

Volume 12, Issue 52 □ December 26, 2005*Important Dates to add to your calendar...*

- **Jan 10, 9-11 am. Rockwell Automation**, Raglin Avenue facility, Cambridge. Host: Paul Deckert. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Jan 24, 9-11 am. Mancor Industries**. Royal Windsor or Speer's Road facility to be determined. Host: George McKnight or Wayne Mount. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Feb 14, 9-11 am. Hammond Manufacturing Limited**, Guelph. Host: Rick Bruder. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Feb 28, 9-11 am. Tempress Limited**, Oakville, Host: Dave Morgan. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Mar 14, 9-11 am. GE Inspection & Repair**, Host: Colombo Bruno. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Mar 28, 9-11 am. Velcro Canada**, Brampton. Host: Stephanie Cirrilo. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Apr 11, 9-11 am. Canada Post**, Host: Arlene Yam. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Apr 25, 9-11 am. Hammond Power Solutions**. Host: Frank Dolinsek. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **May 9th, 9-11 am. Volvo Motor Graders**, Godrich. Velcro Canada, Brampton. Host: Stephanie Cirrilo. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **May 23, 9-11 am. COM DEV Space**, Cambridge. Host: Nabeel Mirza. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **Jun 13, 9-11 am. GE Multilin**, Markham. Host: Patrick Ford. 12 seats only available – first come. Register now with Nicole at 519-893-6260 or info@hpmconsortium.com
- **June 12-15th, 2006 Second Canadian Regional Conference... Kitchener-Waterloo Region Canada**. Consider accelerating your Lean Journey. Download from www.hpmconsortium.com – Click "Resources"

**"We cannot afford to have dirt around
– it is too expensive"**

Henry Ford, 1926

Inter-Consortium Exchange Generates Good Value

This initiative of two weeks ago saw operations folks from **AfEE's Distributech** visit **HPM's Gerrie Electric** in Burlington for a frank exchange. It was all the more valuable because it was between two companies with similar challenges and processes. In talking with both the 'visitor' and the 'visitee', both expressed high value from the exchange.

Distributech's David Weir was particularly pleased with the frank and direct exchange that occurred as **Gerrie's Jamie Elchuk** and warehouse leader **Nick Santini**, openly talked about what worked, what did not - and the paths they had tried.

"This was refreshing and valuable," commented David. But there is more to a successful exchange.

Getting the Full Value

As Stephen Covey puts it – the first habit of a highly effective person, team or company – is to **"begin with an end in mind"**. In other words, begin with a vision of the outcome you want to achieve. It is not rocket science!

The key attributes of any successful visit include:

- Having a shared vision of what's to be achieved
- Getting the right people on the bus
- Having an action plan to put new ideas to use fast upon return

So how did it all play out on Friday?

David's approach was to go for maximum value, which meant bringing his warehouse operations folk with him so they could see first-hand how Gerrie had handled similar challenges to their own.

As a result, the exchange was direct – 'doer to doer' – and this really focused the discussion. In such exchanges EVERY person takes away something different because of the different perspectives they bring from their different jobs. We all know that 'Those who do the jobs now know how to do them better' and providing them with the insight drawn from seeing others solve similar problems can inspire synergy & increase rapid internal change.

The end result? When such a visit is concluded there is far more data/value returning to the visitor's company which means the possibility of the new ideas being able to flourish upon return is amplified.

Gerrie Electric's IT leader Jamie Elchuk could not agree more. It was his assessment that the value to Gerrie was in the exchanges that occurred with the Distributech folks who fully understood what they saw and made the discussion meaningful and relevant. **"It was a really good day and of very sound value to us,"** commented Jamie.

Why aren't there more lean successes?

George Koenigsaecker shares a long-time Lean implementer's perspective. Reprinted with permission from the SME Lean Newsletter - - which available at no cost on the SME website, www.sme.org

"There are a couple of ways to answer this question. The first deals with the fact that key principles of lean are very simple to understand, but very difficult to integrate into daily managerial behaviour. My Toyota sensei used to tell me: "I can show you how to do this--but you can't do it." He was saying that I could get the idea intellectually, but to actually do it I would have to do a number of key things opposite to the way I had done them for years. My instinct, my "gut feel," would make it very hard for me to do the lean thing.

For instance, the idea of one-piece flow sounds straightforward. But do you have any administrative processes that actually operate in a one-piece-flow fashion? It's easy to say "continuous improvement," but we think of making a step improvement--we don't actually believe that improvement can be continuous. We don't actually believe that the whole point of a lean transformation should be to build a lean-learning culture, where continuous improvement is what we expect every day--forever.

A second reason for the relative lack of true lean successes is that there are very few real sensei (master teachers) out there. I was fortunate to have a retired Toyota sensei who had been part of Taiichi Ohno's Autonomous Study Group (the folks who designed the TPS/lean system), as my sensei for 15 years. But most of my leadership lessons came from attempting to start lean transformations as a company president or a group president for 11 different corporations during those 15 years.

Here's one of those leadership lessons: Lean tools take a long time to learn at a fundamental level. We think of going to class to learn; Toyota thinks of organized experiments in the workplace as how one learns. The basic learning element for TPS is the week-long Jishukin or Voluntary Study event--what we usually call a kaizen event or rapid continuous improvement (RCI) event. (Of course, the "voluntary" part often is a misnomer.) It's only from participation in these week-long improvement teams that a manager or manufacturing engineer can learn how to apply lean tools and concepts. And it's only from a great deal of this kind of experience that you actually come to believe the core principles of TPS.

