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LEAN THOUGHTS

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Marrying Lean to Right Sized Technologies

The Application of Tools often gives the perception of progress - In reality, true progress is made if the tools are applied in the context of a vision and strategy.

Dear Richard;

I have always thought that lean is much more than improving the efficiency of existing equipment, factories, supply chains, hospitals and service facilities. Lean teaches us to learn to see and improve the processes we are responsible for. It also challenges us to look up and out and cooperate with others to streamline the whole process from end to end, often across several organisations.

But ultimately lean is about re-examining the end product or service being delivered to customers. Does it really meet their needs at an acceptable cost without wasting their time? And is it sustainable and can it continue to generate an adequate return on investment? If we are honest we would have to conclude that in many cases it does not – we are actually delivering the wrong product through the wrong facilities in the wrong place using the wrong equipment. Our business model is actually a relic of the era of mass production and mass consumption.

Recognizing this dilemma does not solve it! One of the key constraints may be the technology – which is still being designed by engineers resolutely focused on developing the next bigger, all-singing all-dancing piece of equipment. Other constraints may be the drag of existing assets and careers tied to the existing business model.

However lean engineers are always thinking about developing right-sized tools and lean entrepreneurs are always thinking about how these might be used in new business models that ultimately replace existing providers. We can see similar opportunities in the three great growth industries of our time - transportation, communications and healthcare.

One of the examples readers remember from *Lean Thinking* is the holiday flight to Crete, which took 13 hours door to door for 7 hours of actual travel time. Very little has changed about the process of flying on holiday in the last decade – except you can do it more often, from more places, to more destinations and for a lot less money. You just squeeze your knees between the seats, switch off with a good book and look forward to getting there.

Things have not got much better when we travel on business. In some cases they have got worse – it is a nightmare trying to schedule convenient connections between medium sized cities in Europe - and a growing hassle connecting through massive hub airports. I just spent five days getting up before the crack of dawn and taking two flights via hubs, in order to do a day's work. Smaller jets carrying business travelers are now relegated to distant parking stands and often, after two bus trips and fighting my way through the terminal, I end up boarding the plane next to one I just left! In an exceptionally crazy 70 hour week I did 23 hours of valuable work – and then spent the weekend recovering my sanity!

But help is on the way. Video conferencing is getting better all the time – making some trips unnecessary. But equally the advent of the new very light jets promises to usher in a new era for the business traveler. In *Lean Solutions* we showed how point-to-point on-demand air taxi operations from local airports could save us all a lot of time and hassle. The Eclipse, the Hondajet and others from Cessna and Embraer are just the beginning of the story. Building and financing a viable business model and the necessary air traffic infrastructure come next. However the impact on the existing airlines and airport operators is likely to be profound

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Where "Lean Thoughts" Become Reality

This is a similar story to what has happened in communications – the PC replaced the mainframe and mobile operators are now challenging old telecom monopolies. I think we are on the threshold of a similar revolution in healthcare delivery.

There is a growing recognition that bringing diagnosis and treatment closer to patients rather than centralizing them in big general hospitals will improve outcomes for many while saving time and cost. Health entrepreneurs and even retailers are thinking about new healthcare business models. This in turn depends on equipment providers developing smart, right-sized diagnostic and treatment equipment that can be used for self-diagnosis in the home or in local treatment centres. Existing equipment suppliers still seem wedded to bigger machines. Who is going to provide the right-sized technologies to make this happen?

I hope you have a good summer. Yours sincerely, **Daniel T Jones**, Chair, Lean Enterprise Academy

Confusion Still Reins

The following challenge is being offered this week by our good friend David Hogg, recently retired President of the HPM Consortium in Ontario ... thanks David !

This week - try this. Ask the first 10 people you meet at work, "How would you define Lean?" Your Update editor would be willing to bet they'd say "Elimination of Waste". And if that is the answer you get, there will be future problems brewing.

Why? Because that answer will ensure Lean in your environment will be recognized - sooner or later - as just another 'Cost Cutting' thingy.

The solution? Use the right definition - and use a zero-tolerance strategy to ensure the definition of Lean is truly understood to mean "The elimination of waste everywhere while adding value for your customer."

There is a world of difference in these definitions of lean and the first one is wrong. Try it - and let me know what you find! Give an extra hug to those who get it right, and, who understand *that Lean is a philosophy* or a mindset which would drive the deployment of the myriad of tools that are out there!

