

Volume 11, Issue 39 □ September 27, 2004

Important Dates to add to your calendar...

- **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 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.
- **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
- **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 North America’s best Design & Project Management leader– **Ron Mascitelli**. His new book is included. Designed for those who need **more products faster**.
- **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

“Think Big ~ Talk Little
Love Much ~ Laugh Easily
Work Hard ~ Give Freely
Pay Cash ~ Be Kind
...It is enough”

Ralph Waldo Emerson

Tuesday – Gerrie Electric

Warehousing, Picking, Visual workplace... More

HPM Employee Plant Tours

~~ New This Month...

“Practical Employee Learning Exchanges”

Open to any & ALL HPM member company employees who'd like 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

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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**

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. 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.

Let's Cut To the Chase

“Training is fine but – sooner or later you have to do something,” was a comment passed with a chuckle at a recent tour. Well, here is a very simple stimulator that requires no capital equipment of any kind - and if the will is there, it can produce quick hits. It's a **“Lean Walk”** – with deadly intent... offered N/C to some area Manufacturers.

The Power of a Very Lean Action “A Waste Walk”

The numbing power of ‘familiarization’ is keeping many of us from greatness. 70% of the waste in our organizations is there – not because we want it – but because it is invisible to those who live there... we just can't see it!

Companies and concerned employees mobilize different approaches to ‘Learning to See’ the waste. The following is a simple but effective calculation form used by a

leading company who provides such a sheet to each and every employee. It is one thing to recognize waste – but it is another, to put a value on it – prioritize it – and then act to drive its elimination.

Soft Cost Analysis of COMMWIP

A soft cost analysis is a representation of the actual cost of waste using broadly estimated values. The result or statement of soft cost does not reflect reality. It is a relative evaluation to help focus on the effect of waste and the cost of doing business.

Several estimates will help in arriving at a soft cost evaluation.

Detail	Symbol	Cost
Unit	U	\$ 10.00
Minute labour	M	\$ 0.35
Space per ft	S	\$ 80.00
Overhead per unit	O	5 %

The following formula helps establish observed COMMWIP waste values.
Estimated Quantity is Q and Waste is W.

$$(QUxU)+(QMxM)+(QSxS)+(QOxO)=W$$

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Some More Approaches? Cheap & Immediate

The lowest cost initiative is to simply take a blank pad, some passion, and go and identify the 6 (Canon), 7(Toyota), 8(Ford) or 10(Boeing) deadly wastes and begin eliminating them. In other words, different companies have different waste priorities. By far the most popular is the 'Deadly 7 Wastes' from the Toyota Production System. But as above, Canon has picked on 6 to focus on and Boeing had 10 identified around their plants including the waste of "Complexity." **You can't go too far wrong with the famous 7 which include:** Over/Under Production, Waiting, Transporting, Inappropriate Processing, Unnecessary Inventory, Unnecessary Motion, Defects."

The systematic approach

The recent ½ Day approach offered to some Waterloo Area companies at N/C by HPS included:

- Intro to Lean Principles & how to identify waste
- 'Team walk' to selected area with waste ID sheets
- Identify & list key wastes found (the 7 wastes)
- Thru discussion – Team creates 20 day plan to attack the waste & who will commit to kill them

[The folks will do 2 free Walks for HPM'ers on a first-come basis – If interested, email Dave at dhogg@allstream.com]

Using the "Outside Eyes" Stimulation

"If you change the thinking the processes will look after themselves." Beginning today – never hold another Plant Visit for free... Change the thinking (if you have not already) – invite only 'tourists' **who agree to share their observations with you afterward.** A superb example was given last week when our Winnipeg Consortiums toured Rockwell,

Mancor, Ledco and Stack-A-Shelf and did not hold back! Outstanding observations were captured by every host – **so much so that every host company deemed themselves 'well paid' with the ideas they were given.**

It took one company in England to shake your editor's thinking forever. **They believed that 70% of the waste in their company was there because they could not see it.** It was simply invisible to them because they lived there every day! However, by changing the thinking – and applying some natural innovation - they saw a way to make the waste visible by actively looking at their own operations **through someone else's eyes - the eyes of their visitors.**

Anyone can do this. But ya 'Gotta Wanna' do it and back it with action that is widely explained inside and out to get the point across. All of the 4 companies this week are exemplary in this but we must give special mention to Willow as one of the trend setters for over a decade at this.

