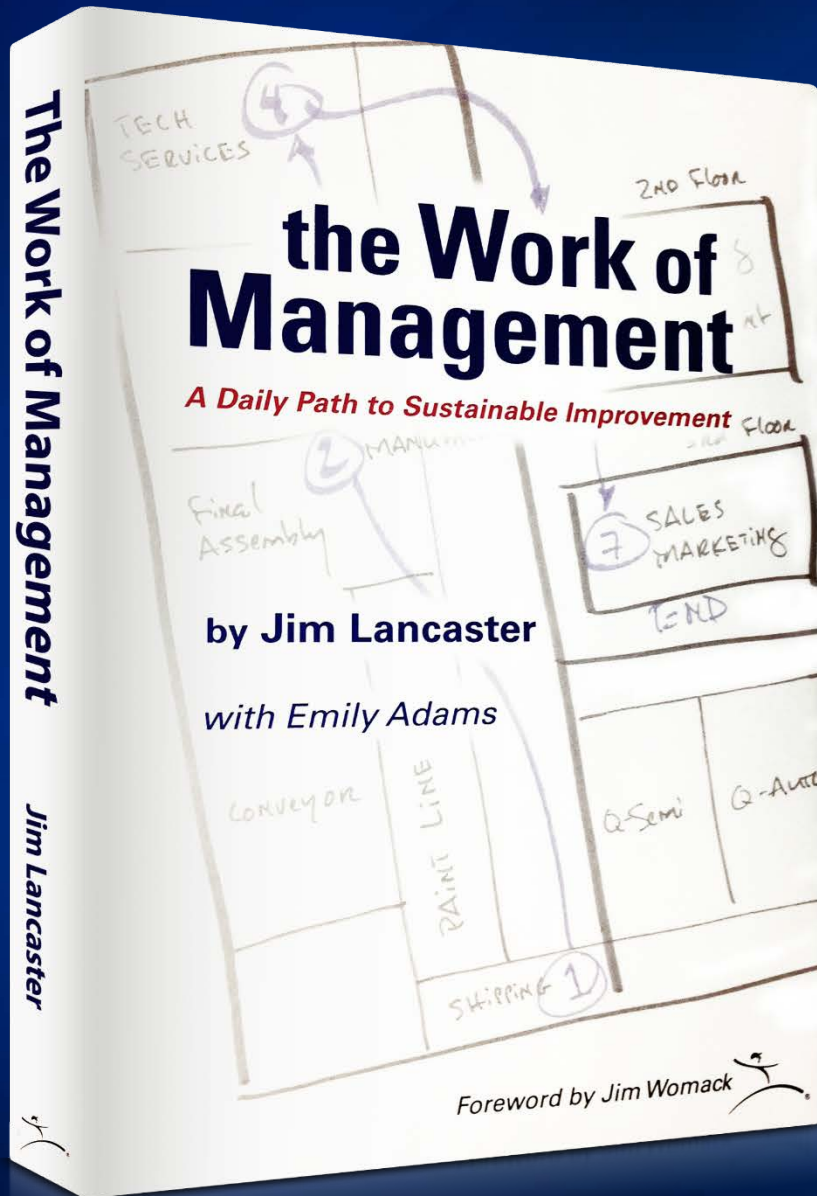




Managing To Create Problem-Solvers

 **Lean Transformation**
Summit 2017
Carlsbad, CA | March 7-8, 2017



The Work of Management

A Daily Path to Sustainable Improvement

By Jim Lancaster

Lantech[®]

Eliminating the World's Shipping Damage

Case Erecting
Case Sealing
Stretch Wrapping
Conveying



Lantech[®]

