

Volume 12, Issue 06 □ February 6, 2005

Important Dates to add to your calendar...

- **Underway:** a full schedule of HPM-to-HPM Employee visits – or Leveraging Tours – on the 2nd & 4th Tuesday of each month.
- **Feb 1, 12:00-4 pm HPM GMT Meeting**, all HPM Directors or Alternates invited. **Host:** Hammond Power Solutions, Guelph
- **Feb 08, HPM Employee Leveraging Tour:** **Host:** GE Inspection/Repair Register via Nicole
- **Feb 16, 11:30-5 pm HPM AGM Board Meeting.** **Host:** Orenda Aerospace, Malton
- **Feb 22, HPM Employee Leveraging Tour:** **Host:** Velcro Canada, Brampton. Register via Nicole

□ **Date Revised Shortly: Value Stream Mapping Forum – A Clinic for VSM in Non-Production Arenas...** Re-scheduled from last fall. Details coming

- **Mar 08, HPM Employee Leveraging Tour:** **Host:** Canada Post, Toronto. Register via Nicole
- **Mar 29, HPM Employee Leveraging Tour:** **Host:** Hammond Power Solutions Guelph
- **Apr 20th, 12:00-4 pm HPM GMT Meeting**, all HPM Directors or Alternates invited. **Host:** GE Rep. & Insp.
- **May 18th, 11:30-5 pm, HPM Board Meeting** **Host:** Canada Post
- **Jun 6-10 (2005): “Implementing & Sustaining Lean Thinking Across the Enterprise”** An AME Regional major Practical Lean Conference in Edmonton. www.measureupforsuccess.com

Can You Help? ~ Can you help?

Fellow HPM'ers:

I am beginning to compile information to create a guideline on: Value Stream Mapping: Guidelines, Hints, Tips, Lessons Learned, Procedures, etc.

We're expanding our use of Value Stream Mapping, and I am regularly asked for guidelines and tips I can give people who are leading Value Stream Mapping Teams.

We're looking for input from HPM members to assist me in the creation of this guideline and for: Any Guidelines, Hints, Tips, Lessons Learned, Procedures, etc. that you would be willing to share related to your experiences with Value Stream Mapping.

Thank you for your help,
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**“Success is simply a matter of luck.
Ask any failure.”**
Earl Wilson

Already ~ 153 Registered ~ Edmonton

“Implementing & Sustaining Lean” June 6-10

Where else can you go to hear the experiences of

Lean practitioners from: Santa Rose CA, Cambridge ON, Regina SK, Houston TX, Dallas TX, Calgary AB, Portland OR, Steinbach MB, Phoenix AZ, Winnipeg MB, Livonia MI, Grand Rapids MI, Richmond BC, Airdrie AB, Edmonton AB, Toronto ON, Gainesville GA, Bonner MT, Ottawa ON, West Hartford CT, RI, – and more

Update: First HPM Member-to-Member Leveraging Tour for 2005 – Tempress

HPM Member-to-Member Leveraging Tours are full these days such as the one at Tempress last week.

Remember The Vision.... The Value is Real

Right now – **between 50-70% of the waste in your organization is invisible.** Why? It's because you live there and just can't see it. It is World Class to take a deep breath and look at yourself through 'Outside Eyes'!

A Win-Win

Last week, HPM'ers toured Tempress in Mississauga – the makers of those gorgeous Grohe taps & faucets, plus the balancing valves which keep you from getting scalded when someone else turns on a tap.

From the Host's perspective

Tempress' Dave Morgan valued the tour and the very positive comments on the cleanliness, neatness, and overall layout of the plant. He saw good interest in the portable visual metrics boards employees use in their cell areas. “We appreciated the feedback – especially the observations that made us stop and think – and certainly are considering them.

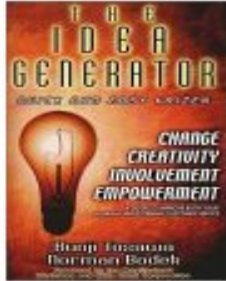
From the Visitor's perspective

Our roving reporter caught up with COM DEV's Nabeel Mirza who not only shared his thoughts, but indicated some of the ideas (**in bold below**) that they planned to 'borrow with pride.'

