

LANTECH'S LEAN JOURNEYS



Agenda

- **Lantech's Lean Journey**
 - Some background
 - The conversion to lean, Chapter I
 - Holding the gains and improvement focus, Chapter II
 - Reflections on the journey

Company Profile

- Invented stretch wrapping in 1972
- World's largest manufacturer of stretch wrappers
- Over 60,000 stretch wrap systems in the field
- +/- 50% North American market share
- 175+ U.S. and foreign patents
- Privately owned
- 220,000 sq. ft U.S. / 75,000 sq. ft The Netherlands
- \$110,000,000 + gross annual revenue

Louisville, KY USA

Making Great Packages

0-2 per month



5-10 per day



2 per day



← 1 per day



← 1 per day

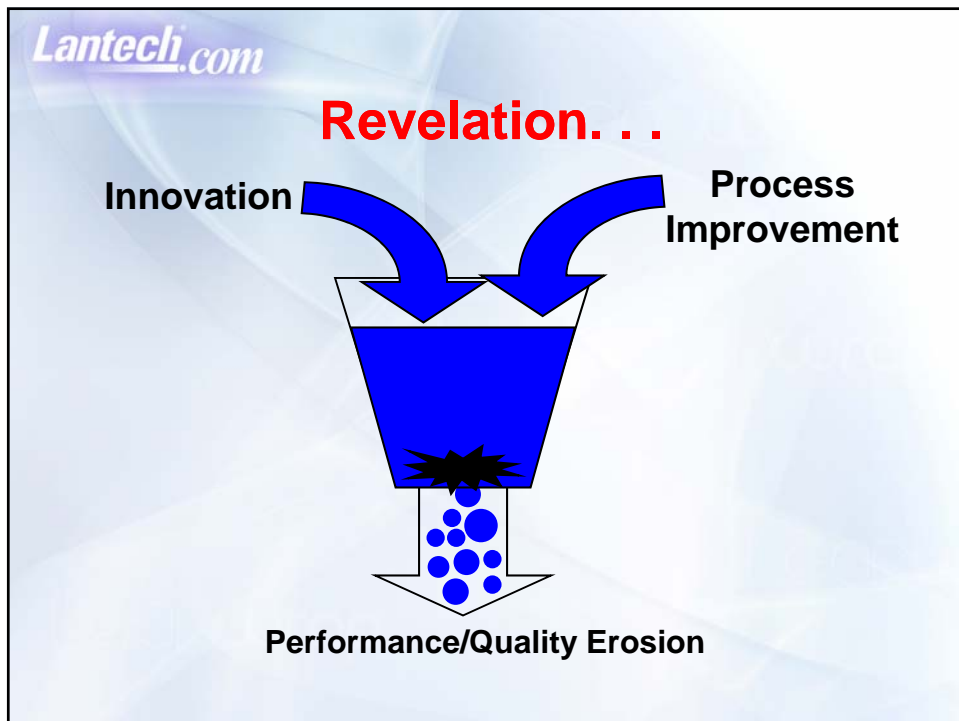
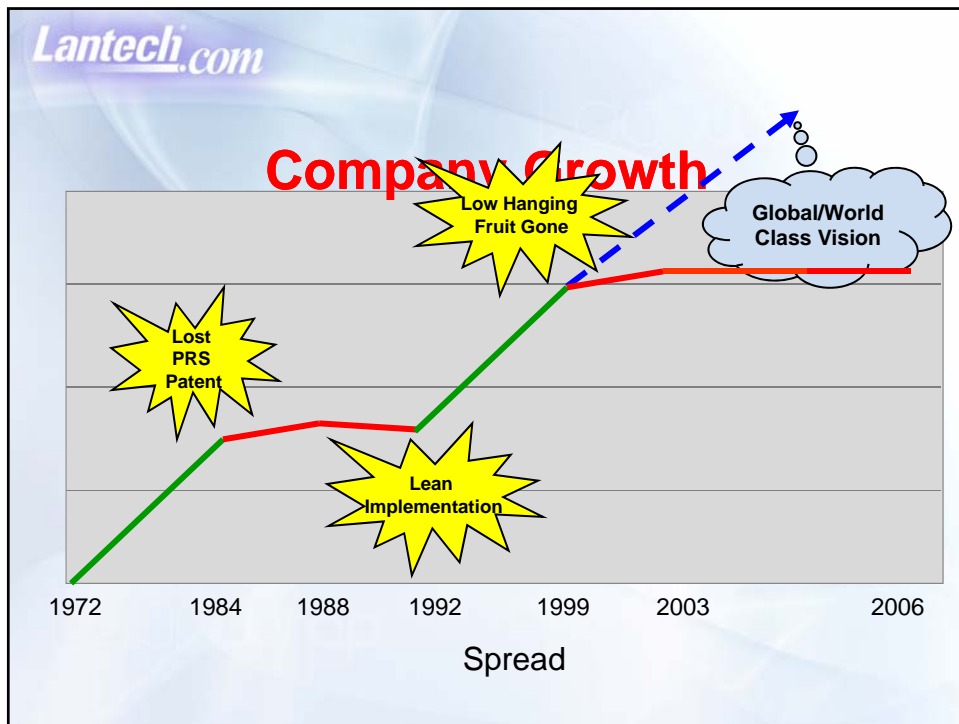


