

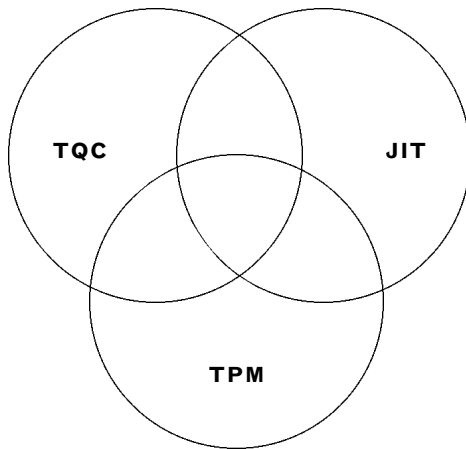
MANUFACTURERS' DIGEST

The Quarterly Guide
to Lean Manufacturing
WINTER 1998

DELTAPOINT ON LEAN THINKING

A philosophy & strategy for success

Since 1978, the Deltapoint Corporation has been helping companies in a variety of industries raise their level of performance and productivity. For the past nearly 20 years they have been using Lean to do so. With the guidance of this Washington-based consultancy, organizations large and small have experienced the tremendous impact processes such as JIT, TQC and TPM can have on operations. *Manufacturers' Digest* recently asked Deltapoint's **Gordon Harter** to share some of the things he has learned along the way and on the never-ending journey to improvement.



A HOLISTIC APPROACH: Leveraging an approach to improvement that integrates the TQC, JIT and TPM disciplines will simultaneously foster effectiveness, efficiency and reliability.

On Improvement

Improvement is endless—it is a journey, not a destination. Often, our approach to improvement looks as though we don't believe it. We act like we have to complete all improvement the first time through, or we'll never have another chance. We can get caught in a trap by thinking this way. Instead, we need to recognize the value of a series of short, focused events. Using this philosophy, every event is successful—it's like winning a baseball game with a series of singles, not just home runs.

A Holistic Approach

We need to take a holistic approach to improvement, integrating our systems, methods, tools and techniques. During 1994 and 1995, I had the opportunity to visit 14 different companies that had been the recipients of such awards as the Deming Prize, TPM Prize and the Malcom Baldrige Award. In these excellent companies it was interesting to note that no matter where they started on their journey (TQC, JIT or TPM), they all ended up with an integrated system of the three.

When visiting Toyota, Nissan, NEC and Nippon Denso, each company displayed a similar chart depicting TQC, JIT and TPM as three overlapping circles. These companies explained that TQC brings focus on *effectiveness*, JIT brings focus on *efficiency* and TPM brings focus on *reliability* of the system. If we see these systems as integrated at the highest level, we need to also see their various methods, tools and techniques integrated in our approach at the process level. Too often I have seen teams, or even companies, viewing these things in conflict, seemingly having to make a mutually exclusive decision on which approach to follow and what tools to use. By taking a more holistic approach, and providing education and methods that integrate the tools, we can bring performance to new levels.

Involve Those Who Do The Work

Resistance to change can come from not understanding why and how change must be addressed. If change is simply something that is done *to* workers and not *with* them, resistance is inevitable. When people in a process understand the "why"s and "how"s behind process improvement and related changes, and then apply what they have learned to their own work, they respond with a higher level of participation and ownership. This is key because if we want people to embrace change then we must allow them to own it. They must become involved in the design and implementation of change. Then and only then will they find ways to → make it work, instead of reasons why it won't. →

FROM THE EDITOR'S DESK

Over the last few years, we here at *Manufacturers' Digest* have built relations with proponents of the Lean Enterprise in Europe. Along the way, we have been told and witnessed countless European versions of the same types of success stories we have published about U.S. based firms. With our coverage of the Lean Summit UK, this issue marks our first step towards expanding our coverage of Lean issues and activities happening beyond our own shores.

The review of the Lean Summit was covered by Maurice Dennis of Dennis & Gemmill International & Partners, a UK-based executive search firm. Many thanks Maurice for your help (perhaps we can bestow upon you the title of European Correspondent). We would also like to thank Gordon Harter of the Deltapoint Corporation who contributed to this issue an article on Lean process, philosophy and implementation. Gordon's valuable insights have been developed over many years of consultative experience and we are pleased to be able to feature them in our pages.

Manufacturers' Digest aims to provide a forum in which issues, trends and the overall promotion of Lean concepts can be presented. As such, we are always interested in hearing from those who would like to contribute. Please call (603) 526-6566 for more information on how to get involved.

Manufacturers' Digest would also like to congratulate RWD Technologies on its recent recognition of excellence by *Forbes*. In the November 2, 1998 edition of the magazine RWD was added to the annual list of the nation's 200 Best Small Companies.

Ted Stiles | Editor *Manufacturers' Digest*

Improving the View from the Floor

Recently, I was working with a team on the factory floor, documenting the pre-lean process as it existed. At the beginning of the week, I asked one of the team members what he saw when he looked around the shop. He told me business was good—lots of job security, because there were piles of work everywhere. On Friday of the same week, after learning about continuous flow, pull production and the cost of work-in-process, I asked him the same question. "I see piles of money lying around everywhere," he replied referring to the idle materials that were waiting to be worked on. Within a *single week*, he had learned and applied new ways of working to his own job. He was committed to looking for ways to make new ideas work because he understood why and had done it himself.

