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LEAN THOUGHTS

Richard Kunst

Tel: 519 841 0150

E-mail: rkunst@kunstartofsolutions.com Web: www.kunstartofsolutions.com

Lean Customer

Yes a big portion of adopting and implementing Lean Principles is to identify “waste” and eliminate it from within our operations to reduce cost and remain competitive. The other side of Lean is to balance of capacity and capability to match customer demand ... but do we really do a good job in this arena?

I would suggest that we could probably do a much better job of integrating our customers into our Value Stream. I think most companies have a fear of speaking to their customers beyond introducing new products, features and attributes of existing products since the customer will be looking for more by paying less. So we sit in our facilities anticipating and guessing about potential customer demand and building an infrastructure to deal with sudden surges and surprises.

A key element of Lean Enterprise is Level Loading or Hyjunkia ... to be truly effective this requires intimate customer involvement ... but how do we get there?

First categorize your customers and the products they purchase into “Runners, Repeaters and Strangers”. We will initially focus on the Runners. The first logical step would be to conduct an extended Enterprise Value Stream Map digging deep into your customer to determine how demand is generated and accumulated before an order is triggered. This may reveal some exciting opportunities since you may be surprised that your customer’s ordering methodology is not as sophisticated as you had imagined.

Next, work with your customer to establish the products they order from you on a Kanban system. In past lives I have employed the use of web-cams to view inventory stocking locations to really remove the customer pain of placing orders. By supporting your customer with Kanban you will be able to get closer to the actual customer demand without feeling the effects of an ERP filter.

Link your customer Kanban system with timed delivery milk runs. Once your customer knows when your shipment will be arriving orders and support systems will be put in place to maximize resources. Based on your analysis you should be able to optimize the cube and size of your trucks and the length of the run. Once you have your outbound route established you can use your backhaul route to pick up supplies from your suppliers or use the route to return reusable packaging.

Internally, at your operation things will begin to optimize as you can anticipate predictable demand. Once you have your “Runners” operating smoothly on a Kanban induced timed delivery route it become fairly easy to integrate Repeaters and ultimately Strangers into your production planning strategy.

You know how to use these simple tools internally ... so begin to leverage their power by using them with your customer relieving customer stress and making your customer even more committed to you and your success.

LEAN CONSORTIUM MEMBERS:

- ACE Bakery
- 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

Most Efficient North American Car Assembly Plants

It is that time of the year when lists are generated on just about any topic under the sun. Automotive News recently published the top 10 list of vehicle assembly plants in North America based on labor assembly hours per vehicle. I caution the data since in some assembly plants sub assemblies are performed in on-site feeder lines while in another plant it may be an out-sourced sequenced module like Instrument panels.

Here is the list and some of you may be shocked by who is on the list

1.	GM Oshawa No. 2	15.68 HPV
2.	GM Oshawa No. 1	16.34 HPV
3.	Ford Kansas No. 1	17.83 HPV
4.	CAMI	17.85 HPV
5.	GM Fairfax	17.89 HPV
6.	Honda Alliston No.1	18.82 HPV
7.	NUMMI	19.00 HPV
8.	Ford Chicago	19.06 HPV
9.	GM Lordstown	19.17 HPV
10.	Toyota Georgetown No. 2	19.77 HPV

It is also nice to note that 4 of the plants reside in Canada. A little puzzling is that only 2 Toyota plants made the list.

Top 10 Colours

In 2007, white replaced silver as the most popular vehicle colour in North America, according to Dupont.

1.	White	19%
2.	Silver	18%
3.	Black	16%
4.	Red	13%
5.	Gray	12%
6.	Blue	12%
7.	Beigh/Brown	5%
8.	Yellow/Gold	3%
9.	Green	2%
10.	Others	less than 1%

Contact me if you need coaching or facilitation help in the areas such as but not limited to; 5S, Value Stream Mapping, Set-up Reduction, Problem Solving or Policy Deployment and Consortium Development



Vision of the Visual Workplace

As you walk the aisles is their evidence of:

➤ **No Wandering / No Searching**

Everything you need to do a proper job is near at hand and where you left it - and where you left it is its proper, designated place.

➤ **No Waiting / No Delays**

You do not need to wait to do your work. Materials, parts, tools, paperwork arrive on time. Permission to engage in the work is visibly in place in the work area.

➤ **No Wondering / No Secrets**

Procedures are standardized and visually displayed. All the information you need to do quality work is at your fingertips - accurate, complete and visible.

➤ **No Obstacles / No Detours**

It's a straight shot to where you need to go. You don't need to take a detour around equipment, racks, people or material.

➤ **No Extras**

The area contains just what's needed, nothing extra, nothing just-in-case. Lean, elegant, essential.

➤ **No Injuries**

The workplace is safe. Safety procedures are built into the process of work.

➤ **No Waste / No Red Ink**

The workplace is clean, well-ordered, self-explaining, and self-regulating. Waste is identified before it accumulates. Material and information flow through the workplace at an accelerated pace.

Ref: *Quality Methods International Inc. Visual Systems: Harnessing the Power of a Visual Workplace* ~ Gwendolyn D. Galsworth

SMART FLOORS

For those not yet committed to a visual factory - stupid floors you just walk on, but smart floors are filled with information that brings order out chaos, as visual indications show where everything should be.

2008 Consortium Event Schedule



Tour Workshop Conference

January	February	March	April	May	June
<p>T</p> <p>Wednesday 16 Eaton Electrical, contact Joe Fisher, JoeRFisher@eaton.com</p>	<p>T</p> <p>Wednesday 13, ACE Bakery, contact Cindy Grolleman, cgrolleman@acebakery.com</p>	<p>T</p> <p>Wednesday 19, Nestle Waters, contact Mariela Castano mcastano@perriergroup.com</p>	<p>T</p> <p>Wednesday 16, CTS Corp., contact Bob Garces, Bob.Garces@ac.ctscorp.com</p> <p>Consortium Shreshowcase</p> <p>Saturday 05 Eaton Milton. Contact Cindy Grolleman cgrolleman@acebakery.com or Joe Fisher JoeRFisher@eaton.com</p>	<p>T</p> <p>Wednesday 14, Stackpole CSD, contact Don Barber Don.Barber@stackpole.ca</p>	<p>T</p> <p>Wednesday 18, Morrison LaMothe, contact Tony Vita tvita@morrisonlamthe.com</p>
July	August	September	October	November	December
		<p>T</p> <p>Wednesday 24, Kraft Foods, contact Hanif Jivraj hjivraj@Kraft.com</p>	<p>T</p> <p>Wednesday 08, CGL Manufacturing contact Dave Deskur daved@cglmfg.com</p>	<p>T</p> <p>Wednesday 12, Messier-Dowty, contact Mike Smith Mike.Smith@Messier-dowty.on.ca</p>	<p>T</p> <p>Wednesday 10, Orenda, contact Brenda McIntosh brendamcintosh@orenda.com</p>