- **Metrics were very simple, easy to read at every production line and were updated in real time**
- **Break and Lunch notified by buzzer, very tight schedules, people were seldom late**
- They had few to no chairs
- **Colour work instruction booklet with pictures available at every work station**
- Outstandingly visual - nothing was hidden; Metrics and info gathering processes; Hit/Miss targets; Decision Flow Charts

“It certainly was time well spent,” commented Nabeel.

Is Continuous Improvement on Your Resolution List?



After all these years of living – don't we agree that what is right to do, and easiest to do, stands the best chance of getting done? Here is such an approach that is generating results from others, according to my SME friends.

In 2001 the Michigan-based Technicolor Company implemented the concept and harvested 113 "Tips" as they called their employee suggestions for improvement... **but a mere 2 years later that number had swelled to 12,000 Tips** on just about everything 'that could make my job easier'. The books author told your Weekly Update editor that the number is now over 17,000.

Of those 12,000 submissions, 5,628 Tips were implemented. **[Technicolor's team will tell their story first-hand in Edmonton June 6-10th, 2005]**

So who implemented them? Well one of the characteristics of 'Quick and Easy Kaizen' is that the Tips submitted are implemented **by the employees themselves** – and from such involvement comes incredible ownership as you might expect.

The Company

What we are talking about is contained in an SME Manufacturing Insights Video entitled "**Quick and Easy Kaizen at Technicolor**" – under the byline of "The people side of Lean." The approach is based on a simple-to-read book entitled. "**The Idea Generator - Quick & Easy Kaizen**" by Norm Bodek

You Can Hear Them First-Hand

Technicolor will be making a practitioner presentation on the program at Canada's Largest Lean Conference in Edmonton in June which this year, focuses on "Implementing and Sustaining Lean." The case study provides real meat to the challenge of sustaining the good things you have achieved.

The Author – Norm Bodek

Norm is a unique individual whose efforts have had a significant impact on North America. It was Norm who began to import Japanese mfg books and materials into the US and translate them into English in the 70's and 80's. He founded, and led, the **Productivity Press** publishing, training, and consulting company which brought the translations to thousands of North American companies. His work with Technicolor is self-evident in this book. Another valuable interesting, powerful, and easy read is another of his newer books entitled **Kaikaku** which speaks to the power and magic of Lean as a study in knowledge transfer.

Any employee of any HPM Company may have the login and password to the next level of the website. Call Nicole at the HPM Office.

"I've learned that only through focus can you do world-class things, no matter how capable you are."

- Bill Gates, Microsoft

Free HPM Employee Plant Tours Continue

GE Repair & Inspection

February 8th 9-11am

"Practical Employee Learning Exchanges"

Open to any HPM member company employee

Monthly: 2nd & 4th week from 9-11 am.

Each Tour site will show:

- A) A 'Best Practice' they'd like to make even better
- B) An area where 'Suggestions are Welcome'

To Register: Call Nicole before preceding Friday to ensure security clearance.

info@hpmconsortium.com 519-893-6260 ~ or at www.hpmconsortium.com

TOUR #7: Feb. 8th - 9 am to 11 am. ~ Burlington

Where: GE Repair & Inspection

1150 Walkers Line, Burlington ON L7M 1V2

A) **"Environmental Health & Safety" and our drive towards a cleaner, safer work environment.**

B) **"5 S & Continuous Improvement"**

HPM Tours are for HPM'ers at NO COST

- Aimed at employees who'd like to see 'new worlds' i.e: other Mfrs, their different approaches, & ideas.
- **Twice/month - first come! Register in advance...**
- **Simply email:** info@hpmconsortium.com
- **Or phone Nicole at 519-893-6260 prior to the Friday before each Tour**
- See easier/different ways of doing what you are doing
- Limited to 12 visitors at each site
-

IF IMPLEMENTING & SUSTAINING LEAN PROCESSES IS A TOP PRIORITY, HERE'S A NO-NONSENSE OPPORTUNITY ON JUNE 6-10TH FOR LEAN PRACTITIONERS

Today, your competitor is just one mouse-click away from you - on the desktop of your customer! And that means not one of us can afford to give a customer even one bad day.

