

## Capacity Staffing Plan or ... Why Do LEAN in meager times?

The pursuit of Lean is synonymous with the pursuit of the perfect process. However, many folks tend to overlook the need for robust capacity planning as it relates to staffing.

In these times of rapidly changing business volumes proper staff planning is crucial. It is also important as it relates to your Lean journey. I have been speaking with several organizations that have stated with their current volumes down they have stopped or slowed their Lean Journey in order to keep the current talent pool they have busy. In essence, what they are actually stating is they are allowing their work-force to become lazy and processes to become broke.

We are strong advocate of having a Capacity and Staffing Planner (CSP) active within any organization. The plan should always be looking forward for 120 days and reflect on the previous month. The planner should be calculating your staffing requirements based on demonstrated output of your processes and then reduced by an additional 10%.

The plan will help you keep the pressure on your team to constantly be looking for better, safer easier ways to conduct their jobs and enhance process. If you do not keep the pressure on the teams ... the wastes will creep back into the process mitigating any Lean successes you have accomplished. A good CSP model will work in conjunction with the Demming PDCA cycle.

Here are some tips on how to manage your CSP program effectively;

Get to know your new customer ordering pattern and build your forecast accordingly. The CSP should be reviewed and discussed with the Leadership Team during the first week of every month and a plan devised for the next 3 months.

**Prior Month = CHECK** ... how well did you track to your assumptions and use the standard debrief with the team (WWW, WDWW, WDD). Make sure that you reflect on any special sales promotions your sales department decided to run.

**Current Month = DO** ... final review and execution of your staffing plan as discussed in prior months.

**Next Month = ACT** ... this could include the hiring of employees, cross-training or redeployment strategies of your current work-force.

**2 months out = PLAN** ... do some pro-active planning and adjustments. This could provide the opportunity to schedule preventive maintenance or manpower planning. It will also Provide your Human Resource department time to do things properly.

Other things to consider with your CSP ...

**Plan For Every Part (PFEP)** ... if you running a strong Kanban System you will have resident a PFEP data base. Use the link of your CSP to your Kanban calculator and make the necessary stocking adjustments accordingly. Typically, we do not suggest changing the stocking levels unless the volume changes by more than 15%.

Where Lean  
Thoughts  
can become  
Reality

*"Unless you try to do something beyond what you have already mastered, you will never grow."*

Ronald. E. Osborn

## Capacity Staffing Plan

Adjusting Staff ... there are many opportunities to adjust staff while still managing to control your payroll.

- 1) Employ the use of “Bank Time” ... with Bank Time employees have the option of placing overtime hours into a “Bank” or get paid. If they choose to “bank” the time it can only be withdrawn using the vacation policy parameters. In the past I have only allowed employees to bank up to 80 hours per annum and if they have not cashed in their bank time I normally would pay it out once per year. Bank time has several benefits ... during busy times it does add additional stress to your payroll although you still will have to accrue. It also allows employees an additional 2 weeks of vacation per annum. For the employer it is benefit because you no longer have to worry about providing make-up days during Christmas and in the case of using in conjunction with your CSP you can request employees to cash in some bank time if your customer demand is low.
- 2) Have special projects available for temporary surplus employees. Have several employees form an action team to focus on any of the following; 5S+1 improvements, Set-Up Reduction, Yield Improvement, etc. The important thing is to maintain load on the direct production folks required to process the scheduled customer demand.
- 3) The CSP calculator we use includes both the calculations based on “Demonstrated Output” and “Theoretical Output” which also includes an Overall Equipment Effectiveness (OEE) number. Based on opportunities identified during Value Stream Mapping exercises we can build in the harvest of anticipated productivity gains to further calculate our proper staffing models.
- 4) By looking forward, you also have an excellent opportunity to begin proper cross-training or use the “Rubber Factory” approach to deal with some peak demand that may not justify more proper staffing reassignments.
- 5) Your CSP should also have an area for calculating in the impact of both new product introductions and promotional events stimulated through your sales & marketing folks. Similar to your PFEP it will minimize stress of managing your operations by insuring you have adequate resources and supplies.

Your CSP does not need to be complex or complicated. However, the monthly review and planning session surrounding your CSP will help to align the key stakeholders within your operation. It also allows you to put in place contingent triggers should certain events happen or other planned ones fail to occur.

### Focus on Skills

The reason to focus on skills is very simple: It builds pride and commitment within the organization and helps to focus and energize the people. Competitive people, the kind of people it takes to build a world-class organization, want to know what their company is trying to excel at. Identifying that one thing the company is going to do better than anyone else in the world will focus and galvanize your workforce.

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Lean Thoughts