Lean Objective at Lantech

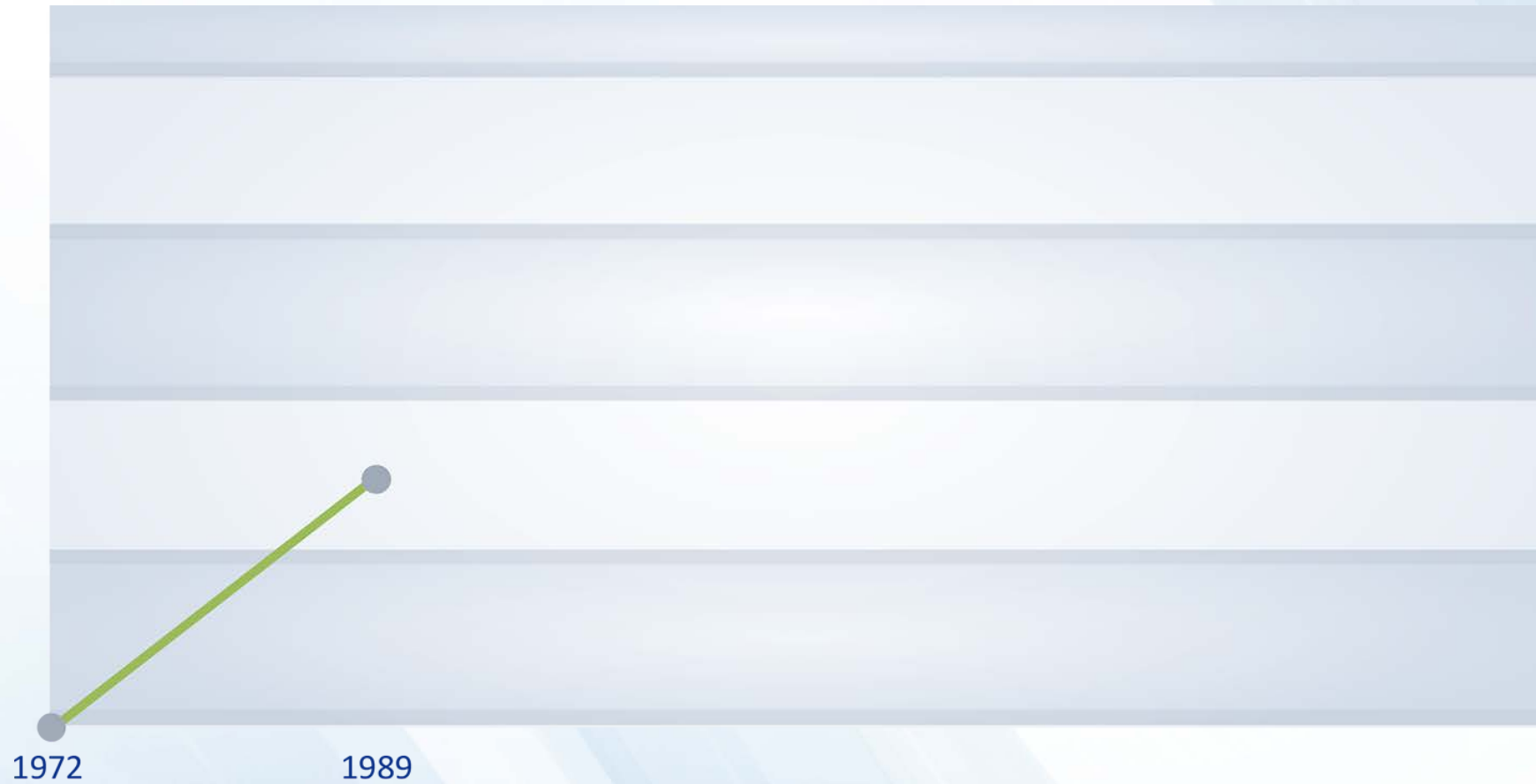
to Accumulate Competitive Advantage

⇒ Accumulate Process Improvement

⇒ Accumulate Ability to *Hunt Like a Pack*

- ⇒ Tyranny of Chasing the *Next Big Idea*
- ⇒ *Deterioration*, the Enemy of Improvements
- ⇒ First, Managers *Believing* in and Supporting the Work
- ⇒ Management System to *Combat Deterioration*

The Journey



First Growth Stage
1972 - 1989

Lantech[®]

The Journey



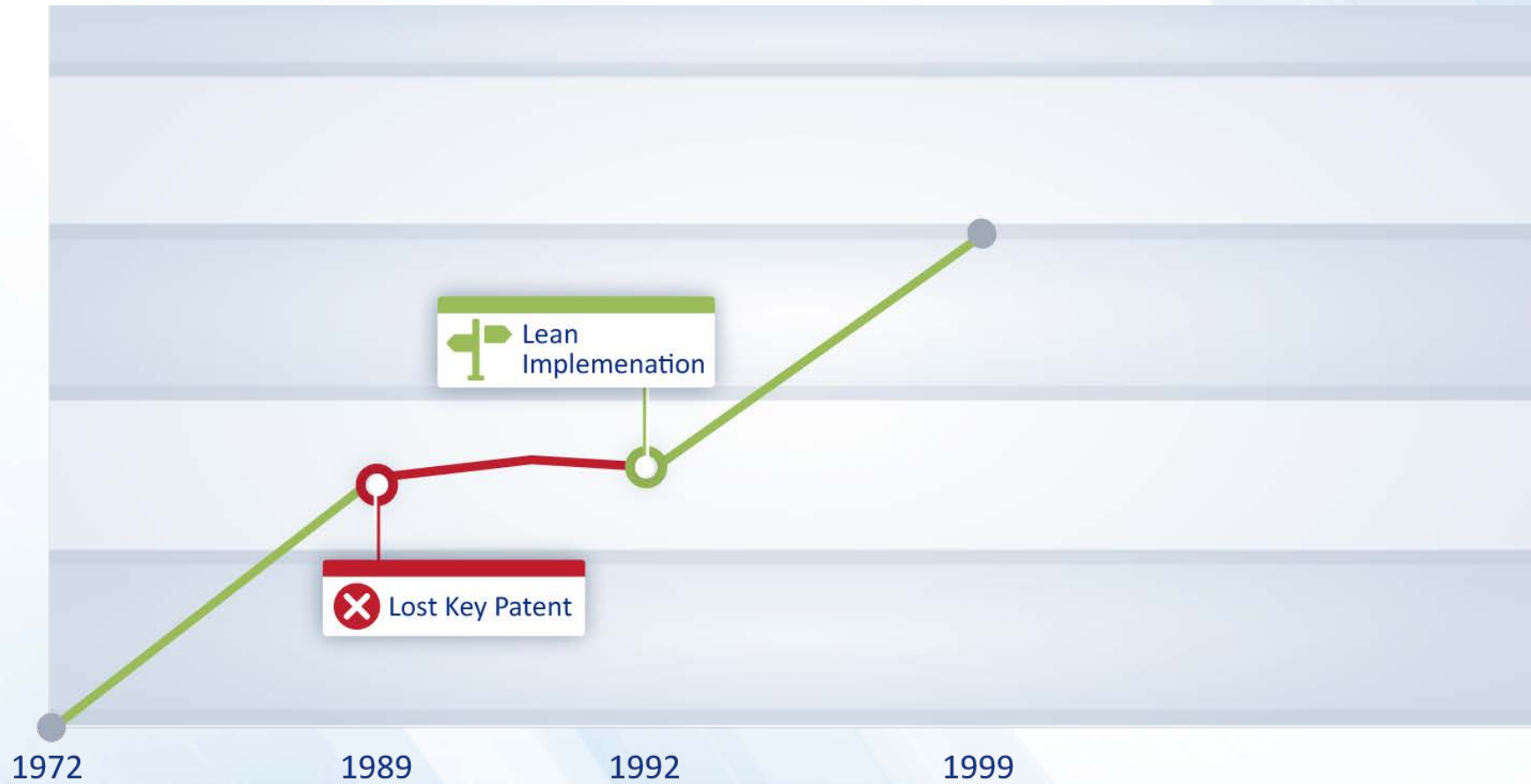
First growth stage went through to 1989 then leveled through 1992.

1989 - 1992



Lantech[®]

