

Volume 11, Issue 45 □ November 08, 2004

Important Dates to add to your calendar...

- **Nov 9th** 9-11am, **HPM Employee Plant Visits...**
Employees from any HPM company can sign up to visit another HPM company. A spectacular element of this week's visit to Mancor is the **Workplace Organization in the Maintenance shop**. Worth the trip.
- **UPDATE:** The Nov 18th HPM Forum: "Workplace Health, Safety & Wellness" is being **rescheduled to February** in support of the Dec. 1st "**Breaking the Safety Barrier**" session (below) which features the key to all successful programs – the development of the right culture.
- **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

FREE HPM EMPLOYEE PLANT TOURS

Nov. 9th, 9-11AM ~ OAKVILLE

TOUR SITE: Mancor Industries, 2485 Speers Road
Oakville, ON L6L 2X9

SITE

COORDINATOR: George McKnight, Plant Manager
905-827-3737 X613 gmcknight@mancor.com

REGISTRATION: Send names, title, phone number and email address of participants to **Nicole** at: info@hpmconsortium.com

Limited to 12 participants: First come basis.

DEADLINE: November 4th to register.

WHAT WE ARE

DOING WELL: 5S in their maintenance area

WHAT WE WOULD

LIKE HELP WITH: 5S implementation in the office and plant



The animated discussions like the one underway to the left between Orenda and COM DEV is intended to be heightened next year with more displays and more exchanges planned based on the feedback from participants at this year's Share Showcase.

"Six sigma is like an arrow it goes directly to a target, whereas Lean is like waging all out war"
- John Shook, Author, **Learning to See**

Mailing List Issue – Need Your help

Hi folks, we've been getting feedback that some of the personal email addresses you gave us are showing up on other unsubscribed materials. If you feel that is the case drop us a line. This Update mailing list is **never shared** – hence if it is being harvested by others we'd like to know.

A Small Office of Value?

There's a 278 square foot one-room office with a window right beside the HPM office in the Tall Pines Centre, at 10 Pioneer Drive in Kitchener. If this serves your purposes – plus having friendly HPM neighbors – contact 519-503-8551.

Poka Yoke - it's everywhere... Except in much of our day-to-day thinking?

Here's a few of the simple ones...

1. The door-jam prevents the door from opening in the wrong direction,
2. The hole in your bathroom sink or tub prevents it from running over,
3. A door key has a flute - it can only go in one way,
4. Newer toilets are designed to flush when the person steps away
5. Hand dryers turn off after a certain amount of time to save energy,
6. The newer cars turn on "running lights" in case you forget
7. Some office drawer cabinets prevent you from opening more than one drawer at-a-time, for safety's sake
8. Portable heaters turn-off when knocked over, to prevent fires
9. The wire on your gas cap prevents its loss
10. A floppy can only be inserted one way

Now... when you decide to do something, **if one step in your process is mistake-proofing - you're good.**

Elections to HPM's General Management Team (GMT) Coming at Nov. 4th Board Meeting

Two Positions to be Filled:

Chair of Vision: Current incumbent, Dennis Wild, President, Willow Mfg. Company Ltd.

Chair of Finance: Current incumbent, Alan Tribe, CFO Mancor Industries.

Both positions serve for two years. With the staggering of positions the Board, Alliances, and the Co-chairs of Leveraging and Learning – they will be elected in Nov. of 2005. Nominations are open now. AME'ers -- Send your nominations to Dave at info@hpmconsortium.ca.

“One Point Lesson”

Certification Event : SC/PE Cellularization Project
Rockwell Canada

Situation Before: Designing shadow boards within the test area created a unique challenge. Small equipment, such as meters are very expensive and could not be left sitting open on a shadow board. The question was, how do we effectively organize test tools at their point of use?

Solution: A new design for a shadow board was created: the pivoting pyramid design provides two large faces where tools can be organized. The pivoting table allows the user to quickly and easily access the required tools. Expensive items such as meters, are neatly stored in the base of the pyramid where they can be locked at the end of shift.



Improvement: Space Inventory Lead Time Quality Safety Productivity

Teachable Moments Are Invaluable... ask any parent! ‘One Point Lessons’ drive points home!

One of the many powerful & simple ideas to be tabled at the Share Showcase last week was the idea of a ‘single one-point lesson’ as described by Rockwell’s Les Horvath and Cynthia Bruns. In Cynthia’s words:

“A One Point Lesson is a one page power point slide that outlines a change that has been implemented as a result of a continuous improvement activity. It provides a brief description of:

- 1) The situation before the change was implemented
- 2) The results driven from the change

A before and after shot visually illustrates the situation before the change and the impact of the improvement implemented.

One Point Lessons are a requirement of our Lean Master program. These are Best Practices that can be quickly shared throughout the organization.” Thanks Cynthia.

