

Striving for Excellence Through Lean Transformation

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World Class Companies typically:

- Define and communicate their capabilities and expertise
- Understand and define the needs of customers and match their capabilities to customer needs
- Provide products and services that bring value and benefit to customers – beyond the expected
- Apply innovation in methods, processes and technologies to satisfy and delight customers
- Continuously strive for full customer satisfaction via operational excellence

World Class Companies Know and Define Their Capabilities and Expertise

“Not all Companies are Created Equal”

- As a supplier of goods and services your company has specific capabilities and expertise that you provide.
- Your ability to clearly define and articulate what your company capabilities and expertise are to customers or prospective customers makes the difference in winning business.
- What are your company core capabilities and expertise? Make a list...

World Class Companies Define and Understand Customer Needs

- Customers are looking for value and for what adds maximum value for them
- Determining what adds value for customers:
 - Ask the Customer – They don't always know or cannot tell you.
 - Research or Observe the Customer Value Added – Do your homework.
 - Discuss specific issues or challenges the customer might have – Customers don't want to struggle.
 - Think about and define what might add value or additional value for the customer.
- How can my company add more value for customers?
Make a list...

World Class Companies Match Customer Needs with Capabilities and Expertise

- Identify and document the markets and prospective customers you can add value for
- If you know your capabilities and expertise, and you know the customers needs...
- Critical factors that impact buying decisions:
 - People buy from people; making personal connection with the right decision makers to build rapport, confidence and trust.
 - Your ability to clearly describe the value your company can provide to customers – How will this add value for the customer?

World Class Companies Apply Advanced Methods, Processes and Technologies

- Key to success – Drive innovation and continuous improvement in products, services and capabilities as a supplier
 - Innovative product design
 - Innovative production capabilities
 - Innovative processing capabilities
 - Innovative service methods and techniques
- What innovations and continuous improvements are you driving to add more value for the customer? Make a list ...

World Class Companies Apply Advanced Methods, Processes and Technologies

- Lean Enterprise implementation is a proven method to drive break through change and continuous improvement throughout a company
- Lean Enterprise drives a philosophy of continuously identifying and exploiting capabilities a methods add more value for the customer
- Lean Enterprise focuses on driving waste out of all processes to optimize value add for the customer

What is Lean?

- Lean is a Philosophy: Continuously and relentlessly eliminate waste everywhere in the business enterprise
- Eliminating waste everywhere optimizes value add for the customer
- What is Value Add?

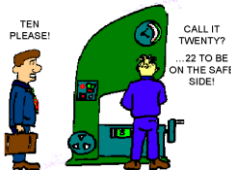
Anything that changes form, fit or function of the product or services

