

Manufacturers Alliance Seminar  
**Improvement Cultures that Last**

Hear what leaders have done to root their improvements in principles and systems to sustain their lean journey.

**Welcome**



**Kirby Sneen**, Vice President  
**Manufacturers Alliance**

Please silence your phones during the presentations and discussion.

A copy of today's presentation will be available in our Archive.

**Thank you to our sponsor**

Sara Dado  
**MPS Technical**



The Deeper End Of The Talent Pool

## Thank you members

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Member Companies may **send up to 5 employees** to Educational Seminars and Webinars at no cost.

## Featured Member Resource

### Job Postings & Resume Listings

Skilled, Technical, and Management positions, 300+ views per day

# rms Company

**Lee Zachman**  
President

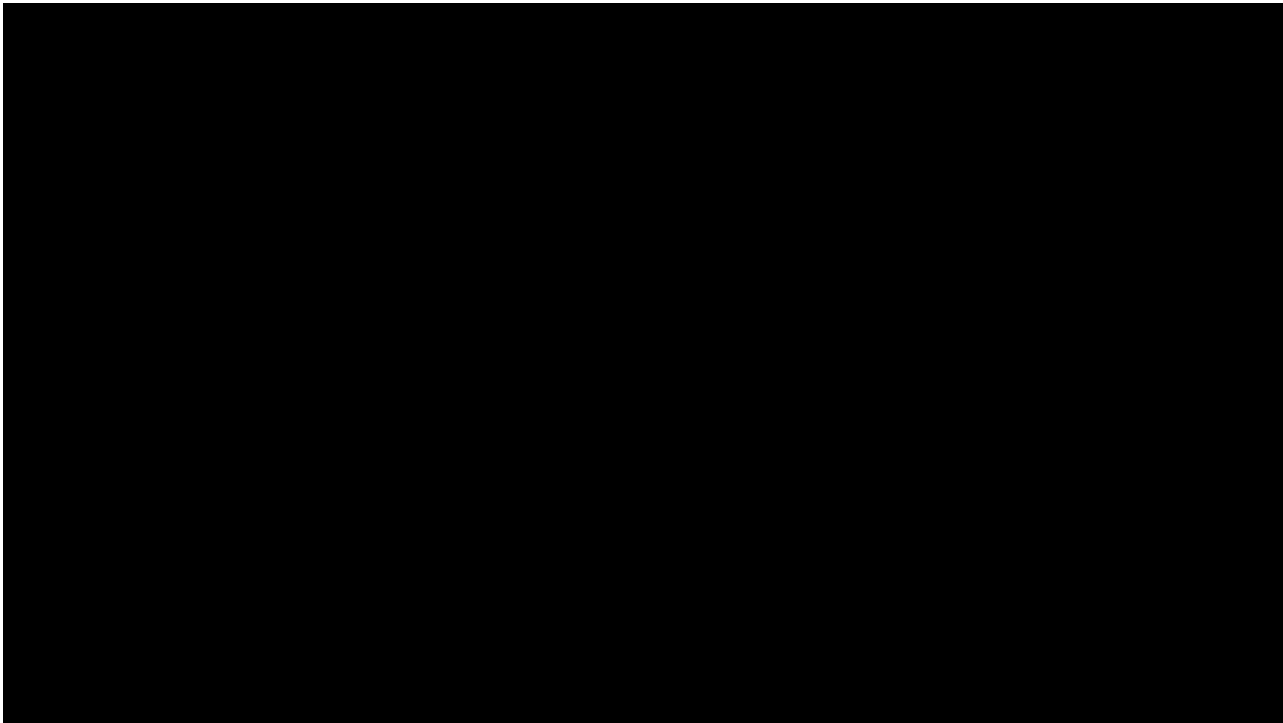
*A Cretex Medical company*



## rms Company

Improvement Cultures that Last





### High precision-machined implants

- Founded in 1967 and acquired by Cretex Companies in 1982
- Over 480 state-of-the-technology CNC machining centers utilized; 800+ employees
- Full compliment of secondary processing services
- Engineering and design for manufacture support through production and assembly



