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LEAN THOUGHTS

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Yield

Measuring and monitoring “Yield” within your facility can reveal interesting information about how well you utilize your materials and cash.

Many organizations already use Value Stream Mapping to assist them to identify projects that will deliver cash during the coming annual operating plan. Many mapping organizations now have enhanced their mapping techniques to include looking at environmental issues related to operations. I personally have taken the exercise of Value Stream Mapping even further. Since the VSM exercise is normally conducted on an annual basis it allows for a deep look at your operations ... so now while gather data for the mapping exercise I now consider some other factors;

- 1) Employee turnover and casual absenteeism ... what makes this job function unattractive to employees and what can we do to make it better ... remember to always look at an operation through your parental eyes to determine if this is a function you would want your kids to do?
- 2) Machine Up-Time ... how robust is the operation in value stream sequence and how reliable.
- 3) Are “Current Best Practices” documented and followed by team members ... also what is the scope of decision making capability allowed at the team member level.

I now spend a considerable amount of time assisting folks on how to capture a yield number for their operation and/or Value Streams. In the most of simple terms, the calculation is total pounds of material received vs. total amount of pounds of goods invoiced and then factoring in the delta of your inventory status for that time period.

Usually the data is actually quite easy to capture since most Bills of Lading require the shipper to post the weight of the shipment. You should always attempt to reconcile to the received number.

Now let us begin to reconcile.

Initially, I am not looking for accuracy as much as I am looking for trends. I am looking to insure that the maximum amount of incoming material is converted into saleable product that my customer is willing to pay for.

So starting at the shipping department I begin to assemble all of the out-bound Bills of Lading and begin to categorize them along with the weights;

- Customer Invoiced Shipments
- Shipments to recyclers
- Garbage (tipping fees)

LEAN CONSORTIUM MEMBERS:

- ACE Bakery
- Alumicor
- CGL
- CTS Canada
- EATON Cutler Hammer
- KRAFT
- LA-Z-BOY- Residential
- MESSIER-DOWTY
- MORRISON LAMOTHE
- ORENDA
- NESTLE WATERS CANADA



Where “Lean
Thoughts”
Become Reality



The sum of these numbers should get you pretty close to 100%. If not, dig deeper to see how material is potentially leaving your facility without documentation or possibly compensation.

You can begin to look at the categories identified to how goods are relieved from your operation to seek potential opportunities such as;

Waste Reduction
Improved Material Utilization

Once you have these numbers you can also have some fun with them like comparing your purchase cost per pound of incoming material (total pounds received divided by dollars to be paid in the same time period) vs the average selling price per pound of customer invoiced goods shipped. IF you are up-side down in this number ... you have major problems ... but how does the selling price of your product compare in value to everyday items you purchase in the grocery store ... this may be a number your employees can resonate towards and inspire ideas to increase value or reduce cost.

Like everything else, keep this metric simple ... you are looking for trends and the low-hanging fruit ... don't allow your operation to add complexity in completing this metric and allowing it to become yet another complex sub-system ... that would just not be Lean.

This is not an earth shattering metric but rather just another quick litmus test of your operations and also provides a quick and simple audit of your operations.

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



“Perfection is not attainable.

*But if we chase perfection, we can
catch excellence.”*

Vince Lombardi (1913 - 1970)

Training Within Industry: The J-Programs

BY: Jill Jusko

Three training programs, frequently called “J” programs (J stands for “jobs”), comprise Training Within Industry (TWI), along with a fourth program called Program Development. The three J programs are:

Job Instruction (JI). JI training teaches supervisors how to instruct the people doing the jobs. This training includes explaining to workers why their jobs are important; breaking down the job into logical steps and key points, and teaching the correct method of performing the task; confirming that the workers can do the task on their own; and following up to confirm that standard work is enforced. John Shook, senior advisor for the Lean Enterprise Institute, says Toyota still teaches job instruction in this fashion with little modification to the program.

Job Methods (JM). The Job Methods program was developed to provide management with a tool whereby supervisors could acquire skills in improving methods, according to the original training materials. JM can be described as the kaizen and continuous improvement component, says Patrick Graupp, senior master trainer at the TWI Institute and author of *The TWI Workbook: Essential Skills for Supervisors*. [Graupp and LEI's Shook participated in an **IndustryWeek** Webcast about TWI, [Foundations of the Toyota Production System: Establish Standardized Work & Sustain Your Lean Initiative with TWI Training](#)]. Key to the JM training is teaching supervisors how to make the best use of the people, technology and resources available right now.

Job Relations (JR). Original training materials describe job relations as a tool to help supervisors acquire leadership skills. This tool recognizes that job relationships are an important component of a supervisor's job and provides instruction about how to address “people” problems, such as morale issues or grievances. While personnel issues may prove an uncomfortable part of a supervisor's duties, Graupp notes that “without the cooperation of the people, not much is going to get done.” The original JR manual outlines a four-step process for meeting job relations situations that says: 1) get the complete facts about a situation; 2) weigh and evaluate the facts; 3) take action; and then 4) check the results of those actions.

2008 Consortium Event Schedule



Tour **W**orkshop **C**onference

January	February	March	April	May	June
T Wednesday 16 <u>Eaton Electrical</u> , contact Joe Fisher, JoeRFisher@eaton.com	T Wednesday 13, <u>ACE Bakery</u> , contact Cindy Grolleman, cgrolleman@acebakery.com	T Wednesday 19, <u>Nestle Waters</u> , contact Mariela Castano mcastano@perriergroup.com	C Consortium Shareshowcase Saturday 05 <u>Eaton Milton</u> , Contact Cindy Grolleman cgrolleman@acebakery.com or Joe Fisher JoeRFisher@eaton.com	T Wednesday 14, <u>Alumicor</u> , contact Barry Wood barry@Alumicor.com	T Wednesday 18, <u>Morrison LaMothe</u> , contact Tony Vita tvita@morrisonlamthe.com
July	August	September	October	November	December
		T Wednesday 24, <u>Kraft Foods</u> , contact Hanif Jivraj hjivraj@Kraft.com	T Wednesday 16, <u>CTS Corp.</u> , contact Navneet Mann, navneet.mann@ac.ctscorp.com	T Wednesday 12, <u>Messier-Dowty</u> , contact Mike Smith Mike.Smith@Messier-dowty.on.ca	T Wednesday 10, <u>Orenda</u> , contact Brenda McIntosh brendamcintosh@orenda.com