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Making Great Boxes

1-3 per day





First Try. . .

- Accountability focus
 - Great plans, poor execution
 - Too nice
 - Hire tough accountability guy

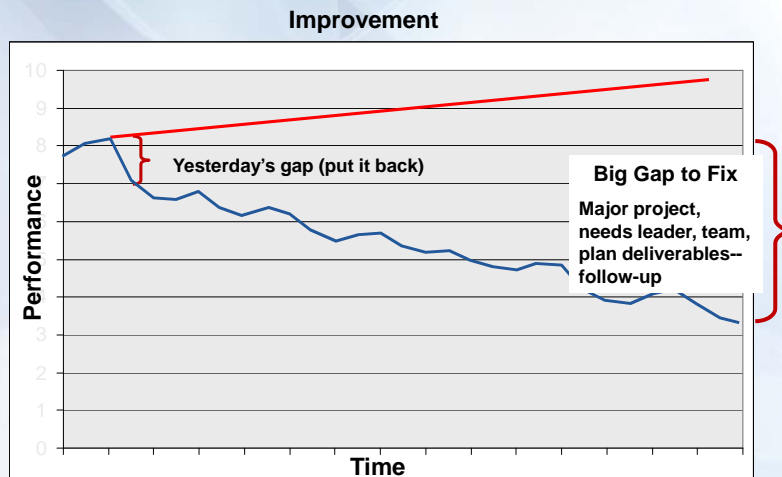
No
improvement

Second Try. . .