## » rms Market Segmentation

### Cardio/Pacing

- CRM
- ICD

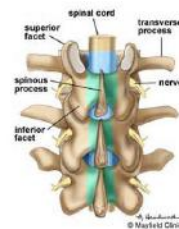
### Neuromodulation

- Stimulation devices
- Implantable drug delivery systems

### Interventional

### Orthopaedic

- Spinal Implants
- Trauma Devices
- Reconstruction Implants



## » rms Operational Excellence – Improvement Cultures that Last

- Our lean journey: What worked and what didn't:
- It starts with expectations and accountability
  - As President, I take accountability of the program
  - In 2004, rms committed to a dedicated Director of Continuous Improvement
  - My expectation of Senior Management is “All In” on Lean
  - Management is expected to lead by example, not just support our Operational Excellence program
- Be sure your employees understand why Continuous Improvement is necessary to your business



## » rms Operational Excellence – Improvement Cultures that Last

- Early in our Lean journey, we determined employee involvement was critical to our success
- Long term improvement projects were not effective
  - Employees lost focus and results did not materialize fast enough
- Our success escalated with the rms “Quick Win Program”
  - One page form documenting the improved condition
  - Before and after results
  - Approved by direct supervisor to verify improvement
  - Tapped employees for fast, effective wins



## » rms Operational Excellence – Improvement Cultures that Last

- Tip for Sustainment: Recognition
- We recognize QW and Operational Excellence participants with bi-monthly celebrations
  - Employees look forward to the event
  - We cater a free meal & provide a small, token gift of appreciation
  - We recognize each employee by name & handshake
  - Each participant receives a tee shirt with a slogan on the back
  - Participation and progress to goals are discussed
  - Each meeting provides Management an opportunity to speak



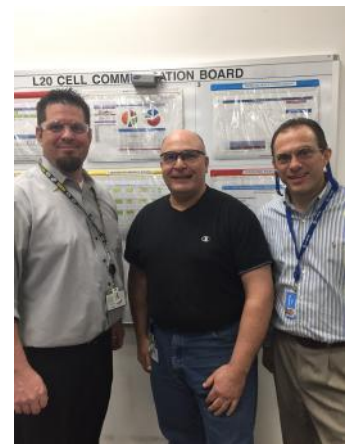
## » rms Operational Excellence – Improvement Cultures that Last

- In combination with the “Quick Win Program” we rolled out basic lean tools:
  - 5S
  - Visual Metrics
  - Standard Work
  
- My advise: Don’t launch too many initiatives at once. Gain a good handle on one before moving forward.
  - We frequently cut down the list of annual improvement goals



## » rms Operational Excellence – Improvement Cultures that Last

- **Tip for Sustainment: Communication**
  
- Our goal is to communicate lean from multiple angles
  - Monthly updates on bulletin boards
  - Recognize employees on electric communication media
  - Daily recognition at Tiered Management meetings
  - Weekly “Go See” walks
  - One on One recognition by the President





## » rms Operational Excellence – Improvement Cultures that Last

- **Drive Culture Changes**
- Lean must become part of your DNA: Support needs to be at the highest levels.
  - Cretex sponsors Lean Leadership & Lean Practitioner classes for all their operating companies
  - The CEO and COO are personally involved
  - Top continuous improvement employees are recognized at annual events
  - Continuous improvement is always a topic of discussion



## » rms Operational Excellence – Improvement Cultures that Last

- **Driving Culture Changes:**
- Tiered Management, Visual Metrics, Standard Work, Blitz Kaizen, Setup Reduction, Process Mapping, 5S, A3's and other proprietary programs are used at rms.
- We use our Continuous Improvement program as a sales tool
- Our employees are engaged and understand the urgency to continually improve. They are treated as process experts.



