

Volume 12, Issue 17 □ April 25, 2005*Important Dates to add to your calendar...*

- April 26th, **HPM Employee Leveraging Tour #11**. Host: Avnet Electronics, Mississauga. **FULL**
- May 3rd, 9:30-2 pm, Innovation Insights: **Celestica Plant Tour**, www.celestica.com. To register: Must call: 1-800-999-4129. Lunch included [Cost \$150.]
- May 6th, **AME Leadership Forum – Tour: CTS, Eaton** www.ame.org – HPM'ers get AME Mbr rate
- May 10th, **HPM Employee Leveraging Tour #12**. Host: COM DEV, Cambridge, Nabeel Mirza **75% Full**
- May 18th, 11:30-5 pm, **HPM Board Meeting**. Host: Canada Post
- May 19: 6 Best Practices & Value Stream Mapping Forum** – 1) 4 VSM Best Practices in operations/admin areas 2) 2 Best Practices chosen for Canada's Largest Lean Conference in **Edmonton June 6-10**. **They'd like your feedback to tune their presentations!!**
- May 24th, **HPM Employee Leveraging Tour #13**. Host: Bird Packaging, Gary Whalen **58% Full**
- Jun 6-10th: **"Implementing & Sustaining Lean Thinking Everywhere."** An AME Canadian Region & CME Western Division practical Lean Conference in Edmonton, Alberta. www.measureupforsuccess.com
- Jun 14th, **HPM Employee Leveraging Tour #14**. Host: Samuel Strapping. Daniel Dstancescu. **42% Full**
- Jun 28th, **HPM Employee Leveraging Tour #15**. Host: Willow Manufacturing, Dennis Wild **67% Full**

"Don't be irreplaceable – if you cannot be replaced you cannot be promoted!"

Only in North America.....

...Do drugstores make the sick walk all the way to the back of the store to get their prescriptions while healthy people can buy cigarettes at the front.

Do people order double cheeseburgers, large fries, and a diet coke!

Do banks leave both doors open and then chain the pens to the counters.

Do we leave cars worth thousands of dollars in the driveway and put our useless junk in the garage.

Do we buy hot dogs in packages of ten and buns in packages of eight.

Do we use the word 'politics' to describe the process so well: 'Poli' in Latin meaning 'many' and 'tics' meaning 'bloodsucking creatures'.

Do they have drive-up ATM machines with Braille lettering.

Have You Registered For the CDN Regional Lean Conference in Edmonton yet?Tour & Workshop Choices are narrowing as they fill June 6

This is NOT a conference devised by agencies – it is a World Class Conference that has been assembled by manufacturing volunteers – FOR Mfrs. & the infrastructure that supports them... including healthcare. IN FACT – ALMOST 75% OF THE PRESENTATIONS COME FROM CONSORTIUM MEMBER COMPANIES!!

Depending on where you are in your Lean implementation, or **the intensity of demands put upon you by your market place**, take a hard look at the value in the program at www.measureupforsuccess.com

With the threat of little or no leadership from the Canadian governmental infrastructure should an election not occur until well into 2006 – **the likely reality will be that few of our competitors will pause and wait for us for a year**. This conference with its 32 best practice leaders coming from companies like yours, can spur the thinking necessary to accelerate the changes needed, the cost reductions required, and the margins preserved. To accomplish this may mean **more than one person** comes to this conference equipped to pillage every piece of value.

A For-Leaders-At-All-Levels Conference

We have never seen a conference of this size with 11 **Leadership Keynotes** – all focusing on how to align and inspire the entire workforce to keep jobs in North America – and do it in a way that motivates while providing the inspiration to sustain the achievements earned. Surveys have indicated that one of the biggest determiners of who wins and who loses is dependent upon the winners' ability to sustain the gains they make. Almost always, asking the question "Where are your new processes 3-6 months after you implement them?" precipitates a pause and an uneasy glance skyward. This is a leadership issue. The winners build on their ideas – and don't hesitate to seek that nugget, or best practice, that ensures sustainability until a better process comes along to replace it.

Interdependency #1... This Conference is for Consortium Companies...

Interdependency is the spirit behind Consortia thinking in a dangerous world of globalized competition. Leveraging the value around you requires a commitment to interdependency, which demands increased communication, trust, respect, and integrity which is identical to the values that must be in place for lean to be implemented and sustained.