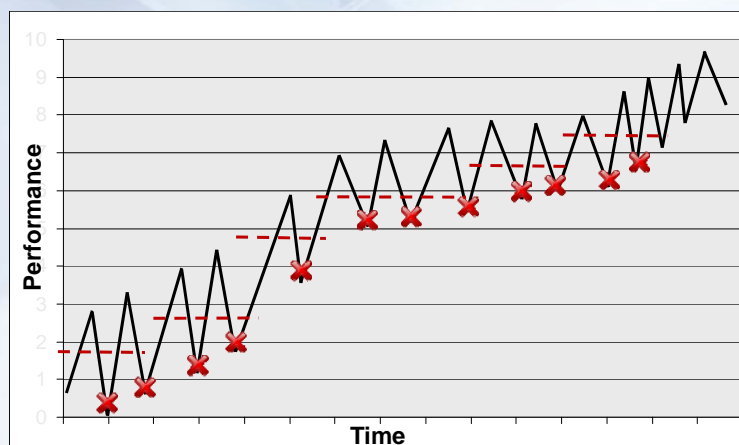
LEAN Management System

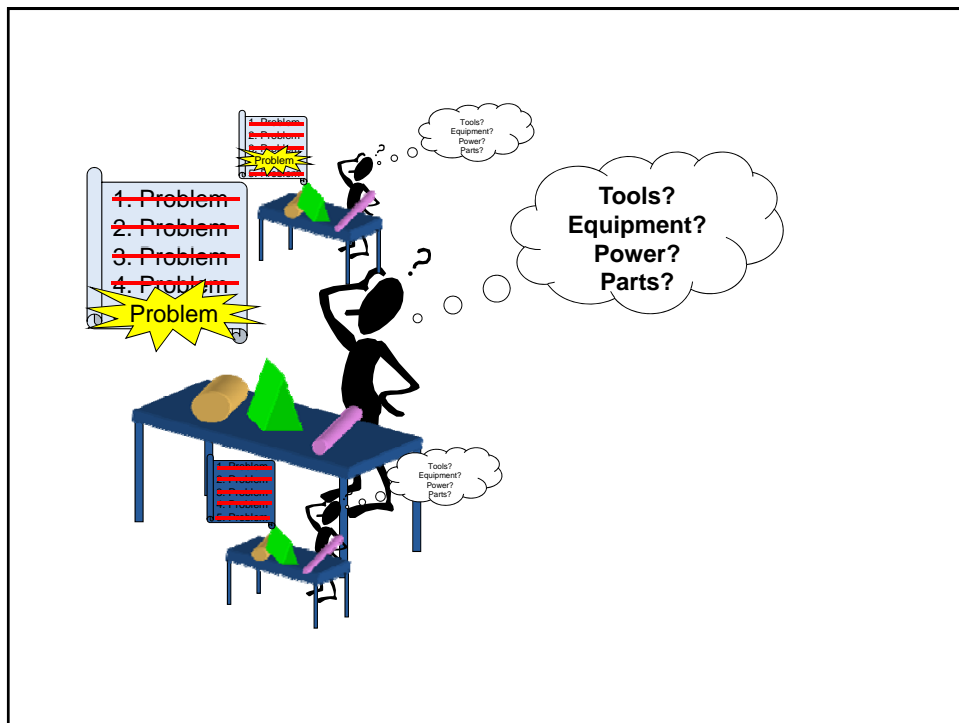
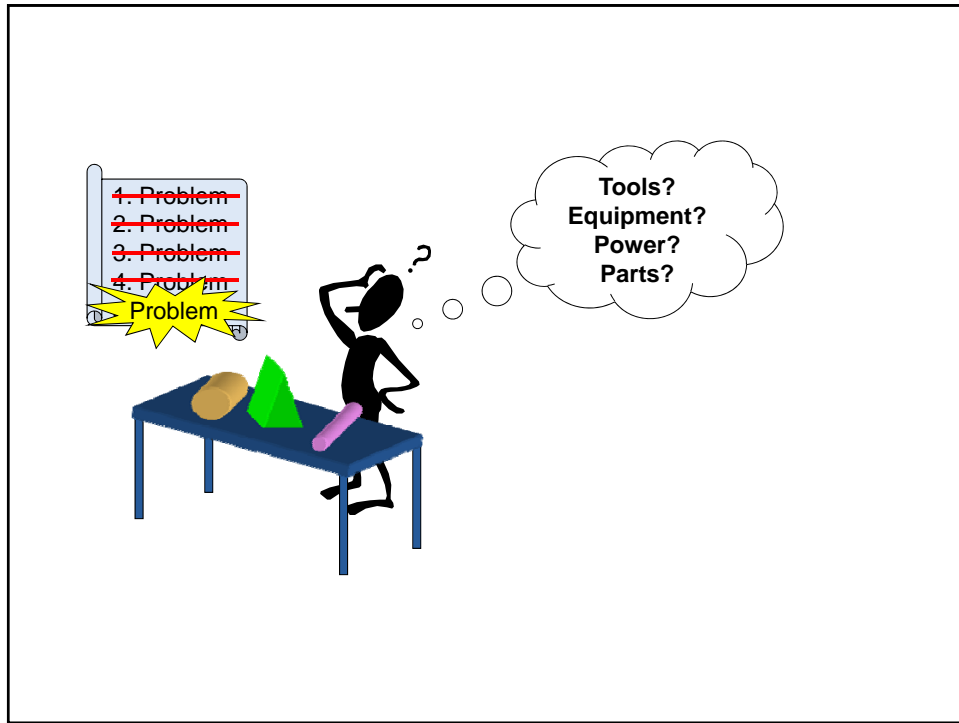
*Establish a broad base of people and
Processes to maintain and improve upon
the current condition.*

