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JOINING THE DOTS

This issue concentrates on the development of a lean supply chain, which, in the competitive world we live in, is a necessary step for any company that is trying to achieve operational excellence.

IN THIS ISSUE:

A critical and relentless pursuit of excellence: *Barry Evans* and *Robert Mason* of Cardiff Business School discuss Tesco's approach to its supply chain and how it helped the company become the number three retailer in the world.

Lean's Western beginnings: Where did it all start? In part one of this two-part article, *Richard J. Schonberger* looks back at the history of lean.

North stars: In this month's *It's a lean world* section, LMJ takes you to Scandinavia, to meet some of the leanest and most interesting companies in the region. Case studies in this special include LEGO, car manufacturer Volvo and a port terminal in Oslo.

The Fifth Column: In his new regular column, *John Bicheno* discusses the topic of supply chains.

Lost in automation: This special feature on automation presents two company case studies. Eaton and SCHAD talk about their approach to lean automation.

LMJ in conference: In this issue, we review the Process Excellence Week in Orlando, Florida, and a tour of EMS Manufacturing's plant in southeast England.



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Making changes stick



Another month has passed, and it's time for another chapter of the story on the SCGM Way. Director *Sandra Cadjenovic* gives us the latest update on the status of the implementation of lean in the company.

10 COMMANDMENTS SCGM

1. **THINK** – Think and Suggest
2. **CUSTOMER** – Real Customer is the Satisfied Customer
3. **QUALITY** – Quality Without Compromise
4. **TEAM** – Be a Part of the Team
5. **COMMUNICATION** – Talk About Problems
6. **DEVOTEDNESS** – Experience the Company as if it was Yours
7. **MOTIVATION** – It Depends on You, too
8. **INITIATIVE** – Take the Initiative
9. **SAFETY** – Tidy Your Workplace and Make it Safe
10. **SMILE** – Think Positively

The first stop of the tour of SCGM is the tool shop. Just to remind you, a 5S system is now setting its roots here. Workers have de-cluttered their working places, **sorted** out unneeded supplies, material, leaving only what is most frequently used. The shopfloor and offices were straightened, reorganised and **set** in order. Now, everybody can actually **see** where the sporadic losses are. What they saw, they documented, taking pictures of these 'before' situations. They took many, only then realising what environment they had been working in for so long, considering it normal. They realised where the losses were and took pictures, but now what? How do you get to an 'after' situation? The task was set - to 'deal' and solve three 'situations' every week. Clean and make it shine, take pictures, post them - for every situation, continuously.







Furthermore, in order to make the process **standardised**, they have agreed to leave their working spaces and the machines they operate on clean and tidy every day; to return the tools they use and put them back in their designated and now clearly marked place; and to spend an hour each Friday to maintain the place in good shape.

Moving on, we can see other improvements, with equipment for example. Due to increased production demand, workers have squeezed additional potential out of their machines rather than buying new ones. In other words, a machine for injection molding tools, which had a single purpose, has been adjusted for other tools as well, thus increasing its production capacity.

As a result of all this, people are proud of what they have been doing and of how much easier work is now. They have an increased sense of ownership of their working place. But this is the easy part. Developing awareness and discipline in order to sustain the results achieved is more difficult.

If we proceed further on our tour, we arrive in the conference room to meet the Steering Committee. On our way, we saw the 10 Commandments all around. SCGM's 10 Commandments have been

BEFORE – AFTER

PLACE	DESCRIPTION	BEFORE	AFTER
TOOLSHOP	Auxiliary tools shelf		
	Bottom part of the changing tools desk		
	Ventilation fan on the back of a machine		
	Shelf for storage probation samples by customer		
OFFICE	Before office material/ after shelf for storage probation samples by customer		
	Desk		

defined by the Steering Committee, and brought to life by its creators. Each commandment has a person responsible for it and everybody in the company is starting to behave according to these principles. They are beginning to guide every-day activities and are now what can be recognised as the SCGM philosophy.

Many steps are being taken towards improvement. The mindset of workers has started to change, seeing lean as a system and not as additional work. A lot of the initial resistance among employees has been gradually fading away by means of better communication, training and support coming from the managers. The mistakes that were constantly made on the shopfloor, for example filling OEE charts, are still an issue, but to a lesser extent.

Moreover, in order to make people realise that everybody matters in the company, each employee has written an ENTREPRENEUR list, presenting themselves and the services they can provide as separate companies altogether. Making the lists made them understand that their duties, as well as their energy and commitment, are of great importance to the company. It also helped to identify the responsibilities of each person clearly.

A lot has been done. Yet, leaders seem stressed, overburdened and unsatisfied. They only see problems and talk about the fact that there is not enough time to do things. When asked to list and describe the positive things, at first there was nothing but silence, and one could see everybody deep in their thoughts recalling their accomplishments. Then the presentations started and went on and on. The conclusion? "Well, we did achieve a lot, we just had not thought about it," one of them said. The word of advice for them is to stay and think positive.