Here are a few words from the gentle folk putting together the largest Lean conference in Canada this year -- **And HPM Members will be there!**

"We feel the heat - and are organizing this conference to do something about it. We are asking you to come prepared to exchange your thinking and ideas. Next June 6th to 10th over 70 practitioners on the program who have the same scars you do will 'tell it just like it is' from their perspective. **They will be there for you.**

Learning from experienced people can radically increase the velocity of change in any organization. However, it must all start with the right thinking! Remember, "If you can change the thinking - the processes will look after themselves" has never been a more potent philosophy. The problem is to select the **right thinking** for your organization from all the options. It can't be done in isolation.

We believe that the right thinking, plus leadership, will enable us to thrive in the competitive environment in which we have been thrust. In Edmonton this June, over 70 practitioners have been hand-selected to ensure your investment of the time and money spent to be there will provide you a handsome return.

In fact, if you see real change in your future - here's what leading Canadian companies are doing - **they are sending teams** to harvest and accelerate the rate of implementation when they return home.

It is in our competitive best interests to be in Edmonton next June to exchange practical experiences that can strengthen us all. In addition to the fabulous networking, choose the best content and tools from:

32 Best Practices consisting of 4 streams of 8 presentations made only by practitioners like you with experience and results to share

12 Plant Tours where we can see exactly how concepts become realities

20 Workshops - 10 on Monday and 10 on Friday - delivered by the best consulting talent there is - to equip our people with the right thinking and tools

10 Keynotes to inform and inspire us -- to help us truly put to use what we've learned.

Companies from both area consortiums will be in attendance. To keep up to date with the emerging program have a look at www.measureupforsuccess.com

Trial Balloon 1: An Update... As of Friday the deliver of the first and second day of the "**Effective Lean Mgmt Skills - For Operations Leaders at all levels**" was completed. The third and fourth days will be completed February 18th upon which a thorough review of the program will be completed. The purpose of this training is to provide managers - at all levels - with 'nuts and bolts' rules of thumb and practical tools to better implement and sustain Lean initiatives. It is being assembled in response to the needs identified for increased basic managerial skills.

Looking Beyond The Walls

It has been a while since we discussed Supply Chain issues. So to begin the year off on the right foot, our colleague - and past keynoter of the Largest Lean Conference in North America - Dan Jones' perspective is a good place to start. Dan's the co-author of Lean Thinking with Jim Womack - and now heads up the Lean Academy in the UK, www.leanuk.org

"Dear Lean Community/Consortium Member

Maybe a good New Year's resolution for us all is to begin to take responsibility for leaning and compressing our entire supply chains.

Ultimately the success of every business is determined by the success of the supply chains of which they are a part, just as a supply chain is only as strong as the links in the chain. Whether we like it or not a supply chain, or more accurately an extended value stream for each product family, is a shared process between all the parties, and needs to be managed as such.

But where does your value stream begin and end? Probably back to the raw material processing for your longest lead item. At the other end I would argue it does not just end with the consumer purchase of your product - but through the life of the product to its replacement or disposal. Even if we just count back from the point of purchase, how long is your supply chain?

Longer than the 319 days to make a cola can or double that to make a pharmaceutical pill? This is something every business should know.

The second fact everyone should know, but few really do, is how well does this value stream really serve the needs of its end customers? The results will probably shock you. Grocery retailers setting up to supply orders placed on the Internet discovered they could only fulfill about two thirds of the items customers actually ordered, even though the availability of individual items was close to 98%. As a consequence many customers are dissatisfied with the substitutions made on their behalf. Think about how often you found the shoe size you wanted in the style you chose - and then remember that at least one third of the shoes in stock, which you did not want, will be remaindered at the end of the selling season. In other words, how do you disappoint your customers? And how much effort and hassle is

required on their part to get what they want from you, if it does not go right first time?

