

Continuous Improvement Part 1 of 2

By Harold Chapman

SECRET SAUCE

Have you ever heard the phrase “secret sauce?” Secret sauce is not actually a secret; it actually implies having a solid spirit of continuous improvement at all levels of the company. Continuous Improvement (CI) suggests everyone is unified in thinking about how to improve the business incrementally and continuously. Some of the best businesses have found the secret sauce, and in most cases those businesses have a perpetual improvement engine. To leverage this new understanding, there must be a constancy of purpose when thinking about CI. This constancy of purpose is pushing toward perfection. The concept of absolute perfection is referred to as True North. True North is a notion of perfection. True North is thermodynamically impossible (2nd law of thermodynamics), so when explaining this concept to a team, it must be understood that True North is not a destination; it is a compass heading. The act of continually pressing toward True North will ensure that the team never rests on its laurels, but pushes forward to new frontiers and improvements. There are two types of improvement: Innovative and Continuous.

INNOVATIVE AND CONTINUOUS

Innovation usually consumes a lot of time and money to implement and should not be overlooked based on a business’s particular markets, services and/or products. Leadership drives innovation improvements. However, continuous improvement is free in most cases and can happen regularly with everyone in the company. To ensure continuous improvement focus, the people doing the work must be trained to continuously improve the work that they do, as they are in the best position to do so. Improving the work should not be the role of the process engineer or area manager. Expecting someone to improve someone else’s work leads to short-term improvements that eventually will degrade to the pre-improvement levels. There is another side benefit to engaging the people doing the work. The workers will be thinking about the problems while on the job as well as when they are home. Hopefully, no workers will obsess over work at home, but if they see something outside of work, and it creates a thought on how to improve something at work, everyone wins. We have all heard the saying, “It is only a drop in the bucket.” Anyone who has left water dripping into a bucket overnight will realize that this expression doesn't do justice to the power of water continuously dripping into a bucket, one drop at a time. The optimist thinks, "It's just a drop in the bucket; no big deal." The pessimist thinks, "It's just a drop in the bucket, but it's not nearly enough." The person with the CI mindset thinks, "It's a drop in the bucket; let's just keep it dripping and find more drips!"



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INHIBITORS TO FLOW

Now that we have people engaged to improve, what must be improved? There are three major areas that cost a company money. We must have a workforce that will strive to improve in these three areas. Remember, trying to address these three areas of work outside of a worker's control will only lead to frustration. The three areas are referred to as Muda, Muri, and Mura.

The first area is Muda (waste). It is the most commonly known and addressed area. There are eight forms of Muda, which can be remembered by the acrostic DOWNTIME.

Defects: Creating defective or rework parts which require additional time, money or resources to fix.

Over Production: Producing more than what is needed by the next process. Over production can also be driven by producing to a forecast and/or long setup times. This form of waste creates all of the other forms of waste and is considered the worst form of all.

Waiting: Waiting on machines, materials, information/approval, etc... Materials waiting in queue, machines waiting on a schedule.

Not utilizing the Minds of our Associates: Failing to engage the workers in the improvement of the work

Transportation: Moving materials from location to location adds cost, increases wait time, and can lead to damaged products.

Inventory: Tying up cash in excess inventory that could be used for other things. This also hides problems with processes and equipment and is a double hit, since cash is being tied up with no return on investment as well as paying for the cost of the problems which are being hidden. These hidden costs are not on the balance sheet, but they are present in the total cost of the business.

Motion: Searching for tools, materials, or information to do a job.

Excess-Processing: Performing work that doesn't add value to the product for which the customer is willing to pay. Testing is considered over-processing since it doesn't change fit, form, or function. Holding a tighter tolerance than required is another form of over-processing.



COMMON CAUSES

Some of the common causes for these types of waste are poor plant layout, poor product design, poor quality control, poor documentation, lack of standards, weak or missing processes, poor inventory control, unclear customer expectations, long setup times, unreliable suppliers, offshore suppliers, lack of workplace organization, and missed design changes.

LEADERSHIP WASTE

Now let's connect this closer to home in the form of Leadership Waste:

Defects: Checking, fixing after the fact, switching objectives. Erroneous paperwork needs to be redone.

Overproduction: Overproducing data, reports, and resources

Waiting: Delaying essential decisions, communications, or avoiding critical issues

Not utilizing the Minds of our Associates: Failing to train the team to improve its own work or making decisions for the team.

Transportation: Traveling to get documents and materials.

Inventory: Holding onto data, reports, and too many resources

Motions: Changing directions and indecision

Excess-processing: Failing to express expectations clearly, "just in case" work, staying busy vs. productive

It is imperative that companies ensure its leadership, especially senior leadership, doesn't create these types of waste with team members.

Next month we will continue this newsletter by focusing on the other two enemies to flow-- Mura and Muri. Drive Inc. has experienced professionals that can lead you and your team to a culture of continuous improvement. For a no-obligation introduction meeting, please contact Paul Eakle at paul.eakle@driveinc.com or 865-323-3491.