## » rms Operational Excellence – Improvement Cultures that Last

- 800+ employees or 800+ problem solvers?
  - What behaviors do we want to cultivate?



## » rms Operational Excellence – Improvement Cultures that Last

- In Summary:
  - Take personal accountability of your CI program
  - Put yourself in the shoes of your employees
    - Are you communicating the need of Continuous Improvement?
    - Have you created an easy way for employee participation?
    - Do you listen to your employees ideas? They ARE the experts.
    - Do you recognize and reward participation?
  - There is a price to pay in developing a lean culture... but a far greater price not to.

**Thank You!**



**Wilson Tool**

**Chris Lawless**

President



**Improvement culture that last...  
and some mistakes along the way**

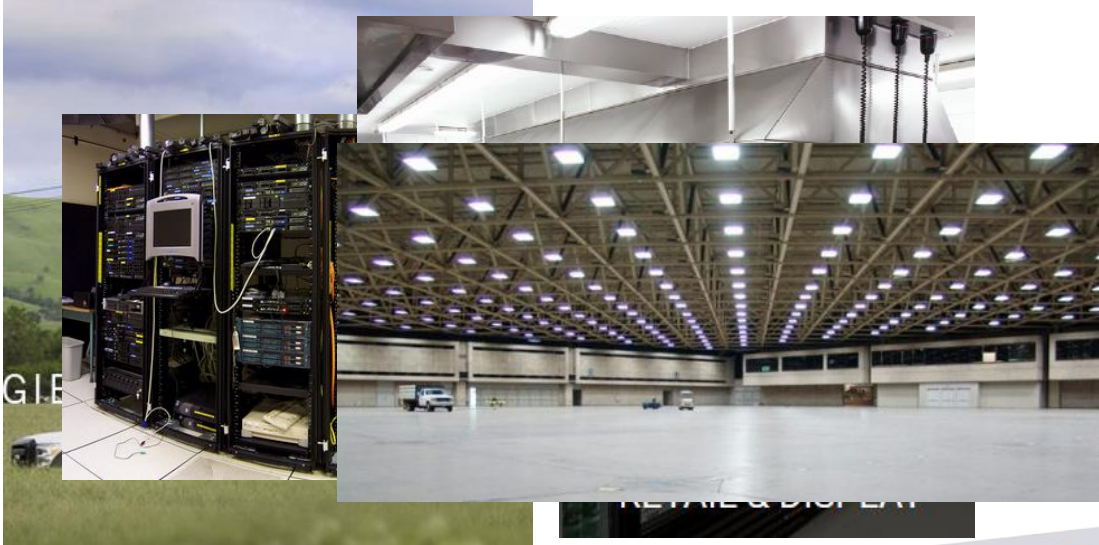
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## Who is Wilson Tool?

- We are a **privately held**, 51 year old tool and die company
- We build **punch and die tooling for the sheet metal industry**
- We have **900 employees** worldwide with 500 reporting out of MN
- **7 Mfg facilities** around the world



# Our Customers



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Engaged workforce

Customers benefit

Higher profits

Lower employee turnover

Greater teamwork

Sustainable

Employees Care

What is the value of a great improvement culture?

**PRICELESS!**

Trusting environment

Not always bottom line thinking...do the right thing

Safer environment

Always looking to improve

Hold leaders accountable

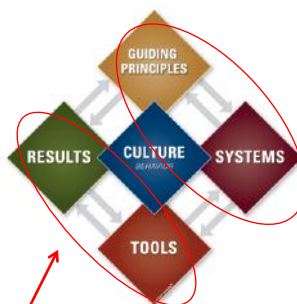


## What is at the core of WT's CI culture?

- Intensely employee centered
  - Change made by employees, not to employees
  - It's about the process not the person
  - Active idea program
  - Lead with the Golden Rule
  - "Open door policy"
  - 30-60 day deep dive changes
  - We look for great people, then we hone in on the skills
  - Annual employee survey
- SHINGO model



