



## Lean Transformation Summit Breakout

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Jim Garrick



## The Denny Hamlin Challenge



If you chose HIGH			
Car behind (person to your left)	YOU	Car ahead (person to your Right)	Score
High	High	High	4
High	High	Low	1
Low	High	High	1
Low	High	Low	-2

If you chose LOW			
Car behind (person to your left)	YOU	Car ahead (person to your Right)	Score
High	Low	High	7
High	Low	Low	4
Low	Low	High	4
Low	Low	Low	0



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## The Denny Hamlin Challenge

Who is the winner?



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## Organizational Alignment

- How do we win as a team without alignment?
- What is THE goal?
- How do WE get there?
- Does everyone in the organization understand the goal?



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## Choices

**Leaders are required to make choices**

- **How many choices are required for you to succeed?**

- Yours and those of others in your value stream



- **How do we help managers make good choices?**

- Managers Standard work

## Team Work

**Success as an organization requires leaders and workers to perform as a team focused on a common goal**



## Team Work

Team work means we share in our successes and failures

Teams perform post event debriefs to build on our successes and reduce duplicating errors in the future










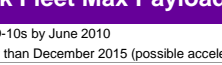
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## Air Operations Division

<u>Fleet Type</u>		<u>Count</u>	<u>Max Payload (MORP)</u>
777F		3	173,000
MD-11F		59	164,000
MD/DC-10F*/-30F		58/18	113,000/141,000
A300-600F		71	86,000
A310-200F/-300F		34/17	62,000
757-200F		16	46,000
727-200F**		77	38,000
<b>Trunk Total</b>		<b>353</b>	

**Current Trunk Fleet Max Payload (MORP): 32.0M pounds**

\*All DC-10s converted to MD-10s by June 2010

\*\*All 727s to be retired no later than December 2015 (possible acceleration)



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## Air Operations Division



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## Keys to FedEx AOD Cultural change



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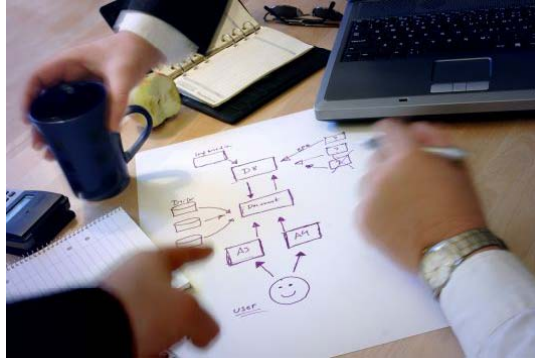
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## Organizational Alignment

- Connect MBO objectives and performance reviews to Lean implementation and cultural change
- Track improvements and share best practices to leverage gains across the division
- Project aligned vs. functional silo aligned



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## Organizational Alignment

### Divisional alignment

- Officers and directors meet biweekly in a Lean steering committee meeting to discuss and prioritize improvement opportunities and training/development needs

### Departmental alignment

- Department leaders meet regularly with their change agents and representatives from other departments to maintain alignment and identify opportunities at the station/facility



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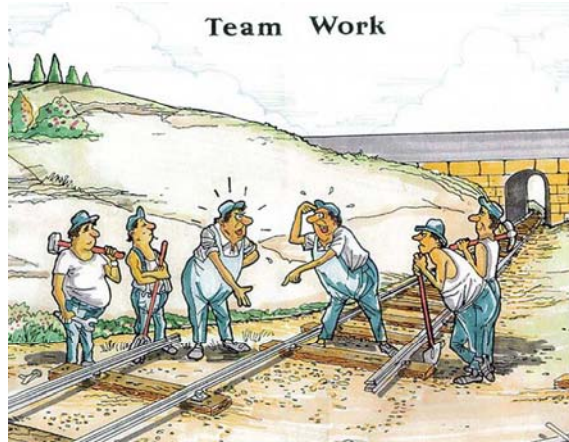


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## Standard Work for Leaders

### Connect the rails!

- Without leader standard work activities are open to interpretation.
  - Leader daily/weekly activities should be clear and documented.
  - Front line managers and leads should spend the majority of their time in Gemba so they can monitor and improve the operation

