



January 28, 2008
Volume 7, Issue 05

LEAN THOUGHTS

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Where to do Lean

The latest communication from Dan Jones

Dear Richard

The beginning of a new year is a great time to look ahead to new challenges. One of the key challenges facing lean thinkers is to focus on doing the right things and getting the right results. In the past when I asked people why they are doing lean the answer was often “to eliminate waste” or Muda. Well and good – but how much of the Muda being eliminated was actually low hanging fruit and how much effort was really going into eliminating the causes of this Muda in the first place?

The next answer I heard was “to create flow” through the value stream. Now we are getting somewhere. This would involve addressing at least some of the causes of Muda. But it is still not the right answer. A better answer is “to solve an important problem or to seize a critical opportunity facing the business”. Unless we can identify measurable benefits for customers, employees, shareholders and the environment – ideally for all four – we should question whether we are doing the right things.

This questioning starts at the top of the organization as it debates which of the hundreds of projects and activities to pursue. One of the toughest parts of a policy management process is to deselect worthy initiatives in order to focus on the handful of objectives that will make the biggest contribution to the business in the year ahead. But this need to select and focus on doing some things and not others is a critical skill at every level of the business. The other side of the coin is that one solution does not fit all – so different answers may be needed for different customers or different product lines even if they share a common process route or value stream.

It all starts with correctly framing the problem to be solved. Then through a dialogue with superiors and subordinates making sure that this is the most important problem you could be solving and that it is consistent with the overall needs of the business. Then it is about developing the right plan to solve the right problem.

In truth it is hard to please every customer all of the time. Things go wrong, competitors get their act together and change happens. But looking beyond the day-to-day hiccups, on whom should we focus our efforts? Clearly on our most important and most profitable customers or types of customers (which may not be the same). How many of these customers or customer groups account for half of your sales? I bet not many. If so, how do their requirements differ from the rest?

Retailers and service providers are learning how to serve different types of customers in different ways by knowing much more about how they use their products and services. Manufacturers ought to do the same - build a real time picture of how key customers use your products (rather than how they order them). This should in turn enable you to offer win-win improvements that help them while at the same time streamlining your processes.

This also applies to products. The same product flowing to different types of customers may have very different demand characteristics. Some are built to replenishment pull while some are built to order. We also learnt that focusing on the few high volume products and managing them separately from the rest is the fastest way to make progress in plants with a complex product mix. Separating routine tasks from infrequent or more complex tasks is also the way to improve flows in the office.

LEAN CONSORTIUM MEMBERS:

- ACE Bakery
- 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 same also applies to streamlining the value stream. I hope we are beyond using newly discovered tools everywhere. Does it make sense to do TPM and SMED on every machine and develop standard work at every work station? Well not really. Use them on the key steps that need to be performed accurately, reliably and frequently and to solve the most important problems that are obstructing the flow.

Finally apply the same focus to reshaping your supply base. Work with the most important suppliers to align their activities with yours and to explore ways of compressing those value streams in time and maybe distance.

In other words – don’t do lean everywhere! At least not all at once! Heretical maybe. But it makes sound business sense. Why else would you be doing lean?

Yours sincerely

Daniel T Jones
Chairman, Lean Enterprise Academy

Automotive News calls it !! Toyota is Number 1

DETROIT -- General Motors had a solid year in 2007, with global sales up 1.9 percent from 2006. But it is now the world's second-largest automaker.

GM slipped well behind Toyota Motor Corp. in global sales. GM sold 8,885,599 total vehicles in 2007, while Toyota says it sold an estimated 9,370,000. Toyota will issue an official total in about a month.

It was widely reported this week that the two automakers finished in a dead heat for the No. 1 spot. Here is why: GM includes in its total 516,435 vehicles of the Wuling brand in China.

But GM owns only 34 percent of the Chinese company that produces Wuling vehicles, SAIC-GM-Wuling Automobile Co.

Shanghai Automotive Industry Corp., a major automaker in China, owns 50.1 percent of SAIC-GM-Wuling Automobile Co.

Automotive News follows industry practice by including sales of only majority-owned subsidiaries in an automaker's global total. For instance, sales of Mazda Motor Corp. are not included in Ford Motor Co.'s total because Ford owns 33.4 percent of Mazda.

So *Automotive News* subtracts Wuling-brand sales from GM's reported total, arriving at 8,885,599.

The Pit

A change agent fell into a pit and couldn't get himself out.

A subjective person came along and said, "I feel for you down there."

An objective person came along and said, "It's logical that someone would fall down there."

A Christian Scientist came along and said, "You only think you're in the pit."

A Pharisee said, "Only bad people fall into a pit."

Confucius said, "If you would have listened to me you wouldn't be in that pit."

Buddha said, "Your pit is only a state of mind."

A realist said, "That's a pit."

A scientist calculated the pressure necessary, pounds and square inches, to get him out of the pit.

A geologist told him to appreciate and study the rock strata.

An evolutionist said, "You are a rejected mutant destined to be removed from the evolutionary cycle, in other words he is going to die in the pit so he can't produce any more pit falling offspring."

The country inspector said, "Did you have a permit to dig that pit?"

A professor gave him a lecture on the elementary principles of the pit.

A self-pitying person said, "You haven't seen anything until you've seen my pit."

An optimist said, "Things could get worse."

A pessimist said, "Things are going to get worse."

A helpful fellow Change Agent with a sharing attitude saw the man in the pit, reached down, took him by the hand, and helped him out.

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



2008 Consortium Event Schedule



Tour Workshop Conference

January	February	March	April	May	June
<p>T</p> <p>Wednesday 16 Eaton Electrical, contact Joe Fisher, JoeRFisher@eaton.com</p>	<p>T</p> <p>Wednesday 13, ACE Bakery, contact Cindy Grolleman, cgrolleman@acebakery.com</p>	<p>T</p> <p>Wednesday 19, Nestle Waters, contact Mariela Castano mcastano@perriergroup.com</p>	<p>T</p> <p>Wednesday 16, CTS Corp., contact Bob Garces, Bob.Garces@ac.ctscorp.com</p> <p>Consortium Shreshowcase</p> <p>Saturday 05 Eaton Milton. Contact Cindy Grolleman cgrolleman@acebakery.com or Joe Fisher JoeRFisher@eaton.com</p>	<p>T</p> <p>Wednesday 14, Stackpole CSD, contact Don Barber Don.Barber@stackpole.ca</p>	<p>T</p> <p>Wednesday 18, Morrison LaMothe, contact Tony Vita tvita@morrisonlamthe.com</p>
July	August	September	October	November	December
		<p>T</p> <p>Wednesday 24, Kraft Foods, contact Hanif Jivraj hjivraj@Kraft.com</p>	<p>T</p> <p>Wednesday 08, CGL Manufacturing contact Dave Deskur daved@cglmfg.com</p>	<p>T</p> <p>Wednesday 12, Messier-Dowty, contact Mike Smith Mike.Smith@Messier-dowty.on.ca</p>	<p>T</p> <p>Wednesday 10, Orenda, contact Brenda McIntosh brendamcintosh@orenda.com</p>