## Shingo Model



Traditional CI efforts  
focused on these areas

WT has been  
rebalancing here

### WT Guiding Principles:

- |                                |                                   |
|--------------------------------|-----------------------------------|
| ★ 1. Respect Every Individual  | 6. Assure Quality at the Source   |
| ★ 2. Lead with Humility        | 7. Flow & Pull Value              |
| 3. Seek Perfection             | 8. Think Systemically             |
| 4. Embrace Scientific Thinking | 9. Create Constancy of Purpose    |
| 5. Focus on Process            | 10. Create Value for the Customer |



## 2 Key Principles and Related Systems

### 1. Lead with humility

- Systems: Employee confidential feedback system (Survey, action plan)
- Systems: Employee suggestion & implementation system (STAR program, CI meetings)

### 2. Respect every individual

- Systems: Leaders Standard Work
- Systems: On the job training-onboarding
- Systems: Career development and succession planning

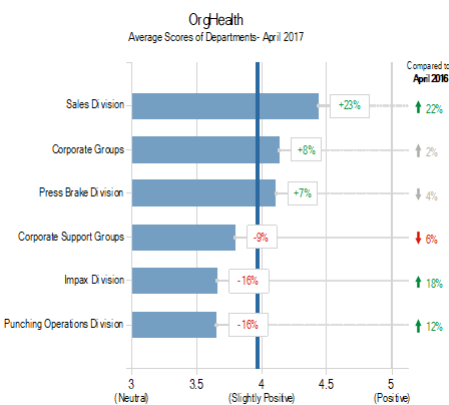
- Principles help inform the culture we want
- Systems help drive that culture



## Employee Confidential Feedback System

- System: Employee improvement system

- Tools:



#### Actions:

- Corporate
- Department
- Individual





## Employee Suggestion System

- System: Suggestions that achieve results (STAR)
- Tools:



### STAR board:

- Board is a visual gathering point
- Weekly CI meeting to review ideas
- Employees agree on which ones
- Local ideas assigned to leadership and team leads
- Larger ideas turn into larger kaizens
- \$25/idea implemented
- Leaders \$25/5 ideas



## Organizational Support

1 CI champion for every 100 employees

1 Value stream manager for every 50-75 employees

- 1 Business Unit Leader for every 20ish employees
  - 1 team lead for every 5-8 employees
    - Team lead responsible for:
      - Technical support
      - 50% of time on department idea implementation
      - 25% of time on covering for absent employees
      - 25% of time on training





## We've made mistakes!

### Mistakes

- Too focused on tools and the results
- Underestimated change impact on people
- Change done on people, not with people

### Changes Made

- We refocused on our principles and ideal behaviors
- Unless you have a crisis, be aware of change management; We moved away from focusing on 5 day kaizen events
- Leaders began to realize the difference of making change to people vs done with people; employee survey helped



## We've made mistakes!

### Mistakes

- Strategic planning was not linking where we were going with what we were doing
- Employee suggestions were not followed up on quickly
- We go thru periods of stagnation

### Changes Made

- We now use a simple system- Traction; other systems proved too complicated
- Team leads were a key resource that enabled sustaining changes and following up on ideas in a timely manner
- Benchmark award winning companies yearly



## Challenges to maintain our culture as we move forward?

- 2<sup>nd</sup> and 3<sup>rd</sup> generation ownership changes (??), not as risk averse
- Turnover will be higher due to retirements (knowledge out the door)
- Generational challenges
  - Do next generations stay with a company for a career?
  - Work-life balance demands
  - Next generation wants to learn more and move more
- Innovation should be disruptive in what we look like today vs in the future



*Thank you for your time!*

**Networking Break**

**10:00**

**Networking Break**

**10:00**

# Honeywell

**Leigh Erickson**  
Sr. Operations Manager



Leigh J. Erickson  
7/20/17

**IMPROVEMENT CULTURES THAT LAST**  
Honeywell AERO-Minneapolis



# Honeywell



~\$40B  
in sales for 2016

~53%  
of sales outside U.S.