The true performance of your value streams can only be understood by taking a walk. I was recently reminded of the first value stream walks we did with a combined management team from Tesco and its key suppliers back in 1996. We walked the path of several products back from the store through two warehouses to production and packaging. No one had done this before and it opened their eyes and triggered Tesco's lean journey.

After a bit more digging, particularly to follow the order through the information processing maze, it became clear that the way to both improve the fulfillment of the shopper's basket and to cut swathes of inventories and cost from the system was to dramatically compress the value stream through a series of tight, continuous replenishment loops. Store sales should trigger replenishment of exactly the same quantities from Distribution Centres.

Shipments from Distribution Centres should trigger daily pickups of exactly the same quantities from suppliers. These, in turn, should trigger daily production of exactly the same quantities, and so on back through packaging and the production of ingredients. The ultimate example of a one-touch, flow-through product is soft drinks placed on rolling dollies at the end of the production line, which are wheeled through distribution to become the shelf fixture from which the customer selects the product.

The same logic applies to slower selling products (the majority in most supermarkets) but with either an appropriately longer replenishment cycle – every three days or every week – or by more frequent deliveries of mixed-product shipments of the required quantities.

The model for us, and still the most impressive supply chain in the world, is the Toyota aftermarket parts distribution system we described in Lean Thinking. This still sets the global standard for how to run a lean replenishment system, with lean Distribution Centres, milk-run mixed-load deliveries picking up products and cross docks.

In the early 1990s Toyota built two highly automated warehouses in the USA and Japan and discovered these could never match the efficiency and flexibility of their manual lean warehouses. They also knew from experience that big centralized ERP scheduling systems can never beat a series of simple reflexive pull loops. Economic Order Quantity logic leads to noise and expediting rather than the optimal use of assets. WebVan, the home shopping firm in California, went bankrupt trying the automated route. And Sainsbury in the UK and Coles Myer in Australia are now

struggling because they followed the same path. When will we learn?

While manufacturers can learn a lot about rapid replenishment from retailing this is not the only place to look for inspiration. Earlier this year I visited a plant making contact lenses. They were busy planning an even bigger, faster machine. This sounded like "hurry up to wait" to me. True enough these lenses went through three different warehouses, each containing mountains of stock and no doubt highly automated, before they reached the customer. And demand for contact lenses is by definition very flat! I suggested they make and ship just the right number of lenses directly to each customer's home or design simple, but less "efficient" machines that could make these lenses in a local dispensary while customers waited. The room went quiet at this point, until someone said "We never thought of that!"

What would happen if you applied the same logic to your supply chain? How short could it be? What difference would this make to your customers? What would this do to your investment, design and production costs, and the location of your activities? And how would this change your impact on the environment?

I look forward to hearing both stories of how long your existing value streams are – and given a blank sheet of paper, how short they could become.

Yours sincerely

Daniel T Jones, Chairman, Lean Enterprise Academy
Dan's opening Lean on many fronts this year – in the grocery industry with his "What's in Store" Workshops, his first Lean Summit of 2005 in Melbourne, Australia on March 1-2 and at the 'Reorganizing Healthcare Summit in Adelaide on March 8-9.

Picking the Right Measures



Keeping measures simple enables everyone to understand exactly what they mean – and how they can be used to drive results. The following measures make a kind of sense – perhaps we can use the chuckle, and use the idea to put increased relevance and meaning into our measures.

In George Washington's day, there were no cameras. One's image was either sculpted or painted. Some paintings of George Washington showed him standing behind a desk with one arm behind his back while others showed both legs and both arms. Prices charged by painters were not based on how many people were to be painted, but by how many limbs were to be painted. Arms and legs are "limbs".

Therefore, painting them would cost the buyer more. Hence the expression, "Okay, but it'll cost you an arm and a leg." A simple measure?