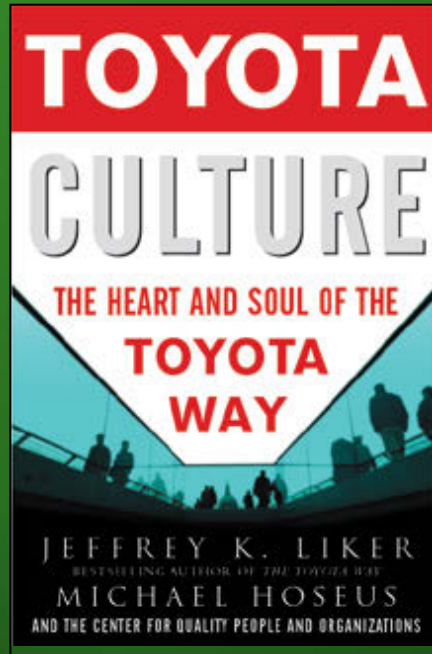


The Lean “Enterprise Management Development System” EMDS

Michael Hoseus
mike.hoseus@gmail.com
859-699-2235

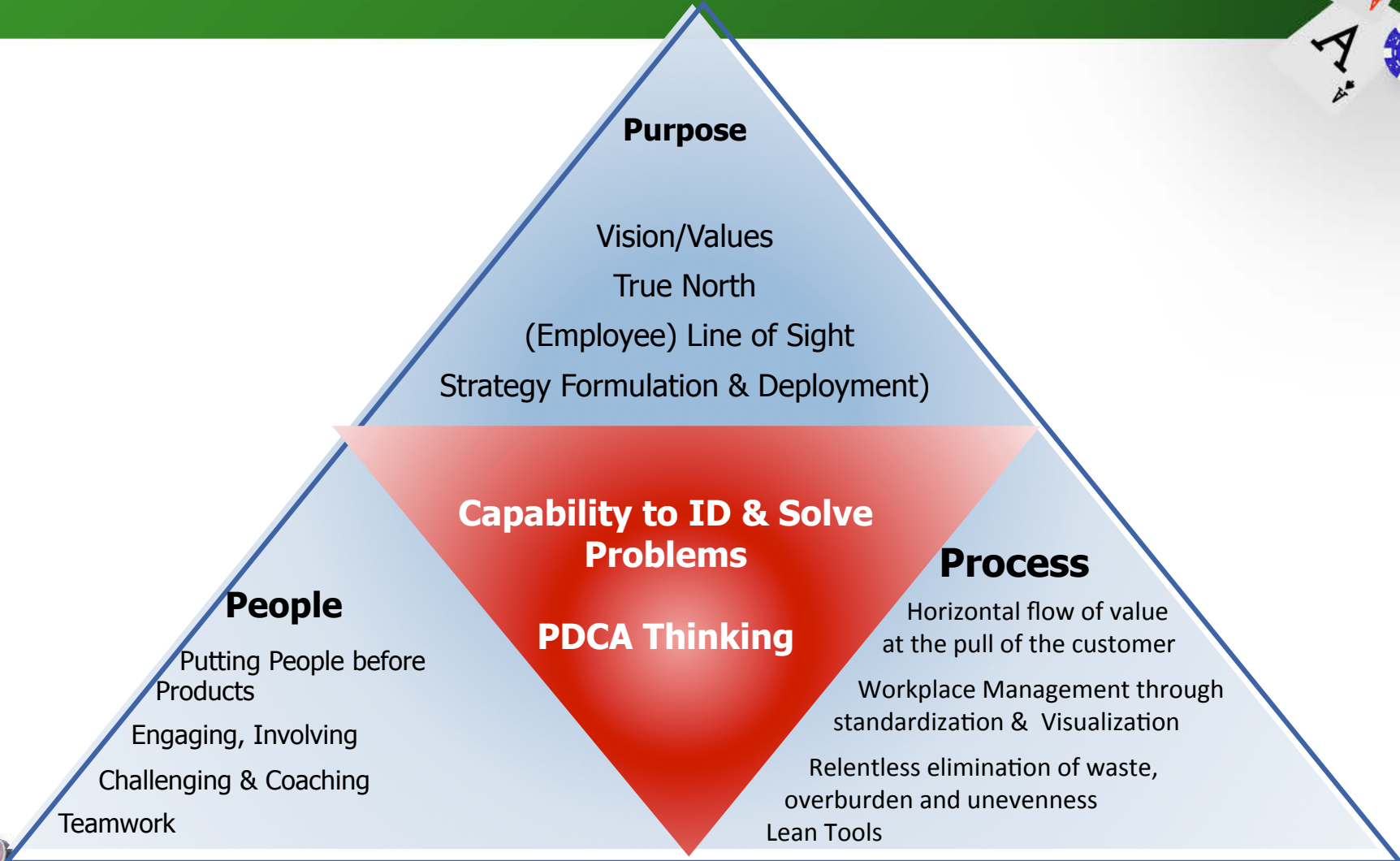


Let's Deal With The Work

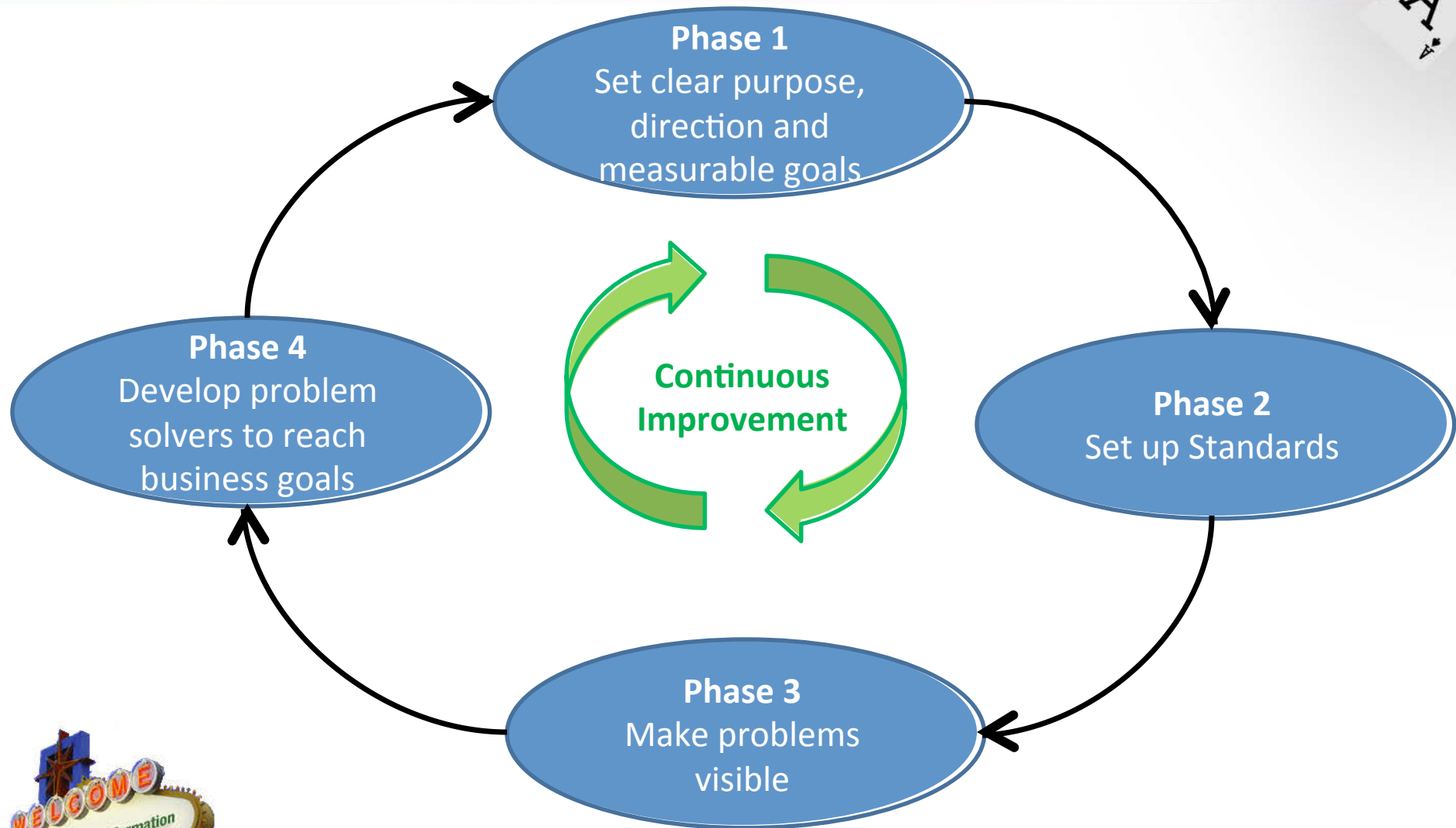
March 17-18, 2016 | Las Vegas

© 2016 Lean Enterprise Institute. All rights reserved.

