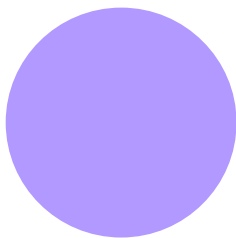
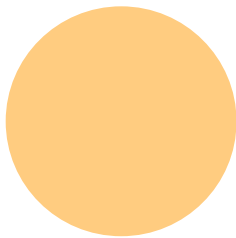
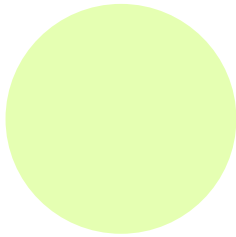




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# LEAN THOUGHTS

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## The Long Tail

### **PARETO IS DEAD !!**

Last week I attended the AME Champions Club Meeting in Colorado Springs, where the initial attraction was the ability to participate in a tour of Cheyenne Mountain the home of NORAD.

Instead, Tim Waldee made a presentation that was truly a thought starter. Tim a General Manager for GE Energy discussed the concept of Long Tail marketing and the potential impact on Manufacturing.

As manufacturing practitioners we constantly assess our production numbers and quickly see that 80 percent of our volume comes from 20 percent of our customers, part numbers etc ... or so we think. But imagine the following;

We're stuck in a hit-driven mindset – we think that if something is not a hit, it won't make money and so won't return the cost of production. We assume, in other words that only hits deserve to exist. But executives at iTunes, Amazon, Netflix and even e-Bay have discovered that "misses" usually make money, too. And because there are so many of them, that money can add up quickly to a huge new market.

The concept of the Long Tail is the part numbers and customers that we continue to support yet represent minimal volume individually. However we know that lower volume allows for greater margins if you can supply the needs effectively.

What's amazing about the Long Tail is the sheer size of it. Take Books: The average Barnes and Noble book store carries 130,000 titles. Yet more than half of Amazon's book sales come from outside its top 130,000 titles. Consider the implication: If Amazon statistics are any guide, the market for books that are not even sold in the average bookstore is larger than the market for those that are. In other words the potential book market may be twice as big as it appears to be, if only we can get over the economies of scarcity.

The article provided by Tim written by Chris Anderson for Wired Magazine looks deeper at the Long Tail. [http://www.wired.com/wired/archive/12.10/tail\\_pr.html](http://www.wired.com/wired/archive/12.10/tail_pr.html) . Although the article really speaks about the entertainment industry it has strong potential in traditional manufacturing. It takes me back to an earlier stage in my career with Warner Brothers where a futurist discussed the future of entertainment distribution, where customers would be able to download specific tracks on demand ... well guess what, remember purchasing those old 45's? Today the sale of single tracks of music is at an all time high with customers being able to download a single track for 99 cents.

So if we look at the ability to support mass-customization to satisfy specific customer traits the leverage between Lean Enterprise and the Long Tail could be the key to success for North American Manufacturing.

Long Tail business can treat customers as individuals, offering mass customization as an alternative to mass-market fare.

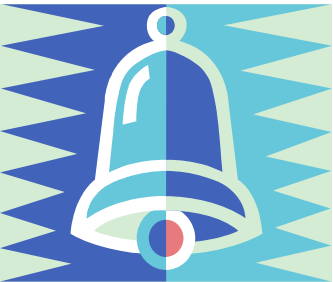
Such is the power of Long Tail ...

### **LEAN CONSORTIUM MEMBERS:**

- CFN Precision
- CGL
- CTS Canada
- EATON Cutler Hammer
- KRAFT
- LA-Z-BOY- Residential
- MESSIER-DOWTY
- MORRISON LAMOTHE
- ORENDA
- NESTLE WATERS CANADA
- STACKPOLE



Where "Lean Thoughts"  
Become Reality



## TEAMS

Many of us feel that we are part of a team. But what is a good definition of a team/ The following was shared to us last week

*A Team is collectively committed to each other & collectively committed to the success of the organization.*

As a team you should be to answer the following attribute questions;

- Who Am I ? - *What do I bring?*
- Who are you? - *What do you bring?*
- What are our goals?
- How do we work the task?

These sound like fundamental attributes but how often have we paused as a team to articulate our purpose. Maybe this week in a team meeting ask the questions to insure that you are aligned.

## LEADERSHIP

BGen Taco Gilbert provided the AME Champions with a Leadership Presentation model that is used by the USAF. It has some sound attributes that we all can easily adopt and follow;

- **Trust & Respect - Cornerstone**  
*If you do not have this with your employees and peers, you cannot proceed any further.*

- **Honesty - Not Lying**  
*Pretty self explanatory*

- **Respect - Not Stealing**  
*When you see cages and locked tool boxes in our work environment, it quickly explains loudly what kind of culture we have in our plants.*

- **Fairness - Not Cheating**  
*It was stated that 80% of high-school students admitted to cheating during their tenure.*

- **Support - Not Tolerating**  
*Not tolerating sub-standard behavior. Make sure that you coach for the best and constantly are raising the bar.*

- **Moral Courage - Do the right thing**  
*This can be a constant challenge, as we are pressured to meet the numbers do we have a different quality standard at the beginning of the week than the end of the week if we are falling behind? What is truly the right thing we should be doing?*

*Taco went on to explain the difference between Leaders and Management. Management tend to view employees as cost and expense where as Leaders consider them as Assets. However every organization needs both attributes to maintain balance.*

*Finally on leadership ... a quote from Richard Evans "people leave leaders not organizations"*

*Think about it !!*

Consortium Event Schedule  
 Tour Workshop Conference



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