

Volume 14, Issue 24 □ **June 11, 2007***Important 2007 Dates to add to your calendar...*

- **Jun 15th, 9-12 Noon, HPM GMT Meeting.** Host: HPM Office, Kitchener
- **Jun 18th, HPM Leveraging Tour** Host: Nexans, Fergus
- **Jun 18th-22nd, LEAN CDN Regional "MeasureUp for Success Conference".** Location: Edmonton. Call-4-presentations: www.measureupforsuccess.com
- **Jul 23, 9-12 Noon. HPM Safety Forum/Roundtable.** Host: Rockwell Automation. Dundas St. plant. Note: This session is limited to HPM Members and all their employees. To register email Scott at ssmith@hpsinc.ca
- **Sep 5th, GMT Meeting.** Host: Willow Manufacturing, Toronto
- **Sep 10th, Leveraging Tour** [New Member - TBA]
- **Sep 19th, HPM Board Meeting.** Host: Tempress
- **Oct 10th, HPM GMT Meeting.** Host: Rockwell Automation, Cambridge
- **Oct 15th, HPM Lean Practitioners' Exchange.** Host: COMDEV Space, Cambridge
- **Oct 29-Nov 2, AME International Conference Chicago** Contact: www.ame.org
- **Nov 12th, HPM SIG: Health & Safety.** Host: Velcro Canada, Brampton
- **Nov 21st, HPM Board Meeting.** Host: GE Multilin
- **Dec 5th, HPM Share Showcase.** Location: TBA
- **Dec 10th, HPM SIG: Supervisors' Roundtable.** Host: Hammond Manufacturing, Guelph
- **Dec 17th, Lean IT Roundtable.** Host: Gerrie Electric.

One must be careful not to overtax one's self...

"In the future, I plan on taking more of an active role in the decisions I make."

Paris Hilton

"When the rate of change outside exceeds the rate of change inside, the end is in sight."

Jack Welch

Your Weekly Update editor will be at the CDN Regional Lean Conference with 600 practitioners in Edmonton... and then on to Yellowknife to be with his son. Hence, the next Update may be a bit thin... But it will be issued! Dave

Heads Up:

A Safety Forum with Best Practices Is coming 9-12 Noon Monday, July 23rd Rockwell Automation

Continuous Improvement in Safety is just another aspect of Lean Thinking.

While Safety continues to be a critical part of each of our operations – and certainly a central element in World Class performance – it is also a conveyor of sincerity and respect to employees. This becomes especially visible when it becomes a key part of one's Vision which is then supported by the corporate strategic action infrastructure. Some HPM'ers will remember hearing such a similar refrain from Brian Clements when he was at Steelcase - and later from other companies he impacted as their leader.

The GMT (Our General Management Team) has identified that Safety is a matter of continuing concern, and feel that HPM would benefit from launching a Safety Forum/Roundtable to continue to move the 'Safety Envelope' forward in our companies. There is belief that the same priority to continuously improve Safety should parallel the priorities for CI in process improvement.

To employees of HPM'ers – You're invited by your GMT & your president!

THE VISION

The intent of the Round Table is provide a showcase of Best Practices so that we can all leverage our Best Practices.

The Program Content

1. The focus will be on current issues relating to Safety in 2007 – and the elements that impact our competitiveness

2. Possibly a Best Practice presented by a company who has succeeded with 5S+1 -- and they have results to share
3. Identification of further elements or directions to be pursued by HPM members
4. The Forum/Roundtable on July 23rd would **have approximately 3 presenters** (Could be company teams) **to allow for ample discussion of the issues around the Best Practices presented**

Can you help?

Please let Scott or the HPM Office know of either **your willingness to present** what you feel is a Best Practice in your operations – or, **to nominate a company you feel we could all learn from.**

The Timeline

Please submit your Best Practice or nomination to Scott by next Friday -- June 22nd—by email ssmith@hpsinc.ca ~ Let him know if interested.

The Details for your Records

- **Location:** Rockwell Automation
135 Dundas Street
Cambridge, Ontario, N1R 5X1
Our Host: Paul Deckert
519-740-4100 ~ pgdeckert@ra.rockwell.com
- Monday, July 23rd, 9am to 12noon
- Attendees must register in advance
- **Safety Requirements:** Safety Shoes and Safety Glasses Required
- **Current Draft Agenda**
 - **A focus on Rockwell's Behaviour-Based Safety Program.**
 - Other consortium member Best Practices
 - **The spirit of the session will be to provide Safety leveraging opportunities for member companies**

Who should attend

- **All Safety Leaders, advocates, and those involved in driving Safety Cultures in their companies.... Especially those who want to see improvement or change in Safety processes and practices**

To Register"

- **Email Scott Smith at ssmith@hpsinc.ca to confirm your attendance.**

Lean: Are we there yet?

NO!

Are we one third of the way to Lean?

Read on to hear the perspective that one of the two men who are bringing change to corporations and organizations all over the world – Dan Jones and Jim Womack. This week we hear Dan's view.

Dear Dave

I often get asked how far down the lean journey we are and what comes after lean. My answer used to be that lean is a never ending journey and that there is more than enough lean work for us all to do through our working lifetimes, without worrying about what comes next. Which is probably correct.

