



A Spotlight on Leaders: What We Can Still Learn from Danaher and Wiremold

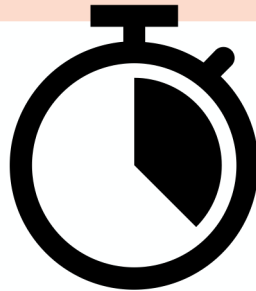
03/18/2021

A Quick Overview of the Webinar

Intro
5 min

Learning
Discussion
15 min

Q&A
40 min



What is the Lean Enterprise Institute?



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lean.org

A non-profit education and research institute based in
Boston, MA, with 32 global affiliates

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Making Things Better By Advancing Lean Thinking and Practice

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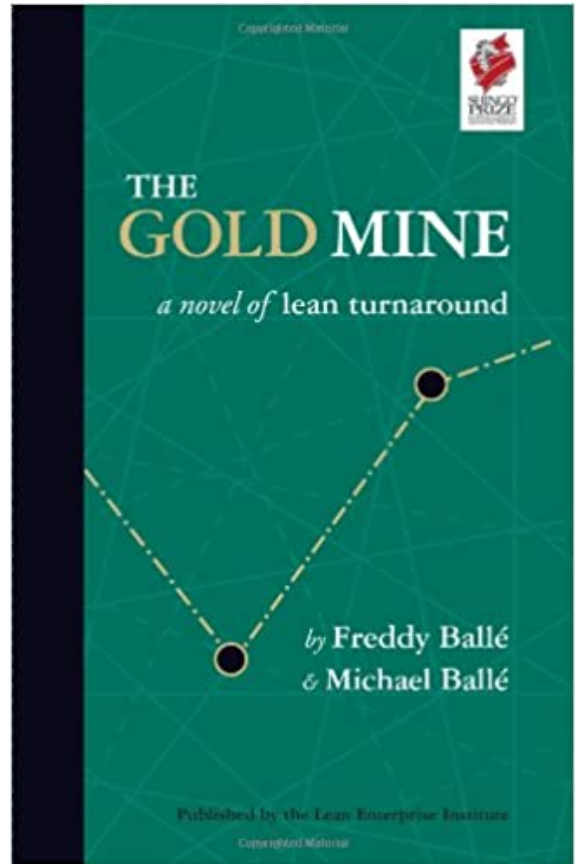
The Gold Mine

with co-author

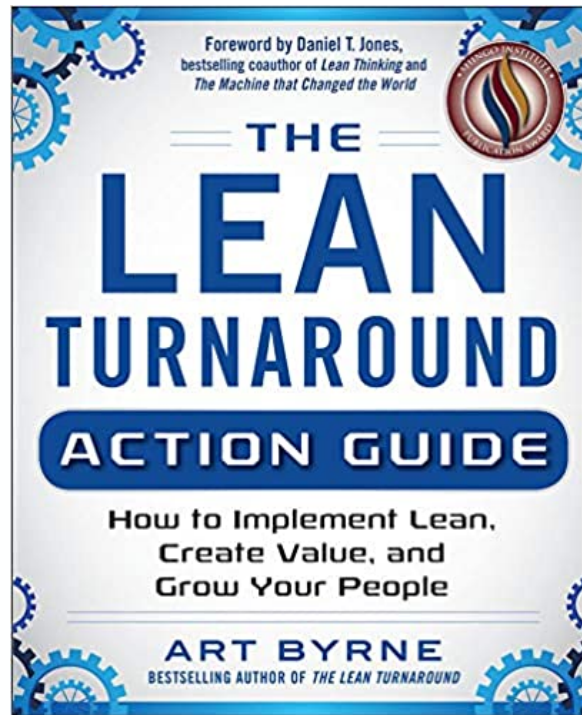
Michael Balle

Register

at lean.org/webinars



Who Is Art Byrne?





What We Can Still Learn from Danaher and Wiremold

March 18, 2021



What is a Company?