- ~1,300 sites, 70 countries
- More than 129,000 employees
- Morris Plains, N.J. headquarters
- Fortune 100
- NYSE: HON



**Aerospace**



**Performance Materials and Technologies**

**Honeywell Building Technologies**



**Safety and Productivity Solutions**

**Honeywell**

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# Site Lean Journey

**Honeywell**

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## Building On Our Six Sigma Foundation...

**Six Sigma**  
Tool Based



**HOS**  
System Based

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Experts lead the process</li> <li>• Project focused improvement</li> <li>• Informal best practice sharing</li> </ul> | <ul style="list-style-type: none"> <li>• Leaders coach teams, teams own the process</li> <li>• Continuous improvement (Kaizen)</li> <li>• Institutionalized knowledge sharing</li> </ul> |
|---|--|

**Operating System**

**Start**

Toyota Production System (TPS)	1945
Danaher Business System (DBS)	1987
Nissan Production Way (NPW)	1994
Autoliv Production System (APS)	1997
Alcoa Business System (ABS)	1998

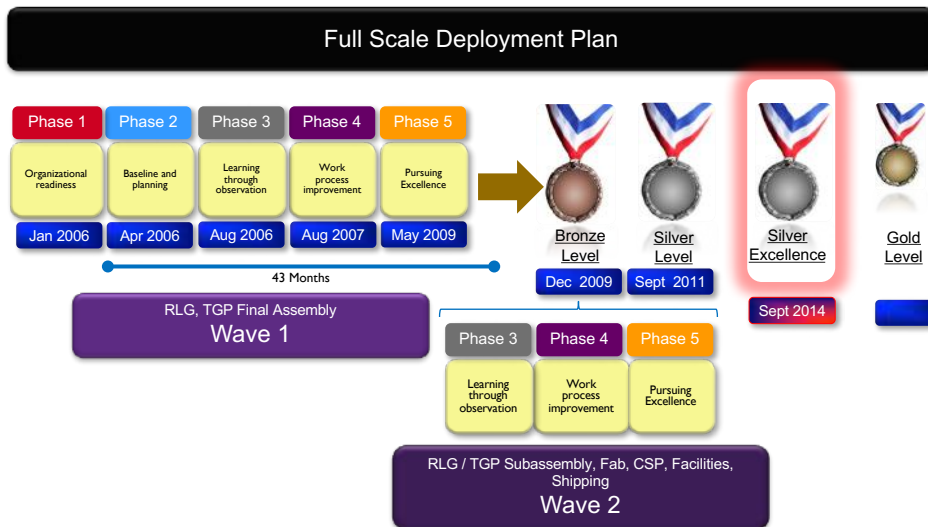
**HOS Validated With  
Extensive External  
Benchmarking**

