register today at www.hpmconsortium.com

HPM Inter-Company Tour Times

"Practical Employee Learning Exchanges"

New This Month... Opportunities for ALL **HPM member company employee to see any other HPM member's site on the second and fourth Tuesday of each month from 9-11am.**

Key Elements: At each Tour, the host site will show:

1. A 'Best Practice' area (BP) – AND
2. A 'Suggestions Welcome' area (SW)

To Register: Names must be sent to Nicole by e-mail by the **preceding Thursday** for security clearance at info@hpmconsortium.com 519-893-6260
Also, Register online at www.hpmconsortium.com

NEXT TOUR...

#2: Tuesday, Sept. 28th – Gerrie Electric

- **BP:** 5-S- Visual Display & IT Deployment
- **SW:** 5-S-Warehouse

Coming:

#3: Rockwell Automation #4: Mancor Industries

Note: The schedule of all Member Site Tours being compiled now. Check with Nicole @ 518-893-6260

HPM's First "Inter-Member" Visit Program Rocks... Host Facility Big Winner

The innovative 'Open Door' initiative to encourage any and all employees of any HPM company to visit other HPM companies launched this week at Orenda. It was spawned under the "HPM Leveraging Tour Initiative"

which evolved from HPM Co-Chairs – **Orenda's Brenda McIntosh (Learning Co-Chair) & Gerrie's Richard Solonenko (Leveraging Co-Chair)**. They had no hesitation in seizing a neat idea that our Manitoba Consortium colleagues have proven for over two years – **and with super success** (thank you **Don Breakey & crew**).

First Looks: According to Orenda's Tour Captain, **Brenda McIntosh**, **"We got a tonne of good ideas out of the visit – especially around the issue of in-plant toolboxes which we were looking for. We found visitors extremely inquisitive and we all got value from the lively exchange – just excellent."**

Brenda reported that last Tuesday morning, the first **HPM Leveraging tour** brought to the Malton plant of **Orenda Aerospace**, a total of 10 participants from: **Canada Post, Willow Manufacturing, Gerrie Electric, Samuel Strapping, and COM DEV**. She indicated that **"The tour focused on our 5S Achievement as well as our Communication Boards.**

The tour participants seemed to feel that the trip was beneficial to them; during the feedback session we spent quite a bit of time answering questions on how we changed our culture to allow us to be successful at 5S and how we are able to sustain our achievements.

We received some excellent suggestions on the approach we should use to eliminate tool boxes. I'm looking forward to future tours at other HPM member companies' sites."

Attn, All HPM Employees! These tours are for you at NO COST. They're genuine opportunities to see what the 'outside world' is doing these days. And judging from our unsuccessful attempts to reach those who attended this past week... we suspect they're all too busy implementing the good stuff they had picked up this week.

Lean Accounting Session – *The Protector of Your Lean Investment...* drawing increased international attention Oct. 27th & 28th @ Velcro

Nobody said the transformation to Lean Accounting practices was going to happen quickly! But to protect their investment in Lean practices – winning firms are deploying Lean Accounting, and the span of interest is widening as the culture begins to shift.

Last Week's Indication: This past week Nicole fielded calls from **Danish and US** companies. As a result, one Danish company is flying over two people. US firms will attend this October -- right after the AME

conference for the 2nd Series of Lean Accounting Courses October 27th & 28th held at Velcro Canada in Brampton. Check out www.hpmconsortium.com

Consortium-to-Consortium Exchange

1NE: Some 18 members of two Winnipeg Consortiums will visit **Rockwell and Ledco** this Monday, Sept. 20th, **Honda and Mancor** on Tuesday, and **Stack-A-Shelf** on Wednesday before their return to put into use all the neat ideas we trust will bubble out over the three days.

HPM's **Board Chair GE's Bill Malus, and Canada Post's Fred Pollard** will be joined by Dave at 7pm last Sunday night for an informal and fun reception at the Delta Airport West Hotel (Old 4-Points at 401 and Dixie) to 'meet and greet' our visitors.

2WO: For interested volunteers... The Aussies are coming... The Aussies are coming ~ **Exchange opportunities wanted...**

Some 10-15 Australian mfrs are coming to the AME Lean Conference in Cincinnati from October 18 to 22nd as they did last year in Toronto, and are planning a "Plant Tour Program" for their team mates to see some great things happening in our neck of the woods.

Timing: They will be here Monday Oct. 25th thru to Friday Oct. 29 and have locked in Kromet, Nestle Waters, CGL, CTS, Kraft, & Messier Dowty --- **And are still looking for some HPM and AfEE Consortium members** who would like a lively exchange with the troops from 'Down Under' for a delightful half day.