For this reason – **Mr. Gus Whalen, President and CEO of the Alexis Playsafe Company of Gainesville Georgia** will keynote Day 2 of the Conference – June 8th!

He is a man of passion not only for manufacturing excellence, but in fostering the spirit of interdependence among manufacturers. His tireless efforts to unite the manufacturers in his area are reaching into the area communities to remind everyone that **manufacturing is essential to a strong community and a strong nation** – and right now, it will be the concept of interdependence that will cement relationships not only among manufacturers, but also with schools for the talent that is so desperately needed, with the government to help achieve a level international playing field, and with the healthcare sector to help reduce the costs that are making us all less competitive.

The concept of **Interdependency** and Consortium Thinking - **as practiced by HPM and consortiums right across this country and in Australia** - is the same.

20 Workshops (Mostly hands-on & highly interactive) Provide Top Needed Tools

This will be of special interest to companies in Saskatchewan, Alberta & BC since 'Bringing the whole team' is a darn good possibility. For the rest of us – taking advantage of the sessions to scope out the excellence of the presenter can be time and dollars well spent. At a similar Lean Conference run over a year ago in Calgary, one company sent 22... talk about getting everyone talking at once!!.

A View From the Global Edge

A continuing message from Dan Jones

The following is the continuing stream of consistent perspectives from the Lean Enterprise Institute's associate Dan Jones, Chair of the UK Lean Academy, and our opening keynote at the huge Toronto 2003 Int'l Conference. Dan provides a bird's eye view of unfolding manufacturing change. From his lean perspective today he presents a look at customer interaction. Thanks Dan, for including us.

"Dear Dave,

After having begun a lean transformation on the shop floor, in the offices, in product development and with suppliers, **the next frontier of lean is how to rethink the way we reach and interact with our customers.** Mass production was associated with "One Best Way", which was always bigger – bigger machines, bigger factories and bigger warehouses – while its counterpart, mass consumption, led to bigger retail stores, bigger hub airports

Just Announced

Thanks to a suggestion tabled by Rockwell's **Paul Deckert**, HPM's Chair of Opportunities & Alliances at Wednesday's HPM GMT meeting at Willow Manufacturing, **A Consortium-to-Consortium Member Exchange/Reception** is being organized for the Wednesday night at the conference – **June 8th** – for **folks who are members of all consortiums**. It will be an opportunity to compare notes on: value received, new ideas, innovative achievement, & more.

and bigger general hospitals. Consultants preached the message of "dominate or die". **Scale was everything.**

Simple empirical evidence from our own personal experiences tells us that bigger often means longer waits and more frustration as we struggle to find what we want, to get where we want to go, or to access the services we need. **Scale means more of your and my time is wasted.**

Lean thinkers have also discovered that **scale often ends up wasting a lot of employee and management time and cost as well** – which the end customer ends up paying for extra handling, storage and transport within and between each of those big boxes, and layers of staff and expensive computer systems to plan, communicate and expedite these complex movements. They also know that longer throughput times mean poorer responsiveness to the real needs of consumers. Consumers end up getting what the system can deliver. They have little choice because everyone operates this way.

We now know that lean is a very powerful alternative. **So what is the right scale for lean and what does the lean route to the consumer look like?** In almost every case lean means smaller than today's answer – a row of desk top machines rather than a huge automated line, right sized plants located closer to consumers and smaller cross-docks instead of big warehouses. Systems can be much simpler and capital costs can be cut dramatically. It also means linking every step so that each value stream can respond very quickly and exactly in line with the demands of consumers.

But there is not just one type of consumer any more, neatly defined by their income level, their job or where they live. Indeed what distinguishes today's consumers is that their demands vary during the week or during the year depending on their circumstances. Look around and you will see it is happening already. We increasingly use convenience stores and home shopping as well as high street stores and out of town supermarkets. We also eat out more and use take-outs instead of cooking at home. We are using medical help lines and pharmacies as well as going to the local doctor or to the general hospital. In future some of us will also buy home diagnostic equipment and subscribe to internet health monitoring systems. Routes to market will multiply to match these consumer circumstances. The balance between them will also reflect the growing need to save consumers' increasingly scarce time.

We now know quality does not cost more. We are discovering that if you build the right routes to customers,

*"If it weren't for the last minute,
Nothing would get done!"*

better convenience and customer service does not cost more either. In fact it can turn out to be a win-win-win for consumers, employees and managers. But most manufacturers are quite unprepared for this and are still wedded to preserving one sales channel to dispose of the products they made to forecast months ago."

