

BREAKTHROUGH

Lean Implementation & Training Resource Publication
Brought to you by Lean Manufacturing Solutions Partnership, Inc.

SPRING TRAINING

By Aaron Styles

MANUFACTURING PARALLELS

The Boys of Summer are busy practicing now in the Florida Grapefruit League and the Arizona Cactus League. Major League baseball season openers are just weeks away. This is the perfect time to talk about Spring Training and how the concept applies to manufacturing.

Spring Training? How does that relate to business? Let's back up and start with some common problems:

- Seasonality
- Cyclical market downturns
- Loss of a major customer
- A declining market (often due to off-shoring)
- A temporary lull in demand

Think about the most common countermeasure to the above: Layoffs. To be sure, there is a time when layoffs are the right thing to do, but my experience is that they occur too soon and when they occur, they cut too deep. Consider further: What thinking drives this decision? Is it the desire to "be good" in the long term, or "look good" in the short term? Most often, what drives these decisions is less demand over which to spread both fixed and variable costs. The labor cuts are made deeply in an effort to not only offset the variable costs (of which labor is one), but also to offset the increase in fixed costs/unit. I call that an attempt to "look good."

On the other hand, what if we have a culture of exposing and fixing problems using all our people (LMSPI's definition for "Lean Manufacturing")? What if we saw the rate at which we solve problems as the key to competitiveness and long-term growth? If that were the case, deeply cutting labor will significantly hamper our ability to "be good" in the long term.

UNDESIRABLE CONSEQUENCES

As an example, let's say that for one of the reasons listed above, your demand drops by 25%. The normal countermeasure would be to drop labor by 25% until demand picks back up. This creates the following undesirable consequences:

- The rate at which we solve problems does not improve
- The rate at which operators learn the process does not improve
- The rate at which operators learn to solve problems does not improve
- We run at a slower rate so that, when the demand comes back up we are not ready to run at the necessary rate...because we are out of practice
- When the rate comes back up, we will have to hire new people (at a cost)
- When we hire new people we experience lost productivity while they are on the "learning curve"

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OPPORTUNITY IN DISGUISE

On the other hand, what if we keep all the extra labor? We could then run three hours, then identify problems experienced during the three hours and adjust. Then repeat the process over and over again until demand comes back. Spring Training! Just as MLB uses spring training to hone fielding, base running, and hitting skills while getting into "game shape," we can use Spring Training to standardize work, improve 5S, cross-train, and solve problems.

From a cost accounting perspective, Spring Training doesn't make any sense. The cost is high, there is very little revenue brought in... and the games don't even count in the standings! However, a major league manager would never dream of playing on opening day without going through Spring Training. A manufacturing enterprise is much more interdependent and complex than a baseball team, yet we tend to spend little time working on the fundamentals, even when an opportunity presents itself to us like the current recession.

You heard me right, the recession is an opportunity. Many of your competitors are busy trying to "look good," but you have the opportunity to "be good." Will you take advantage of it? The recession provides the opportunity to fix your problems and come out on the other side much more competitive. That means you can take back not only the 25% that you lost, but you can take some share away from your competitors. You won't even have to add labor and equipment to do it because you will be more productive.

At LMSPI, we focus on helping our clients develop competitive positions for the long haul. On average, our clients realize over 2800% Return On Investment (ROI). Some of our partners realize over 7000% ROI. When you are ready to "be good," we are ready to help. Contact our Director of New Business Development, Jason Manarchuck at (865) 776-9159 or Jason@lmspi.com to arrange for a no-hassle, no-cost focused plant visit. Meet with a Lean Sensei who can identify the next steps on your journey to long-term competitiveness.

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IN THEIR OWN WORDS: VIDEO TESTIMONIALS

Have you been reading Breakthrough over the months or even years and have yet to learn more about how we can help? Do you see value in our newsletters but still remain skeptical about whether LMSPI can deliver the ROI and real practical results?

Don't take our word for it; watch and listen to our customers describe their experience with LMSPI and what differentiates us from typical consultants in their own words. Watch the videos now, [click here](#).

Stay tuned!

Spring Training is a one-issue special edition for our customers and readers. Look for one more special release where we look at airport processes from a Lean perspective.

Jason Manarchuck Director of New Business Development

11212 Nautical Drive, Knoxville, TN 37934 PHONE: 865.776.9159 FAX: 865.588.1814

www.LMSPI.com

Jason@lmspi.com