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LEAN THOUGHTS

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No Time? or Standing on a Burning Platform? Then ... join or build a Consortium

The one thing each human is granted most days is the gift of 24 hours of time. How you maximize this gift is entirely up to you. Many of us face the daily pressures of attempting to accomplish a wide array of task to make our organizations more competitive and profitable.

As I speak and work with organizations the one constant theme heard "I have no resources" or there is not enough time in the day to get everything done that needs to be done. When you offer these same folks proven tools that could help them .. you immediately meet with resistance that their specific organization is unique and the application of that specific tool will not work for them. So the pain continues for those folks.

Now let us look at a bunch of different folks who have minimal pride and are willing to "steal with pride". These are typically folks that are members of a Consortium. They have it figured out that running an Enterprise is a series of processes no matter whether you are making furniture or meat pies. But consortiums can provide you with much more ...

Many years ago when I started my first consortium we realized that our organization would only be as competitive as our least competitive supplier. Being in the middle of a recession we also realized we did not have the resources to manage each of suppliers independently. So we decided to break a paradigm by bringing all of key suppliers together with a common focus on manufacturing excellence and how could we leverage from each other. The suppliers were a diverse group, large, small, batch oriented, process bound ... but all were attempting to survive. The initial ground rule within the group was we could speak about anything but pricing. As we conducted a diagnostic we were able to identify group and individual projects this started to create a safe harbour environment with a no blame climate.

Eventually this model was documented in a paper by the Sloan School of business ... so if you want to understand the model more read the paper here [Sloan Management Review](#). It was published in the summer of 1998, Volume 30, Number 4.

So how do you go about developing and designing your consortium? The most competitive enterprise in the future will be the one with the best infrastructure to compete with other infrastructures ... a good example is a comparison of Toyota vs. GM ... a good friend of mine who works in a Tier 1 level to Toyota did not even know he had a problem with Toyota until 16 Toyota engineers showed up in his lobby prepared to help solve the problem vs. GM that likes to place you on positive containment at a cost of 10's of thousands of dollars per day while you struggle to find and fix your problem.

So start your consortium by looking at your supply chain, and bringing your key suppliers together with a common focus on improving your entire supply chain competitive infrastructure. It does not matter how diverse the group is, since some standard tools in one industry sector could give you a competitive edge within your sector. Your suppliers will already come committed since your success is dependent on their own internal success.

Better yet, if you envy the business model of another organization, knock on their door ask them if they would like to play with you ... chances are excellent organizations are proud to share their expertise with others and will share shamelessly.

LEAN CONSORTIUM MEMBERS:

- CFN Precision
- 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**



The power of the consortium is all about employee engagement ... and I mean all employees. So you need to design your consortium model to encompass 3 levels of engagement within your organization and your members:

- 1) The Director level ... this should be a high level manager that is able to establish policies and have the ability to make decisions on behalf of the organization. These are the folks that will bring the vision, mission and direction to your group.

Typically the directors only meet a few times per year to review accomplishments and reset direction based on pressing business conditions.

- 2) The Practitioner Level, these are the internal champions that are your change agents. They normally meet more frequently and since each change agent could have a potential core competency or passion allow them to become the consortium SME (subject matter expert) and allow them to share their time with other consortium members in the role of training or facilitation.

- 3) Finally the Foot Soldiers, your team members that need to adopt the changes and modify the behaviour that will enhance the competitive nature of your enterprise. An excellent tool of getting these folks emotionally engaged is by having benchmarking tools at your fellow consortium members. The key for the tours is that you select a standard day and tour format for all to follow so it does not become an event but rather an opportunity for sharing.

LEAN ON ME

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, Policy Deployment and Consortium Development.



So where is the benefit? First the benchmarking tools allow your folks to see that your enterprise is not the only organization managing change to become more competitive. It instills pride within team members to make sure your facility is constantly “tour ready”, it also creates a level of empowerment to employees to make change work within your organization. Remember it is all about sharing.

Speed ... you do not have the time to develop all of the tools you need to get and remain competitive so by sharing you can implement more and faster which should allow you to accelerate past your competitors.

Comfort and reassurance by having a close circle of friends that are in the same pursuit as you. I am always amazed with the internal bickering of multi-site organizations attempting to out-do each other vs. the consortium where the look and feel between these diverse organizations has a consistency of purpose. It is also cool to be able to pick up the phone and have a quick dialogue of reassurance about a tool you are implementing.

Employee recognition and acknowledgement ... my favorite day of the year is when we host Consortium ShareShowcase. On this very special day we acknowledge our team members that toil every day at our machines and work centres by having them showcase their implemented idea in a science fair format. Treating them like adults I am constantly amazed and impressed with the ideas developed and their ability to showcase them to others. It is amazing just how much they truly do know about our business and how committed they are to the success of the business.

There are several models of consortiums appearing around the world. Many of them have a fee associated to membership to subsidize the facilitation and coordination efforts of the consortium. This is not always necessary, especially if you start your consortium from within your supply base, but you may need some initial start-up assistance. (which means call me!)

Creating and building your consortium is fun and easy ... chances are if you are working on a process improvement activity with one company it will work for several others within your supply roster. Remember how robust and competitive you build your infrastructure is equal to the amount of distance you can create between you and your nearest competitor's infrastructure. Speed is normally the currency of competitiveness in North American Enterprises and Low Cost Country competitors are still faced with several weeks of logistics to provide products and services.

Now just imagine applying Consortium model practices to the revenue side of your business and just how competitive you could become.

Imagine the possibilities and it's free !

Consortium Event Schedule



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

January	February	March	April	May	June
T Wednesday 24 <u>Eaton Electrical</u>, contact Joe Fisher, JoeRFisher@eaton.com W La-Z-Boy Corporate Monroe MI February 14 & 15 <u>Enterprise Value Stream Mapping</u> How to use the VSM tools to map admin processes. Contact Richard Kunst for info. Richard.kunst@la-z-boy.com Register at www.ame.org	T Wednesday 14, <u>CFN Precision</u>, contact Paul Kaulback, pkaulback@cfm-inc.com	T Wednesday 21, <u>Nestle Waters</u>, contact Mariela Castano mcastano@perriergroup.com	T Wednesday 18, <u>CTS Corp.</u>, contact Bob Garces, Bob.Garces@ac.ctscorp.com C Lean Design & Development Conference Wed 18 to Fri 20 Chicago Contact www.iirusa.com/lean	T Wednesday 16, <u>Stackpole CSD</u>, contact Don Barber Don.Barber@stackpole.ca Consortium Shareshowcase Saturday 05 <u>CGL Guelph</u>, Contact Cindy Grolleman Grolleman@canada.com or Dave Deskur daved@cglmfg.com	T Wednesday 20, <u>Morrison LaMothe</u>, contact Tony Vita tvita@morrisonlamthe.com C AME Regional Conference Mon 18 to Thur 21 Edmonton, Alberta Contact www.measureupforsuccess.com
July	August	September	October	November	December
		T Wednesday 26, <u>Kraft Foods</u>, contact Hanif Jivraj hjivraj@Kraft.com	T Wednesday 10, <u>CGL Manufacturing</u> contact Dave Deskur daved@cglmfg.com C AME National Conference Mon 29 to Friday Nov 2 Chicago Contact www.ame.org	T Wednesday 14, <u>Messier-Dowty</u>, contact Mike Smith Mike.Smith@Messier-dowty.on.ca	T Wednesday 12, <u>Orenda</u>, contact Brenda McIntosh brendamcintosh@orenda.com