A first step is to recognize the different ways in which customers can access and use your products today.

Consumers needing a piece of construction equipment can buy off the dealers lot from stock, can order a precise specification on line, can search for second hand equipment or rent one from a rental company. The demand characteristics of each are very different, though this is hard to see when filtered through a multi-tiered distribution channel and scrambled together in a production planning system.

We need to see the different ways in which similar products flow towards the consumer and manage them differently.

A second step is to map the process these different consumers have to go through to select, obtain, operate and maintain the product.

Mirror this with the map of all the steps you and your retailers or distributors have to go through to serve these consumers. This will reveal the many opportunities for removing the hassles, wasted time and cost for both the consumer and the provider. It may also be the first step towards building a dialogue with key customers so you can smooth current orders and plan future needs, to mutual benefit.

A third step is to think through the alternatives you could offer consumers in the future.

For instance, sending contact lenses directly to their home as well as through the optician or supermarket or even selling right sized equipment to make them in the local pharmacy or the clinic. If you don't someone else surely will.

Manufacturers in high wage locations are only going to survive if they are able to respond very quickly to the precise needs of local consumers, if they can leave out layers of cost in getting products into the arms of consumers and if they can match the products and services they offer to the different circumstances in which consumers find themselves. **In particular if they can save consumer's valuable and increasingly scarce time.** The one advantage they have over more distant competitors is being close to their most sophisticated consumers – indeed being one of them in their private lives! Outsourced customer service and long distribution chains take us in the wrong direction. Future opportunities for growth are all around us – if only we open up our minds to see them. But there will be several promising alternatives and not just one best way.

Yours sincerely
Daniel T Jones, Chairman, Lean Enterprise Academy
dan@leanuk.org

**Are the Right People at the
Edmonton Conference?
Is it worth my travel to be there?**

A solid, value-laden question for sure. Judging from the direct statements received directly from MANUFACTURERS and from Consortium members across the country – *there is much here to be learned if you are trying to accelerate your journey to Lean.*

Not only do we have two of our members selected to present their Best Practice – there are a total of three from the Waterloo Region. In addition, the Conference has on board both the **2003 and 2004 Canadian National Innovation Award Winners for Process Excellence (Lean)** – these companies being the Milton-based Eaton Electrical facility in 2003 and Rockwell Automation of Cambridge in 2004.

Another Question: *How many conferences of this size have you seen that have 14 authors of note on hand to talk with you and to share what they know!* Would that not indicate there's quality here?

Here are the authors that we know about ... they are:

- Bruce Baggaley** "Practical Lean Accounting – A proven system for measuring & managing the lean enterprise" ~ **Workshop**
- Norman Bodek** "The Idea Generator - Quick & Easy Kaizen", & "Kaikaku: The Power & Magic of Lean" **Just announced as The 2005 Shingo Award Winner Breakfast Keynote & Workshop**
- Michael Bremer** "The Six Sigma Black Belt Handbook", "SimCity 2000 - ultimate city simulator" **Workshop**
- Jim Clemmer** "The Leader's Digest", "Firing on All Cylinders", "Growing the Distance" **Keynote & Executive Workshop**
- Dale Crownover** "Take it to the Next Level" **Conference Plenary Keynote**
- Kevin Duggan** "Creating Mixed Model Value Streams: Practical Lean techniques for building to demand" **Shingo Winner Workshop**
- Dr. Robert Hall** "Attaining Manufacturing Excellence", "Kaizen Blitz" ~ **Executive Workshop**
- Cindy Jimmerson** "Manual of Clinical Trauma Care: The First Hour" **Workshop & Keynote**
- Phil Kirby** "Thoughtware: Change the thinking and the organization will change itself" **Conference Plenary Keynote**
- Tony Laraia** "Kaizen Blitz" **Opening Keynote Panel**
- Larry Rubrick** "Implementing World Class Mfg – a shop manual" **Workshop**
- Dan Shunk** "Integrated Process Design", "Optimization of Mfg Systems Design" **Workshop & Opening Keynote Panel**
- Gus Whalen** "The Featherbone Principle" **Conference Plenary Keynote**
- Chuck Yorke** "All you gotta do is ask" **Best Practice & Workshop**