

Improvement Initiatives

"Change – for the better"

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FREE NEWSLETTER

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**"If the Leopard
could cook, would
he change his
pots?"**



Characterizing a 'Lean' Company (*no, not Slim-Fast*)

Stability

- Consistency - In lean, production is characteristically routine and uneventful. The factors that normally disrupt the smooth rhythm of operations have been eliminated. Impediments to flow including information deficits, careless mistakes, and machine downtime are practically nonexistent. There is a disciplined, healthier working environment with fewer injuries. Drudgery, inconvenience, and frustration have been removed from the worker's job. Moreover, the design of the work is standardized such that operators can stay on task and focus on what they are doing – dramatically

reducing the probability of an error.

Flexibility

- Responsiveness - As pointed out previously, production plans are always in a constant state of flux. Lean companies exhibit an elasticity or ability to react to shifts in customer demand. Techniques including setup reduction (SMED), single-piece flow, and cellular arrangement create an environment that can produce to takt time, is flexible enough to rapidly respond to most deviations, and provides immediate service recovery when necessary.

Waste Eliminated

- Resource Efficiency - Lean creates a

[continued on next page](#)

What is Visual Management?

by Jay Watson

Visual Management (VM) is a system of communication using visual displays and controls. An area utilizing VM operates at one of the highest levels of the 5S concept, visual control, and is self-cleaning and self-monitoring.

The purpose of VM is to:

- > expose waste so you can eliminate it and prevent it from reoccurring.

- > make operating standards known to all employees so they can follow them.

- > improve workplace safety, quality, and productivity through work and work place organization.

Working throughout every area of a facility, cross-functional teams drive projects to standardize

- 5S efforts
- visual metrics
- visual displays
- visual controls

"A picture is worth a thousand words."



Whadda' say, Jay?

(A tale of mis-management ...)

A Father left each of his two children a Mfg. business unit.

One spent millions of dollars on elaborate ad campaigns with the over-paid CEO proclaiming quality; hired an additional sales force to penetrate the marketplace; built up inventories; maintained too many dealerships, moved operations to cheap labor countries (increasing cycle times); pitted one ~~supply partner~~ (vendor) against another for the cheapest annual price point; and laid off thousands of people in America to cut costs.

The other one formed strategic long-term relations with supply partners (*in America*) with daily delivery; through VOC analysis discovered what the Customer really wanted (*excellence!*); developed a waste-free value stream to provide quality and reduce cycle times; eliminated inventories; trained up a well compensated loyal workforce; and let the customer sell the product through return sales.

(Although this a cute little "story," it does bring to mind two auto manufacturers – one is still "in pursuit of perfection" and the other was – "a different kind of Car Company.")

Characterizing a Lean company ... (continued from page 1)

cost-conscious culture. Just-in-time techniques generate cost savings through lowered levels of inventory, less equipment to handle the inventory and less inventory control and accounting. Flexible work cells facilitate a smaller footprint, reduced tooling and equipment investment and effective use of labor. Efforts including design for manufacturing, standard work, mistake proofing and self-verification result in less scrap, less rework and less buffer stock – all of which contribute to a lower cost of operations, shorter delivery times and better on-time performance.

Lean Prowess: A Lean Enterprise Flexes Its Muscle (subject corresponds to the free training modules on www.freeleansite.com)

Once the lean bridge has been successfully traversed, specific observations may be made within a factory.

- The work environment is orderly, disciplined, and safe physically, emotionally and professionally (5S)

- Material flows through the company at a rate exactly matching the rate of consumption (*Takt Time / JIT*)
- Incoming customer orders alone specify what is to be produced – there is no need for forecasting. The arrival of orders triggers the creation of the required products or services. (*Kanban*)
- Each product has its own unique resources, including machines and operators, so there is no contention for resources with other products (*Cellular*)
- The sequence of product creation at all levels is exactly synchronized to ensure on-time delivery (*JIT*)
- Everything works perfectly so there is no interruption in the flow. There is no scrap or rework, or quality defects in any material (*Value Analysis; TPM; Mistake Proofing*)
- Each product exhibits a built-in quality and can be delivered one request at a time (*self-verification; single-piece flow*)
- The cycle time is so short that customers receive their products exactly when desired (*Value Stream Mapping - reduced white space*).

On the Importance of gathering Data and Information

Goal/QPC Problem Solving Memory Jogger (pg 21)

Data can help teams ...

Reveal a problem. Teams can't fix a problem they don't know about.

Describe a problem. When teams understand what the problem is, they can fix the problem rather than just addressing the symptom.

Monitor and control a problem. Teams can make sure that what they fix or improve stays that way.

Prevent a problem. When there is a consistent trend or cycle in the data, a team can take action to reduce or eliminate the effect before it becomes

critical and/ or apparent to the customer. It's easier to prevent a problem than to correct it.

Know your data type – it's important since it helps determine which analytical tool to use.

Variables Data is measured and plotted on a continuous scale over time e.g. – temperature, time, strength, pH levels. Use run charts, histograms, Scatter diagrams, and Variables-type control charts to illustrate this data.

Attribute Data is counted and plotted as discrete events for a specified period of time e.g. – types of shipping errors, customer complaints, reasons for downtime. Use check sheets, Pareto analysis, and Attribute-type control charts for this type of data.



