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The Lean Digest

From The Lean Logistics Operations Provider

August 2010, Vol 4 - Issue 8

In This Issue

[LeanCor News](#)

[Tips and Tricks](#)

[Ask Orlo](#)



Quick Links

[Visit LeanCor's Website](#)

[Ask Orlo a Question](#)

[Lean Training](#)

[Lean Consulting](#)

[Lean Logistics
Operations](#)

[More Resources: The](#)

[Lean Six Sigma
Resource Room](#)



LeanCor News



Greetings!

Some people are thinkers. Some people are doers. I think I am both, but not always simultaneously. I find there are many situations at home in which I could better utilize the organizational skills that I have learned in my professional life. I tend to organize differently at home than at work. To illustrate, I have taken on two large projects recently, one at work and one at home.

For the project at work, I first became a thinker. I had five days to absorb the information on the current state, formulate a plan for improvement, and begin implementation. I devised a plan of action before beginning work and broke the timeline into manageable sections. The first two days were spent observing the process and asking questions of those directly involved. The third day was spent formulating areas for improvement. The fourth day was spent selecting the improvement projects that were both feasible and worthwhile. The last day was spent creating an implementation plan for the selected improvement projects. The plan was a very organized and methodical approach with successful results.

I am not always so organized at home. Recently, I visited the local home improvement store where I passed a paver mold used to create concrete paving stones. I decided these stones would look good at my house. Without any planning for time or materials, I purchased the mold and several bags of concrete mix. After arriving home I went straight to work molding and placing the paver stones from my driveway to the back patio. The afternoon turned to evening, then to night, and finally the project was complete. At this point I realized I should have devised a plan before starting the project. With a second mold, I could have moved more quickly and saved time. With prior measurement, I wouldn't have two full bags of concrete mix left in my garage.

There are situations where planning is needed before any

It's Almost Here: The *Lean Logistics* Blog

**LeanCor's new blog is
set to launch this fall!**

Your next edition of *The Lean Digest* will look quite different this September. That's because LeanCor is publishing a new blog that will replace our newsletter articles in a much more engaging way! Written by our in-house and on-site lean logistics managers, engineers and consultants, *The Lean Logistics Blog* will be a place to discuss lean logistics and lean supply chain best practices, industry thought leadership, and innovation. And don't worry, *The Lean Digest* will still provide you with lean news and industry events each month!

What do *you* want to read about in the *Lean Logistics Blog*? [Contact us](#) and we will be happy to focus on your hot spots.

Lean Six Sigma: You're So Money!

**A free webcast from
Six Sigma IQ that
explains how to make
cash flow through
process improvements**

action. There are other situations when immediate action is necessary. But in most cases, I find if I just do a little of both, I end up way ahead.

**Written by Ryan Haller
Manager, Lean Logistics**

➔ Tips and Tricks of the Lean Organization

Balancing Lean Theory and Practical Implementation

One of the struggles in companies trying to improve business today is the divide between employees on the ground doing the work, and the vision of senior management often far removed from the process. Management holds vision planning sessions that produce unrealistic or even counterproductive results. Meanwhile, day to day workers are left with unachievable expectations. This cycle quickly lowers employee morale and buy-in for improvement projects, thus leading to decreased management effectiveness.

Those who have done the work for a long time gain an understanding of processes and situations to a level that can't be gained in a classroom or seminar. However, those same people can start to adopt the "that's how it has always been done" mentality that prevents continuous improvement.

The key to balancing the effort of front line employees with the knowledge and vision of management is a solid Hoshin Kanri Strategy planning process. This methodology requires process improvement to flow from the bottom up and top down. Each level in the chain of command participates and works together. This collaboration ensures that senior management is aware of company reality so they can develop the company vision accordingly. That vision can then be owned by employees of all levels. The method of Hoshin Kanri deployment is as follows:

- Establish a shared goal with a comparable baseline.
- Communicate the goal to all leaders.
- Involve all leaders in planning to achieve the goal.
- Hold participants accountable for achieving their part of the plan.

A helpful tool for Hoshin Kanri Strategy deployment is the A3X. The A3X (also called X-Matrix) starts with your company's year objectives and uses them to create

In this "Profit through Process" Interactive webcast, Genna Weiss of Six Sigma & Process Excellence IQ speaks with Thomas J. Goldsby, Ph.D. of the University of Kentucky and Robert Martichenko, CEO of LeanCor LLC, who show how to:

- Convey operational and service improvements in terms of key financial statements, namely the income statement, balance sheet, and statement of cash flows
- Relate the seven cash flow drivers to operational and supply chain value
- Translate process improvements into bottom-line impact through the Strategic Profit Model and Economic Value Added
- Address key challenges that supply chain professionals face when making the case for process improvement

[Click here to play the webcast.](#)

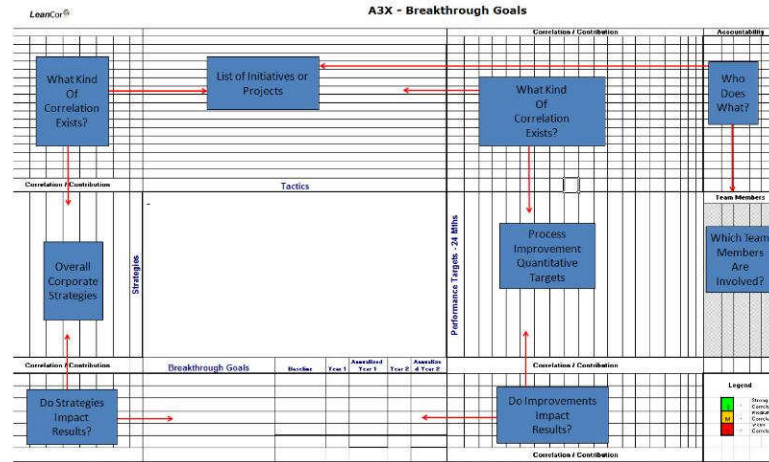
Create a Culture of Continuous Improvement

The Lean Supply Chain Professional Certificate Program

LeanCor has partnered with the Georgia Tech

breakthrough goals (including your total delivered cost goals). It then links your goals to improvement projects and the projects to the responsible personnel.

