

Volume 14, Issue 08 □ February 19, 2007

Important 2007 Dates to add to your calendar...

- **Feb 19<sup>th</sup>, 9am-12pm, HPM Lean Practitioners' Exchange.** Host: Velcro, Brampton
- **Feb 21<sup>st</sup>, HPM Board Meeting.** Host: Hammond Manufacturing (Enclosures), Guelph
- **Mar 12<sup>th</sup>, HPM IT Roundtable.** Host: Hammond Power Solutions, Guelph
- **Mar 19<sup>th</sup>, Leveraging Tour.** Host: Labelad, Markham
- **Mar 30<sup>th</sup>, HPM GMT Meeting.** HPM Office, Kitchener
- **Apr 9<sup>th</sup>, Lean Practitioners' Exchange.** Host: GE Multilin, Markham
- **Apr 16<sup>th</sup>, HPM Leveraging Tour** Host: Nexans Fergus
- **Apr 18<sup>th</sup>, GMT Meeting.** Host: Labelad, Markham
- **May 7<sup>th</sup>, HPM SIG: Supervisors' Roundtable.** Host: Bird Packaging, Guelph
- **May 23<sup>rd</sup>, HPM Board Meeting.** Host: Volvo Motor Graders, Goderich
- **Jun 11<sup>th</sup>, HPM Lean Practitioners' Exchange.** Mancor Industries, Oakville
- **Jun 18<sup>th</sup>, HPM Leveraging Tour [New Member TBA]**
- **June 18<sup>th</sup>-22<sup>nd</sup>, LEAN CDN Regional "MeasureUp for Success Conference".** Location: Edmonton. Call-4-presentations: [www.measureupforsuccess.com](http://www.measureupforsuccess.com)
- **Sep 5<sup>th</sup>, GMT Meeting.** Host: Willow Manufacturing, Toronto
- **Sep 10<sup>th</sup>, Leveraging Tour [New Member - TBA]**
- **Sep 19<sup>th</sup>, HPM Board Meeting.** Host: TBA
- **Oct 10<sup>th</sup>, HPM GMT Meeting.** Host: Rockwell Automation, Cambridge
- **Oct 15<sup>th</sup>, HPM Lean Practitioners' Exchange.** Host: COMDEV Space, Cambridge
- **Nov 12<sup>th</sup>, HPM SIG: Health & Safety.** Host: Velcro Canada, Brampton
- **Nov 21<sup>st</sup>, HPM Board Meeting.** Host: Tempres, Mississauga
- **Dec 5<sup>th</sup>, HPM Share Showcase.** Location: TBA
- **Dec 10<sup>th</sup>, HPM SIG: Supervisors' Roundtable.** Host: Hammond Manufacturing, Guelph
- **Dec 17<sup>th</sup>, Lean IT Roundtable.** Host: Gerrie Electric, Burlington

## Lean Migration Walk Opportunity Let me know by Noon on Monday

The AfEE Consortium has arranged for 6 members to accompany Lockheed Martin's Director of Mfg in Orlando for a "Lean Maturity Walk" on Wednesday March 7<sup>th</sup> through both CAE and Bell Helicopter facilities in Montreal. We will use Lockheed's template. Email [dhogg@rogers.com](mailto:dhogg@rogers.com) if interested. Your cost will be your travel. Your acceptance must be approved by the host site companies

*This Wednesday is our...*

## Board Meeting

*This first meeting of '07 is...*

1. A time to see one member's newest technology
2. A time to assess the real value you are getting from HPM
3. A time to think about the value that is possible... and as yet untapped
4. A time to ask honestly – are we driving Lean deeply enough into our companies to prepare for the challenges coming at us?
5. Is it time to aggressively attack the means for Culture Change?

## Looking Back.. to "Then"

Go back to the pre-HPM days of 1988-1990. Already Dave had been working with some of the members prior to the early '80's and then later, while at OCAM's CAD/CAM Centre in Cambridge. There were signs of a gathering storm well before the recession of 1991, and well before it arrived, 12 of Allan Bradley's top suppliers sat down to talk about "*how to best handle the coming downturn with a few dollars left in our jeans.*" The team was brought together by AB's Materials Manager, Richard Kunst, and AB's Purchasing Manager, Paul Deckert. It was informally dubbed the 'Allen Bradley Suppliers Network.'

The consortium established two primary quality related objectives. The first was to achieve a 25% reduction within 3 years for Allen Bradley's total cost of procurement – and secondly, to achieve 95% delivery conformance. To help get things on a 'metrics basis', the consortium received a rare

injection of government support to hire TPG to execute a combination audit and diagnostic of each company's operations. The measures derived served as the standard metrics against which each member's performance was measured over the next decade – right up to 2000.

## The Sobering Diagnostic Experience

For some members, the diagnostic was not considered a valuable use of time as they felt they were already excellent and saw little value in it. In reality it became a bucket of cold water which initiated much re-assessment by individual companies. It was a wake-up call. One reluctant member only did it because Allan Bradley had asked them to. Upon completion, the member was 'totally sobered.' In their words, *"We were not as good as we thought we were! We were introduced to competitive requirements we'd never heard about."* It was eye-opening! Others, in retrospect, pointed to that early diagnostic as a turning point of high value.

## The Intervening Years

Over the next decade, the migration of progress was tracked by a yearly survey that referred back to the standard measures the audit had established.

