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# LEAN THOUGHTS

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## Manage your Inputs to control your costs

Are you controlling your schedule or is your customer? In essence are you attempting to manage surprises with the best tools at your disposal and then hoping for that perfect order to optimize through-put?

We all are challenged to find the right balance for Labour Optimization, Asset Utilization, Material Yield, Environmental Friendliness, Energy Conservation, Logistics' Optimization among many other priorities to drive through-put targets, inventory management as our customers want it **Faster, Better and Cheaper**.

In Theory of Constraints these are called "Conflict Clouds" the definition of conflicting priorities that exist within operations. These conflicts will always be around despite the implementation of Enterprise Excellence Tools and enablers.

To find the right balance, instead of being reactive (responding to customer demand) why not take a pro-active approach?

This tactic goes beyond Strategic Planning and can be a fun exercise. Go to a quiet place with your team to design what would be your ideal schedule.

Start by defining the objectives and priorities of your operation. Which are the key enablers that generate cash within your operation?

- Material Optimization
- Labour Utilization
- Equipment Up-Time
- Process Through-put

With focus on your key enablers, review your previous customer order pattern and begin to build a schedule that would optimize around your enabler.

### **Simple ?? No of course not ...**

You need to start a list of assumptions about your customer;

- Customer's want your product or service, Faster, Better and Cheaper
- Customer's have no idea about the complexity of your process
- Customer's have no desire to order in a manner to support your optimization
- The Customer's strategic focus is not the same as yours

But ...

Providing a working alternative to your customer that is simple and easily adopted will provide dividends to all of the stakeholders.

### **LEAN CONSORTIUM MEMBERS:**

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



Where “Lean Thoughts”  
Become Reality



First you need to categorize your customers and focus initially on the high volume and regular repetitive ordering customers. Review their previous 12 month ordering pattern to see if you can spot trends and cadence with their requests. Let us call this the “Current State”

Harmonize their requests and profile to your perfect schedule if you could control your customer ... which you can. Keep doing this process as you filter through all of the critical KPI's of your internal operation.

Once you have optimized your internal KPI's the next logical step is to plot the “Ship To” locations of your product or service. Working with your logistics' provider begin to optimize a logistics' route. Based on your perfect schedule can you optimize the logistics' route or will you need to reduce lot size and increase distribution frequency? Next look at the location of your suppliers and can back-haul of the out-bound route be utilized to obtain materials?

Once you have all of this data assembled to the best optimized schedule we have in essence created the “Ultimate State” or the perfect schedule. Make sure you and team take time for reflection to insure that the perfect process will exceed your KPI objectives.

Migrating to the “Ultimate State” will take time and commitment from all areas within your operation. First you need to share the Perfect Schedule with all key stakeholders within your operation.

Next you need to create a simple implementation model that can be readily accepted by customers and suppliers alike. In essence, you begin with a foundation of Engineered and Timed Routes ... the external will drive the internal routes. On top of your time routes you can build a simple Kanban system that will keep you connected to actual customer demand.

As you design and build your “Perfect Schedule” make sure that your PFEP (Plan For Every Part) database is built with integrity. The data base can encompass both supplier components but also finished goods.

Finally, as you migrate to the “Perfect Schedule” it will be many re-iterations of Future State implementations. Each implementation will require discussion and agreements with your customers. In many cases, you may already have a good repeatable and consistent demand from your customer. Great !! this is a good foundation from where to build your schedule.

Ultimately the Perfect Schedule will become the Perfect Process. So are you going to begin to manage your customer in a constructive sense or continue to allow them to manage you? In many cases 20% schedule stabilization is a 100% improvement and it can work in any environment. Call us for facilitation or help if you are interested in doing this exercise.

## Wal Mart Applicant revealed...

Below is an actual job application that this 75 year old senior citizen submitted to Walmart in California . They hired him because he was funny.....

**NAME:** Kenneth Way (Grumpy Old Bastard)

**SEX:** Not lately, but I am looking for the right woman (or at least one who will cooperate)

**DESIRED POSITION:** Company President or Vice President. But seriously, whatever's available. If I was in a position to be picky, I wouldn't be applying here in the first place

**DESIRED SALARY:** \$185,000 a year plus stock options and a Michael Ovitz style severance package. If that's not possible, make an offer and we can haggle.