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The PDCA (Plan, Do, Check, Adjust) process improvement cycle occurs repeatedly in the plan's development, implementation, and evaluation. The essence of Hoshin Kanri Strategy is fundamental to becoming a learning organization. Hoshin enables an organization to collect and study performance data from every day activities and long-term goals. Further, it helps the organization reflect on its current state and desired destination.

*Written by Jacob Nance
Manager, Lean Logistics*

➔ Ask Orlo

Dear Orlo,

I am a supervisor at a medium sized manufacturing plant. While I directly report to only one person, I still receive project inquiries from multiple levels/departments within our organization each day. How can I balance my workload while driving improvement in my daily operations?

Respectfully Yours,
Jessie Simpson
Fabrication Supervisor

Hello Jessie,

During these times of economic turbulence, organizations

Supply Chain & Logistics Institute to offer public certification courses for supply chain and logistics professionals who wish to advance their lean knowledge.

Measurable results from the courses include:

- Reduced total cost of ownership
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- Reduced logistics costs
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- Reduced lead time
- Reduced space requirements
- Overall reduction of organizational and operational waste

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are challenged to do more with less as hiring is frozen and unpalatable decisions such as cutting back are thrust upon management. This change may result in more individual responsibility, which is due to recognition of the ability to multitask. The ability to multitask in an organized, lean fashion is your key to maintaining a balanced workload and accomplishing all that you plan to do.

In my position as a lean logistics manager, I follow these three rules to manage my duties in a controlled manner:

1. Define Your Expectations

These expectations include those set by your management, as well as goals that you hold for yourself. Use of an A3I ("I" for "individual") document is effective in outlining overall department goals and how individual employee objectives will help meet those goals. "The widespread adoption of the A3 process standardizes a methodology for innovating, planning, problem-solving, and building foundational structures for sharing a broader and deeper form of thinking that produces organizational learning deeply rooted in the work itself" (John Shook, *Managing to Learn*, 2008). For more information on the A3 process and lean leadership, visit the Lean Enterprise Institute website. Understanding the role that you play in your organization and defining expected accomplishments will allow you to better tailor your daily tasks to what really matters. We call these tasks "value-add."

2. Dictate Your Schedule

Task	M	T	W	H	F
STD WORK	8.0	8.0	8.0	8.0	8.0
BIZ CARDS		2.0	2.0		
NEWSLETTER					
WEBUPD			2.5	2.0	
A3I	1.0				
SALES					
PROMOS					
SEM	2.0	2.0	1.0	1.0	1.0
APPAREL	1.0				
LEAN SUMMIT					
BROCHURE	2.0	2.0	1.0	1.0	2.0
WORKBOOK				1.0	
GA TECH				0.5	
DEREK		2.5	0.5		

The second step of managing your time is to fully understand what you spend time on each day. Create a standard work schedule, including start and end times for each of your daily tasks. Refine this schedule as many times as necessary until you have a final, realistic overview of your day. Then prioritize the elements. Standard work

group, The Lean Supply Chain, on LinkedIn. This fast growing group is a place for all supply chain and logistics professionals to network, share in lean thinking, and discuss best practices. Browse the discussion forums and daily news postings on current events in the lean logistics and supply chain industry.

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So What?

What points did we leave you pondering?

Accurate planning should precede any project, in both professional and personal life.

The essence of Hoshin Kanri Strategy is fundamental to becoming a learning organization.

A3 thinking and standard work help to multitask in an organized, lean fashion.

reduces waste and keeps you on auto-pilot throughout the day. "The core idea of standardized work is to determine the most efficient (as in: "muda-free") work sequence and to repeat it exactly in the same way so that operators avoid unnecessary motion and wasted effort" (Michael Balle's Gemba Coach column, 2010). An effective tool for planning standard work is a weekly PDCA (Plan, Do, Check, Adjust) board. This board can exist physically or digitally. The photo above is from our Corporate Development department. Create a grid with the days of the week scrolling across the top and your tasks down the left hand side. Assign a certain number of target hours each day to each task. As you progress through your day, mark the actual time you spent working on the task. Check, then Adjust. The "target" vs. "actual" will help drive future schedule planning.

An example of leader standard work:

3. Set Realistic Goals

While we all have high ambitions for our future in the workforce, keep in mind that over-commitment can cause poor delivery in terms of expected goals. When taking on additional responsibilities, be clear and realistic with yourself and your colleagues in terms of the necessary time to complete your task. It may make sense to delay a certain project until next quarter. Remember, that on which you place your seal of approval will ultimately affect your reputation, so be sure to take time to do the job right and well.

Keep in mind that if you're feeling pressure from multiple individuals in your organization, it is most likely a direct reflection of your perceived positive value to the company. Implementing standard work processes and maintaining an organized schedule will ultimately increase your quality of work and productivity.



Yours Truly,
Orlo

LeanCor is always looking for ways to better serve our readers. If you have any feedback to this newsletter or any other LeanCor publication, please feel free to call us or visit our website at www.LeanCor.com.

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