The achievement from 1990 to 2000 was outstanding. The times were full of energy and achievement that included:

- A full curriculum for Kanban and other training
- Forums on wide ranging topics of value selected by the members
- International experts were introduced
- Trips to Quebec, NATO headquarters, European mfrs, and area companies
- First Kaizen events introduced and Kaizen leaders were trained
- Bus trips to learn about the Internet, IMTI and more
- Opening of training seats for other members enabled exposure as members sat in with GE Multilin's Black Belt training
- The design of a Sr. Leadership program

The leadership program illustrated the energy present at the time. A team of 8 companies got to work on it after members had deduced that their journey to World Class was being hampered by a lack of Leadership skills which would demand a change in Culture. Over 500 leaders at all levels

eventually attended the "Practice of Leadership and Coaching". To address this need, some dozen of the best delivery agents across North America were screened. A panel of members put down their tools for a day to personally interview the finalists. They emerged with a US Company – Charles A Smith & Associates – which had a track record in Canada that implemented a proven 5-month long course led by Kathy Grad. Over 500 top and middle management people went through the 5-month program with at least half of the member companies sending their entire management teams.

By this time, in the late 1990's, HPM companies **were considerably ahead of a huge majority of North American companies** and moved into cruise mode until 9/11. From this point on a dramatic change occurred as companies focused more on their individual issues and less on jointly developing solutions.

The period from 9/11 to 2006 began as a 'steady as she goes' pattern but a recent drum beat began to rapidly propel us to today's tempo.

## Looking at the "Now"

Today the stirrings which began in 2005 and 2006 to increase the tempo of improvement within HPM is increasing to the point - **more members are now expressing the urgency to move faster.**

The direct involvement by HPM as a full supporter of the 2005 Kitchener AME CDN Regional Lean Conference exposed several hundred employees to the rate at which the world is changing. At the same time it verified the road that HPM had traveled since the late 1980'a.

But looking at the drum beat of today there is a new world emerging, one that will not be easy to survive in since the crystal clear vision, the planning and the thinking needed for long-term and near long-term strategy building is being stymied.

Members are finding that interruptions, changes of plans, new urgencies, and continual direction shifts are becoming a day-to-day routine. While this may be the new paradigm of our future, it is making life more than just a little challenging for our strategic and operations leaders at all levels.

The timing of the current HPM diagnostic could not be better. It will provide data – much like the more intense one of some 16 years, which launched HPM.

Paul Deckert, now Rockwell's Materials Manager, said it well when he expressed his feeling

that – "Today it seems like we are scrambling to achieve Toyota-like output levels. But we are trying to do it without the 30-year-old culture they've evolved from that delivers their current output. It feels like we are trying to do it all in months – and finding frustration because it is not sustainable. The intensity seems to be robbing us of the ability to set visions and long-term goals that contribute to building the necessary foundation for stable and scaleable processes.

## Looking at the Future

The voice of the HPM customer (the Members) is yet to come from the current survey being completed by Scott. But it will come. And when it does, will its results meet a deep desire to move forward at an accelerated rate? What changes will it demand of us? If culture is one - that will require a new way of thinking which will prompt much discussion because we all know that will mean a change in the way we do things now – And that's never comfortable although it is just breakfast for leaders who want to command the future.

However, suspected expectations based on US and Canadian observations may well include some of these elements:

- There will be no abatement of the rate of change – **in fact, it will continue to escalate**
- There is only one way to function at a true Lean level – **and it demands a Lean Culture**. This is far from trivial and means Managers and Leaders will face unprecedented pressure to **rethink the 'servant leader' role** & how they achieve results through people
- Winners will increasingly begin to live the 'mindset of lean' and stop looking at it as a list of things to do or tools to use
- Large companies and OEM's are 'going lean' which will accelerate the impact on SME's to adopt Lean
- Companies will recognize the need for every employee, and their companies, **to understand the need for a big picture** of what they are doing – and what Lean **really means** ... and how their every -day contribution connects to their company's reason to exist. Over 90% of our employees (and that is everyone) do not understand that lean is far more than 'waste removal'. They are missing the fact that Lean is the elimination of waste everywhere while adding value for the customer. That's a big difference.
- While the use of the word Lean may diminish – certainly its application an all that it entails will not
- The rise of consortiums will accelerate – because no one is as smart as all of us and we can't live long enough to make all the mistakes ourselves

**Next week's Board Meeting will be important – both for today and for tomorrow. Rob Hammond is our Host next Wednesday.** [Sorry I'm in Edmonton]

***When Culture finally becomes an issue to address (because you have tried everything else) attitude is often not given its full due. We have been meeting senior leaders in winning companies who emphatically state that "Attitude is everything." One would suspect such leaders would be in agreement with the following notions aligned with attitude.***

## Attitude

*"The longer I live, the more I realize the impact of attitude on life. Attitude to me is more important than facts.*

*It is more important than the past, the education, the money, than circumstances, than failure, than successes, than what other people think or say or do. It is more important than appearance, giftedness, or skill. It will make or break a company... a church... a home.*

*The remarkable thing is we have a choice every day regarding the attitude we will embrace for that day. We cannot change our past... we cannot change the fact that people will act in a certain way. We cannot change the inevitable.*

*The only thing we can do is play on the one string we have and that is our attitude.*

*I'm convinced that life is 10% what happens to me and 90% how I react to it. And so it is with you. We are in charge of our attitudes."*

Charles Swindoll - 1932