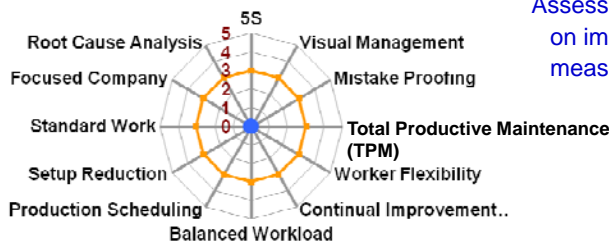


## Lean Management System

### “What gets measured gets done”

Implement an assessment program that incorporates self assessment and third party assessments to identify gaps and develop improvement plans

Assessments should be focused on improving the system and not measuring failures



# Balanced Score Card

## Line Maintenance Scorecard

*(Fictional Data)*

Measure	Current Period			Fiscal Year to Date			Period	Updated	Detail Sheet	
	Status	Actual	Target / (Unfav)	Status	Actual	Target / (Unfav)				
<b>Aircraft Availability</b>										
Ready to Load (RTL)	●	96.00%	95.70%	0.31%	●	95.90%	95.70%	0.21%	08/28/09 Weekly	0
Dispatch Reliability	●	96.56%	96.40%	0.17%	●	96.45%	96.40%	0.05%	08/28/09 Weekly	0
Unscheduled Mx Swaps	▼	2.90%	2.80%	-3.57%	▼	2.90%	2.80%	-3.57%	08/28/09 Weekly	0
Avg Unscheduled Mx Event Duration	▼	13.43	12.00	-11.92%	▼	12.25	12.00	-2.08%	08/28/09 Weekly	0
COO Hours per A/C per Day	▼	1.46	1.30	-12.31%	▼	1.35	1.30	-8.85%	08/28/09 Weekly	0
% Launches Short Widebodies	●	6.70%	7.00%	4.29%	●	6.23%	7.00%	11.00%	08/28/09 Weekly	0
% Launches Short Narrowbodies	▼	8.65%	7.00%	-23.57%	●	6.54%	7.00%	6.57%	08/28/09 Weekly	0
<b>Cost of Operations</b>										
APU Usage	▼	0.80	0.75	-6.67%	●	0.74	0.75	1.32%	08/28/09 Weekly	0
% Overtime	●	10.20%	10.00%	-2.00%	▼	9.85%	10.00%	1.50%	Aug-09 Monthly	0
<b>People</b>										
Recordable Injury Rate	●	2.45	2.99	18.06%	●	2.35	2.99	21.40%	Aug-09 Monthly	0
AMT Sick Time	●	2.50%	2.70%	7.41%	▼	3.20%	2.70%	-18.52%	Aug-09 Monthly	0
AMT Turnover	●	4.90%	5.00%	2.00%	●	4.00%	5.00%	4.00%	Aug-09 Monthly	0
<b>Productivity</b>										
Aircraft Routing	●	97.00%	95.00%	2.11%	●	96.50%	95.00%	1.58%	08/28/09 Weekly	0
Maintenance Throughput	▼	60.00%	70.00%	-14.29%	●	72.00%	70.00%	2.86%	08/28/09 Weekly	0
<b>Quality</b>										
Open Discrepancies per Aircraft	●	28.39	30.00	5.37%	●	26.94	30.00	10.53%	08/28/09 Weekly	0
Repeat Fix Items	▼	5.80%	5.00%	-16.00%	●	4.76%	5.00%	4.80%	08/28/09 Weekly	0
<b>Continuous Improvement</b>										
LEAN Assessment Score	▼	9.77	12.00	-18.58%	▼	9.52	12.00	-20.67%	Mar-09 Monthly	0



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# Make it Visual

- Implement visual management in all areas so actual vs. expected performance can be seen by all and any needed corrective action can be implemented quickly