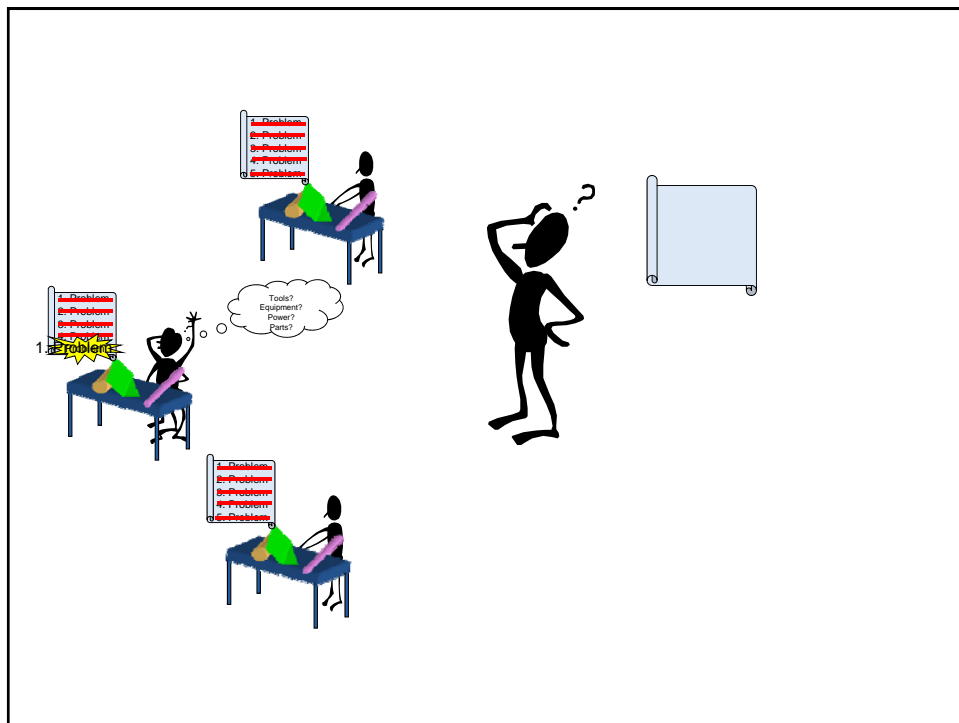
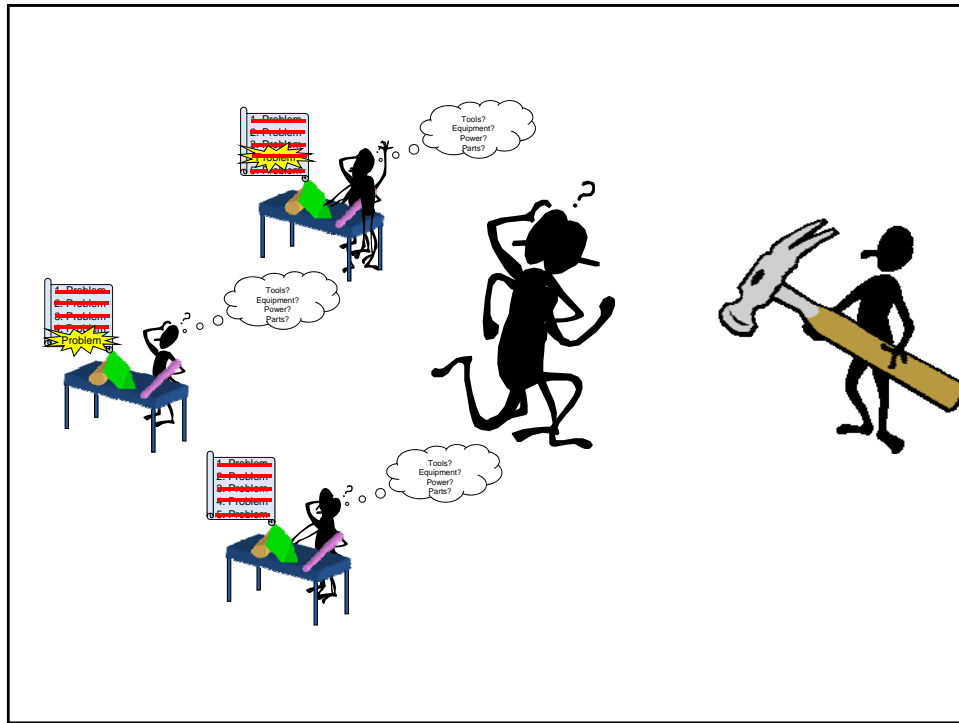
**First Job of Management is to Hold Performance.
If Done Well, Provides Time for Improvement**

