



Lean Transformation
Summit 2013

Focus & Accelerate Your Lean Efforts By Using Your Transformation Model to Guide Capability Development.

 **Herman Miller**



Ken Goodson

 **Lean Transformation**
Summit 2013



The Will to Win

How the Toyota Production System Transformed Manufacturing at Herman Miller

Ken Goodson, EVP Operations Herman Miller, Inc.

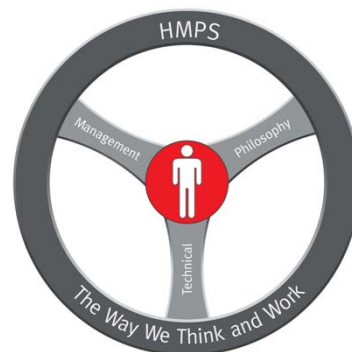
Purpose for Today

Who is Herman Miller?

Our HMPS Journey

“Lessons Learned”

Questions





Herman Miller's Vision

Inspiring Designs to Help People Do Great Things



HermanMiller The Will to Win



Facts About Our Business

Products are option rich

Build to order

Orders are made from multiple product lines
10 and 20 day lead-time

Mirra Chair



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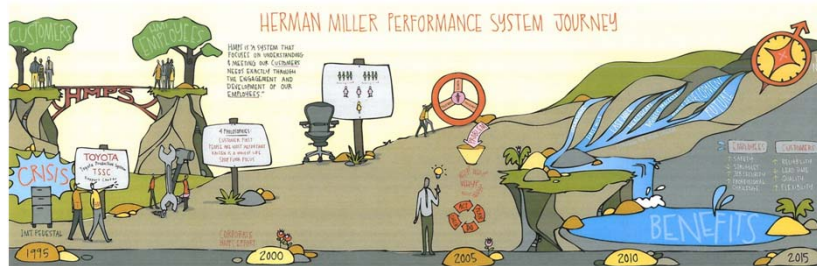
Results

	2001	2012
Sales	\$1.5B	\$1.8B
Safety (Incident Rate)	10.8	2.8
Quality PPM Score	15,723	1,300
Shipment OTC	66.7%	99.0%
Number of Manufacturing Employees	5,000	3,000
Inventory Turns	13.2	40.3
Space Utilization (square feet)	3.9M	1.6M

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Our Lean Journey – Getting to True North



Mr. Ohba's visit

Spread to all Hill Sites

People focus vs. Metric focus

Suppliers and Dealers

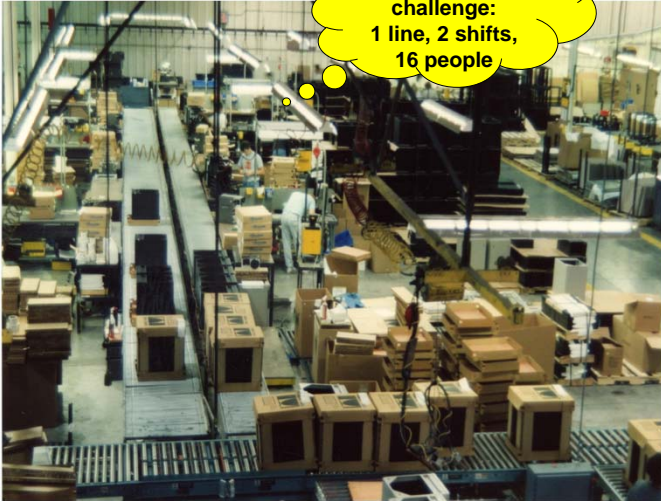
Product Devt and Sales

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1996 Tu Pedestal Value Stream



- 6000/wk
- 2 lines + 4 cells
- 3 shifts
- 126 people
- 20 min changeover



Mr Ohba's
challenge:
1 line, 2 shifts,
16 people

Today

1996 (Tu Only)

- 6,000/wk
- 2 lines + 4 cells
- 3 shifts
- 126 people
- 20 min changeover
- 62 hours
- 1 product

2012 (Combined)

- 6810/wk
- 1 line
- 2 shifts
- 28 people
- Instant changeover
- 4 hrs
- 2 products



Lessons Learned

Establish serious top-down commitment

This is "HARD WORK"!

Ant farm



Lessons Learned

Established a LEAN department led by me -
they get 51% of the vote

Need to find a good coach – you will eventually
create coaches in your business



Hajime Oba

Lessons Learned

In the beginning, speed kills

You set the direction and the goals you need to achieve for your business

It is okay to be messy –
celebrate small victories
(learn from mistakes)



Lessons Learned

Go and SEE – get off your butt
and see what they're up to

“Genchi Genbutsu”



Lessons Learned

Capture the gains & reinvest in people

Augustine's chair base rack:

wouldn't take "no" for an answer

used innovation to find a better way using gravity

spread across the chair plant - and the world



Lessons Learned

Periodically set some very aggressive goals –

(The shutdown of floor space,
25% improvement in COG's,
a dollar goal)



Lessons Learned

Take on the attitude of the Terminator – NEVER STOP



Lessons Learned

Focus on the struggles of the employees

What can you do to help them succeed?
-Don't just focus on the result you want



The Secret to Our Success...

I HATE investing in expensive equipment!

Deep, time-consuming, expensive investment
in developing all levels of the organization

We have an unshakable belief in our people,
having committed over 50 people to our 6 month
"Bridge Program"



VIDEO



Here's what it takes to WIN

Support is needed from top level leadership as a pre-requisite for success.

What's the "Big Deal"? HMPS is a **journey**; it's about singles not homeruns!
Remember **speed** kills.

A Way of Life – Instill **culture** at all levels of the organization; HMPS is flexible,
living process of problem solving where you meet your customer's needs by
solving your **worker's struggles**.

Everyone needs to contribute and lace up your shoes everyday.

Questions?

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