

Volume 14, Issue 14 □ April 02, 2007

Important 2007 Dates to add to your calendar...

- **April 13th, 9-12pm, HPM IT Roundtable.** Host: Hammond Power Solutions, Guelph.
- **April 19th & 20th, Lean Accounting for Lean Manufacturing.** Led by Brian Maskell. Location: Pavillion Royale, Miss. Contact Barb at AME directly at 905-681-6039 or bjacklin@ame.org for details.
- **Apr 20th, GMT Meeting.** Host: Labelad, Markham
- **Apr 23rd, Lean Practitioners' Exchange.** Host: GE Multiin, Markham
- **May 7th, HPM SIG: Supervisors' Roundtable.** Host: Bird Packaging, Guelph
- **May 23rd, HPM Board Meeting.** Host: Volvo Motor Graders, Goderich
- **Jun 11th, HPM Lean Practitioners' Exchange.** Mancor Industries, Oakville
- **Jun 18th, HPM Leveraging Tour** Host: Nexans, Fergus
- **June 18th-22nd, LEAN CDN Regional "MeasureUp for Success Conference".** Location: Edmonton. Call-4-presentations: www.measureupforsuccess.com
- **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
- **Nov 12th, HPM SIG: Health & Safety.** Host: Velcro Canada, Brampton
- **Nov 21st, HPM Board Meeting.** Host: GE Multiin
- **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.

A Quick Issue Summary

- Reaching into the heart of understanding Lean across the workforce --- have you considered a "Reading Program" driven by top management.
- Some insights on **how others are implementing Lean...** is there even one idea we can glean?
- **Jay Myers highlights a hugely important aspect** of last month's Federal Budget for manufacturers
- Our GMT is looking at changes many members have been discussing as competition tightens

It's the Simple Things we Can do we Don't

The more companies you see who are surging into the lead, the more one understands that somehow they have everyone doing the simple things incredibly well and without variation. It is not a surprise to see such a team build on the discipline they have achieved to enhance their 'organizational learning' to the point such companies are referred to as 'Learning Organizations' by leaders such as Dr. Peter Senge.

It is a basic truth that the companies who are best able to reconfigure themselves to adapt to whatever competition has to throw at them are indeed Learning Organizations.

So how do you begin the process? One way is to listen to and watch the companies who are advancing – and one such company you heard from at the Share Showcase last December. The company is Canadian Blue Bird and you may remember the passion of their GM Tony Kerwin.

Tony is no stranger to setting up environments where people achieve abnormal things – such as he did for Eaton in St. Thomas when he worked with his employees to walk off with the Shingo Prize.

One of Tony's secrets? Learning via a company-wide Reading Program.

Canadian Blue Bird's Reading Program

Blue Bird's approach is to develop a reading program for leaders at all levels – both salaried and hourly. The company believes in driving interest in a mix of management/leadership and mfg materials, books and methods.

The reading program requires all employees to complete a book every two months... AND provide Tony with a one page summary of:

1. What was the book about?
2. What did you learn?
3. What can and should we apply?

And here are some of the books chosen:

- **Gung Ho!** – Ken Blanchard
- **All I learned about manufacturing I learned in Joe's garage** – William Miller
- **The Goal** – Eli Goldratt
- **Lean Thinking** – Jim Womack
- **High Five** – Blanchard & Bowles
- **Visual Systems** – Galsworth
- **Raving Fans** - Blanchard
- **Gemba Kaizen** – Imai
- **Miller's Bolt** - Stirr

"Leveraging learning for customer success"

Making World Class Make Sense

- **Andy & Me** - Dennis
- **Authentic Leadership** - George
- **Leadership Secrets of Colin Powell**
- **Who's Counting** - Solomon
- **The Servant** - Hunter
- **Visual Factory** - Greif
- **Rules & Tools for Leaders** - Smith

Like any successful transformation, it is usually the degree of involvement of the leader at the top which determines how effective the change becomes. ***This is why Tony's hands-on connection with his people through programs such as this has Blue Bird being considered as a Canadian Best Practice in the months to come.***

How Other Sectors Initiate Lean

Following a **World Class Fundamentals** session recently, one young person wanted to talk about what he had just heard. He could hardly contain himself.

What had excited him was learning how wide-spread lean is becoming – whereas previously he felt he was all alone. He'd been working away quietly learning and applying Lean in his company. He had no idea how much Lean was being employed elsewhere – and "All of a sudden I feel like I am part of a movement," he chuckled.

While the growth rate in Lean by manufacturers is now bordering on 40% per year (whether you call it Lean or not) – Healthcare is said to be increasing rapidly but the numbers are still tiny.

Our friend Cindy Jimmerson, whom some of you met at the first Canadian Lean Conference in Edmonton, is certainly accelerating Healthcare's absorption of what Lean can do for them.

So, just as it was of interest to that young person to learn that he was really part of a 'new wave' in manufacturing, it is interesting to see how another sector is deploying Lean's benefit. We thought you might like to see how a facility Cindy is working with is implementing Lean.