The Lean Enterprise



Phases of EMDS



Simple EMDS Deployment Model



Build the
Right Team

- Position Descriptions
- Roles and Responsibilities

Determine
what is
important

- True North
- Business Objectives
- VSM & Hoshin
- Lean Work System

Determine
how to
measure
what is
important

- Targets and objectives
- Results and Process KPI's
- Catchball

Create a
visual
system to
track on a
Enterprise
basis

- Multi level
 - Executive
 - Manager
 - Value Add
- Charts and Graphs
- Structure of Boards

Create
patterns
and
standard
work to
support

- Structured Meetings
- Problem Solving
- Standard Work



Lean Leadership System



PURPOSE

Vision/Values
True North
(Employee) Line of Sight
Strategy Formulation & deployment

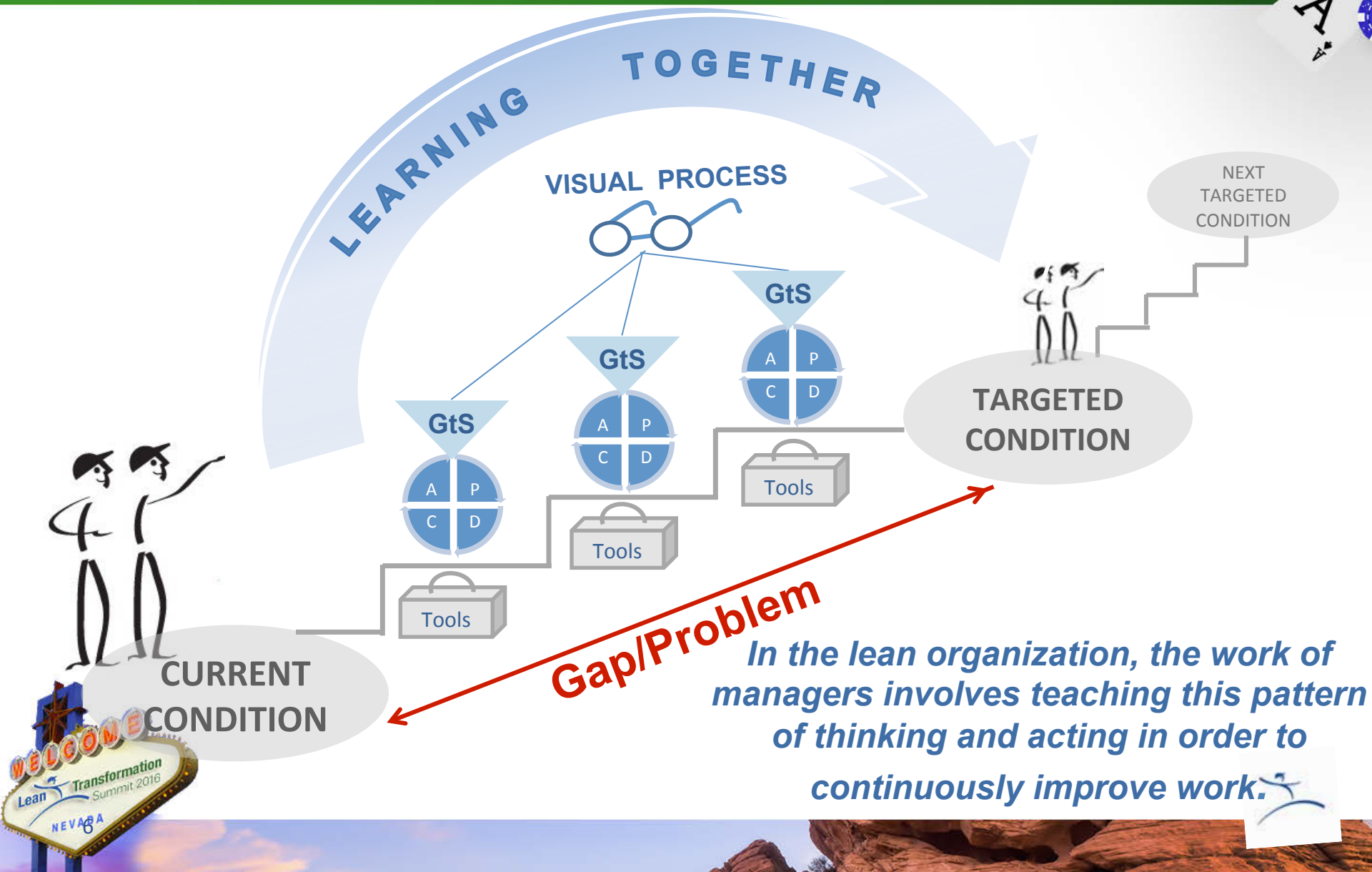
Challenging & Coaching

Teamwork

Relentless elimination of waste,
overburden and unevenness
Lean Tools



Managing for Improvement



Purpose



Company Goals

Profit
Long -Term
Success
Contribute to
Economy
Contribute to
Society
Good Quality

Employee Goals

A Paycheck
Growth
Good Benefits
A Safe
Workplace
Meaningful
Work

Long -Term
Mutual
Prosperity

Mutual Trust



A Partnership



Organization Provides Stable Employment & Sustains or Improves Working Conditions