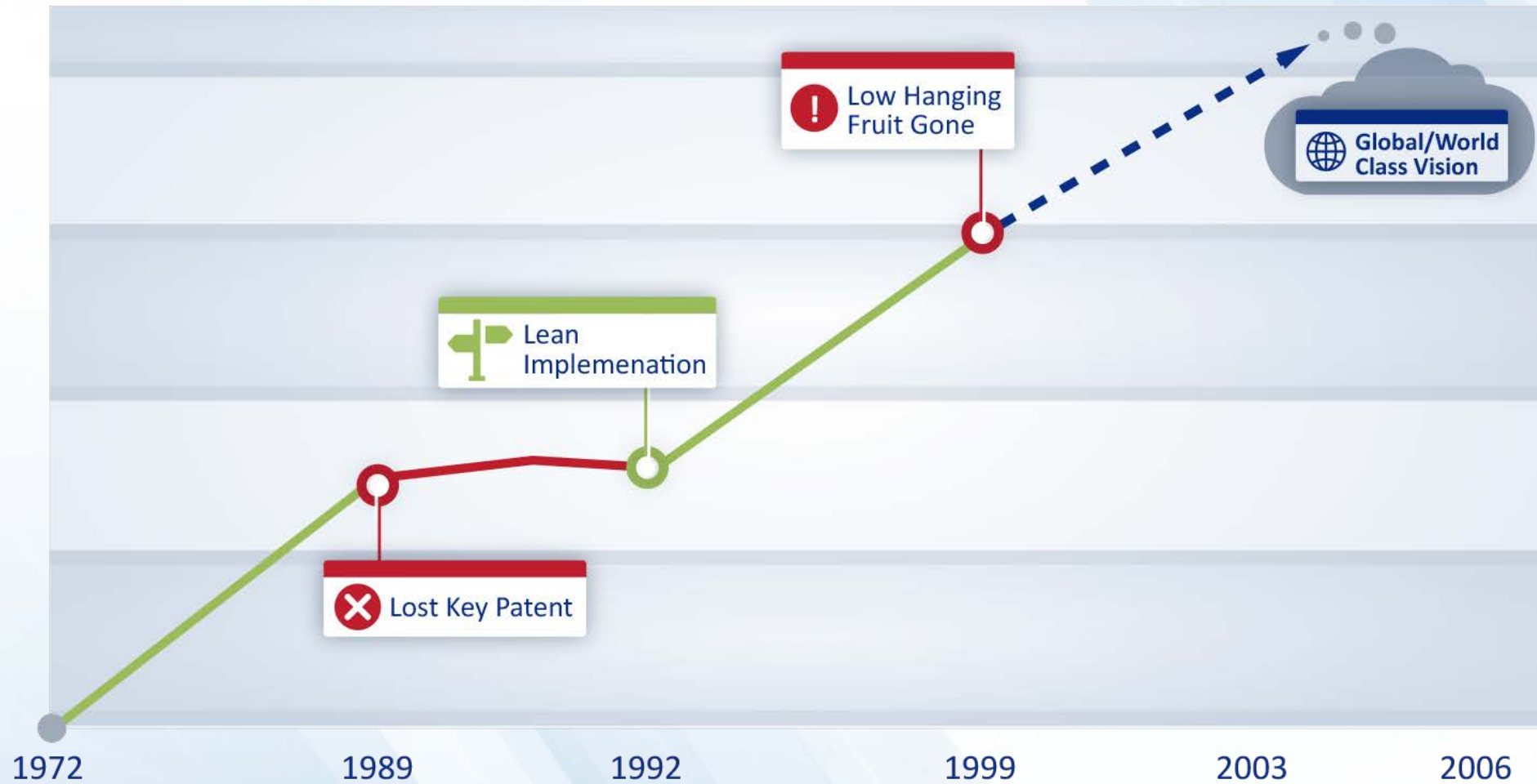
The Journey



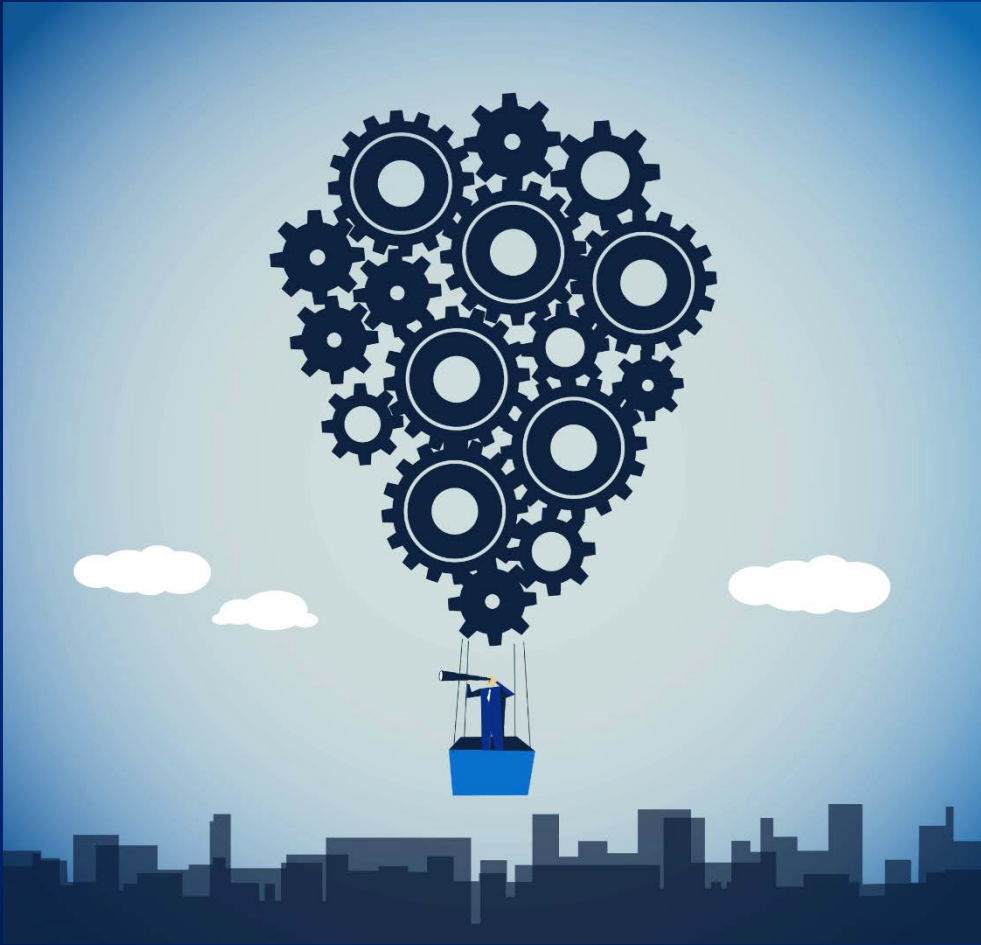
Lean facilitated growth still happening but it was not the same.

