

Velocity is the actual currency of LEAN

Most organizations approach their LEAN journey in an incorrect manner. Typically many start on the side enablers instead of focusing on the true genesis of Lean VELOCITY!

Indeed many start with a journey towards implementing 5S but this quickly become a major housekeeping event instead of supporting improved velocity. So if you are focused on your Lean journey then focus on cycle times. Why cycle times? Because they have a huge impact on a company's bottom line.

Long cycle times are a symptom of poor manufacturing performance and high non-value added costs. Manufacturers need to focus on the continuous reduction of all cycle times. Achieving success requires a specific management style that focuses on proactive problem solving, rather than "fire-fighting". In this process, management takes on a coaching roll, bringing all their people into the process and supporting them in their efforts to improve productivity, customer satisfaction and profitability.

Product build/test cycle time is an important element of the total production flow process and provides an excellent focus for a process improvement program. Product build/test cycle time is calculated as the hourly work content through the longest path of the lean manufacturing process. In the sequential production process, the product build /test cycle time can be calculated by starting at the end of the process and following the longest, cumulative, single path back through the process, regardless of whether it traces the main path or trails off to a sub-assembly path. Many manufacturers have increased their on-time delivery performance and product profit margins by implementing a program of build/test cycle time reduction. The main focus of such a program is the elimination of all non-value-add activities along the path of the product build/test cycle.

In a Harvard Business Review article by Joseph L. Bower and Thomas M. Hout, the authors makes a good case for "Fast-cycle Capability for Competitive Power". They observe that people in fast-cycle companies think of themselves as part of an integrated system, a linked chain of operations and decision-making points that continuously delivers value to the company's customers. In such organizations, individuals understand how their own activities relate to the rest of the company. They know how work is suppose to flow, how time is supposed to be used. Many have used our Best-in-Class Enterprise Team Training Program to change old paradigms.

In small companies, this way of thinking is usually second nature. People find it easy to stay focused on creating value because almost everyone works directly on the product or with a customer. Policies, procedures, practices, or people that interfere with getting the product out the door are easy to see and can be dealt with quickly.

As companies grow, however, the system-like nature of the organization often gets hidden. Distances increase as functions focus on their own needs, support activities multiply, specialists are hired, reports replace face-to-face conversations. Before long the clear visibility of the product and the essential elements of the delivery process are lost. Instead of operating as a smoothly linked system, the company becomes a tangle of conflicting constituencies whose own demands and disagreements frustrate the customer.

"Unless you try to do something beyond what you have already mastered, you will never grow."

Ronald. E. Osborn

Where Lean Thoughts can become Reality

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UPDATE YOUR VALUE STREAMS

"I don't care what your job is," the overwhelmed customer finally complains. "When can I get my order?"

Fast-cycle companies – especially the big ones – recognize this danger and work hard to avoid it by heightening everyone's awareness of how and where time is spent. They make the main flow of operations from start to finish visible and comprehensible to all employees, and they invest in this understanding with lean manufacturing basics training. They highlight the main interfaces between functions and show how they affect the flow of work. They compensate on the basis of group success. And, most important, they reinforce the systemic nature of the organization in their operations architecture.

Fast-cycle companies differ from traditional organizations in how they structure work, how they measure performance, and how they view organizational learning. They use time as a critical performance measure. They insist that everyone learn about customers, competitors, and the company's own operations, not just top management.

A few hints to keep in mind when attacking and improving your cycle time management.

Many organizations are fixated on controlling their labour content and are constantly asking leaders to reduce head-count thinking that they will also be reducing labour content ... but you could be very wrong. First you need to look at the rate at which your customer is looking to receive your product or service and this will then determine the cadence required within your operation. Once you have defined cadence you need to engineer your process step within a work balance chart. This may tell you to add people within the process even though the overall labour content will not change but your cycle time will improve.

Offices create Silos and Silos slow process. I understand that people feel that getting an office is a right of promotion but they are so counter-productive and this includes cubicles. Any form of wall act as a barrier and barriers curb open communication. So we are raging fans of tearing down wall and the elimination of cubical farms. Establish natural work groups or cells and watch productivity grow while cycle time quickly reduces.

Hope is not a strategy !!! Many impose objectives without a strategy and hope the organization will meet the objective. If you do not have a plan on how you are going to meet the objective then it will not be reached. Indeed you may gain a 5% improvement within a process just by having people stay focused or working harder but if you want significant improvement then you will need to design in a significant game changer.

Game changers can look very simplistic after they have been implemented and observers may think that it can be easily replicated. However the pains and learnings that occurred during the initial implementation will cripple the replicator. This is where skill and experience can definitely be beneficial.

Paraprosdokians are figures of speech in which the latter part of a sentence or phrase is surprising or unexpected and is frequently humorous. (Winston Churchill loved them).

1. Where there's a will, I want to be in it.
2. The last thing I want to do is hurt you ... but it's still on my list.
3. Since light travels faster than sound, some people appear bright until you hear them speak.
4. If I agreed with you, we'd both be wrong.
5. We never really grow up -- we only learn how to act in public.
6. War does not determine who is right, only who is left.

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