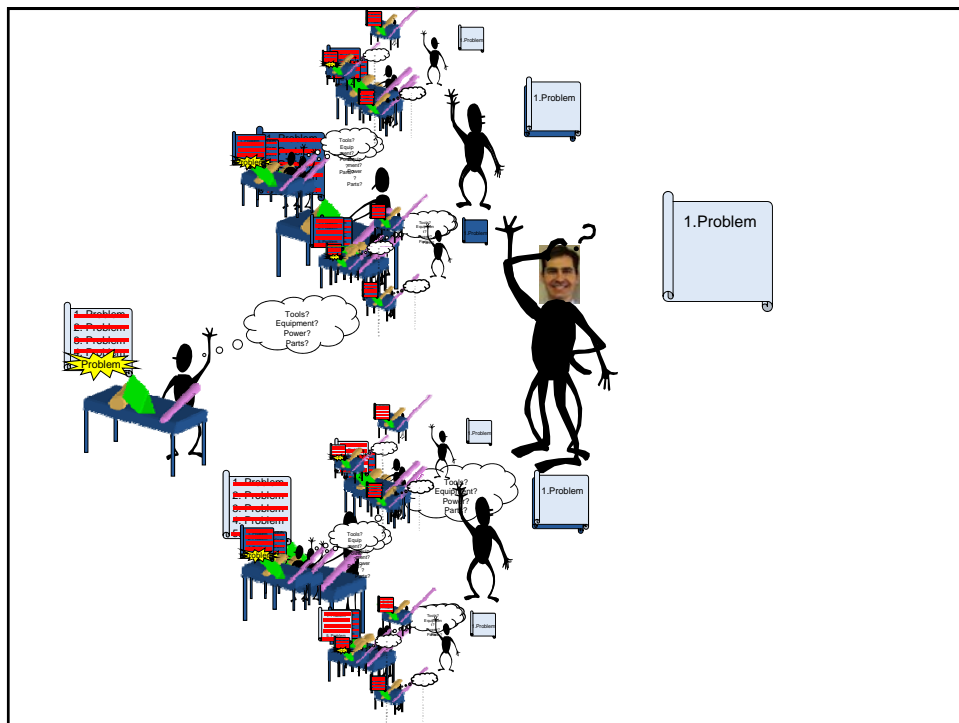
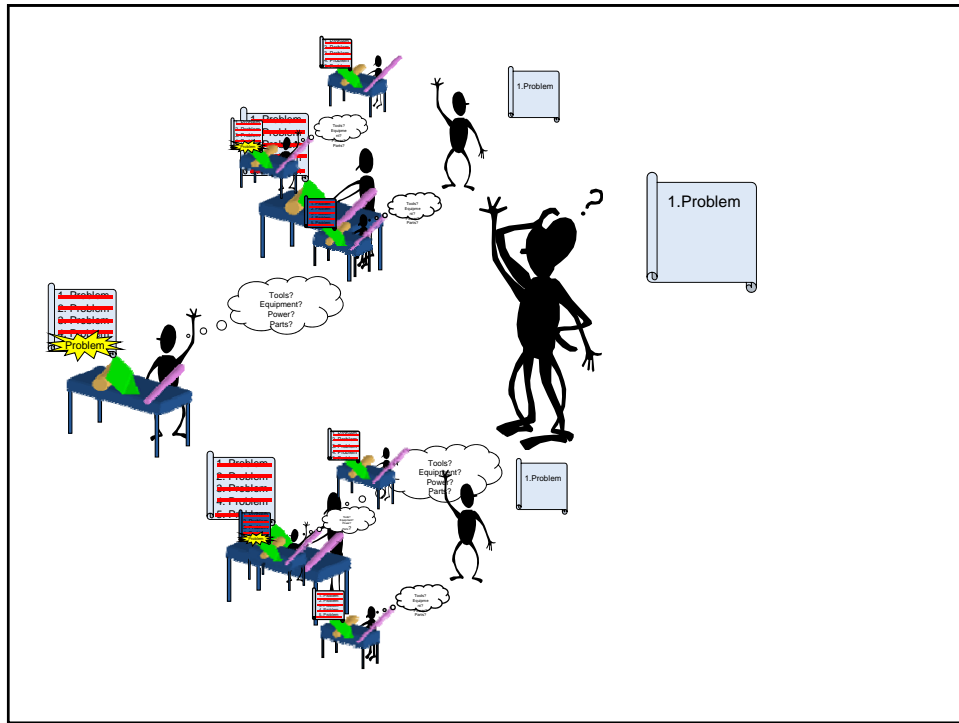


