

Volume 11, Issue 40 ☐ October 02, 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. 176 Canadians attending. 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 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

Attn, All HPM Employees – Free Tours

- ☐ **These tours are for you at NO COST.**
- ☐ Twice per month – first come! **Register in advance...**
- ☐ Simply email Nicole at info@hpmconsortium.com
- ☐ Or phone Nicole at 519-893-6260
- ☐ See what can make work easier in your world

Oct 13 ~ Rockwell @ Raglin Ave**Visual Workplace – Work Standards – 5S****HPM Employee Plant Tours****"Practical Employee Learning Exchanges"**
Open to any HPM member company employee
Monthly: 2nd & 4th week 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 to be sent to Nicole by e-mail by the **preceding Thursday** for security clearance at info@hpmconsortium.com 519-893-6260Also, Register online at www.hpmconsortium.com

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TOUR #3: Tuesday, October 13th – Rockwell – Raglin Ave Facility... just off Franklin**BP: Visual workplace, cell boards, 5S**
Standard work, documented work instructions**Coming: Schedule for full year coming shortly**
For any questions etc. – call Nicole – 519-893-6260**"We Got Value!" – Richard Solonenko**

Gerrie's VP, Richard Solonenko was pleased with the value that the visitors brought to his operations last Tuesday as part of the HPM member-to-member employee visits program. "Hammond Power Solution's Russ Deacon got into discussions that we are still having... and it is our intent to now pay a return visit to Hammond Manufacturing's warehouse operations south of Guelph because of this," he said.

The next visit is **October 13th at Rockwell's Raglin Plant, just off Franklin road south of 401.** John Highmore, Raglin's Plant Manager will host the tour and is looking forward to sharing the strides they've taken to improve Visual Workplace & 5S initiatives. Team Rockwell will show some of their Cell Boards, and their approach to Work Standards & Work Instruction initiatives that makes tasks simpler & makes continuous improvement work.

How to Get There: Exit from 401 South on Franklin Blvd. into Cambridge passing Eagle Street and Sheldon. Keep an eye out on the RHS for Rockwell and turn onto Raglin

Address: 12 Raglin Place. Cambridge Ontario, N1R 7J2. 519-740-5526.. Map with registration – Nicole 519-893-6260.

Just to HPM Members – Last Offer...

An HPM'er is offering their experience for the asking. It's for:

1. HPM'ers interested in "Controlled Goods" – re: exports and the issues involved.
2. HPM'ers **considering ISO 14,000 and 18,000** – They'll share what's involved and the lessons learned.

If interested, call or email Dave at the HPM Office.

“Society is always taken by surprise at any new example of common sense.”

Ralph Waldo Emerson

“Inventory is a statement for the world to see of the degree of trust a company has in its technology, its processes, and its people.”

2005 'Sustaining Lean' Conference - Edmonton

ERP & Lean - The Right Steps? The Noise Appears to be Increasing

As many days have passed since the infamous September 11th – there appears to be rising interest in looking at larger ERP system as cheque/check books loosen. The following is an edited version of an ERP vs. Lean discussion between our good friend, Alberta's Chuck Harrison, and our Scott Smith, formerly of Rockwell Automation. Scott shares some of his perspectives which have been shaped by helping develop Commodity Manager programs at Rockwell several years ago. Here is Scott's very timely “two cents worth” regarding Lean and ERP.”

“Enterprise Resource Systems tend to be large systems aimed at providing a 'one stop shopping' solution for companies operating system requirements. Although some systems are becoming more configurable, the basic assumption is that the company is going to follow the processes outlined by the system. An example is SAP that requires a big bang approach, i.e. you load the entire system and not just the components or operating modules that you need. In the systems I have seen, companies that follow this approach are only using about 20% of the systems capabilities. The system is still required to fire all modules installed, so you end up with the waste of complexity as you still have to follow the full system logic.

The base problem with ERP is not the system itself, but the inability of companies to select the correct system or 'right size' the systems to their needs. Companies tend to purchase systems and install them based on what they 'think' they require and how they 'think' their business processes work. In a lot of cases, the system is purchased and implemented without this understanding and employees end up **supporting two processes**. The first is to support their daily work and the second is to support the data and activity required for their business or ERP system. As a barometer, ask the users of the system how many other data bases and spread sheets they use to gather the information to perform the activities required by their customers.

Lean and ERP can complement each other.

The ideal way to purchase and implement an ERP system is:

- 1) Define the current state of your processes through value stream mapping
- 2) Create a future state of your processes based on both your internal and external customer needs (the main internal customer being manufacturing or those who add true value to your product or service).
- 3) With your future state and processes now well defined, you can select an ERP system based on the actual needs of your processes and business
- 4) You may be required to adjust some of your future states based on the ERP system
- 5) Implement the future state processes as part of your ERP implementation.

One of the key failures of ERP implementation is the lack of attention to change management and the ownership of the users. By utilizing this methodology, the employees using the system actually provide the selection requirements and future state of the company and are involved in the implementation. This should create a higher level of ownership and a higher success rate.

For those who have already purchased a system, they should follow a similar methodology:

- 1) Define the current state of how your processes operate.
- 2) Create a future state of your processes based on the functionality of your system, utilizing the system as a 'tool' rather than a boat anchor.
- 3) Utilize the future state to 're-implement' your business system. This should also help to create a higher level of ownership. The main problem that you will have to overcome is the 'ego' of those who selected and implemented the original system.

ERP and business systems should be viewed as a tool rather than a constraint. - Scott Smith, 519-502-9394

Heads Up To HPM's

So far, consortium companies from **Newfoundland, Manitoba, Alberta, Saskatchewan and BC** are preparing to submit presentations at the first ever **Canadian Regional AME Lean Conference in Edmonton June 6-10th**. To ensure you get the full advantage of participating... not to mention the buzz it will give your employees... check out the official Website at www.measureupforsuccess.com Dale Crownover, Jim Clemmer & more will be there.