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Bend the Curve CIP-News - August, 2009

Bend the Curve Continuous Improvement Practitioners

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The Times They Are Changin'



The news on the financial front continues to be dire.

The current budget deficit nationally is projected to hit \$1.7 trillion dollars for the year, and Maine is reporting a \$30 million dollar deficit in the first year of the recently passed biennial budget.

If you have been working for the State for any length of time, you can predict the reactions and consequences.

Governments have a pretty routine way of dealing with deficits. We know the playbook, but with this economy things do not seem to be tracking in the usual pattern. Sort of like a leaky boat, when one hole is plugged another one opens up.

The question now is can we bail faster than the water is rising?

The state (and other states) has usually attacked the problem by tapping rainy day funds, freezing spending and hiring, cutting services and staff, and taking temporary shutdowns and furloughs.

— *Walter E. Lowell*

These are useful tools.

They are quick but painful.

The hope is that they do the trick of balancing income with expenditures.

But what happens next if the economy continues to worsen? The news on this front is not encouraging. We have spent our children's inheritance so to speak.

What tool do we reach for now?

Taxes? Think again.

At what point does the law of diminishing returns kick in? Is the budget fix tool box empty?

A scary thought no doubt.

A recent news item quoted a prominent legislator talking about "rethinking, reinventing and redoing the way we do business." "Who knows," he goes on to say, "we might find a lot more than \$30 million." It's a familiar tune.

*Come gather 'round people
Wherever you roam
And admit that the waters
Around you have grown
And accept it that soon*

— continued on p. 5

August 2009

Volume 4, Issue 8

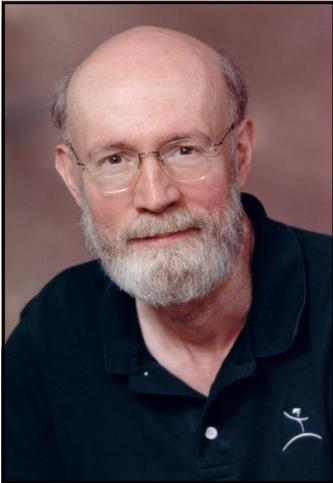
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Special points of interest:

- [Next Clinicals](#)
 - > September 18
 - > October 16
 - > November 20
 - > December 19
- September 22-23 Miller workshops planned.
- October 15th Lean in Maine Summit
- November DOP 1-5





The Mind of the Lean Manager *

Several years ago I started to talk about the need to move beyond lean tools - including the very powerful concept of Value-Stream Mapping - to lean management. At the same time we at LEI began to publish a set of volumes on lean management techniques. These consist of *strategy deployment* to set priorities from the top of the organization, *A3 analysis* to deploy new initiatives and solve problems in the middle of the organization, and *standardized work with kaizen* to create stability and sustainability at the bottom of the organization where value is actually created.

Recently I've been walking through a range of organizations to see how these lean management techniques are being used. Let me cite several illustrative cases:

In one organization I found a remarkably elaborate strategy deployment matrix posted throughout the headquarters and in the plants. It was the familiar x-shaped diagram with important business objectives on the left side, the initiatives needed to achieve the objectives along the top, and the specific results to be achieved in the current year on the right side. In addition there was an array to the right side showing who in which part of the organization was taking responsibility for each initiative and which parts of the organization were affected by each initiative.

And I also found very little success in achieving the goals. Instead, the organizational focus at the end of the budget year was on explaining why progress had not been what had been anticipated. It was a new form of the variance analysis I caricatured in last month's e-letter!

In a second organization I found that the COO had decreed that all problems were henceforth to be tackled using A3 analysis employing a standard eight box format. At the review meeting I attended, every manager showed up with a completely filled out A3 to prove they were on top of their jobs. And, because this organization was transitioning from a decades-long tradition of preparing lengthy reports on every problem (with pages of documentation), the A3s used one point type to crowd in all of the details that would have been included in a traditional report. When these were projected as PowerPoints it turned out that no one in the room could actually read them. But every manager had done his job.

In a third organization I found all of the elements of standardized work - work standards, work combination tables, kaizen opportunity lists - clearly posted in work areas and ... no standardized work. A few minutes observation showed that the work was not actually being done in the way the work standards required and that kaizen activities were not based on clear problem definition. Yet the management took pains to show me how much progress they had made with this splendid technique as part of their new visual management system.

