

# MANUFACTURERS' The Quarterly Guide to Lean Manufacturing DIGEST SPRING 2000

## Reader Survey 2000 Win A Palm V



This issue marks the first-ever *Manufacturers' Digest* Reader Survey. In it we're asking our readers to tell us a little about their own Lean Manufacturing activities and how *Manufacturers' Digest* can better support those efforts. This newsletter is built on the premise of creating an open forum on Lean, and as such, your input is both valued and appreciated.

The first 100 Respondents will automatically have their names entered into a drawing, the winner of which will receive a Palm Pilot--Palm V electronic organizer. This popular organizational tool is big on both style and functionality and makes keeping names, addresses, phone numbers, appointments and to-do lists easier than ever.

Please see the enclosed survey for more details and instructions. You can also respond via e-mail if you wish by visiting the Reader Survey section of our website ([www.lesasearch.com](http://www.lesasearch.com)).

## A STEP-BY-STEP PROCESS FOR ACHIEVING LEAN MANUFACTURING *Russ Scaffede*

Before we can discuss the proper steps to implementing a Lean Manufacturing system, one must first understand what type of Lean will yield the best results. Thus, the first step is to establish the philosophies of this discipline that will best benefit your company. At Donnelly, we have borrowed a page from Toyota's book and decided to focus on three basic operating philosophies. These three pillars are: Just-in-Time/Level Production methods of material handling and scheduling, machine reliability (TPM), and Stop-the-Line quality methods (Jidoka).

Once you have determined the types of Lean disciplines to be introduced, the next step is to provide implementation support. At Donnelly, we have learned that this is a critical step to take early on to ensure the implementation has a chance to reach all the corners of the organization. The support steps are outlined in the chart below:

### LEAN MANUFACTURING A Step-by-Step Process

- 1 Establish total commitment and support from the entire management team.**
- 2 Develop the tools needed to support the philosophies from above.**
- 3 Establish annual planning initiatives that cascade to all levels of the company. This will assist in maintaining the proper Lean focus throughout the organization.**
- 4 Create Continuous Improvement Teams (CITs) to actually implement the tools.**

### Establishing Management Support

Without question, the largest contributing factor to success will be the commitment and understanding of the system at all levels of management within the company. This does not mean the CEO or COO levels must understand all the details. However, it is important to remember that they can be very influential in representing and communicating the need for such a change to the entire team.

Too often, staff levels know they want Lean but hire outside consultants or send people to seminars without recognizing how important their own understanding and support can be. At Donnelly, we have achieved such support from day one throughout all of our staff from the CEO on down. This has left no doubt as to our commitment and shows the entire company that this system will not be a "flavor of the month." →

## FROM THE EDITOR'S DESK

While the turn of the millennium naturally promotes looking forward, in this issue we take the opportunity to revisit some of our former contributors and topics. Russ Scaffede and Tom Waters both participated in our winter 1996 Lean Manufacturing executive survey. In this issue, Russ updates and expands on the step-by-step approach to implementing Lean that he briefly outlined in 1996. Tom, who then wrote about engendering employee participation, now discusses the importance of having a well-planned and multi-faceted approach to continuous improvement. Both Russ and Tom are valued Lean Manufacturing experts and we are excited to once again feature their opinions and views.

In the spirit of continuous improvement, this issue also includes our first-ever reader survey. The point of this effort is to better understand how *Manufacturers' Digest* can serve our readership as a Lean Manufacturing guide so please try and take a few moments to respond.

Though we are looking forward to reader feedback, we have some new features already in development that we will be introducing over the course of the next few issues. These include new columns as well as book and website reviews, so stay tuned.

Finally, *Manufacturers' Digest* is now available online at the Linford E. Stiles Associates' website. To access the newsletter online, please visit us at [www.lesasearch.com](http://www.lesasearch.com).

Ted Stiles | Editor *Manufacturers' Digest*

## MANUFACTURERS' DIGEST



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*A World Search Group Company specializing  
in assisting manufacturing companies in  
the acquisition of operations executives  
experienced in lean manufacturing processes.*

## Using the Right Tools

Next, management must decide on the tools that they want to teach in support of the change to Lean Manufacturing. In our experience at Donnelly, there are a number of critical tools to consider. These include Kanban systems and quick changeovers to support JIT, Heijunka scheduling and timed finished good movement in support of level schedule activities. This also includes TPM training and machine activities to support machine reliability. Finally, strategic organizational structure changes and Andon communications systems can be used to support Stop-the-Line initiatives.

These are very important tools, which must be developed and taught to ensure the health and impact of a company's Lean operating philosophy. This list is by no means designed to be all-inclusive. Instead, it illustrates that the tools should support the particular operations system and philosophies that the organization wants to implement.

## Annual Planning

Once all of the above was established and supported, we quickly learned the importance of the annual planning process (Hoshin planning, management by planning, etc.). This type of review is especially helpful as it allows the entire company to focus on utilization of the system and the tools to foster continuous improvement.

The idea with this planning is to tie company goals and measurements to the implementation of Lean systems. At Donnelly we discovered that it works well to have each of the plants develop their own Lean system implementation actions in support of the annual goals for company-wide improvements. This gives each-and-every team member an understanding of how they play a role in helping the company succeed.