DIVE into Decision Making!

by Jay Watson

Decision Making utilizing Consensus ...

does not mean that everyone is totally happy with the decision.

To reach consensus, consider the ideas, feelings, and experience of all team members, not just the few or the majority.

Reaching consensus takes a lot of time and requires skill in resolving differences.

Consensus decisions can often be implemented smoothly since the entire team supports them.

Use consensus for complex or very important decisions that require coordination and understanding of all team members.

Decision Making utilizing Voting ...

gives each team member one vote. (Although, sometimes the boss gets two...) The choice with the most votes wins.

It is OK to take a vote for relatively unimportant decisions, but remember it can leave the 'losers' feeling left out.

Votes can be taken openly, by raising one's hand for instance or in 'secret' by making a ballot or slip of paper and dropping it in a hat or box.

Voting is usually a faster way to make a decision, however – pushing for group consensus often makes the implementation much easier and faster!

Stakeholder Management

Some people are influenced most effectively by phone calls, others by an e-mail from their boss. While thinking of influencers, think in both terms of message (what they need to hear) and vehicle (how they need to hear it).

Some people are great "e-mail people" and others have trouble finding the "on" switch on their computer. Meet them where they operate – sometimes it's face-to-face or within a group setting. Some see the big picture, others want detail.

You just have to think of what is the best way to reach them, where they are, under their circumstances, using their influencers. What is essential is that whatever your teams decide upon, follow through!

Ask stakeholders to attend project reviews, if possible.

RE: Best-In-Class (BIC) Customer Service organizations

- **BIC Customer Service organizations provide customer service representatives with an average of 5 weeks of initial training.**
- **85% of the BIC companies empower Customer Service Representatives to resolve customer problems on the first call.**
- **Customer complaints resolved on the first contact have 10% higher satisfaction and loyalty than resolution via multiple contacts.**

Learn more -

Tips to Provide Best-in-Class Customer Service!

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www.theservicejourney.com/



Peter F. Drucker 1909 - 2005

Peter Drucker has been hailed in the United States and abroad as the seminal thinker, writer, and lecturer on the contemporary organization. In 1997, he was featured on the cover of Forbes magazine under the headline, "Still the Youngest Mind," and Business Week has called him "the most enduring management thinker of our time."

"The truly important events are not the trends. They are the changes to the trends." - PFD



www.answers.com/topic/peter-drucker

Kanban controls material F - L - O - W

Kanban is the heart of the pull system. When the "pull" signal is activated, ie – card, empty spot, or visual indicator – inventory (flow) is needed. Using standard container sizing and the "rules of the kanban" – information and material flow, only when needed, and only in the amount needed.

Through implementation of 'Jidohka' concepts, quality is built in at each process and processes should never send any defective goods on.

Kanbans (cards, information) always move with the goods to ensure just-in-time and visual control at all times.

For more information refer to:

The Lean Pocket Guide
ISBN 0-9725728-0-5

The Lean Enterprise Memory Jogger
ISBN 1-57681-045-3

Discover several Kanban examples and power point training modules at:

www.freeleansite.com

Hidden Meaning in Popular Logo



You might think the arrow does nothing here. But it says that amazon.com has everything from a to z and it also represents the smile brought to the customer's face. Wow, that is quite deep.



Talk about deep - the sphere represents a planet, the stars represent space, the vector represents aeronautics, and the orbit represents space travel.

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off the page...

Tips to Provide Best-in-Class Customer Service

By Susan Hoekstra, Susan Hoekstra & Associates

I had to call the customer-service department the other day at my wireless-service company, and listened to a series of prompts and sub-prompts. As I was doing so, I thought to myself that I wouldn't be in a phone maze if I called my bank, because they always have someone pick up the phone. They have no prompts on their phones. Think about that though. These two companies aren't in the same industry and yet I am comparing the experience I have at one with the other.

Chances are your clients are doing the same thing. They're comparing your service delivery to the service they get from industries you wouldn't even consider to be your competition. When is the last time you walked into a store and compared the employees you met to those you met at Disney? Or compared the website of one company to the website to another in a different industry? Compared banking services between firms who aren't considered competitors? Your service may be adequate if you're only comparing your service delivery to your competition, but what if you were to expand the scope to best-in-class service providers, just as your clients are? How would you measure up then?

If you want to turn your clients into advocates, it is necessary to provide best-in-class service for the touch points that are important to your clients. This is true because even if your customers don't leave, they also may not tell others they should work with you either. Why would they, if the service you provide compared to best-in-class service providers falls short?

- * List all of your customer-touch points. Include in your list things such as your phones, website, statements, office, store, or restaurant. Detail the experience you currently provide.
- * Detail the best-in-class service experience for each touch point listed above. This won't necessarily be the experience provided by your competition, but the best-in-class experience provided by anyone in any industry.
- * Compare the experience you provide to the best-in-class service provider. That will identify your true gap.
- * Prioritize and close the important gaps based upon what is important to your clients and the cost and difficulty to implement the change. Even if you don't close the gaps immediately, it is important to understand where you stand all the same.

In order to truly be considered best-in-class, expand the scope of who you compare your service experience. Chances are, your clients are already doing so.