As I walked through these and other organizations I was sobered to realize that these new lean management techniques had become more tools, in this case lean management tools. They were being followed as corporate ritual without thinking about their actual purpose. As so often happens in organizational life, means had become ends.

— continued on next page

I was not surprised. Tools -- for process analysis and for management -- are wonderful things. And they are absolutely necessary. And managers love them because they seem to provide short cuts to doing a better job. But they can't achieve their potential results, and often can't achieve any results, without managers with a lean state of mind to wield them.

What do I mean by a lean state of mind?

First, the lean manager eagerly embraces the role of problem solver. This means going to see the actual situation, asking about the performance issue, seeking the root cause, and showing respect for lower-level managers and for colleagues at the same organizational level by asking hard questions until good answers emerge. It's this critical, probing state of mind that permits lean tools to be put to good use as the lean manager applies the right tool for the specific problem and does this in context on the gemba rather than in the abstract in some conference room. Empty ritual is replaced with a rigorous thought process that engages employees and pulls forward their best abilities.

Second, the lean manager realizes that no manager at a higher level can or should solve a problem at a lower level. (And one of the worst abuses of lean tools lies in trying to do just this.) Instead, the higher-level manager can assign responsibility to a manager at a lower level to tackle the problem through a continuing dialogue, both with the higher-level manager and with everyone actually touching the process causing the problem. The lean law of organizational life is that problems can only be solved where they live, in conversation with the people whose current actions are contributing to the problem. But this requires support, encouragement, and, yes, relentless pressure, from the higher-level lean manager.

Third, the lean manager believes that all problem solving is about experimentation by means of Plan Do Check Act. No one can know the answer before experiments are conducted and the many experiments that fail will yield valuable learning that can be applied to the next round of experiments.

Finally, the lean manager knows that no problem is ever solved forever. Indeed, the introduction of a promising countermeasure is sure to create new problems at some other point in the organization. This is not bad. It is good, provided the critical, probing mind of the lean manager keeps on the case in pursuit of perfection.

In short the traditional manager is usually passive, going through rituals and applying standard remedies to unique problems. By contrast, inside the mind of the lean manager lies a restless desire to continually rethink the organization's problems, probe their root causes, and lead experiments to find the best currently known countermeasures. When this lean mindset is coupled with the proper lean tools amazing things are continually possible.

Best regards,
Jim

Management expert James P. Womack, Ph.D., is the founder and chairman of the Lean Enterprise Institute, chartered in August 1997 as a nonprofit research, education, publishing, and conferencing company with a mission to advance lean thinking around the world.

LEAN IN MAINE SUMMIT 2009



COME TOGETHER WITH MAINE'S PRIVATE AND PUBLIC BUSINESS SECTORS INTERESTED IN LEAN METHODS AND PRINCIPLES USED TO IMPROVE BUSINESS.

- Hear keynote speakers, attend breakout sessions from a variety of private and public sectors, and network with Lean practitioners.
- Hear highlights from businesses & organizations where Lean methods & practices are successful.
- Share your organization's knowledge and successes.
- Let government leaders know about the importance of using Lean methods and practices in a globally competitive economy.

Target Audience: Businesses and organizations interested in Lean management principles and methods. Sectors include financial services, health care, non-profits, local and State government, manufacturing, and construction.

Cost: \$75

Summit Date and Time

Thursday, October 15, 2009

9:00 a.m. to 4 p.m.

at Eastern Maine Community College
Rangeley Hall, Sylvan Road, Bangor

Contact: Michael Ballesteros, Eastern Maine Community College, Sylvan Road, Bangor 04401
(mballesteros@emcc.edu)

BTC Lean Events

Date	Time	Topic	Location	Contact
Aug 21	8:15-4:30	Clinical Sup.-Study Mission	Lean Lab w/Durham NH	Sam McK.
Sept 18	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Sept 22-23	TBA	Ken Miller Workshops	Florian Hall/St. Paul's	Hank McIntyre
Oct 16	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Nov	TBA	DOP 1-5 (TBA)	221 State, Lean Lab	ASD / WEL
Nov 20	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Dec 18	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Jan TBA	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Feb 19	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
March 19	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL

* To add or see more events or detail, go to the Bend the Curve Calendar in Outlook's Public Folders.

*You'll be drenched to the bone.
If your time to you
Is worth savin'
Then you better start swimmin'
Or you'll sink like a stone
For the times they are a-changin'.*

Who would think that Bob Dylan's words would be so apropos today -- and I'm no aging hippy.

CI-Ps have known for at least three years that maybe, after all, the boat is broken.

