



LEAN MANAGEMENT JOURNAL

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BACK TO SCHOOL

Analysing different ways of teaching
lean and sharing best practice

Organisations featured in this edition include:
Airbus, MITIE, 365.cafe, Erasmus Medical Center,
Gestamp, AkzoNobel, United States Marine Corps,
Magna Mirrors, SCGM, North West London Hospitals
NHS Trust, Corsorci Sanitari del Garraf

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The lowdown on lean: In an exclusive interview,
Professor *Daniel T Jones*, lean guru and senior adviser to
the Lean Global Network, talks about the most interesting
issues facing the lean community worldwide

Home schooled: What does it take to devise an effective
internal lean training programme? Facilities management
specialist MITIE and aircraft manufacturer Airbus share
with LMJ the secrets of their academies

The Institute of Lean: In a letter to the Editor, *Keivan
Zokaei* and *Donna Samuel* explain the need for
a globally-recognised institution to regulate lean
qualifications and commission research

¡Adios waste!: This month, LMJ analyses the evolution of
lean in Spain, presenting case studies of four companies
on the journey

The Healthcare Watch: In this new section, the journal
presents lean case studies from the healthcare sector. This
month, *Kishamer Sidhu* shares details of how lean has
helped the North West London Hospitals NHS Trust



Spreading the good word



SCGM is reaping the benefits of lean, and one facet of this is an increased level of customer satisfaction. In the first account of 2013, CEO *Sandra Cadjenovic* shares with LMJ the feedback the company received from another Serbian business, which will soon start implementing lean itself.

With the New Year comes a new chapter of the SCGM Lean Diary. We would like to share something new this month, however. Our customers are now very happy with us and our focus on continuously improving ourselves and our operations. They expressed their opinion both in person and on paper, via the annual Customer Satisfaction Report, which gave us results that exceeded the ones from the year before.

Thanks to the word on lean spreading fast, a number of big multinationals have heard of SCGM. Some of their representatives came to visit us personally to see our new management model. Branko Ilic, Head of Production at Wacker Neuson in Kragujevac, was one of them.

He was kind enough to share with us and LMJ his opinion both on lean deployment at SCGM and on lean in Serbia. Here's what he had to say:



"To me, lean is a philosophy that can be implemented in two fields - both in your personal life and in your professional life, with the common aim of pursue *more with less*. The first contact with the concept of lean I got was early during my studies. Later on, I learned more about it by reading various books and documents written by experts. I used the knowledge I acquired to constantly improve myself and my team.

Lean is something of a joint venture between knowledge and practice. Thus, I was really happy to have met and worked with a group of people within Wacker Neuson, headed by Mr. Reis (our General Manager) who are, too, improvement-oriented. I consider this attitude quite rare, because lean has only just started to enter the Serbian market.

It is still limited to universities, which may not bring tangible results itself but represents a great way to prepare future generations to manage businesses in a lean way: in a couple of years, Serbia should have some real lean experts of its own.

I have been working for Wacker Neuson in Serbia since the company started operations here. The business is part of the Wacker Neuson Group, a manufacturer of light and compact equipment with over 40 affiliates and more than 140 sales and service stations all over the world.

The Serbian production plant was established in Kragujevac in 2007 to make steel components for our customers abroad. In the past five years, we have worked well, but always struggled to improve and grow. We recently decided to start implementing some lean tools ourselves: 5S and kanban were the ones we started with. They worked out well at the beginning but turned out not to be structured and, therefore, results were hard to sustain.

We concluded that we needed external experts. Tecla Consulting brought us together with SCGM, a company that was our neighbor but that, until then, we were not familiar with. Lean was the reason why we visited them.

I was impressed by what we saw - within such a small company, a lot of tools were successfully used. The shop floor was clean, and people seemed well coordinated and it was obvious they worked without stress.

Visual management and boards gave a clear depiction of what they were doing and achieving during the course of each month. Their monthly OEE analysis, hung up and visible to everybody on the shop floor, is superb: it shows where the company stands at any time.

During the visit we exchanged ideas and contacts. This month (February) we are launching our own lean project, hoping to be a successful lean pioneer within the Wacker Neuson Group."

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Back to SCGM now.

External praise is tailwind for us. It encourages us to keep improving.

The next step is the Assembly Shop.

By tracking and then reducing the number of quality issues thanks to Lean Quality steps we have undertaken, the assembly line has been performing less non-value added activities with regards to selection and reworks.

However, operations performed there were either too short or too long. It is now time for us to understand at what pace our assembly operators have been working on and under what conditions, and where the losses along the flow are - all with the aim to achieve the best possible balance between cycle time and takt time.

Our seven assembly operators are now familiar with the OEE analysis we introduced in the Injection Molding department. To make things easier, we have brought in something similar here, trying to investigate its use in an assembly environment.

Lists of the products to be assembled for different customers have been prepared, with the detailed operations needed to perform them and target times. OEE sheets, containing the number of parts to be assembled each hour, adjusted to the operations required to put together each part, have been given and thoroughly explained to our people.

On the back of the sheet they can find the potential issues that could slow down assembly and produce scraps, as follows:

- Process Set Up;
- Equipment Problem (Unplanned downtime or discontinuation due to improper functionality of auxiliary equipment);
- Transportation (Time spent on taking/returning either raw material, semi-finished or finished product, packaging from/to warehouse);
- Short Stops (Assembly process termination up to 15 min, for example pause);
- Long Stops (Assembly process termination longer than 15 min, for example maintenance and cleaning of machines and auxiliary equipment);
- Rework/Selection (Time spent on any modification, alteration, repacking, sorting or selection);
- Scraps (arising in the course of the assembly process);
- Ramp-down of Assembly Process (the downtime due to unforeseen circumstances which could prevent us from reaching the prescribed standards).

This way, our assembly team will have a way of knowing exactly what “success” means to SCGM as they reach a target for each of the assembly units.

In the next chapter of the Lean Diary, we will let you know what results we will be able to achieve in the first month of applying this system.