*From Tool Kit To Integrated Business System*



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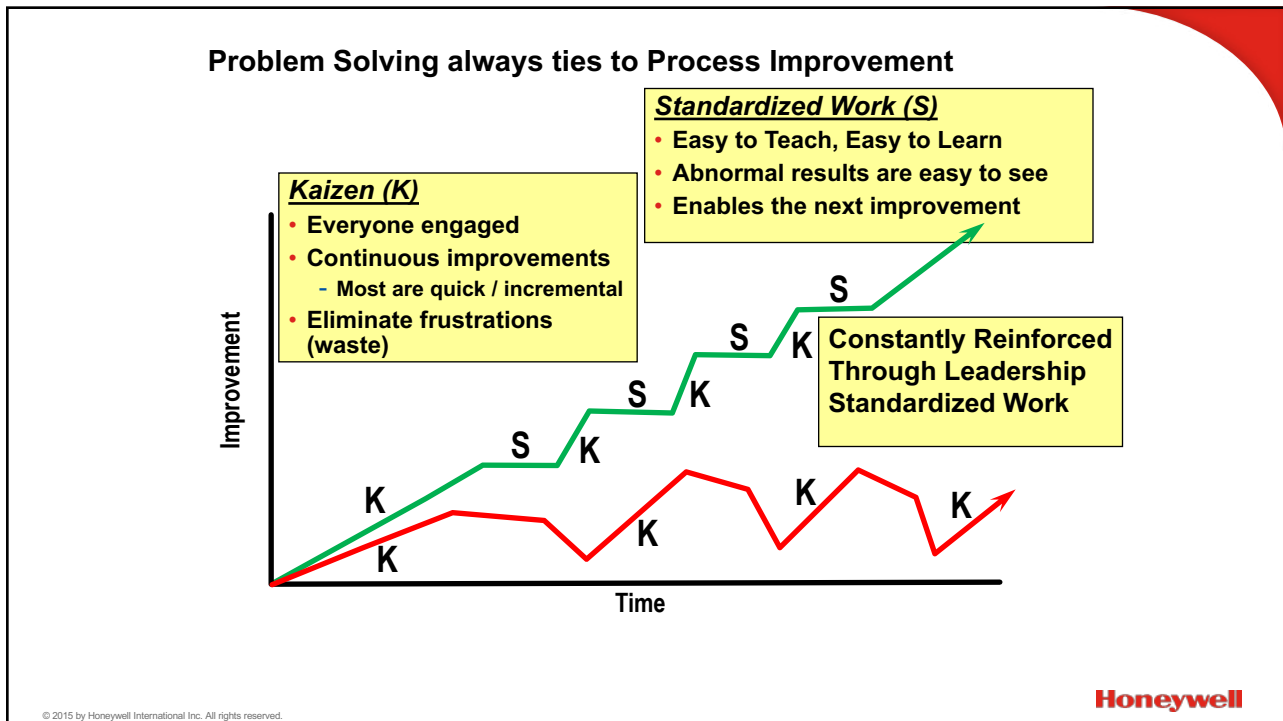
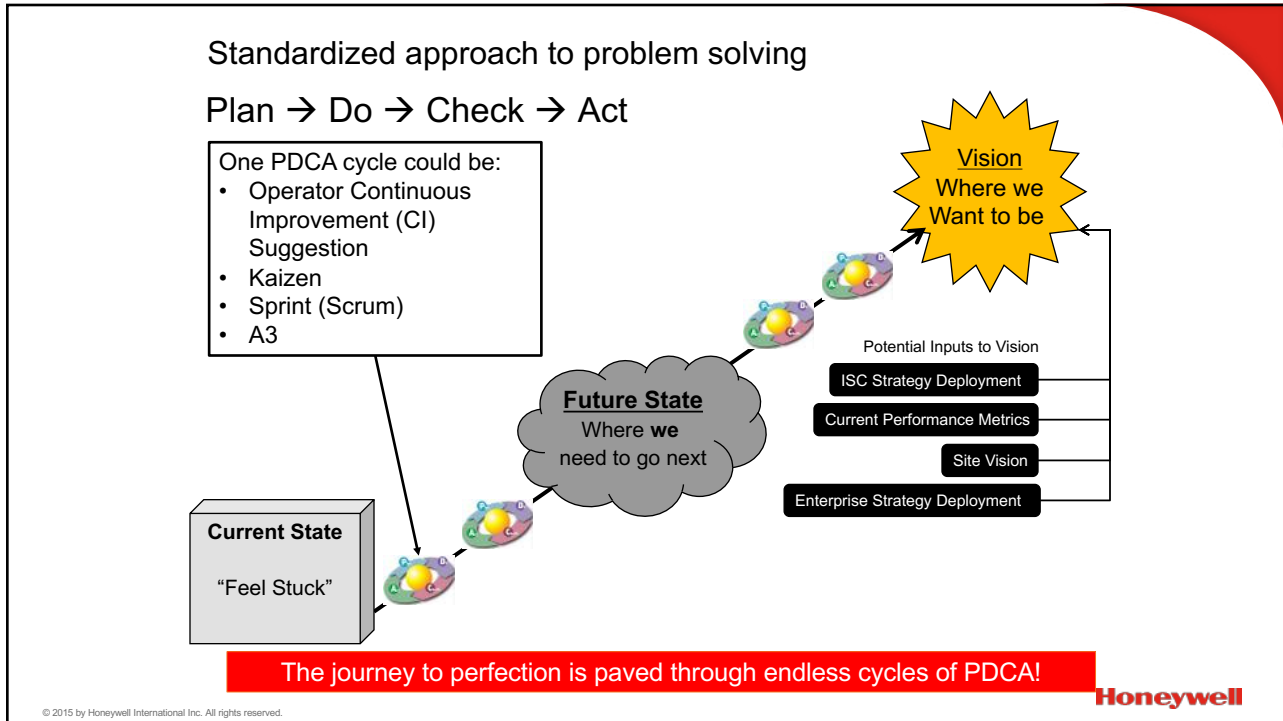
## Minneapolis HOS Roadmap