BAU - Business As Usual is no longer possible.

So what do we do?

In the distance I can hear Arthur calling, and it sounds like:

*"Operations, Operations, Operations,
Processes, Processes, Processes."*

We have thousands upon thousands of processes in state government: management processes, governance processes, business processes. Most - if not all - could be improved.

So the aforementioned legislator is correct, but what needs re-invention when we already have invented it: Bend the Curve?

The mission of BTC is to do just what he asks - improve processes.

This CI-P newsletter has published the results of many BTC successes. We know it works.

And, yes, it will be more than \$30 million, but it won't be easy.

If it was, it would be done by now.

We have testimony of the gains and benefits. So we wonder, why has a prominent legislator (or any legislator) missed this work?

A colleague of mine has reminded me that it is not just business processes that need improvement but also those processes of governance and management. They, too, are processes that need to be improved.

When was the last time you worked on a governance or management process? What tools do we have to work on them?

Yet they are as critical to the Lean revolution as the day-to-day business processes we are most familiar with.

— *Walter*

A Focus on Maine

Shortfall Shock"

This year was a tough test for state budget writers. Next year will be a harder one.

By Alan Greenblatt | Governing Magazine | July 2009

<http://www.governing.com/node/2410/>

Study Mission: Orion Ropeworks - August 14th



PARTICIPANTS: Walter Lowell, Merle Davis, Steve Crate, Ann O'Brien, Lita Klavins, Eric Dibner, Marcel Gagne, Kelly Grenier

BACKGROUND: As their website explains, the joint Orion Ropeworks, Inc. and Canada Cordage, Inc.

are North America's premier rope manufacturers, with 900 rope formulas, utilizing specialized rope-making expertise developed over the past 150 years. Orion Ropeworks, LLC, with close ties to Yale Cordage and buying out the assets of Crowe Rope which had gone into bankruptcy, was first established in March 2002. The current Orion Ropeworks, Inc. was formed in May 2005. Orion operates a 148,000-ft facility in Winslow, Maine (next to Johnny's Select Seeds) with about 70 employees.

Orion's quality practices have earned it the Qualified Supplier List Manufacturer (QSLM) certification by the U.S. Government. These standards - requiring extensive sampling, inspection and testing procedures - assure the commercial buyer that Orion products consistently meet or surpass the weight and strength standards of the Cordage Institute.

STUDY MISSION:

Overview: Robert Lucey, President; Jason Achorn, the Manager of the plant; and Patty Taylor, Human Resources welcomed us to Orion.

Robert Lucey, having worked in the U.S. and Canada for 30+ years, splits his work time between the two companies in Maine and Ontario.

He said that when the new company was formed, it had to be ready for a change — had to move to a culture of change and a culture of learning, How can you lead change? How do you get people to accept a culture of change? And to take personal responsibility? One way is to identify problems, going routinely to the *gemba* and developing a personal relationship with employees.

They trained all staff (some more than once) in one-day Lean training sessions, tracking *who* received *what* training. Staff are learning to use computers (scary for some) for both HR/payroll and work processes and are more at ease with them. They can also review and check on their own work.

He saw sales and production as value-added and everything else that could not be eliminated as overhead (non-value-added but necessary). Bob noted that he has been working to decrease any unnecessary administrative burden. They've had to let some managers go. When hiring a new manager at the plant, Bob pointed out that he looked for someone who had lived in Maine, left, and come back for the right reasons (to be near family, etc.) and found Jason Achorn, a chemical engineer.

Substantial Improvements:

In their improvement Action Plan, they address and measure performance in Customer service levels, Safety, Quality, Productivity, Personal Development, and Absenteeism. "You get," Bob said, "what you measure." (Lean & Safety, he felt, are really a matter of training. And error-proofing.) Although, he said, they are not as far as they would like in their three-year plan for improvement, they have made substantial improvements in ergonomics and productivity. They have improved the work environment, quadrupled productivity, used value-stream mapping to reorganize the work flow, and improved (decreased) their inventory. They follow their "motto" (and this specific order of these goals is important):

"Better → Faster → Stronger → Cheaper"

— continued on next page

Bob went on to point out that they had gone from four weeks for Work In Process to 4 hours. They have realized the following improvements:

- 90% - Inventory reduction.
- 50% - Space reduction.
- 33% - Improvement in productivity
- 90% - Reduction in lead time.
- 96% - Reduction in Payroll processing lead time through automation (one week to 1.5 hours)
- they also get more information.