**EDUCATION:** Yes.

**LAST POSITION HELD:** Target for middle management hostility.

**PREVIOUS SALARY:** A lot less than I'm worth.

**MOST NOTABLE ACHIEVEMENT:** My incredible collection of stolen pens and post-it notes.

**REASON FOR LEAVING:** It sucked.

**HOURS AVAILABLE TO WORK:** Any.

**PREFERRED HOURS:** 1:30-3:30 p.m. Monday, Tuesday, and Thursday.

**DO YOU HAVE ANY SPECIAL SKILLS?:** Yes, but they're better suited to a more intimate environment .

**MAY WE CONTACT YOUR CURRENT EMPLOYER?:** If I had one, would I be here?

**DO YOU HAVE ANY PHYSICAL CONDITIONS THAT WOULD PROHIBIT YOU**

**FROM LIFTING UP TO 50 lbs.?:** Of what?

**DO YOU HAVE A CAR?:** I think the more appropriate question here would be 'Do you have a car that runs?'

**HAVE YOU RECEIVED ANY SPECIAL AWARDS OR RECOGNITION?:** I may already be a winner of the Publishers Clearing House Sweepstakes, so they tell me.

**DO YOU SMOKE?:** On the job - no! On my breaks - yes!

**WHAT WOULD YOU LIKE TO BE DOING IN FIVE YEARS?:**

Living in the Bahamas with a fabulously wealthy dumb sexy blonde supermodel who thinks I'm the greatest thing since sliced bread. Actually, I'd like to be doing that now.

**NEAREST RELATIVE:** 7 miles

**DO YOU CERTIFY THAT THE ABOVE IS TRUE AND COMPLETE TO THE BEST**

**OF YOUR KNOWLEDGE?:** Oh yes, absolutely.

2008 Consortium Event Schedule



Tour Workshop Conference

January	February	March	April	May	June
<p><b>T</b></p> <p>Wednesday 16  <b>Eaton Electrical</b>,                      contact Joe Fisher,  <a href="mailto:JoeRFisher@eaton.com">JoeRFisher@eaton.com</a></p>	<p><b>T</b></p> <p>Wednesday 13,  <b>ACE Bakery</b>,                      contact Cindy Grolleman,  <a href="mailto:cgrolleman@acebakery.com">cgrolleman@acebakery.com</a></p>	<p><b>T</b></p> <p>Wednesday 19,  <b>Nestle Waters</b>,                      contact Mariela Castano  <a href="mailto:mcastano@perriergroup.com">mcastano@perriergroup.com</a></p>	<p><b>C</b></p> <p><b>Consortium Shareshowcase</b></p> <p>Saturday 05  <b>Eaton Milton</b>,                      Contact Cindy Grolleman  <a href="mailto:cgrolleman@acebakery.com">cgrolleman@acebakery.com</a>                      or Joe Fisher  <a href="mailto:JoeRFisher@eaton.com">JoeRFisher@eaton.com</a></p>	<p><b>T</b></p> <p>Wednesday 14,  <b>Alumicor</b>,                      contact Barry Wood  <a href="mailto:barry@Alumicor.com">barry@Alumicor.com</a></p>	<p><b>T</b></p> <p>Wednesday 18,  <b>Morrison LaMothe</b>,                      contact Tony Vita  <a href="mailto:tvita@morrisonlamthe.com">tvita@morrisonlamthe.com</a></p>
July	August	September	October	November	December
		<p><b>T</b></p> <p>Wednesday 24,  <b>Kraft Foods</b>,                      contact Hanif Jivraj  <a href="mailto:hjivraj@Kraft.com">hjivraj@Kraft.com</a></p> <p><b>C</b></p> <p><b>Executive Forum</b>                      Tuesday &amp; Wednesday                      23<sup>rd</sup> &amp; 24<sup>th</sup>                      Contact Richard to register  <a href="mailto:rkunst@kumstartofsolutions.com">rkunst@kumstartofsolutions.com</a></p> <p><b>C</b></p> <p>22<sup>nd</sup> Transportation                      Thursday 24<sup>th</sup>  <a href="http://www.transportconference.net/emaplan.html">http://www.transportconference.net/emaplan.html</a></p>	<p><b>T</b></p> <p>Wednesday 16,  <b>CTS Corp.</b>,                      contact Navneet Mann,  <a href="mailto:navneet.mann@ctscorp.com">navneet.mann@ctscorp.com</a></p>	<p><b>T</b></p> <p>Wednesday 12,  <b>Messier-Dowty</b>,                      contact Mike Smith  <a href="mailto:Mike.Smith@Messier-dowty.on.ca">Mike.Smith@Messier-dowty.on.ca</a></p>	<p><b>T</b></p> <p>Wednesday 10,  <b>Orenda</b>,                      contact Brenda McIntosh  <a href="mailto:brendamcintosh@orenda.com">brendamcintosh@orenda.com</a></p>