



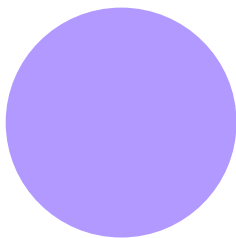
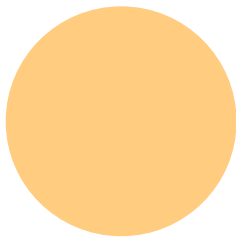
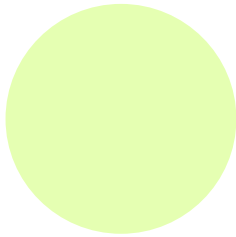
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LEAN THOUGHTS

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Developing Problem Solvers

A note from Dan Jones, Chairman, Lean Enterprise Academy



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We traditionally see an organization as a collection of departments or activities, each managed separately and each separated from the rest by inventories or time buffers between them. Performance is improved by setting targets and budgets. When these are not met we change the managers and if that does not work we restructure the organization. We instinctively reach for structural solutions because they are quick and relatively easy. However the underlying processes and cost structures remain more or less unchanged.

When I walk round any organization I see it as a collection of customer processes (if it is a service delivery organization like a hospital), design and production processes (creating the value the customer is paying for) and many support processes that enable these value-creating processes to flow. The task is to identify the value in each of these processes; to see and manage the end-to-end flows and to synchronize the support flows.

If I cannot see the end-to-end flow through production, then neither can employees and managers. So the first task is to help them see their processes and to uncover the reasons why they do not flow. Quite often this means looking at the impossibly complex mix of products they are attempting to flow through their processes. It also means challenging the batch logic of his or her planning systems trying to schedule every product or batch through every operation. Getting over this hurdle creates the conditions where we can begin to flow most products through the entire process. It also creates the stability necessary to develop standard operations in every process step, which is the baseline for continuous improvement.

As well as looking down at individual processes, I also want to fly a little higher and look down at the organization as a whole. What are the major flows through the organization and how do all these processes interrelate? I have in mind a fishbone diagram, overlaid on the organization chart. The value creating processes form the backbone and all the support processes are the fins. Once we can see how an organization flows then I am sure we will see even more opportunities for improving it.

The distinctive thing about lean thinking is that it derives from observing best practice organizations and not from theory (which is why academics have such a hard time understanding lean). The lean principles distil the cumulative experience of thousands of people who have spent their working lives solving the problems that enable processes to flow, and to do so in line with customer demand.

The core expertise required to create and improve processes is a scientific approach to problem solving close to its source. Every problem is an opportunity to improve the process and every problem is also an opportunity to develop your people. The two go hand in hand.

So the second thing I look for is how good the organization is at seeing and surfacing all the interruptions and hiccups in their processes. Are these recorded as they occur and what are the processes for responding to them? Are they delegated to an expert group to solve or is everyone involved in some kind of problem solving activity?



Where "Lean Thoughts" Become Reality

If so, is there a common approach to problem solving across the organization and a common language for communicating the diagnosis and the results? Is there a policy deployment framework for aligning and prioritizing problem solving activities in line with the business goals of the organization?

More than anything else do managers lead by developing the abilities of their staff to solve problems, at every level in the organization and throughout their career? Do employees look up to their superiors for the answers to problems or do managers guide their staff to find the right solution by asking the right questions?

Answers to these questions reveal the real management challenge and opportunity from lean thinking. Process thinking is fundamental to delivering increased value to customers at lower cost. But this in turn relies on an infrastructure for communication and problem solving and a management committed to continually developing the problem solving capabilities of its people, from the top to the bottom.

Source: Daniel T Jones Lean Enterprise Academy www.leanuk.org

LEAN HEALTHCARE

For those of you interested in Healthcare - check out the www.leanhealthcare.uk to find a series of articles by Jim Womack and others which you can easily download. Dan's team is delivering the second Lean Healthcare Forum in the UK. It is taking place on June 6th in Birmingham and is sold out already. It is focused on designing end-to-end patient flows. If you are interested please check the full details on Dan's new web site www.leanhealthcare.org.uk. He is following these by public workshops on June 7-9th, details on www.leanuk.org.

PS. For those who are beginning to understand that *Lean is only the beginning battle in our attack on competitiveness & ultimately survival*, the next Frontiers of Lean Summit will be on November 20 and 21, 2006 near Warwick, UK.

"Employees have to feel the rewards that go with winning in their soul as well as their wallets"

Jack Welch, GE

HIRING EMPLOYEES

Hiring employees is also called recruitment. Perhaps the most important thing you can do is to bring other capable, motivated people into your business. In the bestseller *Good to Great*, management expert Jim Collins says great leaders "get the right people on the bus—sometimes even before a company decides exactly what business it will be in." Here are some ways to bring employees into your business:

- Bring people in as partners. Partners share the risks and rewards of the venture and will co-own the business with you.
- Hire experts to work on specific tasks on a contract or hourly basis. For example, you might hire a professional accountant to work one day per month on your record keeping.
- Hire someone as a full-time, permanent employee. The most common way to do this is an "at will" arrangement. Typically the "at-will" employment relationship continues for an indefinite amount of time, but can be ended by either party in writing with, say, two weeks notice.

Here are specific steps in the recruiting process:

1. *Defining the job.* Think about what you need this employee to do and what kind of skills you will need.
2. *Posting the job.* Will you place an ad in a newspaper? Put up want-ad posters?
3. *Screening resumes.* A resume is a one-page summary of a person's education and work experience. When you post the opportunity, ask for people who want the job to mail or fax their resumes.
4. *Interviewing candidates.* Use the resumes to choose several people to interview. Beforehand, prepare the questions you want to ask about the individual's skills and ambitions.
5. *Checking references.* Ask the candidates who interest you to provide at least two references from previous employers or other professional people who can tell you about their character.
6. *Negotiating salary.* You and the candidate you choose will have to negotiate how much you intend to pay, and any benefits the job includes, such as health insurance.
7. *Hiring.* Once you decide to hire someone, you will have paperwork to fill out to start creating paychecks.
8. *Orientation.* This is the process of introducing the employee into the company and teaching him or her about the job.

Source: Steve Mariotti, "ENTREPRENURSHIO: "Starting and operating a small business"



Consortium Event Schedule

Tour Workshop Conference



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