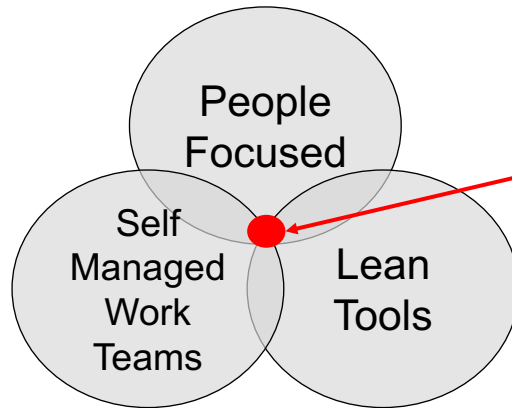
**A journey of learning**



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## Go beyond Lean Tools to Develop a Sustained Culture



The highest impact work has three elements:

- **Focus on people's** natural talents and abilities for engaging, challenging and enriching growth for the individual and the corporation
- Is developed by a cross functional, **self managed work team** that agrees it is the correct item to address
- Creates a new process or improve an existing process using **Lean Tools**

## Results



## Aerospace-Minneapolis Site Vision

*To continuously improve performance ensuring we thrive long term as the:*

- Employer of choice for our employees
- Supplier of choice for our customers
- Customer of choice for our suppliers
- Location of choice for our corporation

*Accomplished through:*

**Empowered, self managed work teams that drive personal ownership & accountability to achieve:**

- Zero injury culture
- Zero defect culture
- 100% on time delivery to commitments
- Industry leading value proposition



## HOS Journey – Early Results



### GG1320 Ring Laser Gyro

Criteria	2007	2012	Change
Volume	24,385	32,316	32% ↑
Average WIP (\$000's)	\$10,600	\$3,900	63% ↓
Average WIP Turns	5.80	21.50	270% ↑
Cycle Time (days)	87	31.9	63% ↓
Labor hours/unit (indexed to 2007)	1.00	.84	16% ↓
Delivery / OTTR %	99%	99.54%	0% ↔