Action: If interested – contact Nicole or Dave at 519-893-6260 or at info@hpmconsortium.com

Oct. 18-22... 176 Canadians now Heading to Cincinnati for the 20th Annual AME Lean Conference

Check out why ~ at www.ame.org – Nicole has a limited number of full programs – call her if you'd like one... Understand they will be provided on the website shortly.

This year's International Lean Conference... the follow-on to the huge Conference in Toronto last year, features Larry King, China Discussions, Tours, Presentations, Workshops and a tonne more. Check out www.ame.org.

NOTICE: www.measureupforsuccess.com is the website to know if you are planning to make a change in your company over the next year. Companies and individuals are signing up for the June 6-10th Lean sessions delivered by practitioners, workshops, Plant Tours, and Keynoters such as Jim Clemmer on Leadership, and Dale Crownover, CEO of the smallest company ever to win the Baldrige Award. [And they're applying again this year]

The Current Healthcare Debate Should Include Lean Thinking

HPM's Forum on Sept. 23 contains a top session from the *Lean Service Summit in Amsterdam*

Few can achieve the impact that Jim Womack has had in changing the thinking of people where it really matters. As HPM'ers know, **'Change the thinking and the processes will look after themselves'** – a very positive and 'lean-like' way of thinking positively about people and the steps they will take when the right thinking is adopted.

Jim Womack has caused people everywhere to return to 'common sense' thinking – or as we call it today, 'Lean' (if we even need a name for it). It is telling – very telling – as we listen to the endless debate around healthcare and the apparent need for mountains of cash to solve all our problems. There seems to be a mindset that suggests – 'If we commit to driving waste out of our practices and procedures we are admitting we were not doing as good a job as we could before... and we are not about to do that – so money is the apparent only answer.' Until this issue becomes part of open communication, we will continue to talk only about money and how many more carloads we need for next year.

Is there some hope? Jim Womack and his fine team at the Lean Enterprise Institute (LEI) are doing their part to apply **process thinking to healthcare** and have for some time. Beginning in September with Dr. John Long's workshop on **Value-Stream Mapping for Healthcare**, they will crank up the volume. It is sold out but will be run again. Jim's team hopes that everyone in the Lean Community, with an interest in healthcare, will attend. For more info, check out www.lean.org for details. Look for Chet's next e-letter Success Story on Lean principles at a Pittsburgh hospital.

Thanks Jim, we need your thoughts to get that 'Thinking change' underway. [Check out www.lean.org]

Dear David,

I was recently reading an article by Professor Michael Porter (co-authored with Professor Elizabeth Teisberg) in the June issue of the Harvard Business Review about the problem of the **ever-rising costs of healthcare in combination with stagnant (and unacceptable) quality**. Being an economist, Professor Porter believes the best solution is to introduce more competition, especially at the level of specific treatments for specific diseases by letting patients choose between providers.

We've all wondered about the solution to the healthcare problem and Professor Porter may well be on to something. But what I found striking about his proposal is his devout faith that competition will quickly reduce costs while dramatically improving quality. Presto! Competition equals lean, and all providers in healthcare will rise to a superlative level of performance.

Those of us in the lean movement have experienced something quite different: Even in highly competitive industries like autos, we note that companies can go for decades – General Motors comes to mind – before they finally get their heads around the need to create a lean process for every significant activity in their business. And in industries where there is no "Toyota" – healthcare comes instantly to mind – someone has to make a breakthrough in applying lean principles for the first time before anyone else will feel pressure to compete. (Remember that if every player in an industry is fundamentally incompetent, competition can reduce provider margins but it won't do much to reduce costs or improve quality for customers.)

So competition will surely be helpful in healthcare (as in every other sector of the economy), but it's not likely to be sufficient. What can be sufficient is a relentless focus on **creating a perfect process for every value-creating activity**. This must be at the level of the diagnosis and treatment paths for specific diseases, but it will also require a lean process for all of the activities supporting these paths: Delivery of medicines and other supplies on time with no waste and zero errors; provision of the information patients and caregivers need from scheduling, medical records, and laboratories exactly when they need it at low cost with zero errors; movement of every patient along their diagnostic or treatment path with no (costly) wasted steps, no delays, and no errors.

This is the real challenge of lean thinking for healthcare and I hope that all of us in the lean movement will share our process knowledge with our friends providing care in order to meet this challenge as quickly as possible.

Best regards, Jim Womack, President and Founder, Lean Enterprise Institute, Inc.

[Footnote: Just as the 1998 Simplicity Conference in Toronto had the President and CEO of the Markham Stouffville hospital presenting their outstanding experiences with Lean (The hospital won the NQI National Award for excellence in healthcare – the organizers of Canada's Lean Conference in Edmonton in 2005 are looking for a healthcare Best Practice for the program and are seeking your help... contact me if you have a practice in mind]