Or

Something the customer is willing to pay for

8 Types of Waste

◆ Over Production



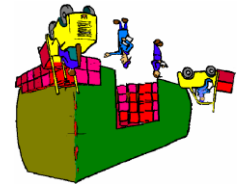
◆ Transportation



◆ Waiting



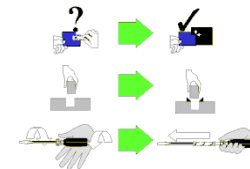
◆ Inventory



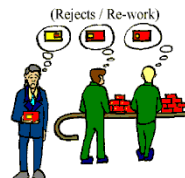
◆ Over Processing



◆ Motion



◆ Defects

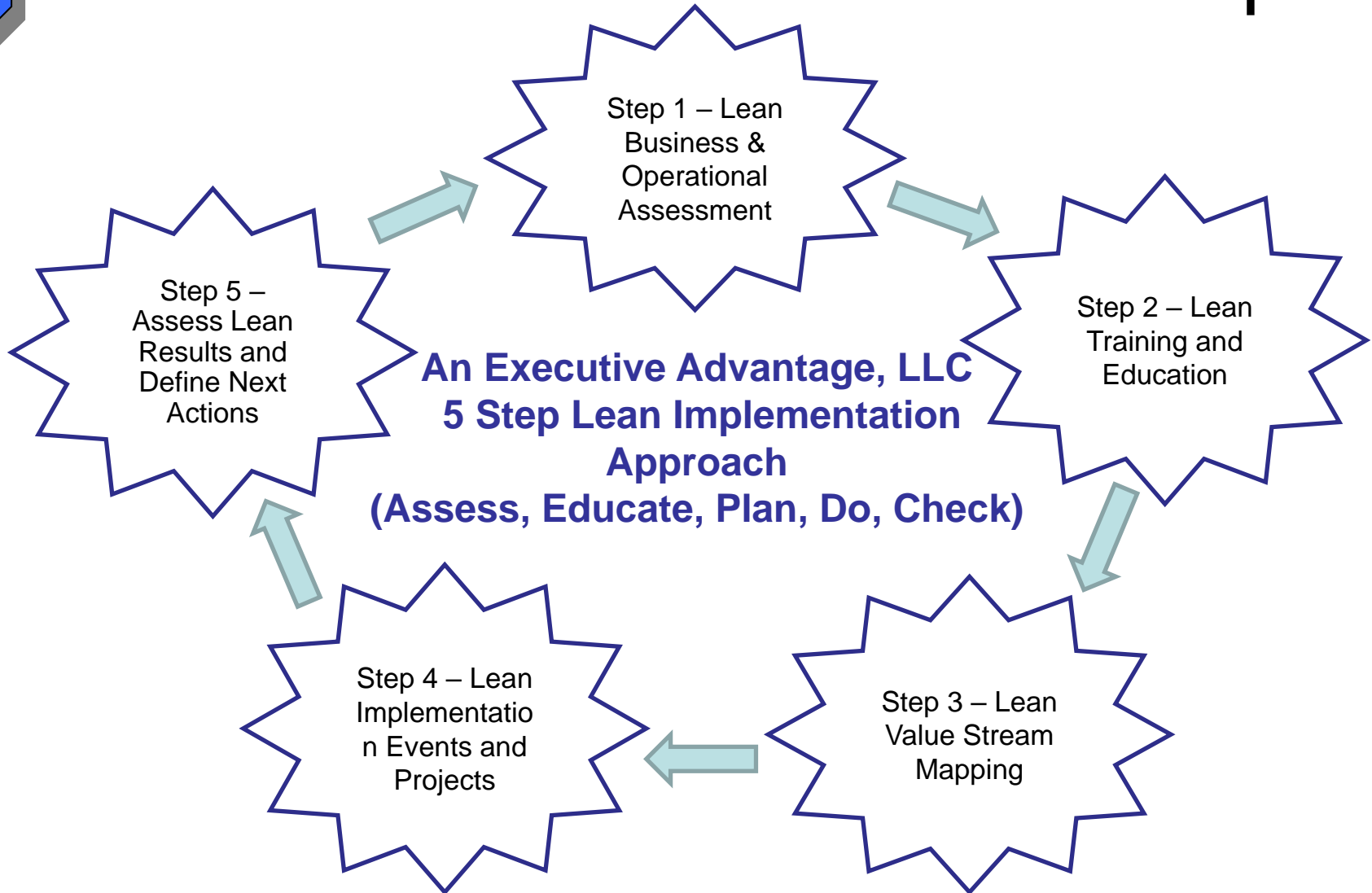


◆ People's Talent

Lean Tools to Attack Waste

- Value Stream Mapping
- Continuous Flow – One Piece Flow
- Pull Systems & Kanban
- Standard Work (Line Balancing)
- Line Layout – Workstation Layout
- 5S – Visual Controls & Management
- Single Minute Exchange of Die (SMED)
- Total Productive Maintenance
- Error / Mistake Proofing

Lean Transformation Roadmap



Lean Implementation Approach

- Step 1 – Lean Business and Operational Assessment
 - Define and Document Specific Business Goals and Objectives
 - Identify Opportunities to Apply Lean Principles and Tools to meet Specific Goals
 - Determine Anticipated Performance Improvement Impact
 - Identify Where and How to Begin – Select a Pilot Project To Initiate the Process