1992 - 1999

The Journey



The Next Big Ideas

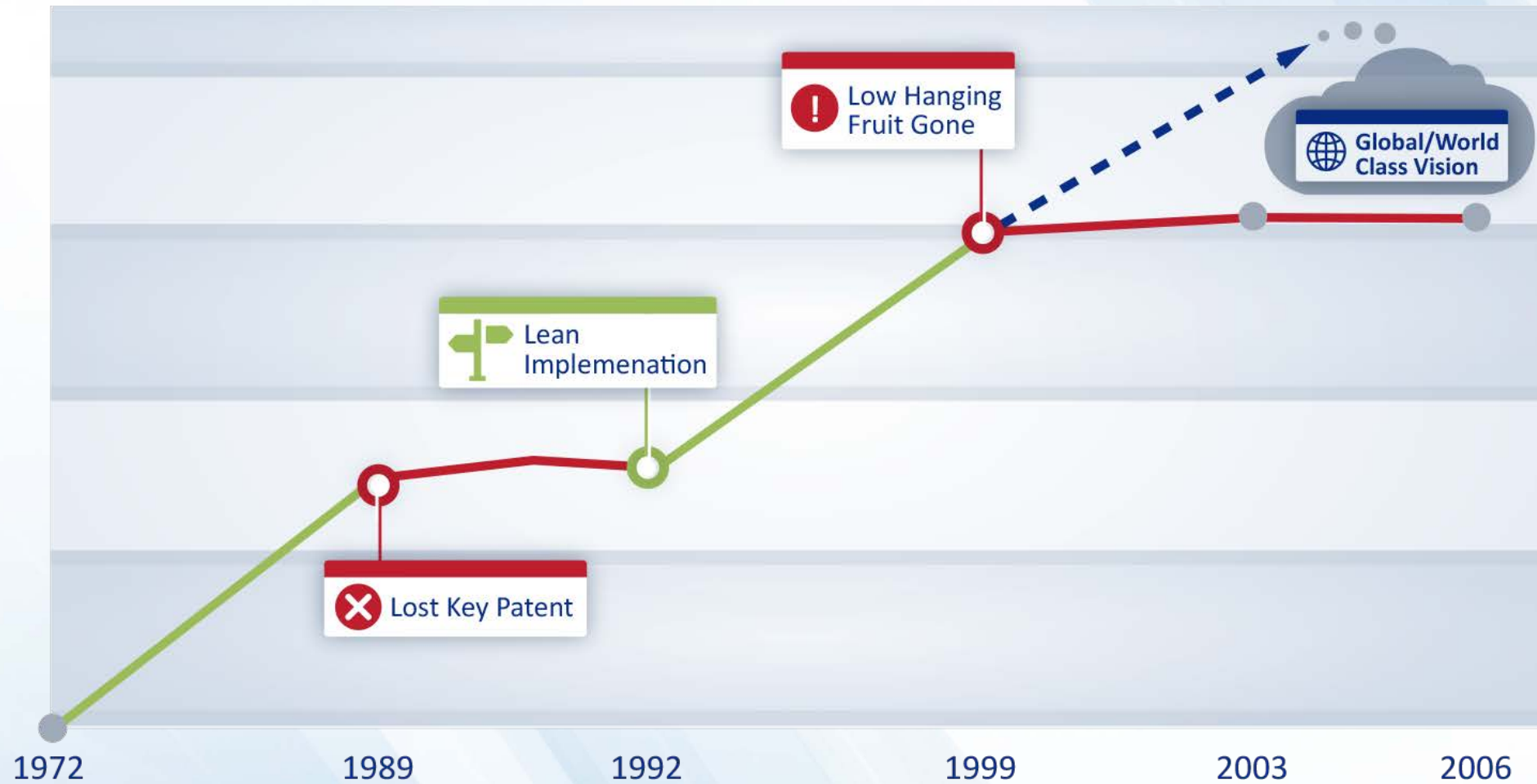


⇒ Acquisitions

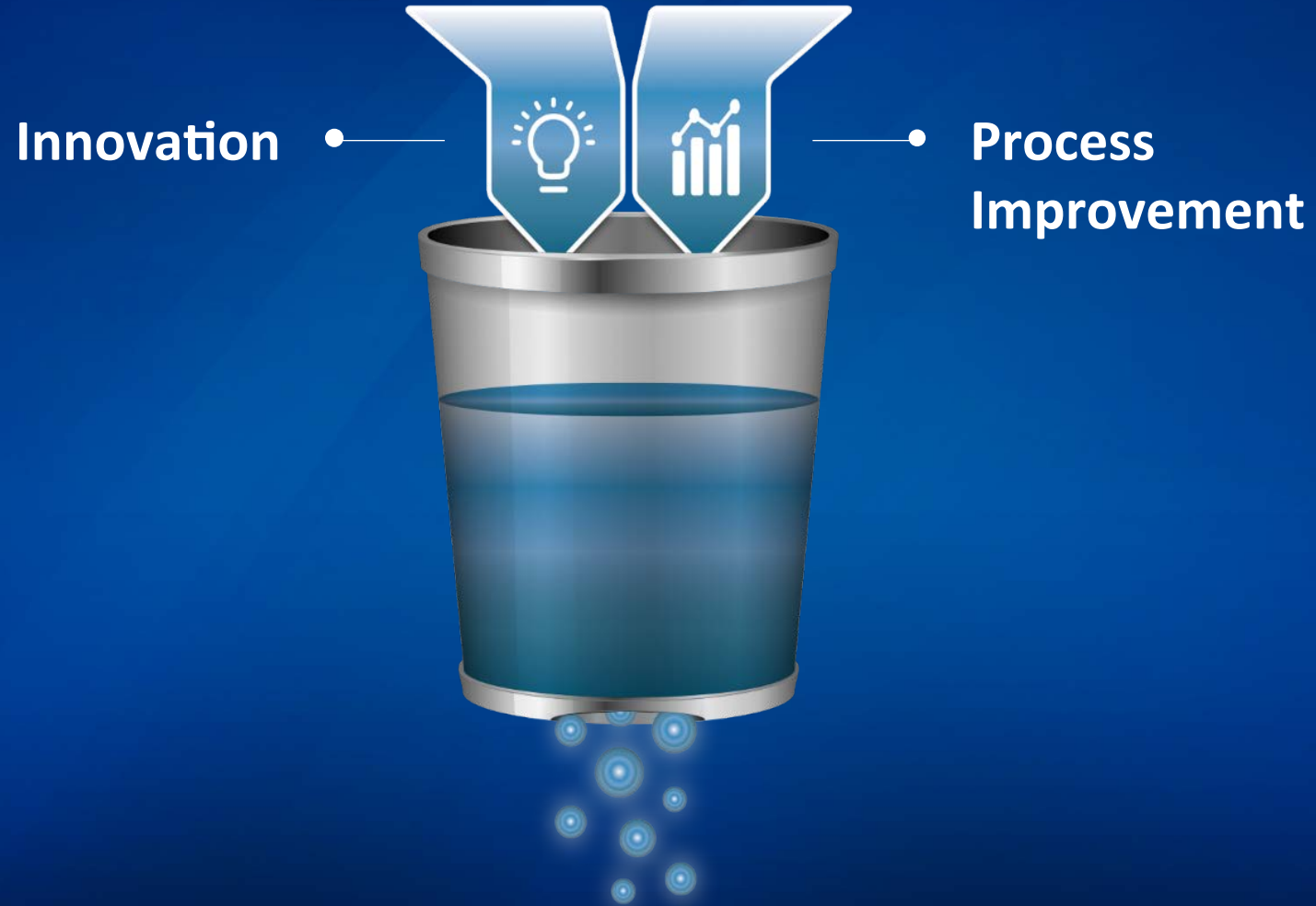
⇒ Global Expansion

⇒ Product Expansion

The Journey



Revelations . . .