**Continuous Improvement Teams**

Even with the best training and company-wide support of Lean, successful implementation can be elusive. The most common culprit is simply the day-to-day struggle of maintaining a competitive manufacturing operation during a plant-wide changeover.

We learned this during our experience at Donnelly and we overcame it by establishing Continuous Improvement Teams (CITs) in each plant.

These teams should fully understand the tools, philosophies and what the staff wants to implement on the floor. They should then work with the floor teams, maintenance and outside support to actually implement the tools. The CIT teams have been critical to our success in that they have helped deliver our most successful implementation advances with the smallest disruption to the work and morale of the teams on the floor.

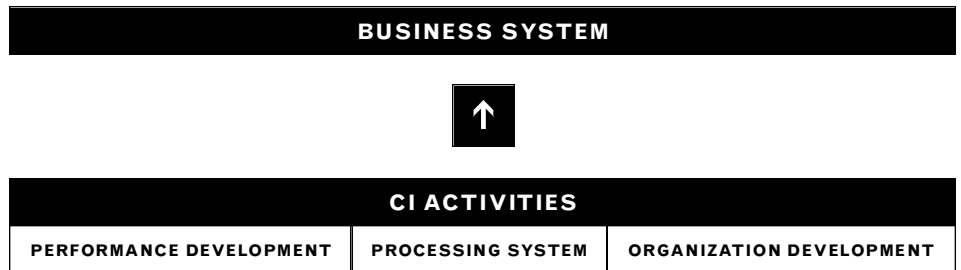
I would evaluate our success at Donnelly as being well on-track. Through the tremendous efforts of all of our team members, after 4 years we are between 60% and 70% implemented. But I say this knowing that this is truly a never-ending path to improvement. It takes a tremendous amount of effort, dedication and understanding, but the rewards far out-weigh the efforts for the entire team and the company. Good luck on your journey. ○

RUSS SCAFFEDE IS VICE PRESIDENT OF OPERATIONS FOR DONNELLY CORPORATION IN HOLLAND MICHIGAN.

CONTINUOUS IMPROVEMENT:  
A MULTI-FACETED APPROACH

*Thomas P. Waters*

When thinking about instilling real change via continuous improvement there are some important factors to consider. First, for a company to prosper in a continuous improvement environment, it must have a business system that is agreed to and taught across the company. That business system should be supported by dedicated continuous improvement activities that are themselves supported from top to bottom and bottom to top. It is critical that the whole organization must be in alignment on this point.



Continuous improvement activities must also be multi-faceted. In my experience, the three steps outlined below can bring true change to a company. The secret is not knowing the steps but sticking to them and constantly following-up as progress is made.

**Performance Development**

This facet is key as it entails ongoing training and development for upper management, middle management, supervisory staff, sales, service and shop floor members. It reinforces the importance of making daily improvements throughout the organization.

**Processing System**

Processing system change has received a lot of press lately as an important one-week type activity. In order for this to really deliver results, its reach should be broad enough to include just-in-time production, automation, process flow and other items needed to successfully implement the Toyota Production System.

**Organization Development**

There must be an infrastructure that can respond accordingly to the changes that will be experienced along the way. For this reason, one of the most important (and often overlooked) elements is applying continuous improvement to the organizational structure. Key changes at this level (i.e. supervisors with 25 to 30 direct reports vs. 50 or more) creates a real difference and makes the first two facets sustainable. ○

TOM WATERS IS VICE PRESIDENT OF CONTINUOUS IMPROVEMENT AT HILLENBRAND INDUSTRIES.

## NEWS & EVENTS

## APPOINTED

### MANAGING LEAN IMPLEMENTATION

JUNE 13 – 16  
DURHAM, NC

Designed to help formalize the commitment to continuous improvement, this TBM workshop largely focuses on KPO development and maintenance. The event is best suited for Kaizen office managers and staff as well as line managers and training coordinators. For more information, call David Rucker at (919) 471-2235.

### THIRD ANNUAL LEAN SUMMIT

JULY 17 – 19  
BRAZIL

The Lean Institute takes this popular yearly event south this year. Companies with operations anywhere in Latin America are urged to send attendees. To obtain more information or register, call Lean Institute Brasil in Sao Paulo at (55) (11) 508-41161 or via e-mail at [lib@sti.com.br](mailto:lib@sti.com.br).

DAN SLATER has joined RWD Technologies as Vice President of the Lean Manufacturing Division. Dan was previously Manufacturing Manager at BMW's South Carolina plant. Prior to BMW he was one of the early hires at Toyota in Georgetown and trained in Japan.

STUART GREEN has joined Altec Industries, Inc. as Director of Manufacturing. Stuart was formerly Vice President of Manufacturing with Bandag, Inc. and spent ten years prior to that with Nissan.

TODD HEAVIN joined Delphi Automotive in Grand Rapids as Focus Factory Manager. Todd previously worked for United Technologies Automotive as General Manager, Door Panel and Instrument Panel Product Centers.

GEORGE BAUER has joined Follett Corporation as the Vice President of Operations. George held a variety of positions with Ingersoll-Rand Company during his twenty-five year tenure, the most recent being Corporate Manager of Manufacturing Technology.