The Real Work of Management

with Jim Lancaster, CEO, Lantech
Let’s quickly review some tips for viewing and listening to the webinar and participating in the Q&A.

- To enlarge slides, use the “expand window” icon just beneath the slides on your display console.

- To adjust the sound, use the volume control on the console or on your computer.

- Ask questions at any time during the presentation by using the question box on your console. We will answer them during the Q&A part of the webinar.

BTW, we will archive this webinar in our library at lean.org. and let you know by email when it is posted.
Today’s Presenter

Jim Lancaster is:
• CEO and owner of Lantech, the leader in stretch wrap technology
• Author of just-published *Work of Management*, describing a lean journey that began in the 1990s
• A former financial industry analyst, New York City
• Board chairman, Jefferson Community and Technical College
The Work of Management
A Daily Path to Sustainable Improvement

By Jim Lancaster

www.lean.org/bookstore
Eliminating the World’s Shipping Damage

Case Erecting
Case Sealing
Stretch Wrapping
Conveying

Lantech®
Lean Objective at Lantech
to Accumulate Competitive Advantage

⇒ Accumulate Process Improvement
⇒ Accumulate Ability to *Hunt Like a Pack*
⇒ Tyranny of Chasing the *Next Big Idea*
⇒ *Deterioration*, the Enemy of Improvements
⇒ First, Managers *Believing* in Supporting the Work
⇒ Management System to *Combat Deterioration*
The Journey

First Growth Stage 1989

1972 1989
The Journey

First growth stage went through to 1989 then leveled through 1992.
The Journey

Lean facilitated growth still happening but it was not the same.

1992 - 1999
The Next Big Ideas

- Acquisitions
- Global Expansion
- Product Expansion
Revelations . . .

Innovation

Process Improvement

Performance/Quality Erosion
Big Idea

⇒ Management Accountability
Big Idea

⇒ Get Some Help
Back to the Floor

Electrical Panel Cell
Back to the Floor

Labels
Seeing and understanding the work is harder than it looks.

Does it really take the CEO to get rapid support to the operator?
Back to the Floor

Paint Line
Huge number of variables attack the process every day.

Operators and Team Leaders can’t control many of those variables.
The System

I. THE Business Issues: Qualify, Magnify, Knowledge, Skill, Culture are not improving at an acceptable rate:
   - We are losing off the past and it will not last
   - We are stuck in the loop of fine fighting vs fixing root causes
   - Plenty of direction but little momentum.

II. We Need a Strong Management System.
   - Management System Components:
     - Daily Operating Principle for how to motivate and improve our business vs looking for a silver bullet to save the day.
     - P: plan, D: do, C: check, A: adjust
   - Each Team needs a clear picture of quality in their area: VISUAL MANAGEMENT

III. Support to be provided to managers in their areas, minimizing disruption to their work.

   - W: User of Process
   - A: Analyzed
   - R: Re-planned

   Support Managers & Evaluating if the person in place can support the area today.

   - Start at end of value added process, A work back analysis.
   - <10 min per step with set shot at step time.

   Principles:
   - 100% of work becomes fine fighting
   - WE must be deliberate (standardize) on how we manage the current condition so we free up time to do improvement.

   Management happens at the work place. It is a repeating process how they plan and decide from there.

   Standard process at each step:
   1. Observe current condition - notices and actions
   2. Discuss thoughts & makes action statements with next action issues
   3. Identify support needs or next action
   4. A way to capture what was being done
   5. Follow up on actions from prior days with follow up on today and record next who did by whom if needed.

Lantech®
So . . .

*We need a system that:*

Holds gains through management’s quick response, allowing for improvement from the freed up time from fire fighting.
First Job of Management is to Hold Performance. If Done Well, Provides Time for Improvement.

- Performance
- Improvement
- Time

Yesterday's gap (put it back)

Big Gap to Fix
- Major project, needs leader, team, plan deliverables-- follow-up
React to Environmental Changes (Abnormalities)

Standardized Work

Visual Management

Standardized Management

to support the operator & their ...

self identifies ...
is reacted to with certainty by ...
WAR Management Cycle

6:00 – 6:15 AM
Operators

6:15 – 7:00 AM
Team Leaders
Factory Leaders

7:00 – 8:00 AM
Factory Leaders
Mfg Manager

9:40 – 9:50 AM
Mfg Manager
Senior Leadership
Maintain the Current Condition

Andon

Corrective Action

Issue  Action  DRI  Due

Action Window = 24-72 hrs

Actions in response to a “trip wire”

Improve the Current Condition

A3

KTM L1

KTM L2

KTM L3

KTM L5

KTM L3

KTM L3

KTM L3

1 Yr 90-day 30-day Daily Actions

Actions to achieve goals
Management is what happens standing there at the board!

⇒ Only deviations or things requiring support are discussed.

⇒ Deviations and problems have action attached with who does what by when before meeting is over.

⇒ Is the next step by the correct area or person?

⇒ Is the next step respecting problem solving and the operator?

⇒ Do we have immediate support for operator/customer?
Results in

Cross functional support every morning.

Priorities adjusted daily cross functionally.

Clarity of Responsibility – who decides what.
The Impact

Improvements accumulate.

Significant directional changes can occur quickly.
Improved Performance from Maintaining Current Condition
It’s About the Work!!

⇒ LEARNING to SEE it
⇒ LEARNING to DESIGN it
⇒ LEARNING to MANAGE it
If Lean improvements are not impacting your income statement and you have little time for improvement work, maybe you don’t have an improvement problem. Maybe you have a deterioration problem.
Next Steps

⇒ Articulate your most pressing business need
⇒ Turn yourself into a believer
⇒ Go to where the work is being done and observe
⇒ Improve and standardize the work YOURSELF
⇒ Watch what happens to what you improved
⇒ Create a daily management system connecting the work to the needed support managers
⇒ Read the *Work of Management*
⇒ Buy more stretch wrappers!
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