Based upon personal experience, I don't expect someone to be a good sensei at the tools-level of

knowledge without at least 100 of these experiences under his/her belt--ideally with many of them in administrative or product-development processes, as well as production processes. As students of lean, we always want to short-cut this experience, and doing so never works. **Because, at any point on the journey, "we don't know what we don't know."** We won't come to learn something--to believe something--until we get there through personal experience.

As part of the North American Toyota Group Companies' hansei noted above, organizations like the GM-Toyota joint venture NUMMI reinstated the requirement for all managers to get personal experience each year as members of week-long improvement teams. Some very deep thinking and observation went into the format of what Toyota old-timers call the "5 Days and 1 Night" kaizen/RCI event format. This approach is still the primary lean learning method. If your real goal is to build a long-term learning culture, you should keep in mind the learning value of every Jishukin/RCI event for the members of your organization. It's the growing hidden asset on your balance sheet.

A third way to answer the question of "why is there not more lean success?" comes down to leadership. In business schools and other places we are really trained to manage, rather than to lead. We are taught, for instance, that delegation is a skill you must use as a successful manager. And this statement is true in many ways--you can't do everything and expect to manage a large organization.

But it can be false in the lean setting--if you are undertaking something that involves new levels of learning, and no one in your organization has ever been there before. As a senior leader, you need to get some "learning," or you won't have the minimal knowledge necessary to manage the lean transformation. In addition, something that is transformational by definition involves a lot of change management. You cannot delegate change management to someone who has not been there before, is lower in the hierarchy, and has less of the clout needed to manage the politics of change. Given the magnitude of change, the team wants to know that the leader is also going there.

George will be a Conference Speaker in Kitchener in June. He is President of Lean Investments, LLC. This article is taken from "Leadership and the Lean Transformation," which appeared in SME's Mfg Engineering magazine, Nov. 2005. www.sme.org

*"Gettin' clear o' dirtiness, getting' done with mess,
Getting' shut o' doin' things rather-more-or-less;
Not so fond of abby-nay, kul, nor hazar-ho,
Learns to keep 'is rifle an' 'isself jus' so!"*

Rudyard Kipling – on describing the key goal of CANDO (now known as 5-S)

Additional Lessons to Consider from Inter-Company Exchanges

Serious implications for attendees to the conference

The major Lean conference coming in June will not return for many years. But it offers the same high value, if managed right, that any successful exchange between two companies can generate. To harvest the nuggets means carefully plotting ahead of time to mine the huge dividends that are there for the taking.

For example:

1. **If your need is to accelerate the rate of change in your organization** – then consider expanding the number of people who will attend... but ensuring everyone who attends does so with an 'end in mind' before they go and an understanding of the deliverables they will bring back.
2. **If your need is to mine specific info to help solve a process challenge** – then consider doing a Value Stream Map first so folks really understand what they know and what they don't know. In this way folks will be armed to 'see things' they normally would not.
3. **If your need is to begin the long term growth of relationships that give fast access to know-how and technology that you don't have in-house** – then consider the vision to be achieved and the preparation for the right folks to attend.

*"Everything is painted and kept painted a light colour, so the least bit of dirt will show.
We do not paint to cover up dirt – we paint white or light gray in order that cleanliness may be the order of things and not the exception."*

Henry Ford, 1926

"Put all machinery in the best possible condition, keep it that way, and insist on absolute cleanliness everywhere in order that a man may learn to respect his tools, his surroundings, and himself."

Henry Ford, 1926

A Lesson: From The Thinking Production System

Think. And Think again.

Here's a neat reminder to help us survive in the months ahead – given to us from our good friend Phil Williams (and colleague from the CAMI days). Phil is now with Presstran and shares the following reminder – **that simplicity rules!**

As we look down the barrel of 2006 and what it has in store - this illustration can serve as a reminder that we have capabilities – but we have to **'Gotta Wanna exploit them'**. Here is a World Class solution to a problem using the kind of thinking that will win many a battle these days.

Look for these kinds of thinking at the Conference this June.

The Problem

One of the most memorable case studies on Japanese management is the case of the empty soapbox, which happened in one of Japan's biggest cosmetics companies. The company received a complaint that a consumer had bought a soapbox that was empty. Immediately the authorities isolated the problem to the assembly line, which transported all the packaged boxes of soap to the delivery department. For some reason, one soapbox went through the assembly line empty. Management asked its engineers to solve the problem.

Post-haste, the engineers worked hard to devise an X-ray machine with high-resolution monitors manned by two people to watch all the soapboxes that passed through the line to make sure they were not empty. No doubt, they worked hard and they worked fast but they spent a whoopee amount of money to do so.

But when a rank-and-file employee in a small company was posed with the same problem, he did not get into complications of X-rays, etc., but instead came out with another solution. He bought a strong industrial electric fan and pointed it at the assembly line. He switched the fan on, and as each soapbox passed the fan, it simply blew the empty boxes out of the line.

The Moral:

Always look for simple solutions. Devise the simplest possible solution that solves the problems... AND... always focus on solutions & not on problems.

(Thanks, Phil)