Lantech[®]

Big Idea



⇒ Management Accountability



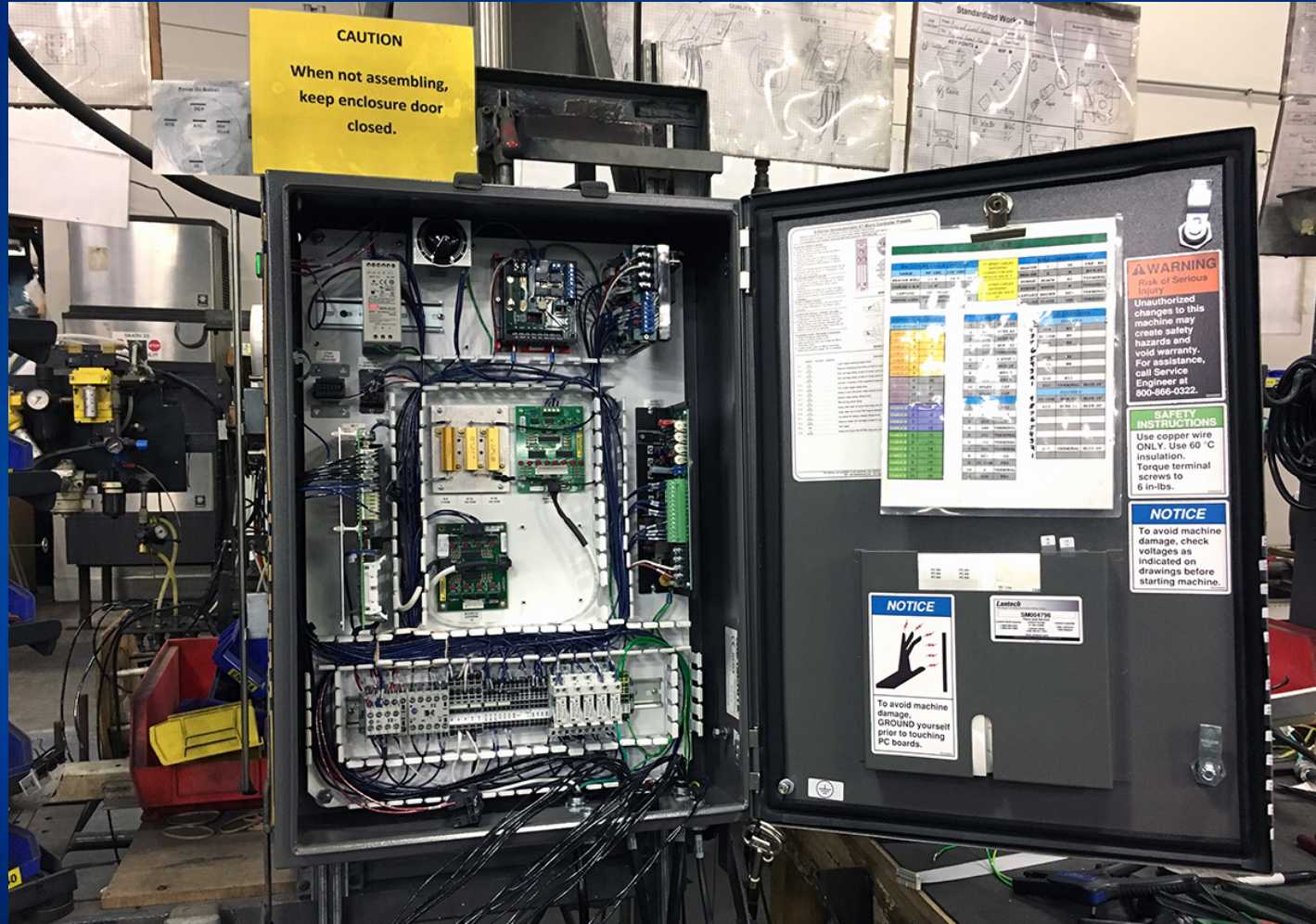


Big Idea

⇒ Get Some Help



Back to the Floor



Electrical Panel Cell

Lantech[®]



Seeing and understanding the work
is harder than it looks.

*Does it really take the CEO
to get rapid support to the operator?*

Lantech[®]

Back to the Floor



Paint Line

Lantech[®]

**Huge number of variables attack
the process every day.**

*Operators and Team Leaders
can't control many of those variables.*

The System

I THE Business Issue: Quality - Margin - Knowledge, Skill Capture are not improving at an acceptable rate.

- We are living off the past and it will not last
- We are stuck in do loop of fire fighting vs fixing root causes
- Plenty of direction but little momentum.

II WE Need a Strong Management System

- That holds gains through management quick response
- Allows for Improvement over time with time freed up from firefighting
- The two jobs of management vs. Leadership which is setting direction & getting others to follow.

III Management System Components:

- Daily Operating Principle for how to sustain and improve our business vs looking for a silver bullet to save the day.

P - plan
D - do
C - check
A - adjust

IV Each Team needs a Clear picture of quality in their area
VISUAL MANAGEMENT

Identifies Current Status (Metric, Green or Red)	Identifies Improvement Targets, Planned actions and Current Status
Actions to put it back to Standard	Actions to get back on track to Improvement Targets and Actions

Support to be provided to managers in their areas minimizing disruption to their work.

W - Walk
A - Announce
R - Review

Owner of Area → Updating on actions to be taken - who takes what
Support Managers → Represent resources and Capabilities
Evaluating if "My" person in place can Support the area today

Start at end of value add process & work back wards.
< 10 min per stop with set start & stop time.