**"The reward of a big thing well done
– is to have done it."**
Ralph Waldo Emerson

HOT ITEMS

- 1) **176 Canadians now registered** for the 20th AME International Lean Conference in Cincinnati... the follow-on to the huge Conference in Toronto last year. One feature is the China Debate with Larry King (Live) and a tonne more. Check out www.ame.org.
- 2) **Go To: www.measureupforsuccess.com** to begin planning your trip to the Rockies June 6-10th next year. Folks are signing up now for the 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.
- 3) **Lean Accounting Sessions...** Understanding the issues and what it takes to go forward... Oct. 27th "Solving the Standard Costing Problem."; Oct. 28th "Strategic Performance Measurement for Lean Mfg [**Note this is the hottest topic for Mfrs. in the US this past quarter**] **Host: Vecro Canada.** All welcome ~ Check out the HPM website at: www.hpmconsortium.com for more details.
- 4) HPM Leveraging Tours for all HPM Member company employees. See details on page 1.

All HPM Members – MemberShare 2004

- Member-to-Member experience – just for the asking. It's for:
1. HPM'ers looking for more information on handling "**Controlled Goods**" Re: exports & issues involved. Will make a presentation on what they've learned.
 2. HPM'ers **considering ISO 14,000 and 18,000** – Will make a half-day presentation of their experience, what's involved, and the lessons learned.
- If interested, email/contact Dave at the HPM Office.**

MAKING A BUSINESS CASE FOR ERGONOMICS***AME breakfast offers HPM'er some insights***

Some HPM companies and an increasing number of larger companies are looking to "Ergonomics" as a response to changing legislation in the US regarding workplace injuries and harm caused. More 'Ergonomists' are now being hired to assist in the analysis of work environments to reduce strain injuries who are the practitioners who

The Oxford dictionary indicates that Ergonomics is the study of all aspects of the relationship between people and their working environment - especially as it affects efficiency, safety, interaction, and ease of action. In other words – it's about matching the work environment to the way in which the human being is structured, and the motions that are part of being human. The bottom line is to match the workplace environment to the human being to optimize the comfort and sustainability factors to ensure quality, effectiveness, and longevity of effort in a strain free environment.

The average lost-time injury in Ontario is estimated at \$59,000 by WSIB

Work-related musculoskeletal disorders are a **very real and expensive problem** and the same workplace factors that cause these disorders can also negatively impact worker productivity and quality of work. In this era of an aging workforce and increasing pressures to cut costs, it is now more important than ever to consider ergonomics in all stages of your operations. This seminar will use a variety of examples from real workplaces to illustrate what ergonomics is, what it is not, and why there is a strong **financial case** for your company to make ergonomics a critical component of your health and safety and process improvement initiatives.

BIO FOR CHRIS MCINTYRE

Chris McIntyre, President of Ergonomics at Work Inc. in Waterloo, Ontario, has been practicing in the fields of ergonomics and workplace design for 12 years and is a Canadian Certified Professional Ergonomist. He has consulted in a wide variety of work environments in Canada and the United States and is a respected speaker in his field and a writer for a number of trade publications. He has taught Occupational Biomechanics at the University of Waterloo and is completing a Masters Degree in Design and Manufacturing Engineering at the University of Toronto. He holds an Honours degree in Kinesiology from the University of Waterloo.

Where: CTS Canada, 80 Thomas Street, Streetsville, Ontario

When: Friday, October 1, 2004 ~ **Time:** 8:00 am – 10:30 am

Cost: AME/HPM members: \$ 99.00 each
Non-AME members: \$125.00 each

How to Register: Email Barb Jacklin at bjacklin3@cogeco.ca
Or phone at 905-681-6039 (Burlington) Fax: at 905-681-0772

LIMITED TO THE FIRST 30 REGISTRANTS!

Contact Information Needed: Name, Company, Phone, Fax, Email, Credit Card Number.

We are sorry we cannot bill you for this workshop, please submit a company cheque or credit card number. Bring your team to help you drive down the cost of lost time injuries and to find out how to prevent the accident that makes it happen!