Organizational
Prosperity is
achieved
through
Continuous
Improvement

Respect
Partnership
Mutual Trust
Continuous
Improvement

Employees
Satisfaction is
experienced
through the
Continuous
Improvement
Process

**Employees Contribute Efforts to Realize
Company Objectives**



Benchmark-Toyota Way

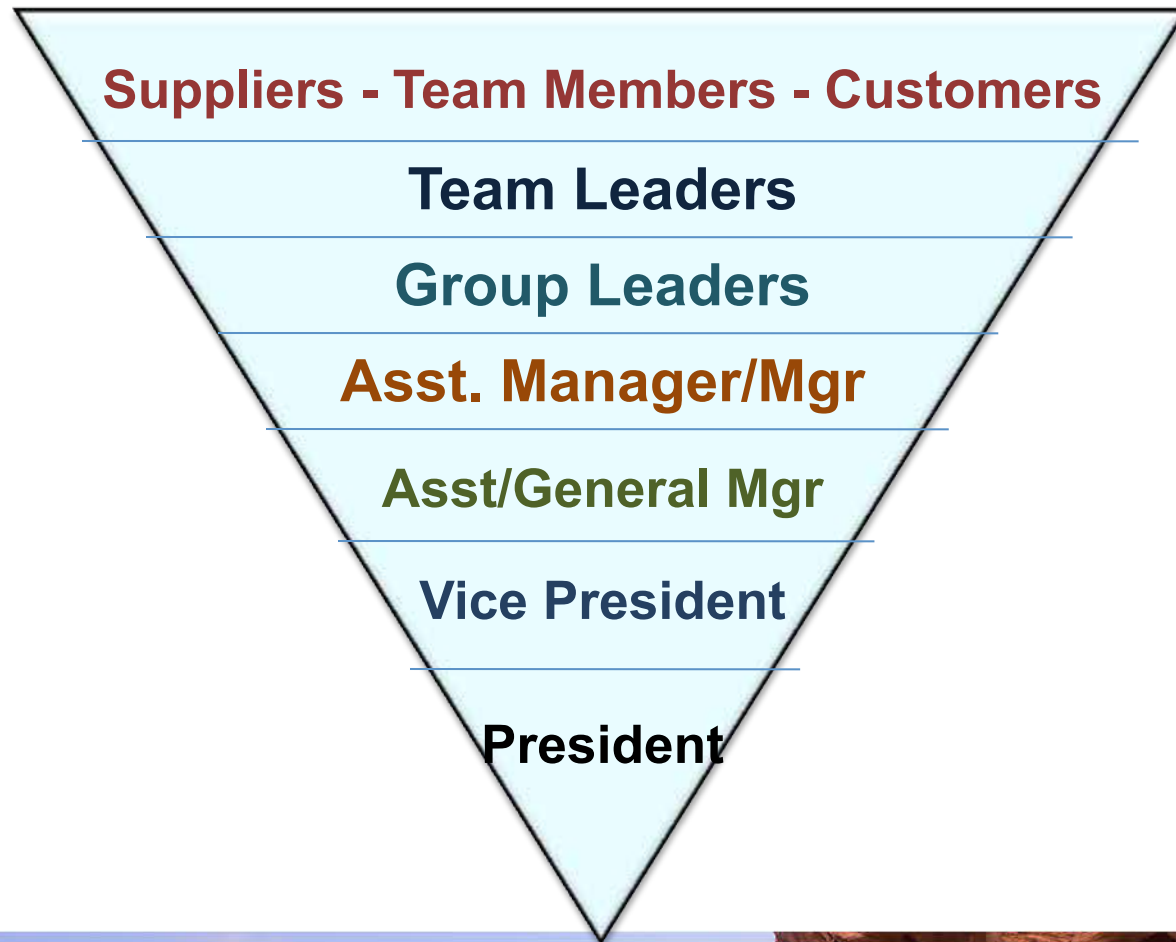


The Toyota Way 2001 is an ideal, a standard, and a guiding beacon for the people of the global Toyota organization. It expresses the beliefs and values shared by all of us.



Servant Leadership

Leadership develops the capacity that allows team members to improve what needs to be done



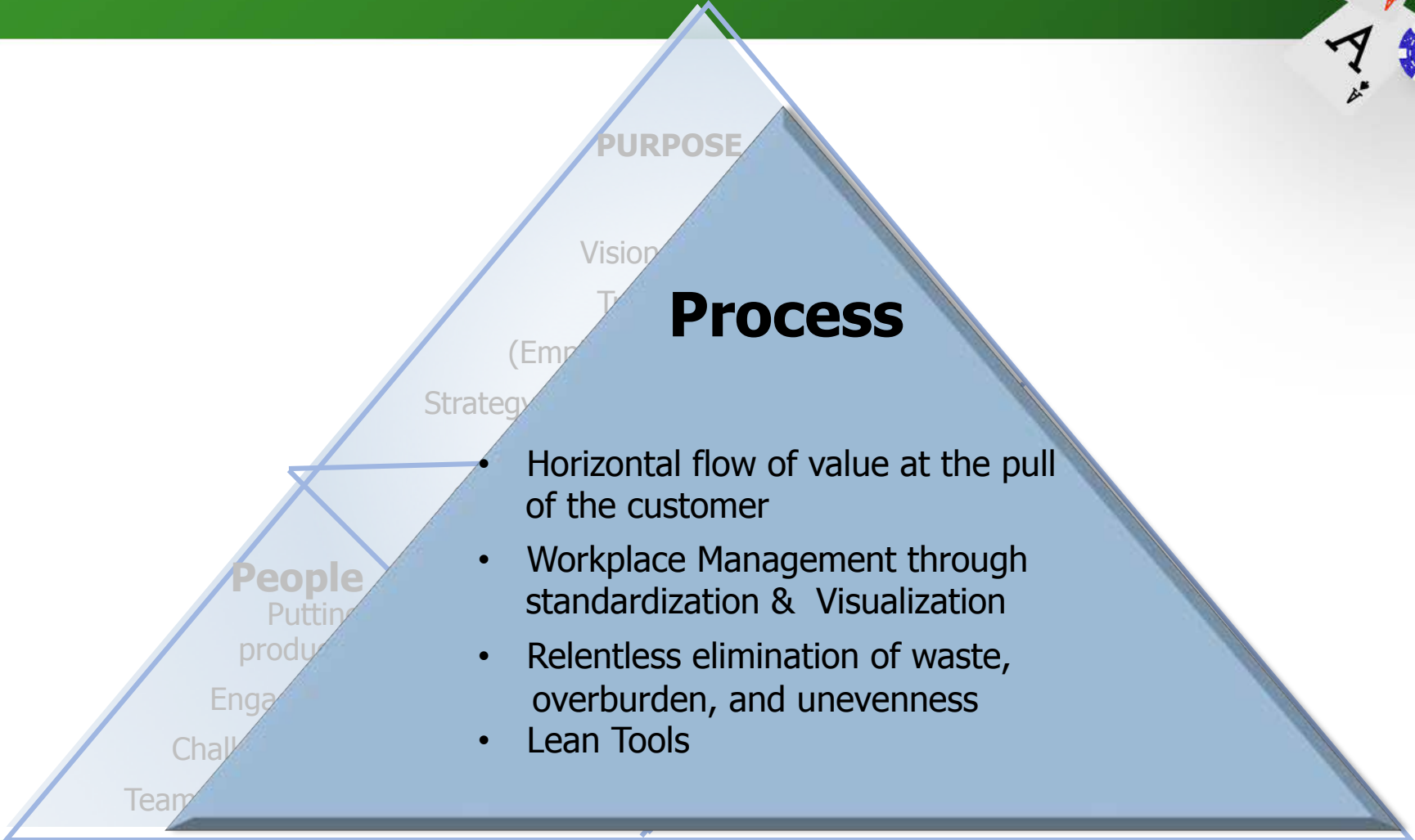
Toyota True North Example



	Ideal State	Current State
Why (Purpose)	Mutual Long Term Prosperity for all Stakeholders	
How (Values, Production System)	Toyota Way Values Toyota Production System Processes and Tools	
What (Vision)	Build the Highest Quality Car at the Lowest Possible Cost while respecting those who do the work	
Philosophy and Beliefs	Layoff Philosophy, Role of Employees and Leaders	



The Lean Work System



Value and Work Flows across Functions



Big horizontal business processes



Where is your Company ?

Vertical

Focus - Production
Budgets, SOP's
Make the numbers
Leaders separated from the work
People's ingenuity used to "beat the system"
Supervisors "manage" people

Horizontal

- Focus - Process
- Purpose
- Make problems visible
- Leaders focusing on the work
- People's ingenuity used to "improve the system"
- Supervisors work with the people to solve problems



Make Problems & Opportunities

for Kaizen Visible.

