

MillerKnoll

Going Beyond the Shop Floor: Improving the Value Stream from Manufacturing to Final Installation



MillerKnoll
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Learning Objectives

1

Understand how to connect value streams in areas outside of manufacturing

2

Gain insights into applying Just-In-Time principles beyond the manufacturing floor

3

Develop a deeper understanding of problem-solving techniques for waste elimination.

4

Learn about the cultural shifts necessary for implementing lean thinking in independent businesses

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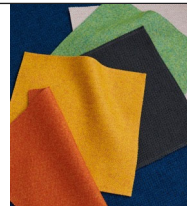
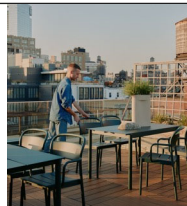
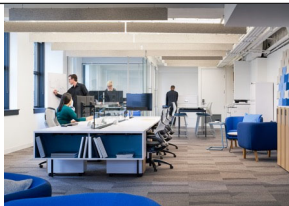
Who is MillerKnoll

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MILLERKNOLL

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MillerKnoll is a collective of dynamic brands that take a purpose-driven approach to designing modern, insight-led solutions delivered globally.



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Design for the good of humankind.

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The power of a collective

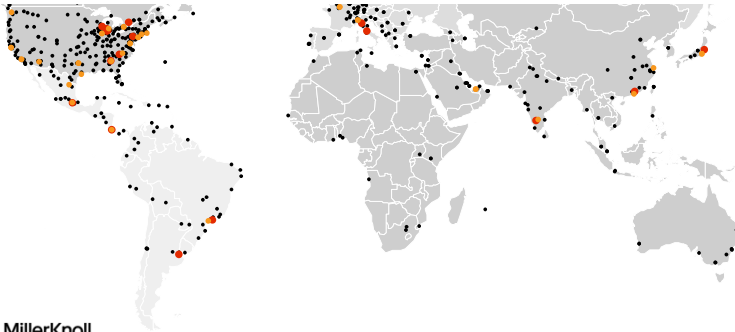
The design possibilities are exponentially greater when you work with MillerKnoll, which offers the most comprehensive portfolio of furniture products and accessories in the industry. Its collective of leading design brands pairs artful, problem-solving design with a streamlined experience. That means greater efficiency and less risk than if you were dealing with multiple vendors.

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Global presence and capabilities



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● Manufacturing Facilities

● Showrooms

● Dealers

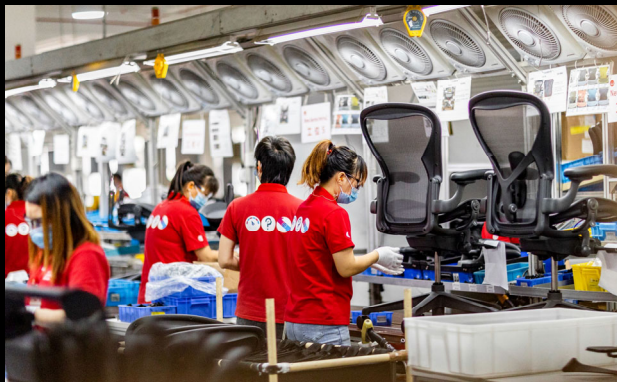
100+ Countries

Global product portfolio

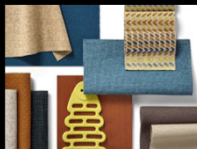
Dealers build local relationships

Worry-free service & installation

Products designed with purpose



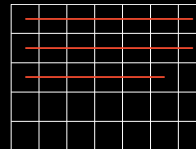
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Products are option-rich