Extreme Plant Makeover – Update

An event of this magnitude is difficult to facilitate and coordinate ... but by the end of the week several very tired souls departed back to their respective organizations hopefully with their tool boxes just a bit fuller with new ideas and techniques.

The initial challenge is getting the support from the leaders in the organization who are always focused on getting their 100 tons of coal out each and every day. An event like this takes a great amount of preparation weeks in advance. We were very fortunate to have Chris White our student intern available to capture ideas and opportunities into assignment sheets well in advance of the event.

To make the event successful you should embrace the event with a key strategic indicator, in our case increase through-put by 10% with existing resources. As you proceed with the data collection phase, you should be able to identify themes, opportunities and the ability to prioritize the projects.

I am not going to dwell on all the events that took place during the week since we will be writing an extensive article about the model and the event for both SME and AME with the wonderful assistance from Karen Wilhelm. Karen kept track of the event and you can read the transcripts of the week's event on her Blog at <http://leanreflect.blogspot.com>

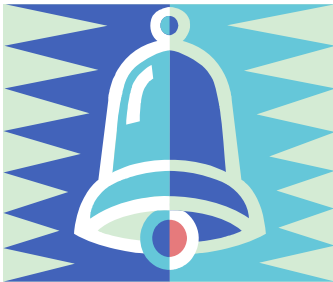
The event allowed leaders of the organization another method to see waste in their processes. In some cases inventory was creeping into key processes inhibiting through-put to the point the area was a constraint to regular production. It truly makes you wonder if traditional measures will insure focus on getting rid of the waste.

It was an exciting week and our outside eyes were wonderful with their commitment and energy. The event would not have been a success without the participation of our outside suppliers who provided great coaching clinics for our corporate champions.

We were especially please that Rhonda Kovera from Visual Workplace decided to spend an extra day with the team for in depth training of her tools and general tricks on going beyond the traditional 5S and creating the true definition of a Visual Workplace that is Self Managing, Self Directing and Self Explaining.

We hope that what has been started will continue, the numbers will naturally follow.

Cheers ... Richard



Consortium Event Schedule
 Tour Workshop Conference



January	February	March	April	May	June
<p>T</p> <p>Wednesday 25 Eaton Electrical, contact Joe Fisher, JoeRFisher@eaton.com</p>	<p>T</p> <p>Wednesday 15, CFN Precision, contact Barry Wood, bwood@cfn-inc.com</p> <p>W</p> <p>Date & location TBA Your own "STEP Diagnostic" to create Vision, Mission and Direction Contact Richard Kunst Richard.kunst@la-z-boy.com</p>	<p>T</p> <p>Wednesday 22, Nestle Waters, contact Mariela Castano mcastano@perriergroup.com</p>	<p>T</p> <p>Wednesday 19, CTS Corp., contact Bob Garces, Bob.Garces@ac.ctscorp.com</p> <p>Consortium Shareshowcase Saturday 29 Kraft Oakville. Contact Cindy Grolleman cindy.grolleman@stackpole.com</p>	<p>T</p> <p>Wednesday 17, Stackpole CSD, contact Don Barber Don.Barber@stackpole.ca</p> <p>W</p> <p>Date & location TBA "Compartmentalize the Noise" * Daily Report-outs * Standard work for Leaders Contact Richard Kunst Richard.kunst@la-z-boy.com</p>	<p>T</p> <p>Wednesday 21, Morrison LaMothe, contact Tony Vita tvita@morrisonlamthe.com</p> <p>C</p> <p>AME Regional Conference Mon 12 to Thurs 15 K-W Ontario Contact www.ame.org</p>
July	August	September	October	November	December
	<p>W</p> <p>Date & location TBA "Establish Anchors" * VSWI ... Visual Work Instructions * TPM ... Total Productive Maintenance Contact Richard Kunst Richard.kunst@la-z-boy.com</p>	<p>T</p> <p>Wednesday 20, Kraft Foods, contact Hanif Jivraj hjivraj@Kraft.com</p>	<p>T</p> <p>Wednesday 11, Stackpole PMC, contact Cindy Grolleman cindy.grolleman@stackpole.com</p> <p>C</p> <p>AME National Conference Mon 16 to Friday 20 Dallas, Texas Contact www.ame.org</p>	<p>T</p> <p>Wednesday 15, Messier-Dowty, contact Richard Evans Mike.Smith@Messier-dowty.on.ca</p> <p>W</p> <p>Date & location TBA Your own "Get Organized" * 5S+1 Contact Richard Kunst Richard.kunst@la-z-boy.com</p>	