TPS =

PDCA

Set up
Standard

Check
Abnormality

Kaizen

Safety	Quality	Productivity	Cost	HR
Standardized Work, 5-S				
Visual Control & Management				
Problem Solving				



Goal of Standardization in TPS

Foundation for development, maintenance and improvement of the system by motivated employees

**Improve
Standardization**

Improvement of standards and standard ways to achieve better results

**Maintain
Standardization**

Maintenance of standards and standard ways to achieve expected results

**Achieve
Standardization**

**Establish
Predictability**

**Achieve
Repeatability**

**Define the
Standard**

Define Expected Results



The Lean Development System



People

Putting people before products

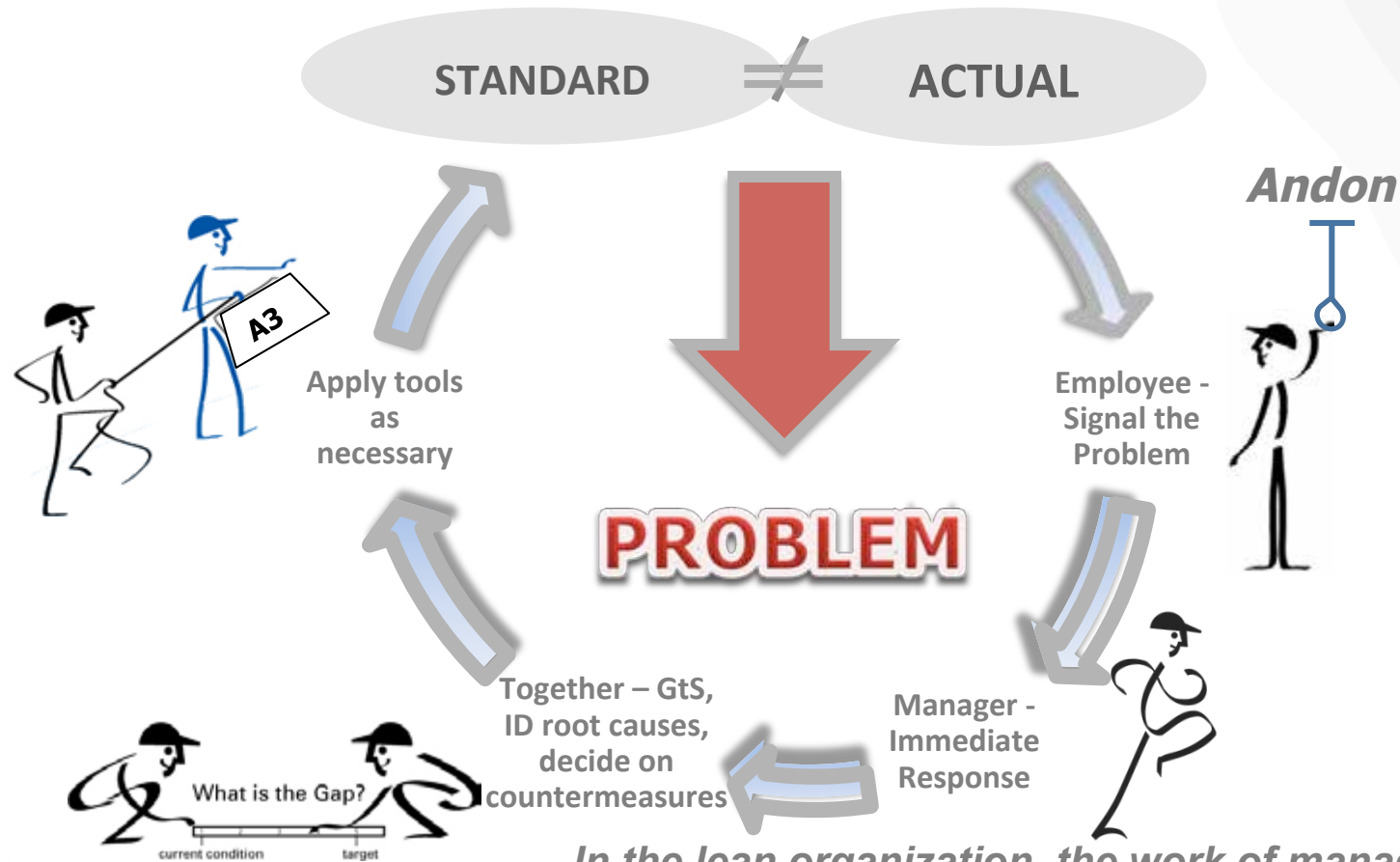
Engaging, Involving
Challenging & Coaching

Teamwork



The Work of Leaders -

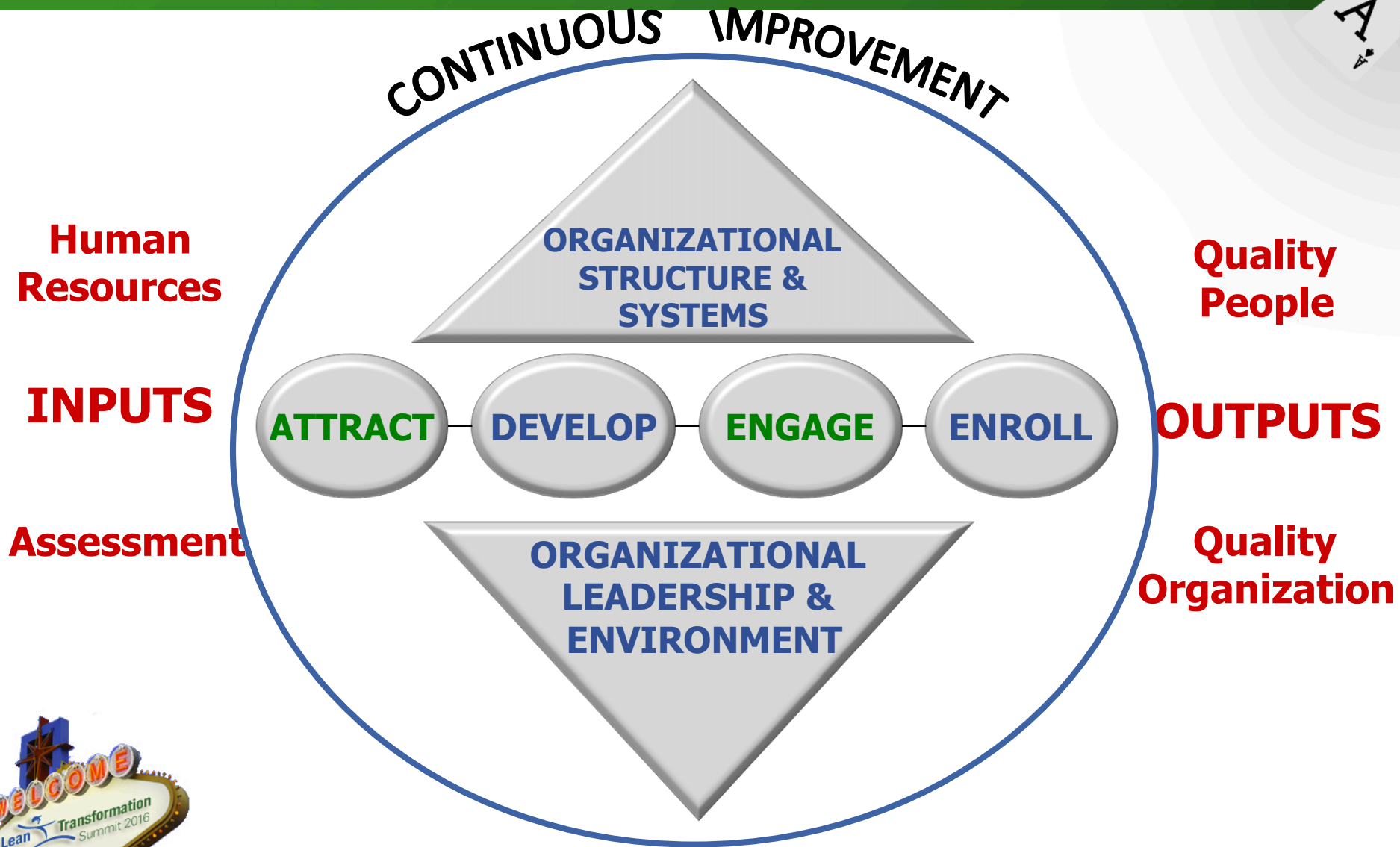
*Developing Systems & People to set Standards
& Identify and Correct Out-of-Standard Conditions*



In the lean organization, the work of managers involves putting in place the system for signaling problems and responding to them.