Lean Implementation Approach

- Step 2 – Lean Training and Education
 - Core Training Modules
 - Lean Simulation
 - Leading a Lean Journey
 - Lean Implementation Tools
 - Value Stream Mapping
 - 5S Workplace Organization
 - Project Management
 - Core training provides the basis for learning, understanding and applying lean

Lean Implementation Approach

- Step 3 – Value Stream Mapping Workshop
 - Complete Value Stream Mapping on Selected Product / Service Flow
 - Current State Map – Identify Waste and Opportunity for Improvement
 - Future State Map – Identify the Desired Future State Condition - What Should Be
 - Implementation Plan – How We Get to the Future State

Lean Implementation Approach

- Step 4 – Implementation - Apply Lean Principles and Tools to Eliminate Waste and Achieve Business Objectives
 - Kaizen Events targeted at Eliminating the Waste that Impedes Achieving Overall Business Goals and Objectives
 - Specific Implementation Projects focused on Eliminating the Waste that Impedes Achieving Overall Business Goals and Objectives

What is a Kaizen?

- Kaizen = Continuous Improvement Event
- A highly focused, improvement-oriented activity.
(Improving flow and the value stream.)
- During the event, teams take immediate action to improve specific processes or areas.

Why use Kaizen Events?

- Events provide a “learning laboratory” during which we learn to think differently about solving problems.
- Events produce immediate results.
- Events allow a focused, cross-functional approach to strengthening a company.

Lean Implementation Approach

- Step 5 – Assess Results and Set Next Actions for Improvement
 - Monthly / Quarterly Review and Assessment of Progress Against Implementation Game Plan
 - Assessment at End of Pilot to Determine Results Achieved and Define the Next Actions to be Taken

Top 5

Lean Transformation Pitfalls

- Lack of full Management support
- Lean Transformation not directly connected to customer needs and business objectives
- Lack of dedicated resources to drive Lean
- Not all employees are involved / engaged
- Metrics / Measurement are not established

Lean Transformation Requires Great Leadership

- Top Management > Must Understand, Believe in and be Committed to applying the Lean Philosophy and Process Consistently
- Lean Implementation must be Targeted at Full Customer Satisfaction / Delight and Achieve Required Business Objectives and Results
- Lean must be Championed by a key individual in Top Management and supported with Committed Internal Resources
- Everyone is Expected to Support and Participate in the Lean Philosophy and Process - Resources and Time must be allocated to Lean Implementation
- Specific Measures and Metrics must be used to Monitor, Control and Improve Business and Operating Results

Typical Lean Enterprise Implementation Results

- Key Metric Highlights
 - On Time Delivery to Customer improved from 35% to 100%
 - Lead Time Reduction ranging from 47% to 82%
 - Value Added Processing Time improved by 16% to 27%
 - Quality Defects and Scrap reduction ranging from 5% to 69%
 - Productivity improvement ranging from 9% to 60%
 - Inventory Reduction ranging from 30% to 68%

Typical Lean Transformation Implementation Results

Key Financial Highlights achieved during 11 Three Day Kaizen Events at 4 Companies were:

- Annual Year over Year Cost Reduction Savings of \$2,312,326 realized
- One Time Inventory Reduction Savings of \$6,531,981 realized
- Total capital investments made by companies was \$1,495,000 during the period
- Companies are more competitive and continue to drive positive changes to remain competitive

Lean Transformation – Creating World Class Companies

- Lean Transformation focuses on optimizing the value add to the customer
- Lean Transformation results in excellent operational performance and capability that directly impacts a companies ability to satisfy and delight customers
- Lean Transformation focuses on continuous improvement of products, processes and capabilities which brings innovation to customers
- Improved financial performance and stability results in company longevity
- Where can your company improve on adding optimum value for the customer and all stakeholders? Make a list...

To Continue Your Lean Transformation Journey to become a World Class Company Contact:

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