Principles

If management work is not defined - 100% of work becomes fire fighting

UE must be deliberate (standardized) on how we manage the current condition so we free up time to do Improvement

Management happens at the work place → It is not a reporting process
Have key people present and decide how to proceed there.
Coordinated between managers to free up time.
Standard process at each stop

- 1) Observe Current Condition - metrics and area.
- 2) Discuss "Andon's" Metrics below standard with next action focus.
- 3) Identify support needed or next action
- 4) A way to capture who then takes what by when.
- 5) follow up on Actions from prior days with follow up do today, and record next who/what by whom if needed.

So . . .

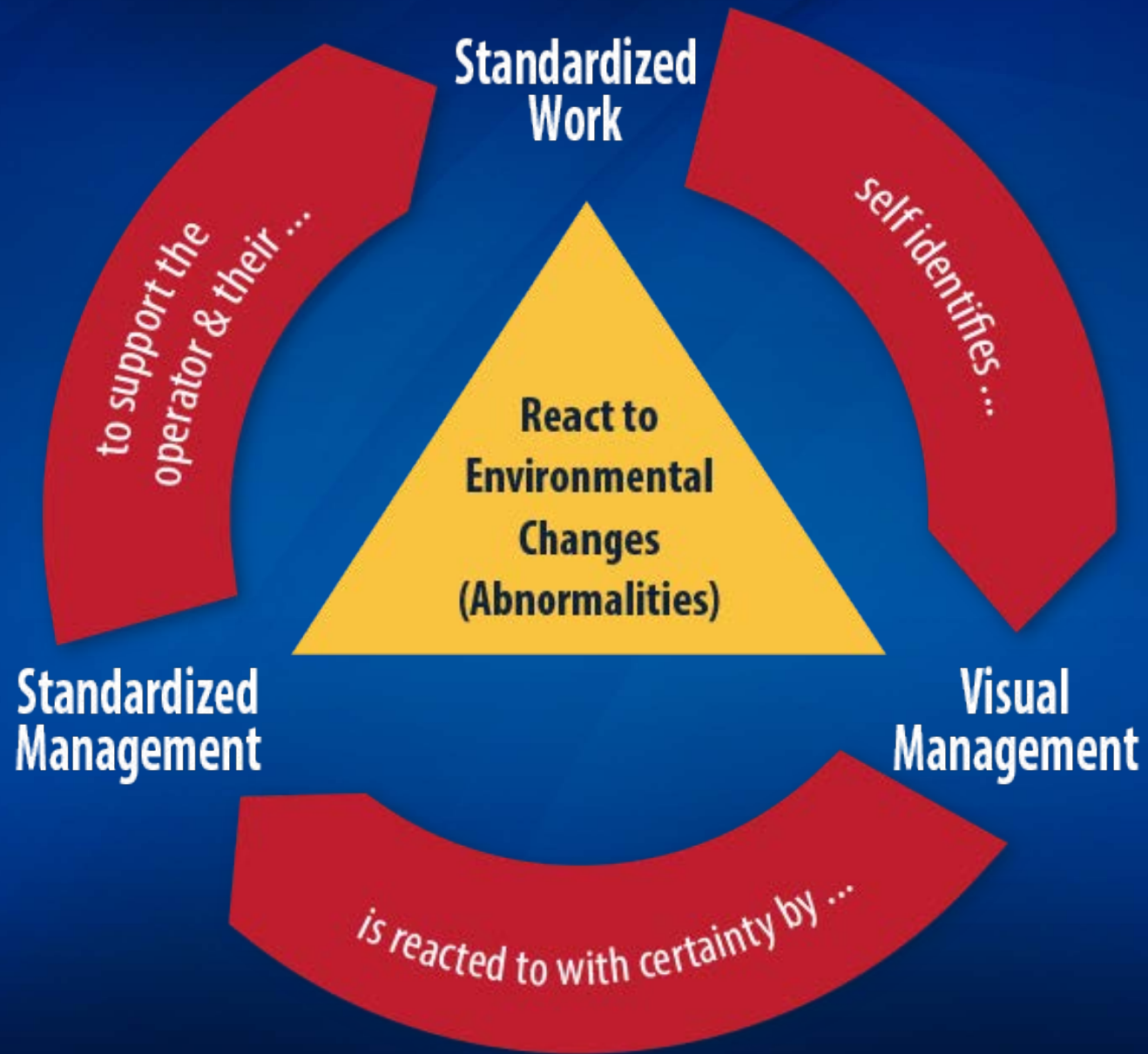
We need a system that:

Holds gains through management's quick response, allowing for improvement from the freed up time from fire fighting.

Lantech[®]

First Job of Management is to Hold Performance.
If Done Well, Provides Time for Improvement.