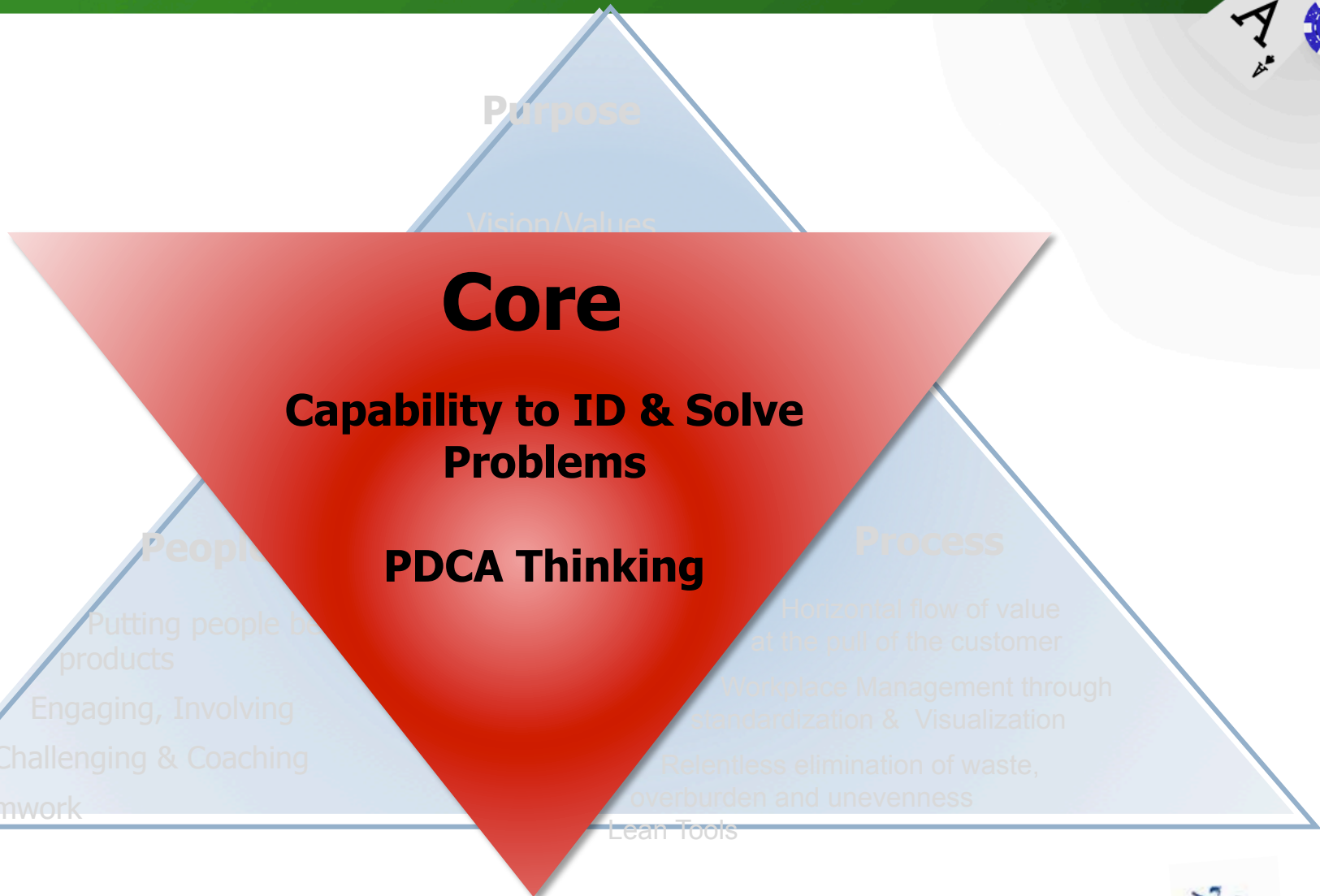
Lean Culture Overview Model



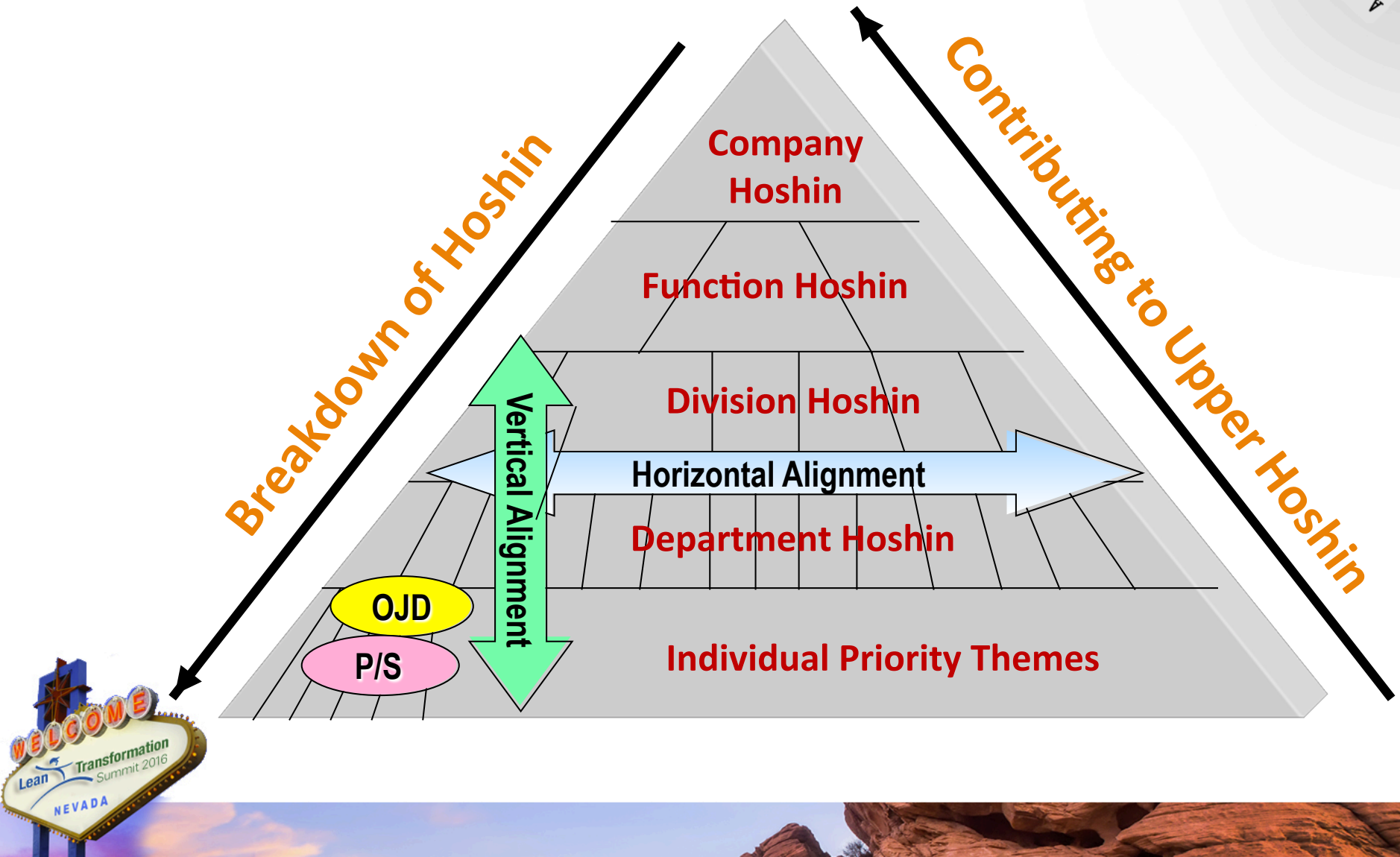
Competencies link HR and CI Systems



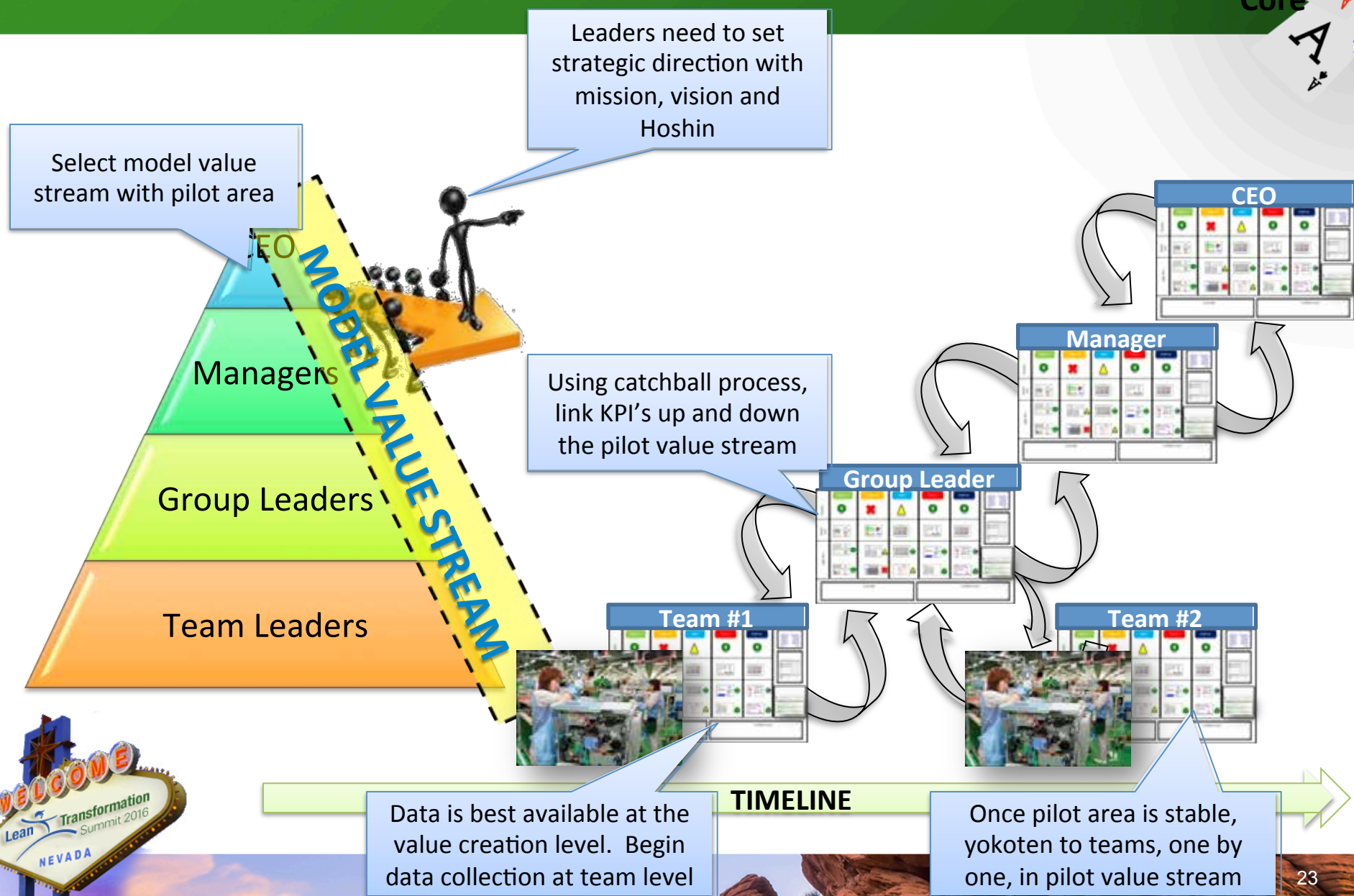
The Lean Management System



Hoshin Kanri = Direction Management



Deployment of Hoshin and EMDS

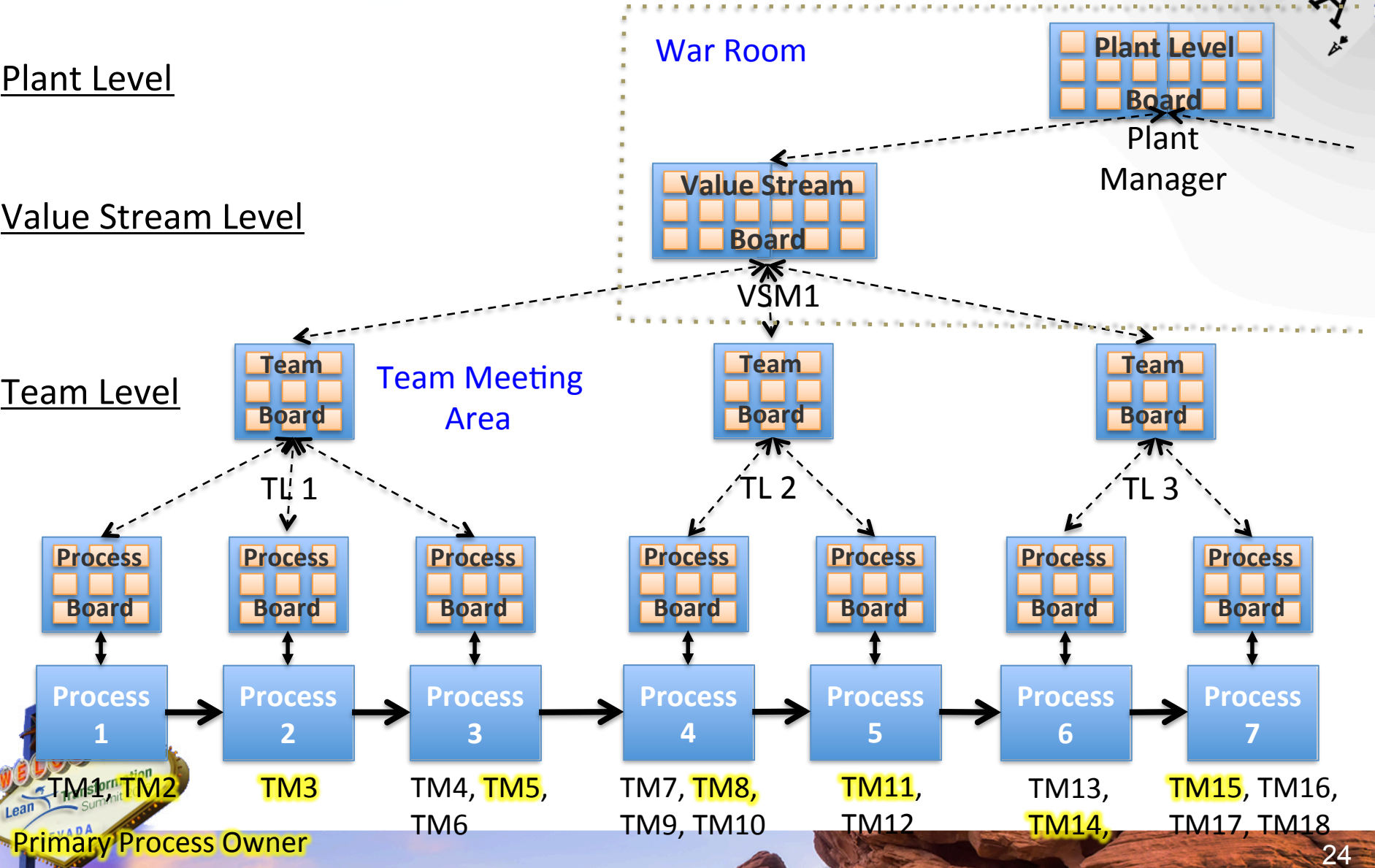


General Structure of EMDS

Plant Level

Value Stream Level

Team Level



Enterprise-wide EMDS



Sales	Product Development	Supply Chain	Execution Operations	Execution Support	Finance
Revenue	Quality	Order Fulfillment	Safety	HR Turnover	ROI
Growth	Time to Market	Forecast/ Actual%	Quality	Safety Medical Cost	EBITDA
Customer Satisfaction	Cost to Budget	Material Shortage	Service/ Delivery	QA	Direct Margin
Sales Pipeline	Productivity/ Delivery to Target	Supplier Report card Quality	Cost		COGS Margin
Sales Forecast to Actual	Problems ID'd timely	Order to Cash Lead Time	People		Debt
Business Acquisition Process	Problems solved timely	Inventory turns	Environment		Accts Rec
Sales, Leads, Calls	Master Plan	Master Plan			