Invoke Pareto's Principle

A close associate of mine is fond of saying, "remember, we are after a piece of the world, not world peace." When we can't do it all at once, we must work on the things that will give us the greatest impact the fastest. Yet, sometimes we have a hard time, "meeting Mr. Pareto," as another associate says. Our Pareto charts look flat. Everything appears to be of equal importance, and it must all be done. Then we are nearly paralyzed by the magnitude of what must be done. If we really are after "a series of singles, and not just home runs," we must focus on first things first. We must clearly target the high impact items, acknowledging that there are other problems, but keep ourselves from being paralyzed by them. Often, the remaining things are easier to deal with when the other work is done. We ultimately get world peace... one piece at a time. ○

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WOMACK AND JONES TAKE ON EUROPE

A review of the Lean Summit UK

Since publishing *The Machine That Changed The World*, authors Jim Womack and Dan Jones have emerged as a dynamic duo on par with Batman and Robin. And while their Lean mission may have started in the US, they have increasingly set their eyes on overseas shores. A trio of 1998 Lean summits entitled "Creating a Lean Business System," has taken them from Boston, Mass, to Nottingham, England and onwards to a final stop in Germany in November.

The June 22–24 meeting in Nottingham was attended by 257 delegates of whom about one hundred had made the journey from the United States. These earnest searchers after the Holy Grail of Lean were not disappointed by the evangelic fervor generated by the two stars and a supporting cast of acolytes and enthusiasts including John Neil (Group CEO at Unipart), Ian Gibson (Managing Director of Nissan in the UK) and Laurie West (Managing Director of Britax Winguard Limited).

The first day was taken up with slightly self-congratulatory examples of the progress that had been made in certain organizations. As the lead industry in the Lean implementation, the automotive bias in this was inevitable.

THE REAL ADVANTAGE OF THE NOTTINGHAM SUMMIT CAME NOT ENTIRELY FROM FORMAL PRESENTATIONS... BUT FROM THE OPPORTUNITY TO INTERMINGLE WITH CO-RELIGIONISTS...

Even at conferences, in these media conscious days, style is at least equally as important as content and perhaps the strongest presentation came from Doyle Wilson, President of Doyle Wilson Housebuilders Inc. Standing tall at six and half feet, this Texan's lively exposition of the implementation of Lean in his own construction business entertained, informed and instructed.

Day two started with breakfast with the experts (the Womack and Jones tables were greatly oversubscribed) and continued with breakout sessions covering value stream mapping, supplier development, working with second tier suppliers, policy deployment and three or four sessions on Lean construction and design. Following pertinent sessions on Lean thinking in retailing and using Lean thinking to transform the small firm, the two summed up the lessons from the Summit and rounded off with a mild plug for their two vehicles: the Lean Enterprise Institute and the Lean Enterprise Europe.

As with all conferences and seminars, the real advantage of the Nottingham Summit came not entirely from formal presentations (important, illuminating and critical to progress though they may be) but from the opportunity to intermingle with co-religionists, to exchange ideas and to learn what others are doing and what progress they are making (leaving aside the mildly importuning consultants and the overt job seekers). Womack and Jones deserve their success and currently provide a forum for the discussion of Lean manufacturing issues from which we may all benefit.

Maurice Dennis

FOR MORE INFORMATION ON THE LEAN ENTERPRISE INSTITUTE AND THE LEAN ENTERPRISE EUROPE CALL (617) 713-2900

NEWS & EVENTS

APPOINTED

TOTAL PRODUCTIVE MAINTENANCE CONFERENCE & EXHIBITION

JANUARY 12 – 15, NEW ORLEANS, LA

For the ninth year in a row, Productivity hosts its TPM conference and exhibition (re-scheduled from September). The four-day event includes 4 keynote addresses, 9 pre-conference workshops and 31 concurrent sessions. Call Productivity at (800) 966-5423 for more information.

LEAN ENTERPRISE SYSTEMS DESIGN INSTITUTE JANUARY 24 – 29; MARCH 14 – 19 UNIVERSITY OF TENNESSEE (KNOXVILLE)

This one-week hands-on program is designed to teach attendees the principles of building a Lean Enterprise by concentrating on the three principals of customer focus, building competitive processes and learning to make investment in people. The course is lead by Dr. Tom Greenwood (Director of Global Manufacturing Systems for the Carrier Corporation), as well as University of Tennessee engineering professors, Dr. Ken Kirby and Dr. Clem Wilson. Call (423) 974-5001 for reservations and more information.

DOUG FRIESEN, JR. was named President of J C Bamford LTD a large, multi-national designer and manufacturer of earth moving and off-road equipment. Doug will be in charge of the company's United States plant to be built in Georgia. Most recently Doug managed the General Motors Opel Division manufacturing operations in Antwerp, Belgium. He spent seven years prior to that with Toyota in Georgetown, Kentucky. He and his family will relocate to the Savannah area.

MICHAEL GUNNERSON has joined The Stanley Works as Corporate Manager of SPS with responsibility for installing lean practices in a number of Stanley Works' plants. He was formerly Corporate Kaizen Manager for A.G. Simpson, a leading automotive

supplier. Mike received his TPS training from Bob Tennison at Hennessy Industries. Bob is now Vice President for Continuous Improvement at Hillenbrand Industries.

RUFINO VIRATA has joined Deltapoint Consulting as a Senior Consultant. He will be based in the company's headquarters outside Seattle, Washington. Rufi previously was Quality Assurance Manager for the Dana Corporation in Stockton, California. He has been trained in TPS by the NUMMI organization.

DAVID GIBSON has joined the RWD Technologies' Lean Manufacturing division as a Senior Consultant. David was formerly with NUMMI and most recently on loan to Toyota in Georgetown. At NUMMI he headed up the Kaizen group for truck assembly.