### So What?

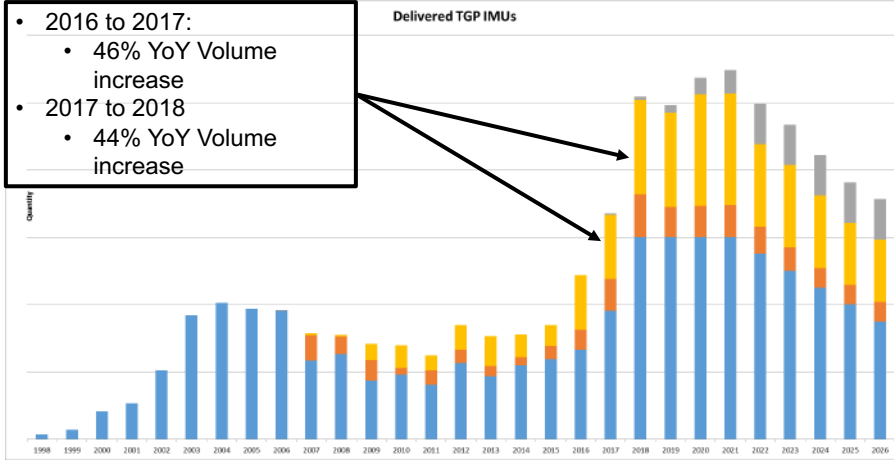
- Less cash / Less capital
- More capacity
- Higher profit
- Higher quality
- Opportunity to increase market share
- Faster response to demand
- Enables new markets

*Focused deployment of the HOS tools brings significant results*



## HOS Journey – Results rewarded with Growth

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Quality, Delivery and Cost improvements recognized by customers with more volume

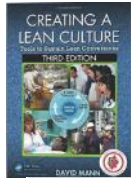
52

## Next Step Suggestions – Wherever You Are in Your Journey

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**Start Learning and Try Something Today!**



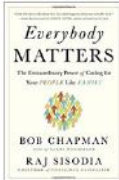
**Lean Tools**

- Creating a Lean Culture (David Mann), 3rd ed., 2014
  - How to implement Lean Tools across operations and office areas
  - Filled with examples for Visual Controls, Standard Accountability and Leader Standard Work
  - Reads differently every time you read it (context changes as you learn)



**Self Managed Work Teams**

- Turn the Ship Around (L. David Marquet), 2013
  - Check out his 'What is Leadership?' video for a 9.5 minute summary of Self Managed Work Teams
  - Leaders give control to the team and support improvement



**People Focus**

- Everybody Matters (Bob Chapman and Raj Sisodia), 2015
  - Every person in your organization has skills and abilities that can be utilized for individual and organizational success
  - Solving frustrations leads to growth and improvement!



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**Q & A**

rms Company  
**Lee Zachman**

Honeywell  
**Leigh Erickson**

Wilson Tool  
**Chris Lawless**

## How did we do?

Please fill out your **feedback sheet** for today's seminar.

## Seminars & Webinars

Leverage the best practices and lessons learned from a diverse panel of industry peers.



### Gemba Walks

August 9 at Starkey in Eden Prairie

### Process Mapping for Improvement

September 14 at Dunwoody College

## Workshops

Practical methods to continuously improve manufacturing and leadership practices



**Kaizen Rapid Improvement**  
July 31

**Engaging Your Workforce in Improvements**  
Aug 2

**Toyota's 8-Step Problem Solving**  
Aug 8

**Leaders Standard Work**  
Aug 22

***NEW* - Accelerating a Lean Culture**  
Sept 28

## Certifications

### Lean Practitioner Certification

Next series starts September 6

### Lean Leader Certification

*Improvements Coming this Fall  
(Content, Customization, & Coaching)*

Flyers on the back table!

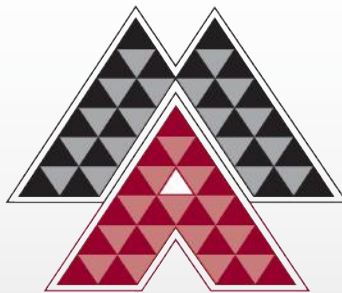
## Peer Group Membership

Would you like feedback on your challenges? Leverage a group of your peers as your own board of advisors.



- Lean Enterprise
- Advanced Lean Enterprise
- Business Process Improvement

## See you soon!



**Manufacturers Alliance**

[www.mfrall.com](http://www.mfrall.com)