Build to order



Lead times 20 days or less



Dealer final assembly on-site

MillerKnoll Performance System

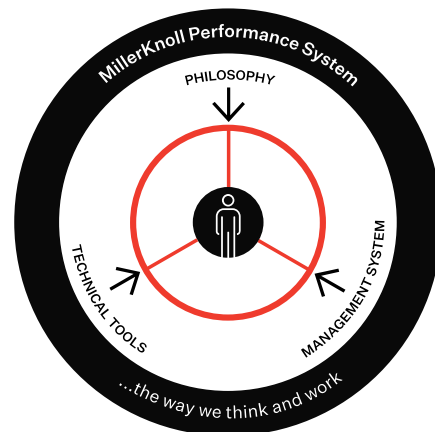
History and Business Need

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MKPS

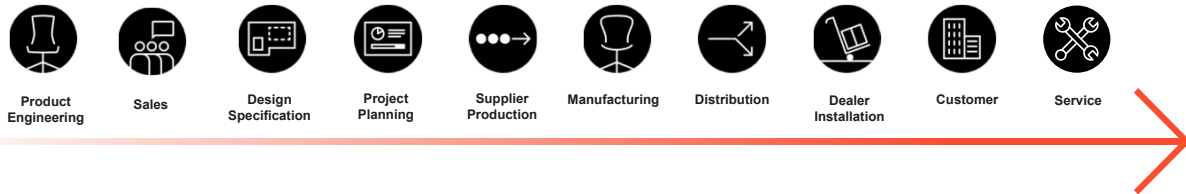
What is MKPS?

- Based on Toyota Production System; Herman Miller began exclusive coaching relationship with Toyota in 1996
- Spreading across MillerKnoll collective brands, beginning with Knoll
- Transitioned from HMPS to MKPS with Knoll merger
- Define it as:
 - A system that focuses on understanding and meeting our customer's needs *exactly* through the **engagement** and **development** of our employees
 - A system that **highlights waste and problems** and uses a structured method for eliminating them



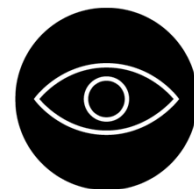
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Our Customer Value Stream



Background for Business Need

1. Customers consider dealers to be an extension of Herman Miller
2. Herman Miller was a leader in Operational Excellence
3. Dealers are independently-owned, small businesses with limited resources
4. Dealers quote customers total price that includes product and labor pricing.
5. Dealers typically make most of their margin from service (labor), as product doesn't leave much room for markup



Business Challenges in 2008

1. Customers not always perceiving Herman Miller as Operationally Excellent because of dealer execution
2. Herman Miller had launched a product family that shifted a higher percentage of the final assembly of workstations to our dealer partners
3. Dealers struggling financially with economic and competitive pressures
4. Dealers had little to no continuous improvement capabilities within their organizations



Lego Simulation – Round 1 Original Condition (Before MKPS)

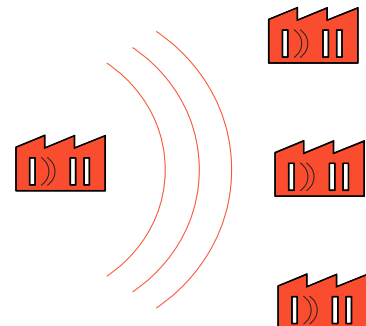
Last Mile – Initial Approach

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MKPS

Building HMPS Model Dealers

- Sought out a few key dealer partners to start to experiment and build a model that other dealers could learn from
- Toyota had coached us on the “Model Line” approach, and it had been highly effective in our manufacturing work
- Began more installation go & sees and started to experiment with lean concepts with model dealers



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Early Focus Areas



Just-In-Time



Connecting the Value Stream



Continuous Flow, 1x1



Engaging the Team in Problem Solving

Lego Simulation – Round 2 After MKPS

Lego Simulation — Round 2

Did we hit our target for customer demand?
What changes did you see?
Additional problems to solve?
Other lean concepts to apply?

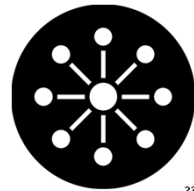


Spreading and Pivoting

Initial Spread: Wide and Shallow

- Herman Miller leadership wanted to share gains from model dealers widely, knowing how many dealers needed financial help and improvement at that time
- Started bringing other dealers to model dealers to learn and take back “best practices”
- Certified Network of 50 dealers all had exposure to concepts within 5 years (approx. 90% of volume)
- Dealers who committed to applying the learning from model dealers were seeing an average of 20% improvement in time to install

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Lessons Learned, Pivoting

1. Struggling to continue improvement beyond application of “best practices”
2. Dealer leadership not consistently engaged in the work
3. Problem solving capability was extremely limited
4. Weren't working to apply concepts or build capability upstream in the dealers (e.g. design, project management, sales, etc)

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Results and Wrap-up

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SPREADING AND PIVOTING

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Summary Takeaways

1. Lean is not just for manufacturing
2. Leadership engagement/ownership is critical to success
3. People are our most important resource
4. Customer first – getting closer helps drive change

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Q+A

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Thank You

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