They've used Maine MEP in, for example, the short-term for housekeeping (filament on the floor) and long-term (lifting).

The emphasis of the company, he stressed, is on quality and service. Orion's products *may* cost more than other companies, but Orion has carved out a market based on providing quality products and service. For example, they now have the ability (through mapping and moving machinery to improve flow and efficiency) to send out product within a day of the order — one big reason why Orion is competitive. The industry standard is 4-6 weeks; Orion's is 3-10 working days, usually within one day. The goal is to be 10X better than the competition (which includes three companies in North America and many others in Mexico, Korea, Portugal, China, etc.). The key, Bob said, is in having good systems.

Tour:

The participants were split into two groups, one led by Bob and the other by Jason. The flow of the work and improvements to it were a focus of the tour of the plant floor. While it was shown and illustrated that some of the machinery has already been moved for greater efficiencies, the plans for further improvements in the layout/flow were also pointed out. Different types of rope being produced at the time were seen and their design, make-up, and use (amazing!) were discussed.



Lean in Maine Summit 2009 Pre-Summit Offering

“Lean 101 – Principles of Lean Operations”

*An introductory all-day experiential workshop presented by
the Maine Manufacturing Extension Partnership*

Wednesday, October 14, 2009

8:00 a.m. to 4 p.m.

Eastern Maine Community College, Rangeley Hall, Sylvan Road, Bangor

Limited space available.

Cost: \$50 for Summit attendees. \$295 for those not attending Summit.



Department of Health
and Human Services

Maine People Living
Safe, Healthy and Productive Lives

John E. Baldacci, Governor

Brenda M. Harvey, Commissioner

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Augusta, Maine 04333-0011

FAX: 207-287-3005
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The primary purpose of the *Bend the Curve* Team is to provide support, consultation, assistance, and leadership in process and other improvement approaches and activities for State staff and work teams as they seek to continually improve their work culture, procedures, processes, and environments – in order to meet the mission of the department and the expectations of Maine citizens.

We're on the net!
<http://www.maine.gov/dhhs/btc>
<http://www.maine.gov/labor/bendthecurve/>



**Continuous Improvement Practitioners:
BTC Intervention Facilitation Status**

More Miller workshops & DOP 1-5 being planned !

Additional workshops with Ken Miller are being planned. We'll keep you posted.

The intensive introductory CI-P Bronze first level training (DOP 1-5) is being rescheduled to later in 2009.

You can also check the BTC Calendar in Outlook's Public Folders & come to the planning meetings for both.

DHHS		DOL		DAFS	
Kate D. Carnes	IA-L	Jorge A. Acero	O	Rae-Ann Brann	L
Nancy Cronin	O	Michael T. Brooker	IA-O	Wendy Christian	IA-O
Nancy Desisto*	IA-L	Deidre A. Coleman	IA-O	Rebecca S. Greene	IA-L
Jane French*	IA-L	Joan A. Cook	CL	Lyndon R. Hamm	IA-CL
James Fussell*	L	Stephen C. Crate	O	Alicia Kellogg	C-O
Marcel Gagne	CL	Arthur S. Davis	L	Billy J. Ladd	CL
Julita Klavins	L	Merle A. Davis	L	Michaela T. Loisel	IA-L
Don Lemieux	C-O	Eric Dibner	O		
Muriel Littlefield	C-L	Peter D. Diplock	O	DOT	
Walter E. Lowell	L	Brenda G. Drummond	IA-O	Michael Burns	C-O
Jack Nicholas*	IA-O	Anita C. Dunham	IA-CL	Jessica Glidden	IA-O
Ann O'Brien	L	Karen D. Fraser	IA-L	Rick Jeselskis	IA-O
Cheryl Ring	C-CL	Timothy J. Griffin	L	Robert McFerren	IA-O
Terry Sandusky	L	Gaetane S. Johnson	IA-O	Sam McKeeman	C-O
Clough Toppan*	CL	James J. McManus	IA-CL	Jeffrey Naum	IA-O
Helen Wieczorek*	IA-O	Scott R. Neumeyer	IA-O		
		Bruce H. Prindall	IA-L	DEP	
OPEGA, Legislature		John L. Rioux	L	Carmel A. Rubin	IA-O
Matthew K. Kruk	IA-O	Sheryl J. Smith	L		

* Community CI-P IA - Inactive C - "Champion for Lean" - not facilitating
 L - Lead CL - Learning Co-Lead O - Learning Observer