Group Board - Enterprise Management Development System



Quality Pillar of EMDS



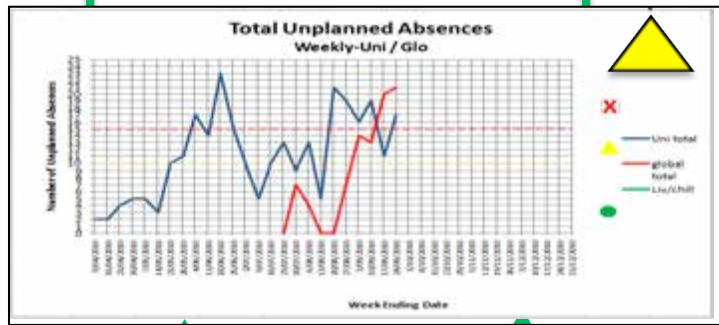
KPI Development



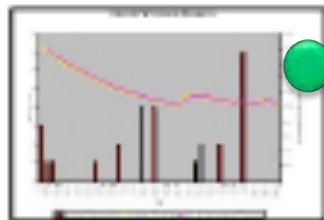
Hoshin Objective

PRODUCTIVITY

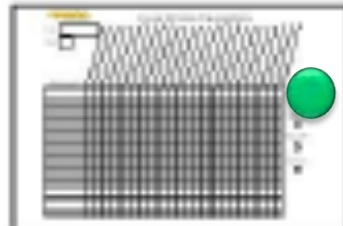
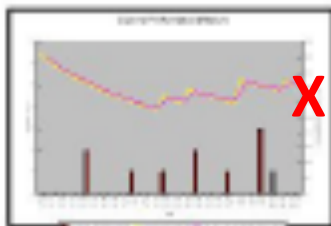
MAIN KPI



SUB KPI



PROCESS KPI'S



Main KPI - KPI's selected through catch-ball process that will be primary indicator to align with Hoshin.

Sub-KPI's - KPI's that link to main KPI and are important to measure for dept/area/group/team.

Process KPI's – Measuring critical processes and metrics that align with sub-KPI's through to Hoshin.

(dependent on maturity of area for these KPI's)



EMDS KPI Exercise

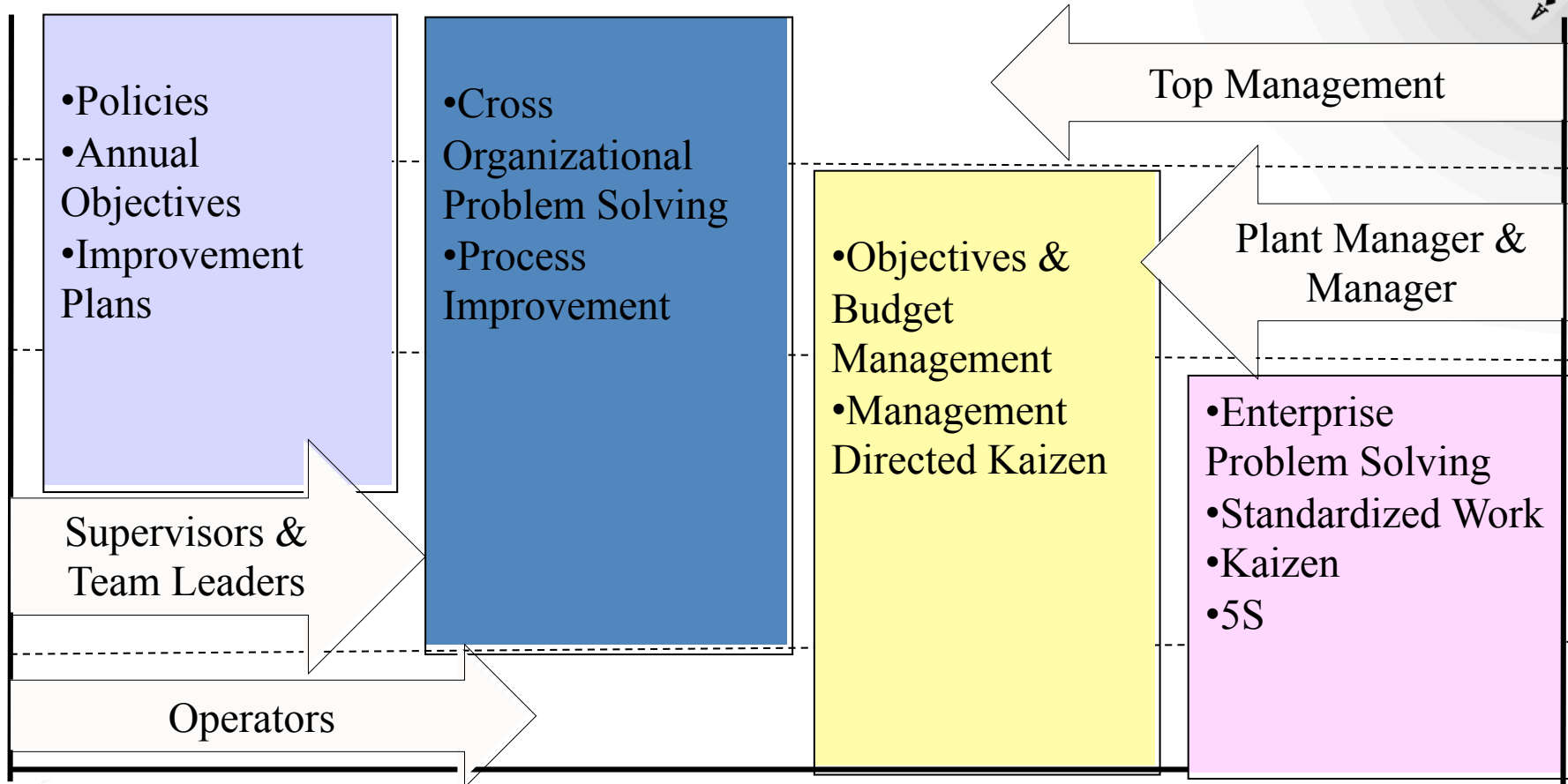
- Title your flipcharts “EMDS KPI Exercise”
- In your teams, recommend a KPI structure for all three levels of the organisation:
 - Executive
 - Manager
 - Value Added
- Each team will take on one of the pillars of Safety, Quality, Service/Delivery, Cost, and People, (other?)
- Each team will:
 - Recommend enterprise wide KPI (and/or Main KPI)
 - Recommend vertical cascade KPI's (Main, Sub, and Process KPIs for each of the levels listed above)

EMDS KPI Exercise

Pillar	Executive Level	Manager Level	Value Add Level
MAIN KPI			
SUB KPI			
PROCESS KPI			



Problem Solving at all Levels



Levels of Problem Solving



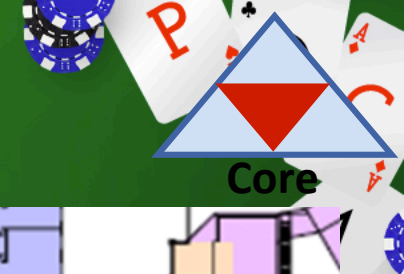
Standard Work for Leaders



ROLE	% of Work (time) that should be Standard
Executives	10-15%
Value Stream Manager	25%
Support Department Managers	50%
Group Leaders	50%
Team Leaders	80%
Team Members	95+%