Here is how they are initiating it - "No More Excuses for the Name....LEAN"

"Given Lean is still relatively new to healthcare, it is interesting to me the number of times that I've heard Lean practitioners make excuses for the term "Lean" because it usually has negative connotations before being fully explained. When people hear "Lean" for the first time, they think it means that resources will be "Leaned out" and if they remain, they will have to pick up the additional work. Of course, Lean does mean doing more with less, but work actually gets easier and less frustrating.

This sparked us to think about a way to **proactively communicate what LEAN really means in a simple, easy-to-remember way.** The following shows our thinking:

- **Leadership**

- **Eliminate Waste**
- **Act Now**
- **Never-ending**

Leadership

How appropriate it is that Lean begins with "L" for Leadership. The only chance a Lean culture has of being implemented and sustained is with strong, committed leadership. **Leaders must be willing to change their own behavior by setting and communicating a Lean vision** while developing and consistently following their own "leader standard work", as they develop people. ***They know that they cannot delegate Lean implementation to a subordinate.***

Eliminate Waste

The second letter, "E", is perfect for communicating the essence of LEAN. Eliminating waste everywhere is what Lean is all about while you add value for the customer. In Taiichi Ohno's book, *The Toyota Production System*, he mentions eliminating waste over 50 times. He abhorred waste, and was ruthless in his pursuit to build and execute a production system that continuously exposed and destroyed it. Eliminating waste is the only way to improve safety, quality, delivery, and cost simultaneously. It doesn't get much better than that.

Act Now

Lean and analysis-to-paralysis cannot co-exist. Lean is truly in place in an organization when processes are signaling problems at a high frequency and people are following the scientific method (problem-cause-solution-action-measure) to eliminate the root causes of the problems so they never return. ***Lean is about acting in-the-moment to solve problems where and when they occur.***

Never-ending

Finally, people with a Lean Thinking mindset will relentlessly pursue the Ideal. They are always trying to find a better way to do their work to exceed their customers' expectations and ensure the longevity of their companies. ***This, they understand, is the only way to stay ahead of the competition and provide job security.***

This acronym helps give Lean a more positive image to the uninitiated. It certainly has a positive image with those who have experienced its significant benefits."

Canadian Manufacturers Stand to Save \$1.3 B Over 2 Years

Here is an update from our "First Knowledge Supply Chain Link" – Jayson Myers, Chief Economist and Sr. VP of the Canadian Manufacturers and Exporters. Jay is no stranger to HPM Board Members or HPM Board Meetings – with his most recent update being delivered at the Board Meeting **Gerrie Electric** hosted last year.

Jay has been working behind the scenes to gain appropriate concessions for manufacturers in order to compete to win – and many will remember the cross-Canada '20/20 initiative' that is gathering steam due to the linking of 27 Mfg. entities across the land.

Jay was ecstatic after the federal budget was announced for the country when the government made a long sought change which he and CME have been advocating for years.

You might have missed this with all the Canadian federal budget attention in the media focused everywhere but on manufacturing (not untypical). But the facts are there, and a lot of credit **honestly goes to Jay Myers & the CME** who have been working on getting the message across to the government for a very long time. All quotes below are taken from Jay's note to us which was contained in a release.

"Canada's manufacturers have spoken and the federal government has listened," says Canadian Manufacturing Coalition Chair, Jayson Myers, in response to Finance Minister Jim Flaherty's budget, delivered today. ***"The measures in Budget 2007 will encourage Canadian manufacturers to make the investments they require to boost productivity, improve environmental performance, and enhance their competitiveness in global markets."***

The best news is the temporary introduction of a two-year write-off for investments in manufacturing and processing machinery and equipment – a priority identified by the Coalition. "This is the most vital issue for the manufacturing sector," Myers adds. "It will help to offset the costs of a rising dollar, boost cash flow, and allow manufacturers to make the investments they need to remain competitive."

While the fiscal plan addressed other issues the 27-member Coalition was asking for, it was silent on improving SR&ED tax credit system and enabling employers to assist in skills training.

"Overall, it's good news for our industry and for the country," adds Myers. "The government recognizes the important contribution that Canada's manufacturers make to our economy and is showing a willingness to work with industry to help them help themselves. Canadian manufacturers will now have the tools to strengthen their enterprises."

The Winds of Change Are Being Felt by HPM'ers

Get ready to help raise the bar on Leveraging folks – there's tons of value yet to be harvested

Our GMT (HPM's General Management Team) is working to prepare us all to meet these 'breezes' **before they become hurricanes**. HPM's Board Chair, Paul Deckert, co-founder of HPM, does not hesitate to say that in all his years at Rockwell, he has never seen the demand for change more acute than it is now – both in its urgency and in its scope.

On Friday, Rockwell's Paul Deckert, Labelad's Bob Hicks, Gerrie Electric's Richard Solonenko, Tempress' Bill McLean and HPM's President Scott Smith met to move forward discussions to be tabled at the coming Board Meeting on May 23rd at Volvo Motor Grader in Goderich.

The key theme of last week's meeting was **"Raising the Bar on Leveraging"** with initial discussions on possibly two Share Showcases, strategies for identifying some 6 facility Best Practices over the year, plus the development and delivery of Special Interest Groups (SIG's) and more targeted Roundtables.