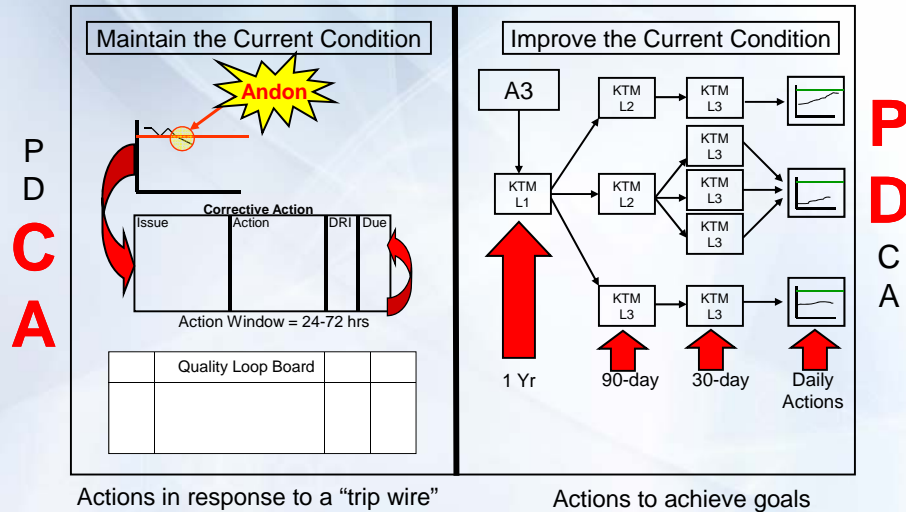
**Improved Performance from
Maintaining Current Condition**











Business Impact is Big!!

Competitiveness determined by ability to accumulate improvements faster:

1. Quality
2. Cost
3. Flexibility / Speed
4. Skills

Generally this is accomplished in two ways:

1. Reduce deterioration rate
2. Improve rate of sustainable improvements

Management System Results

Quality improves significantly:

- QM Line from 5.4 per unit to 3 per unit
- QA Line from 4 per unit to 2 per unit
- SS Line from 3 per unit to 2.5 per unit
- Call drops from 1% to <1%
- Same day shipments from 70% to 85%

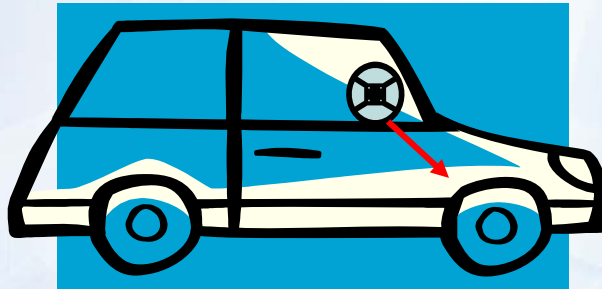
Customer Value

Management System Results

	2008	2009	★★★★★
Revenue	\$115 MM	\$75 MM	-34%
Product Development	12 people	35 people	+191%
Material %	39%	32%	-17%
Takt Time Change	4+ weeks	1 day	-75%
Profit	\$5 MM	\$5 MM	No Change

Standardized Management

- Standardized Management work looks detailed & boring
...but its positive impact on flexibility and results is huge



Key Takeaways

1st Improvement Step:

- Maintain the Current Condition
- Management System is the How

It's About the Work !!

- Learning to see it
- Learning to design it
- Learning to manage it

Perhaps more important than strategy, vision, or the annual plan

Developing Believers Is The Heavy Lifting

- Talking does almost nothing
- Doing → drives belief → belief drives sustainable change in the doing
- Implementation through positive business impact on today's real issues

How Conventional Thinking Says You Should Spend Your Time:

- **80% of your time on Leadership**
- **20% of your time on Management**

Management's Job: 80% of what I do!!

1. **Holds the current condition**
2. **Improves the current condition**

[both generated improvement & corporate initiatives (cross-functional)]

Leadership's Job: 20% of what I do!!

1. **Stay informed so can set direction**
2. **Make direction-setting decisions**
3. **Get the rest to follow**

IF NOT ME, THEN WHO !?!?

- The principles work in micro and in macro

Current condition review



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Management “happening”



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Suggestion for action



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Action decided



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Today issue brought up



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Checking on issue



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Hmm, issue sounds different



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Management Catch



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Management wrap up