The truth is no one knows what if anything comes after lean – or whether there really is a third alternative to managing activities or managing processes. But we probably won't know until it happens! It took over 20 years before people recognized Toyota was doing something fundamentally different to everyone else.

I also used to think that we were at least within sight of the end of our journey through the long list of human activities in which we needed to plant lean seeds, challenge existing mental models, water repeatedly to help pioneering examples to grow and then watch everyone else begin to follow their example – through machining, assembly, job-shop, process, consumer goods, electronics, warehousing, distribution, retail, call centres, administration, repair and maintenance, construction, utilities, government departments and healthcare. Whew! Maybe I could retire at that point!

Fat chance! First I am getting calls to go back to several of these sectors to have a second go. Second lean thinkers know that as soon as you begin to think you are done, the next set of issues that need tackling come into focus.

Jim Womack and I always say that lean thinking ought to start with correctly defining purpose or value. Then we can design the process or value streams to deliver that purpose. And then we can organize the people to manage the process that delivers the purpose. **Purpose comes before process, which comes before people.**

Which is fine – and again correct - but it's not the way most of us actually go about lean! We always start with process because the mental leap from thinking about activities to thinking about processes is bigger than we expect and this new thinking has to be discovered and reinforced through repeated experimentation. It is only after we are some way down this path that we are ready to think about the other two – people and purpose! Or not – in

"Leveraging learning for customer success"

Making World Class Make Sense

which case process thinking will be almost impossible to sustain. It is not just us but this is also the way successful organizations progress towards lean.

Taiichi Ohno and his team began by spending several years carrying out what were in retrospect proof-of-concept experiments to develop the process principles we now know as lean production. These were mirrored by other teams carrying out similar experiments in activities like product development, process engineering, supplier development etc. At the same time Eiji Toyoda was the genius who combined all these elements and built the business system and the way of managing the process focused enterprise, that we now call the Toyota Way.

But many years down the road in 1990 he was also the genius who recognized that Toyota had to respond to the growing concerns about CO2. He challenged the company to use their lean design and engineering capabilities to develop new engine technologies, which would, if successful, transform the business model of their industry. The result today is the third generation hybrid that is but the forerunner of a host of new green technologies of the future. The rest of the industry is trying to follow their lead as fast as they can, often against the instincts of many of their engineers and managers.

This was also the sequence at Tesco. In the early days we carried out a series of experiments with them to create the building blocks of a lean supply chain, while at the same time Tesco pioneered new ways of understanding their customers from their loyalty card data and their on-line shopping channel Tesco.com. What made them come together so effectively is a management system driven by the needs of their customers (not by their existing formats), geared to making things simpler and easier for their staff and focused on creating flow through their operations. Tesco is also very good at operationalizing and rolling out new developments fast across their growing international business.

But the true significance of what they have done is that they are now using these capabilities to fundamentally transform the retail business model, in a way their competitors are still struggling to understand. This began in the UK by modernizing convenience stores and developing a range of different formats to match their customers' circumstances. ***The next wave is just about to roll across the USA with their new Fresh and Easy channel*** – which will do just that, sell freshness and convenience to busy time-poor customers. And there are more opportunities beyond this. But none of this would be possible without lean supply chains.

We are going through the same sequence in healthcare right now. Many pioneering clinicians are developing Best Practice pathways for diagnosing and treating their patients – by for instance creating cells to carry out all the diagnostic tests in one visit shortly before treatment. Pioneering hospitals are

beginning to see opportunities from a common entry system directing patients to the right pathway, from redesigning and managing the common process routes (or value streams) shared by several pathways, from a lean approach to scheduling shared resources like theatres and beds, from synchronizing all the support activities such as pathology, radiology, pharmacy and from eliminating huge amounts of unnecessary stock throughout the healthcare supply chain.

The next challenge, which we will discuss at the first **Global Lean Healthcare Summit**, is to build a shared vision of what a lean hospital might look like, the kind of leadership that will be required to make it happen and the lean management system necessary to sustain and improve it over time. But as you see the possibilities of flow in healthcare you also begin to see new possibilities for integrating right-sized pieces of equipment into the flow itself eliminating time wasting detours to other departments and even for relocating whole diagnosis and treatment processes into dedicated facilities and or closer to where people live and work. ***The opportunities for using lean to rethink the business models of healthcare service delivery are as great as in any other industry.***

So I conclude that if you now understand what the primary and supporting value streams should look like across your organization you have cracked one third of the lean challenge. If you have or are on the way to creating a lean management system to manage your process focused enterprise you have another third under your belt. The final third is about thinking back from the circumstances of your consumers and thinking forward from the capabilities of your lean processes to redesign the business model for your industry. There is indeed a lot more to lean than you think. And the strategic implications of lean may in the end be far more significant than the tactical activities to improve your operations.

Yours sincerely

Daniel T Jones

Chairman, Lean Enterprise Academy

[We almost had Dan at the Edmonton conference – but his higher calling to the **Global Lean Healthcare Summit** on 25-26 June prevented that from happening – but he will be with us at the 2008 Lean Conference in Toronto!. if you would like to join the Summit, get the details on www.leanuk.org. We will be watching the outstanding work Dan is doing and the impact of the summit.] Thank you Dan.