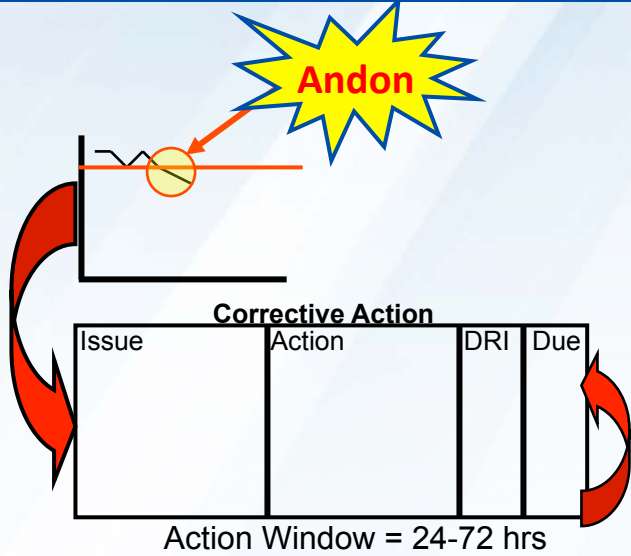


WAR Management Cycle



P
D
C
A

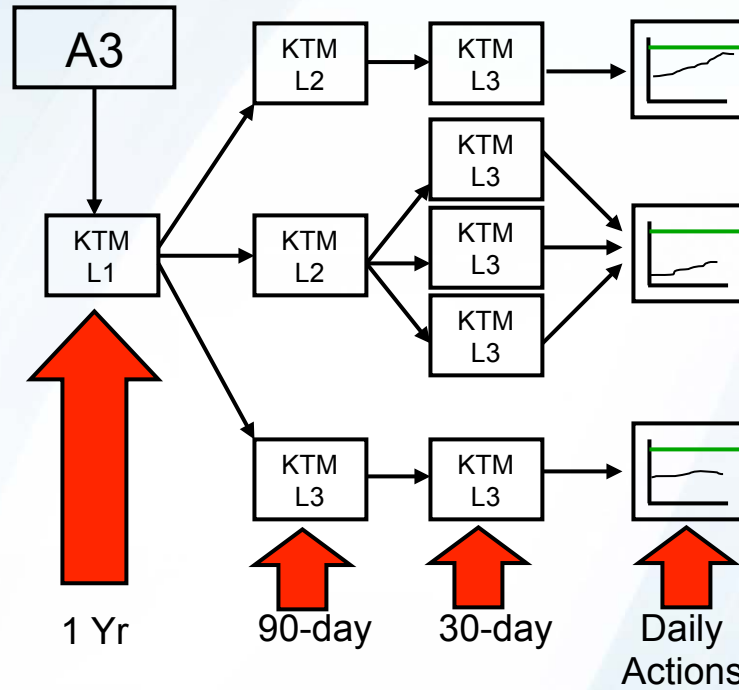
Maintain the Current Condition



Quality Loop Board			

Actions in response to a "trip wire"

Improve the Current Condition

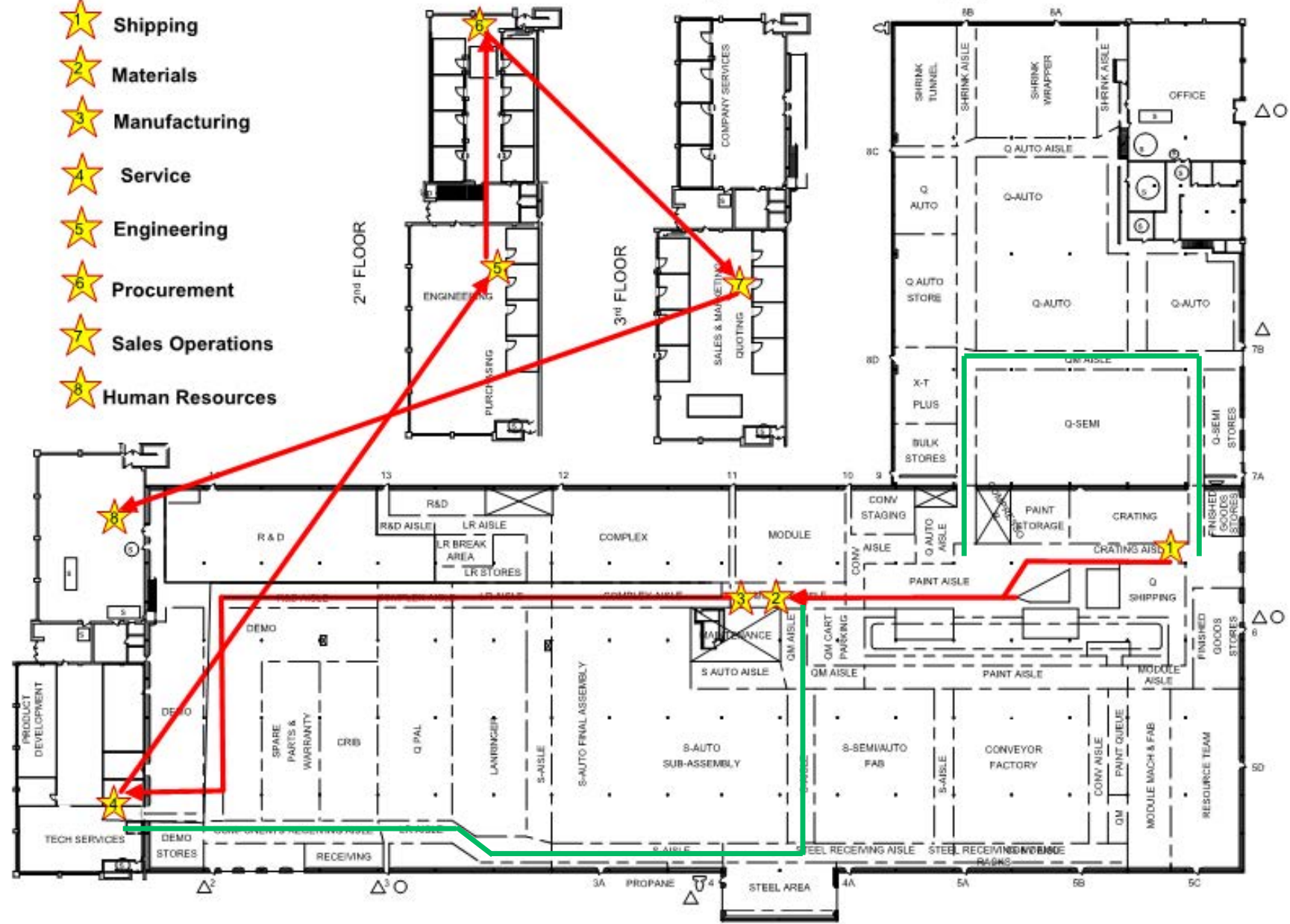


P
D
C
A

Actions to achieve goals

WAR PATH (M-Th Loop)

- ★ Shipping
- ★ Materials
- ★ Manufacturing
- ★ Service
- ★ Engineering
- ★ Procurement
- ★ Sales Operations
- ★ Human Resources



Management is what happens standing there at the board!

- ⇒ Only deviations or things requiring support are discussed.
- ⇒ Deviations and problems have action attached with who does what by when before meeting is over.
- ⇒ Is the next step by the correct area or person?
- ⇒ Is the next step respecting problem solving and the operator?
- ⇒ Do we have immediate support for operator/customer?

Results in

Cross functional support every morning.

Priorities adjusted daily cross functionally.

Clarity of Responsibility – who decides what.