A group of people

A bunch of processes

Delivering value to a set of customers



Moving to Lean

- **Going from batch to flow**
- **Focus on your processes not on results**
- **Productivity = wealth**
- **Learn by doing**
- **Inventory is the root of all evil**



Traditional Companies: Lots of Opportunity

- **25-40% too many people**
- **5-6X too much inventory**
- **40-50% too much floor space**
- **Long lead times**
- **Persistent quality problems**



Lean is a Time-based Growth Strategy

- **Lead from the top**
- **Teamwork**
- **Transform the people**
- **Everything has to change**



Danaher's Early Days (1986-87)

- **About \$1 Billion in sales**
- **13 different companies**
- **Small corporate staff**
- **Two group executives**



Jake Brake's Results

	1988	1999
Revenue	\$65 M	\$220 M
Headcount	550	575
Floor space	240,000	240,000
Inventory turns	2x	25x
On-time delivery	<20%	99%+
Productivity	3.0	35.0
Lead time	85 days	2 days
Operating income	4%	>30%
Development cycle	72 months	16 months



Wiremold Results

- **Lead Times from 4 to 6 weeks to 1 to 2 days**
- **Productivity up 162%**
- **Gross Profit up from 38% to 51%**
- **Machine Changeovers from 3 per week to 20 to 30 per day**
- **Inventory Turns from 3X to 18X**
- **Customer Service from 50% to 98%**
- **Sales more than quadrupled**
- **EBITDA grew from 6.2% to 20.8%**
- **Operating Income up 13.4X**
- **Enterprise Value increased by 2,467%**



Operational Excellence Targets

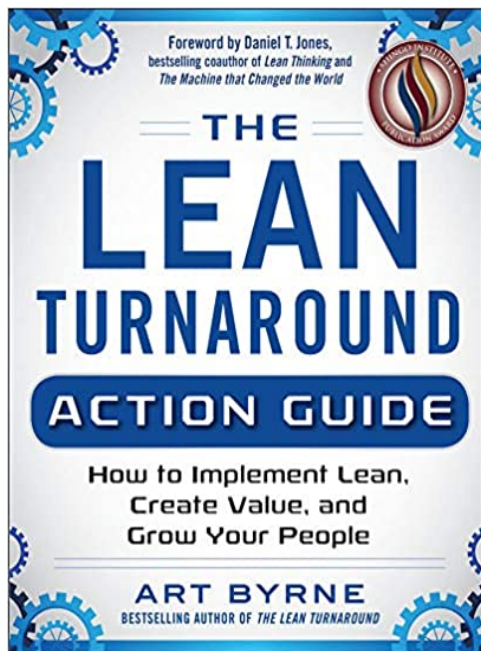
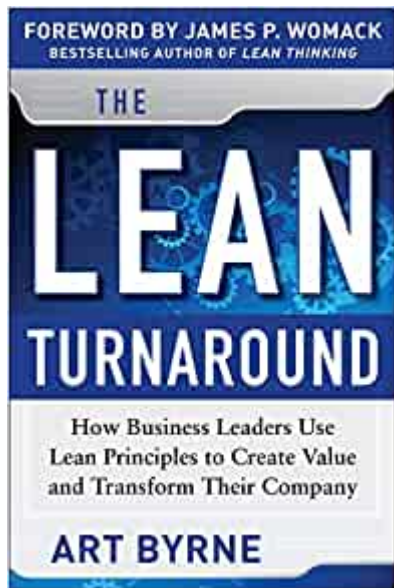
- **100% on-time customer service**
- **50% reduction in defects—each year**
- **20% productivity gain—each year**
- **20X inventory turns**
- **Visual control and 5S everywhere**



Reorganize for Lean

- **Value stream structure**
- **Team leaders own the operational excellence goals**
- **Weekly review with the CEO**
- **KAIZEN, KAIZEN, KAIZEN**

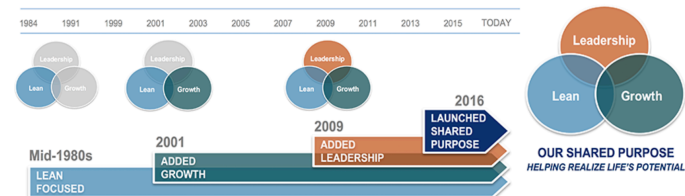
Stories of Lean Turnaround



THE LEAN POST



Evolution of the Danaher Business System (DBS)



Ask Art: What Was Danaher Like In the Early Days of Lean?

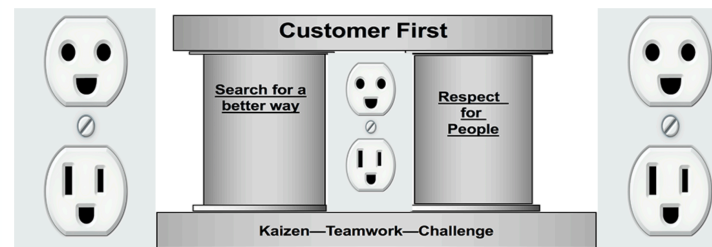
by [Art Byrne](#)
September 17, 2020

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THE LEAN POST



How Wiremold Reinvented Itself Through Kaizen

by [Art Byrne](#)
March 17, 2021

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Q&A

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