Standard work for all levels



WORK BREAKDOWN SHEET		Process Name: Updating Team Activity & Team Leader Boards		
Tools		Blank template graphs, Data collection sheets, coloured pens, calculator		
Step No.	Operation Elements	Key Points	Reasons Why	Safety Points
1	Team Activity Board (Collecting Data)	First line enter - L1 Teams/Process Place Team 1, Team 2, Daily Activity Board (People, Safety, Quality, Productivity, Sustainability)	To make it easier to collect the right data	
2	Place the blank data collection sheets in the plastic pockets on your Team Activity Board	Based on right hand side	To keep the sheets clean and dry	
3	Collect data daily or as often as required per Shift/pen Run and mark on the data collection sheets	E.g. unplanned absences, safety incidents, quality concerns, team audits	To use to populate the graph templates and visually show the data	
4	Team Leader Board (Graphs)	Use coloured pens according to the graph legends to show data in the graph formats	To show difference between runs, quality concerns, universal/global shifts, etc.	
5	At the end of each week, update the Weekly/Monthly Trend Graphs with the weekly totals	Use blue pen for Universal and red pen for Global	To distinguish between Universal and Global data	
6	Group Leader Board	Complete 'Daily Data Collection Sheet for Group Leader' and leave in yellow cardboard folder	To ensure Group Leader is able to update the Group Leader Board daily	

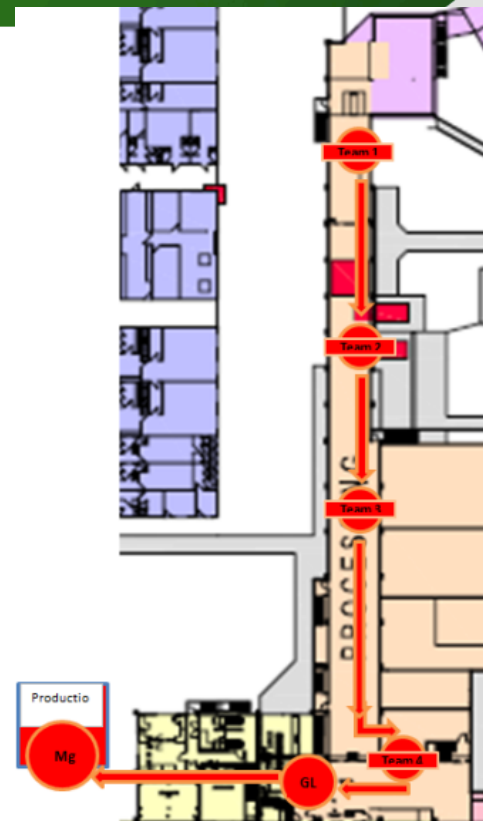
I have been trained according to the breakdown above and fully understand how to do this job. I also agree that it is my responsibility to follow these steps.

Team Member: _____ Signed by Team Leader: _____ Approved by AIE or Manager: _____ Date: _____

Daily Management Boards - Audit Checklist		Date
Team Leader Boards	1. Current data's date	
	2. Trends data captured	
	3. Current status/leader board (L1, L2)	
	4. Team activity with everything in its place	
Group Leader Board	5. Current data's date	
	6. Trends data captured	
	7. Current status/leader board (L1, L2)	
	8. Team and life with everything in its place	
Manager Board	9. Current data's date	
	10. Trends data captured	
	11. Current status/leader board (L1, L2)	
	12. Team and life with everything in its place	

Overall Audit Comments/Actions: _____

Auditor: _____



Standard work for gathering data, analysing data and status and reporting for all levels

Standard audits or boards at all levels. Explains what to check with simple 'yes' or 'no' answers. This also creates audit of leader standard work

Standard path for conducting audit within a value stream. I.e. Start here, then here, etc.



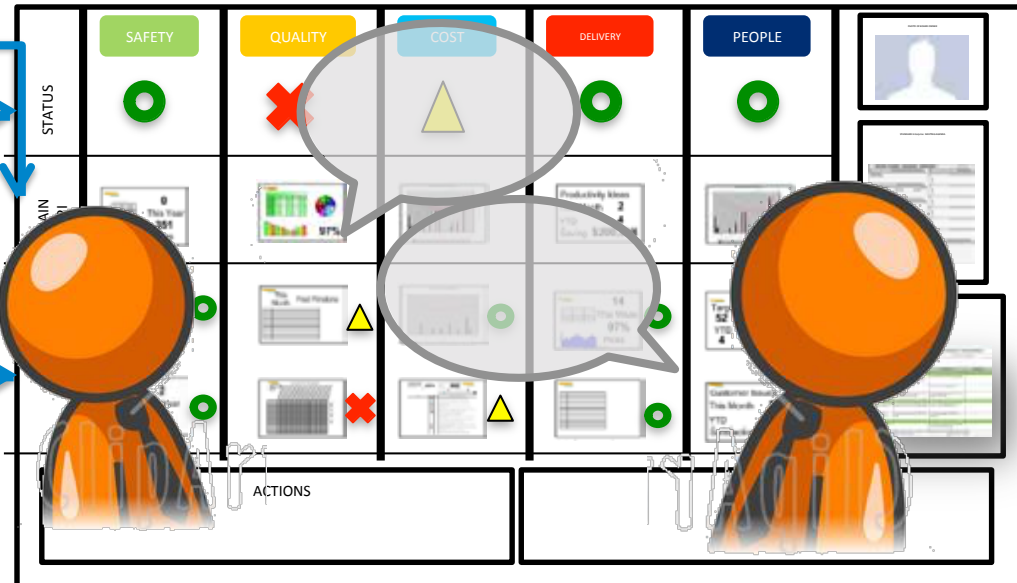
Standard Work for all levels



Daily Schedule			
Last updated by: XXXXXX 25/04/2010			
5.00 - 5.15	Collect Process Sheet	11.00 - 11.15	Break
5.15 - 5.30	Process Sheet into Weigh Grade	11.15 - 11.30	T/M Training
5.30 - 5.45	Check Emails	11.30 - 11.45	
5.45 - 6.00	Set Up	11.45 - 12.00	Check Emails, Tm, G.A. Meeting, Work, CHS Catch Up
6.00 - 6.15	T/I Meeting	12.00 - 12.15	T/P Feedback
6.15 - 6.30		12.15 - 12.30	T/I Audit / VMB Review
6.30 - 6.45	Collect Roster	12.30 - 12.45	Clean Up
6.45 - 7.00	Mark off Roster	12.45 - 13.00	Roster Changes
7.00 - 7.15	Put Roster into Comp.	13.00 - 13.15	Set Up
7.15 - 7.30	G/L VMB Review	13.15 - 13.30	Break
7.30 - 7.45	T/I VMB Review	13.30 - 13.45	Next Day Roster
7.45 - 8.00	Clean Up	13.45 - 14.00	Update P/P VMB
8.00 - 8.15		14.00 - 14.15	Production Meeting
8.15 - 8.30	Set Up	14.15 - 14.30	P/P Handover
8.30 - 8.45	T/P Feedback	14.30 - 14.45	Clean Up
8.45 - 9.00	Break	14.45 - 15.00	Roster Changes
9.00 - 9.15		15.00 - 15.15	G/L Audit
9.15 - 9.30	C/I Activities	15.15 - 15.30	Skin Damage into Clear
9.30 - 9.45		15.30 - 15.45	Check Emails, Update VM, Hq Workplace (M/F)
9.45 - 10.00	Workmate		
10.00 - 10.15	Clean Up		
10.15 - 10.30			
10.30 - 10.45	Set Up		
10.45 - 11.00			

KEY POINT:

- Creating a pattern for reviewing boards at levels critical to creating trust and support for executing Hoshin in Enterprise activity
- Board visits to review status create the opportunity to work with leaders and develop their problem solving skills and coach key skills.
- The conversation at the boards is where we build peoples ability and skill to identify issues, think through them to problem solve and develop solutions



Fujio Cho, Chairman, Toyota Motor



Former President, Toyota Motor Manufacturing, Kentucky:

3 Keys to Lean Leadership:

1. Go See.

- “Sr. Mgmt. must spend time on floor.”

2. Ask Why.

- “Use the ‘Why?’ technique daily.”

3. Show Respect.

- “Respect your people.”