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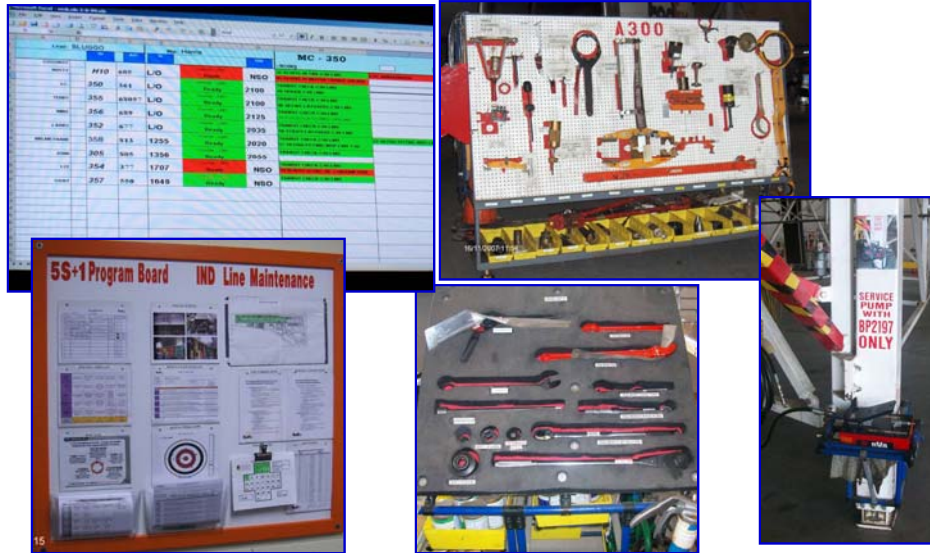
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## Make it Visual



## Leadership Development

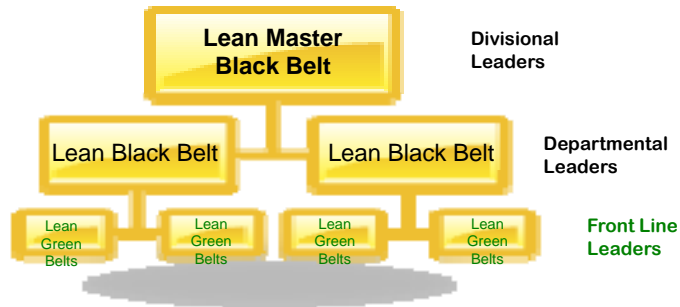
- Establish a training and mentoring program for all leaders, formal and informal
- Clearly communicate goals and objectives often and highlight successes
- Encourage self reflection and peer assessments
- Break down the perception that all service failures are a negative reflection on the management team



## Leadership Development

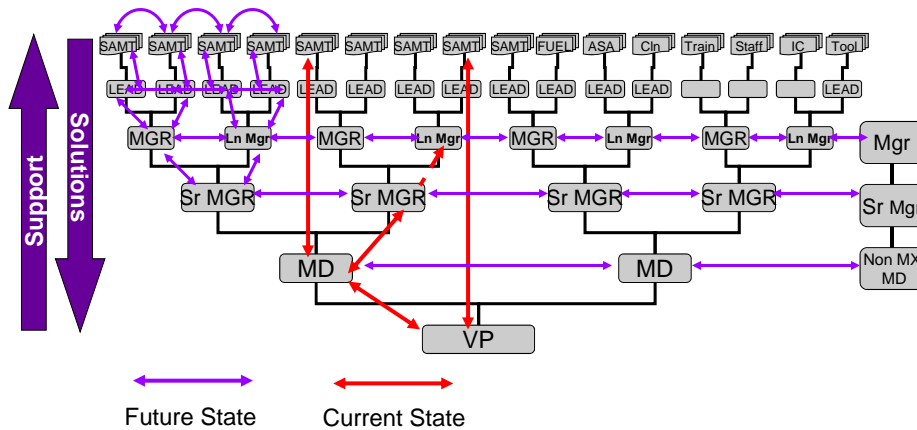
Another key to our success was developing leaders within the workforce and implementing a certification program that recognizes and rewards employees for effecting change through participation in training, Lean implementation and demonstrating leadership abilities

Certified Lean leaders manage change at the front line, departmental and divisional levels



## Customer Focus

Air Operation Division focuses on providing safe and reliable aircraft by aligning our processes to support our internal customer the aircraft maintenance technician



## Celebrate And Motivate



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