Lantech[®]

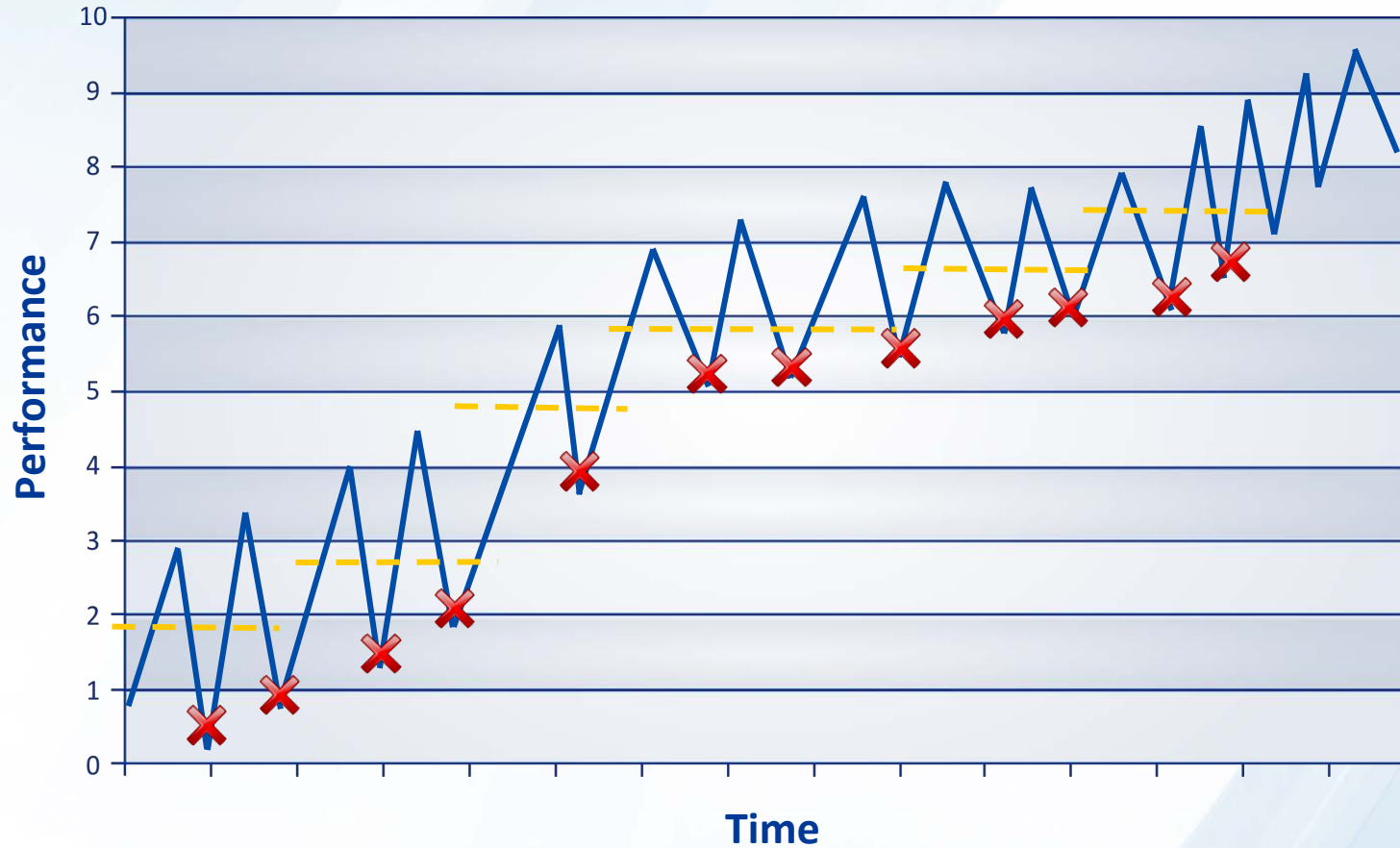
The Impact

Improvements accumulate.

Significant directional changes can occur quickly.

Lantech[®]

Improved Performance from Maintaining Current Condition



It's About the Work!!



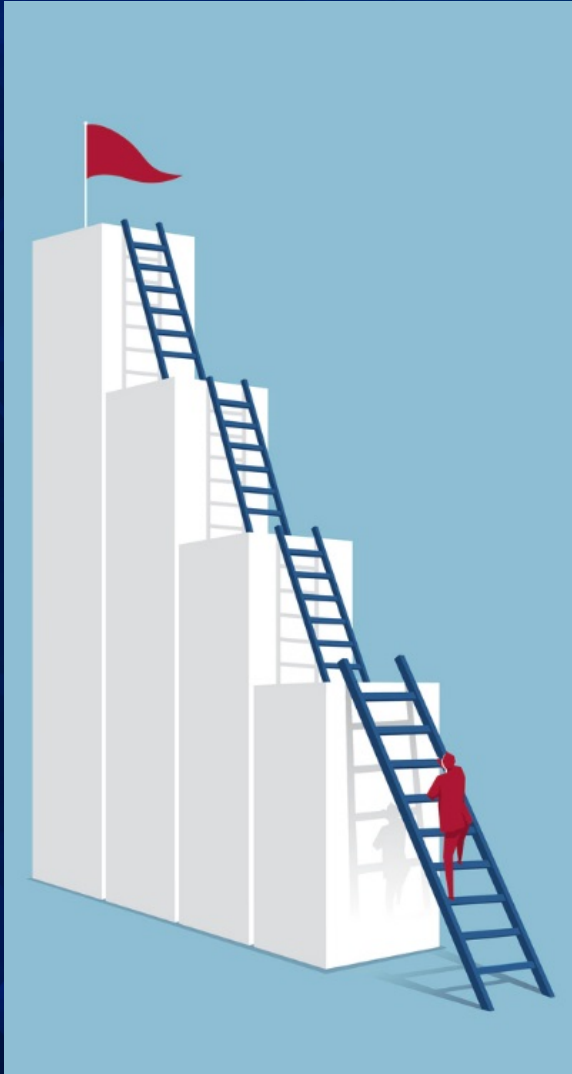
⇒ LEARNING to *SEE* it

⇒ LEARNING to *DESIGN* it

⇒ LEARNING to *MANAGE* it

If Lean improvements are not impacting your income statement and you have little time for improvement work, maybe you don't have an improvement problem. Maybe you have a deterioration problem.

Next Steps



- ⇒ Articulate your most pressing business need
- ⇒ Turn yourself into a believer
- ⇒ Go to where the work is being done and observe
- ⇒ Improve and standardize the work **YOURSELF**
- ⇒ Watch what happens to what you improved
- ⇒ Create a daily management system connecting the work to the needed support managers
- ⇒ Read the *Work of Management*
- ⇒ Buy more stretch wrappers!

The Work of Management

Join us for the break out session to hear:

How the management system works in detail.

How we implemented the system.

How we developed a process to manage unstructured work.

Lantech[®]



Managing To Create Problem-Solvers

 **Lean Transformation**
Summit 2017
Carlsbad, CA | March 7-8, 2017