Orenda has a solid 5S discipline in place. On the right, Gary Edwards discusses the function and value of their “5S-Communications-Centre-on-wheels”



Below, Team Canada Post presented & described their comprehensive GTA Visual Tracking Process.



To the left, a lively discussion around “Standardized Work’ templates developed by Mancor is underway.



Velcro and COM DEV take time out from examining COM DEV’s layout to pose.



HPM Members listen to Mancor’s presentation at GE.



To the left is Team Gerrie. They turned more than a few heads with their approach to cutting the cycle time for the Accounts Payable from many hours to but a few minutes – and it is in place and working now.

To the right – COM DEV’s Jim Donaldson shows some of the finest machining anywhere. The transformation of their machine shop had many lessons to convey to any facility.



One More Time – Simple is Best

Dear David,

As you probably know, I try to walk through as many processes as I can because I learn something new on every walk. Recently I was walking through a manufacturing operation and found myself wondering about the principles of lean information management, in particular with regard to production control & fulfillment.

The facility in question was typical in having a central brain – its computerized Materials Requirements Planning (MRP) system – telling each operation what to do next. It's what I call a cognitive system, in which all feedback goes into a central processor that thinks through the optimal next step for everyone, using complex algorithms.

But as is also typical, the instructions being sent by the central brain often seemed nonsensical to the managers and operators on the plant floor. When the system told them to make some item for which they lacked parts, they simply overrode the system and made some item for which they did have the parts. Needless to say, this further confused the central brain and at the time of my visit it appeared to me that there was an official scheduling system from the MRP and a real scheduling system conducted manually by managers on the shop floor. The results were not impressive. What could be done? Here are six principles:

1. **Simplify every process to minimize your need for information management.** For example, the simple act of moving activities from departments to a continuous flow layout – in which an item goes automatically from one step to the next – eliminates all of the information needed to tell each department and step what to do next. And compressing your value streams by relocating sequential process steps from across the world to across the aisle eliminates the need for a world of information.
2. **Make every step in your process capable and available.** Breakdowns, turnbacks, and materials shortages generate the need for managers to manage more information. Instead of automating this task, try to eliminate the need for it. (On another recent walk, I was given a full explanation of the information management systems in a logistics company. The management proudly explained that their system permits them to determine exactly where they have lost a package, in fact thousands every night. My question was, "Why do you keep losing packages? If you had a truly capable process you wouldn't need this expensive safety net. Even worse, the existence of the safety net removes the pressure to make your process capable. Think of your IT system as a different type of 'just-in-case' inventory.")
3. **Schedule each value stream from only one point.** Taking this simple step will make information management easier throughout your operation.
4. **Use reflexive production control upstream from the scheduling point.** Lean Thinkers call this approach "reflexive" because it is like your reflexes. When the downstream process uses material, an automatic order

is placed to replenish the same amount from the next upstream process. Like your reflexes when you put your finger on a hot stove, no thinking by a central brain is required.

5. **Send information in small batches.** Amazingly, many MRPs are still run on the weekend to produce a weekly schedule. And many sales and order management systems still work with weekly or even 10-day batches while many organizations seem to be moving toward overnight runs to produce a daily schedule. What managers really need to know is what to do in the next 15 minutes based on what happened in the last 15 minutes. Piling up information in a large inventory is as bad – maybe worse – than piling up large inventories of products.
6. **Make your information management transparent and intuitive.** Perhaps the saddest thing to see is good managers working furiously to override IT systems with opaque algorithms, making the situation even worse through their frantic efforts. Simple information management methods like kanban cards and web-based electronic kanban, plus simple heijunka algorithms, seem too simple to many managers. Yet they are intuitive. And anomalies quickly become obvious. Why spend enormous sums to keep yourself in the dark?

I'm not naïve about getting the world to embrace lean information management. We're not quite yet at the end of thinking that more information is always better and that if we just had all possible information, perfect algorithms, and lightning fast central processors, life would be easy. For example, despite 50 years of evidence that this isn't true, we are now embarking on **a new experiment with Radio Frequency Identification (RFID) in which every item in every process can be tracked individually.** The managers of a gigantic retailer that I recently visited — whose stores average four inventory turns per year, with no fixed storage positions for any item, multiple storage points for every item, and a high level of out-of-stocks — told me that an RFID tag on every carton will eliminate current "treasure hunts" and insure a high level of customer service.

My question was, "Why do you need so much inventory with so many storage locations? If you have only one storage location for each item — on the shelf where the customer puts the item in the cart — and replenish every item every night from a central distribution facility serving many stores, the information you already gather from bar codes at customer check-out will tell you everything you need to know."

My prediction is that as the amount of RFID information available overwhelms our ability as managers to figure out what to do with it (even as our fundamental value-creating processes deteriorate), **many managers will finally realize that simple is best.**

In the meantime, smart Lean Thinkers can save themselves enormous sums and frustration by avoiding the latest IT wave and implement instead six simple principles of lean information management.

Best regards, Jim Womack, Founder LEI www.lean.org