

LDM

FDW

Lean Daily Management: Achieving Performance by Enabling Teams

Steve Ebbing - founder

the ebbing group

January 17, 2018



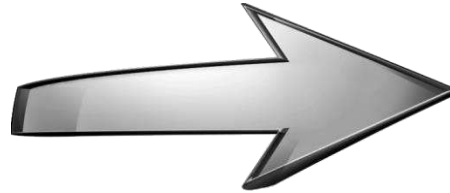
the**ebbing**group
your partner in progress

What is Lean Daily Management?

- Definition: A set of processes which lead our teams and leaders into a continuous improvement cycle.



Continuous Improvement
Cycle



Lean Daily
Management

What is Lean Daily Management?

- A system that allows you to deliver customer value through proper support & leadership to those who are closest to the process (customers & process owners)
- Some Lean Daily Management elements are common to Leader Standard Work (visual control boards, and daily accountability)
- LDM is not effective unless used with the right mindset-starting with effective lean management!

Traditional vs. Lean **Work** Environment

Traditional

- Complex
- Management by status reporting
- Push system
- Just-in-case inventory
- Batch production
- Long lead time
- Quality inspected in
- Functionally managed

Lean

- Simple and visual
- Management by sight
- Pull system
- Inventory as needed
- Single item or small batch size
- Minimal lead time
- Quality built in
- Value Stream Managed

Traditional vs. **Lean** Leadership

Traditional

- Staff meets goals set by leader
- Leader plans
- Information controller
- Sole problem solver
- Technical expert

Lean

- Ensures team goals support vision
- Direction setter (visionary)
- Information conduit (sharing)
- Facilitates “root cause” analysis
- Technical resource

A visual daily performance management system is:

Visual



Timely



**Drives Action
& Learning**



Lean Daily Management Supports the Enterprise



Five Elements of a Lean Daily Management System

1. Routine Huddles

- 5 -10 minutes in front of Primary Visual Display. Everyone has same picture, same priorities

2. Primary Visual Display

- Information center for the work group. Updated regularly

Five Elements of a Lean Daily Management System

3. Key Performance Indicators (KPI's)

- Measures that gauge performance. Should address Safety, Quality, Delivery, and Costs etc.
- Good KPIs are:
 - Managed by employees
 - Easily understood
 - Visual
 - Charted manually
 - Easily calculated
 - Reviewed by management on a regular basis

Five Elements of a Lean Daily Management System

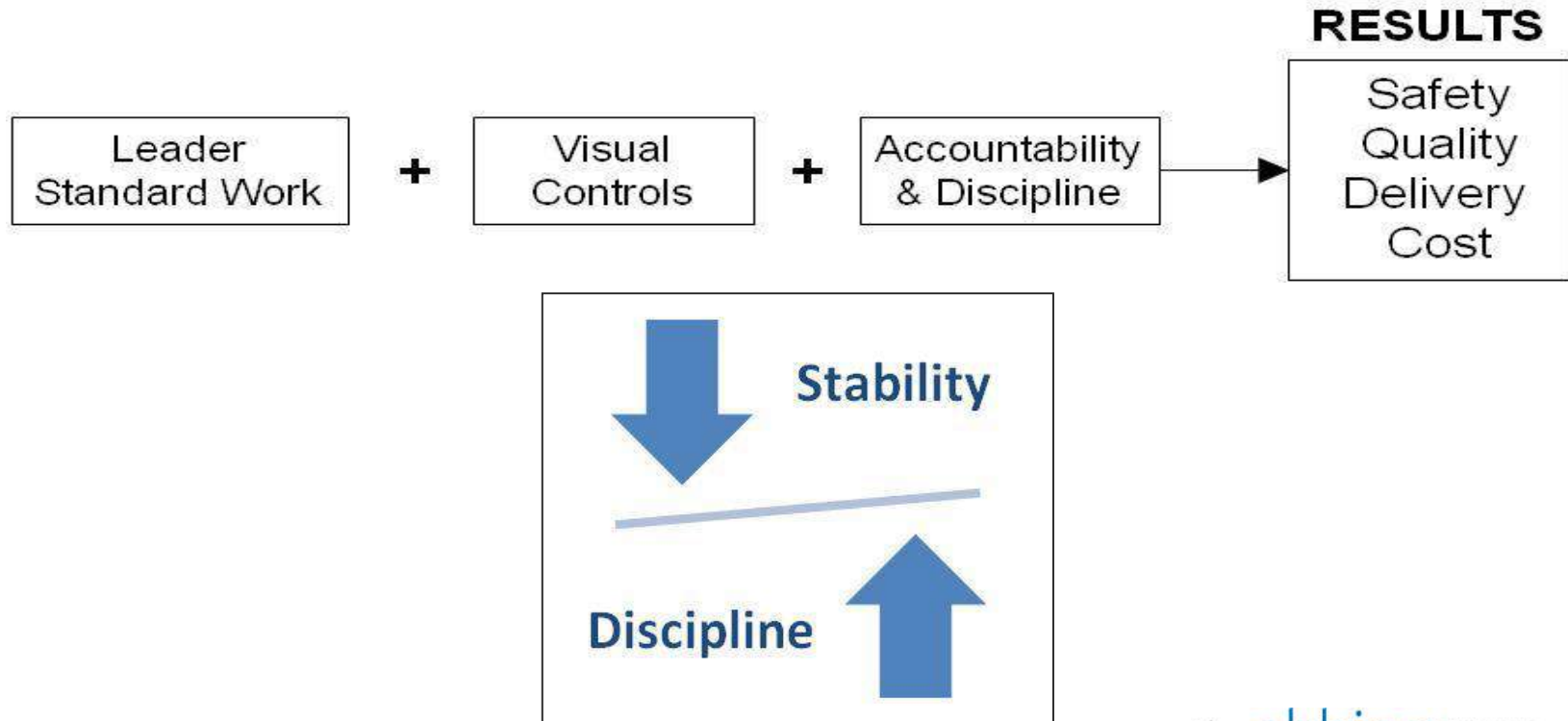
4. Action Sheet system:

- A method of capturing and verifying bottom up improvements from the team and reporting status

5. Short-interval leadership

- Regular contact by supervisor with each employee in the work group, such as 30 seconds twice per shift.

Five Elements of a Lean Daily Management System



Lean Daily Management at the Site



Plant Level (Tier 3)



Department Level (Tier 2)



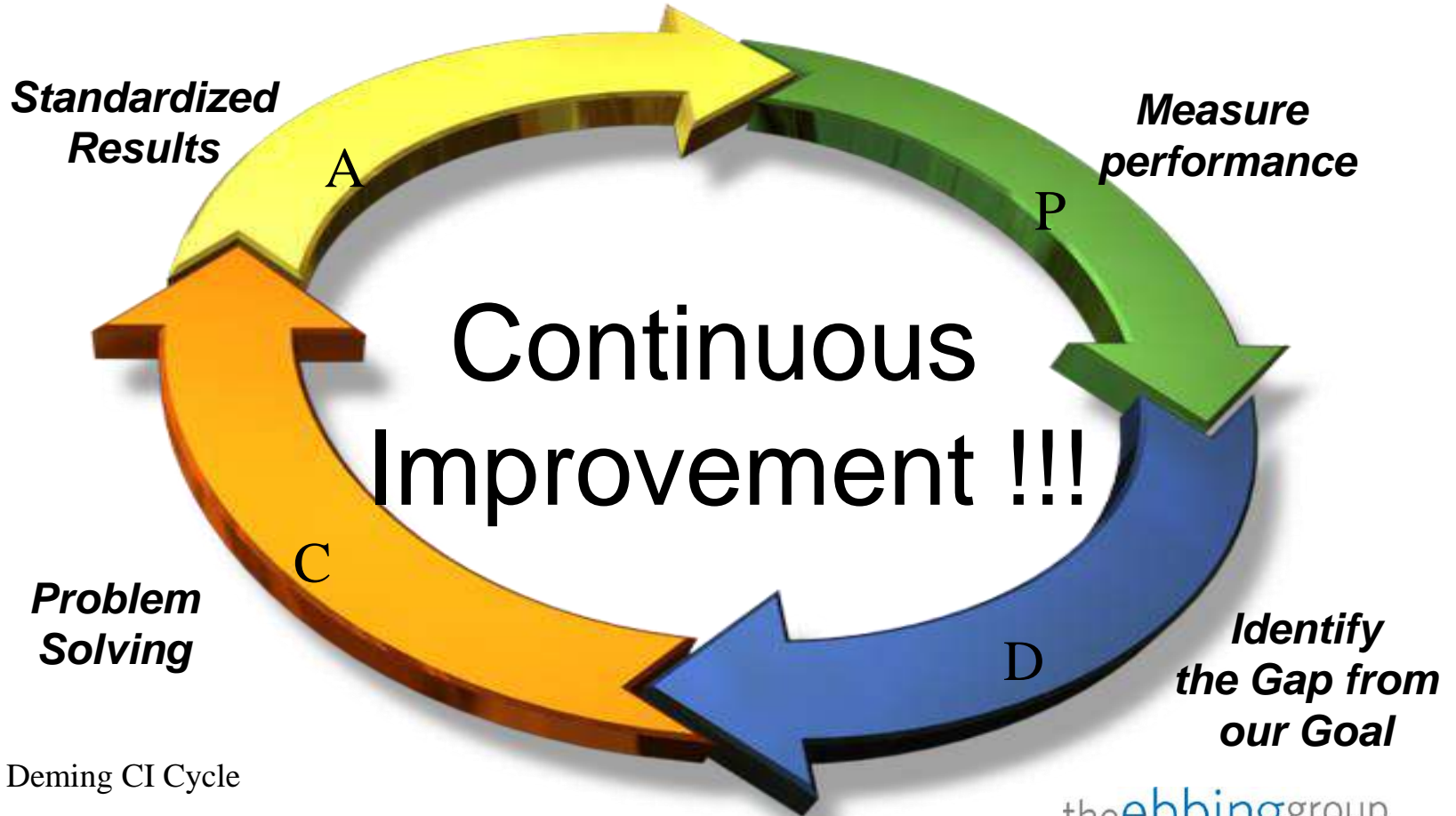
Cell Level (Tier 1)

Why should we work on Lean Daily Management?

- Solve problems at the source.
- Improve communication at all levels.
- Involve all partners in business administration.
- Engagement at all levels on SQDCI KPI's.
- Daily feedback.
- Team Work.
- Continues Process Improvement.
- Continues challenging.
- Empower Value Stream Core teams.

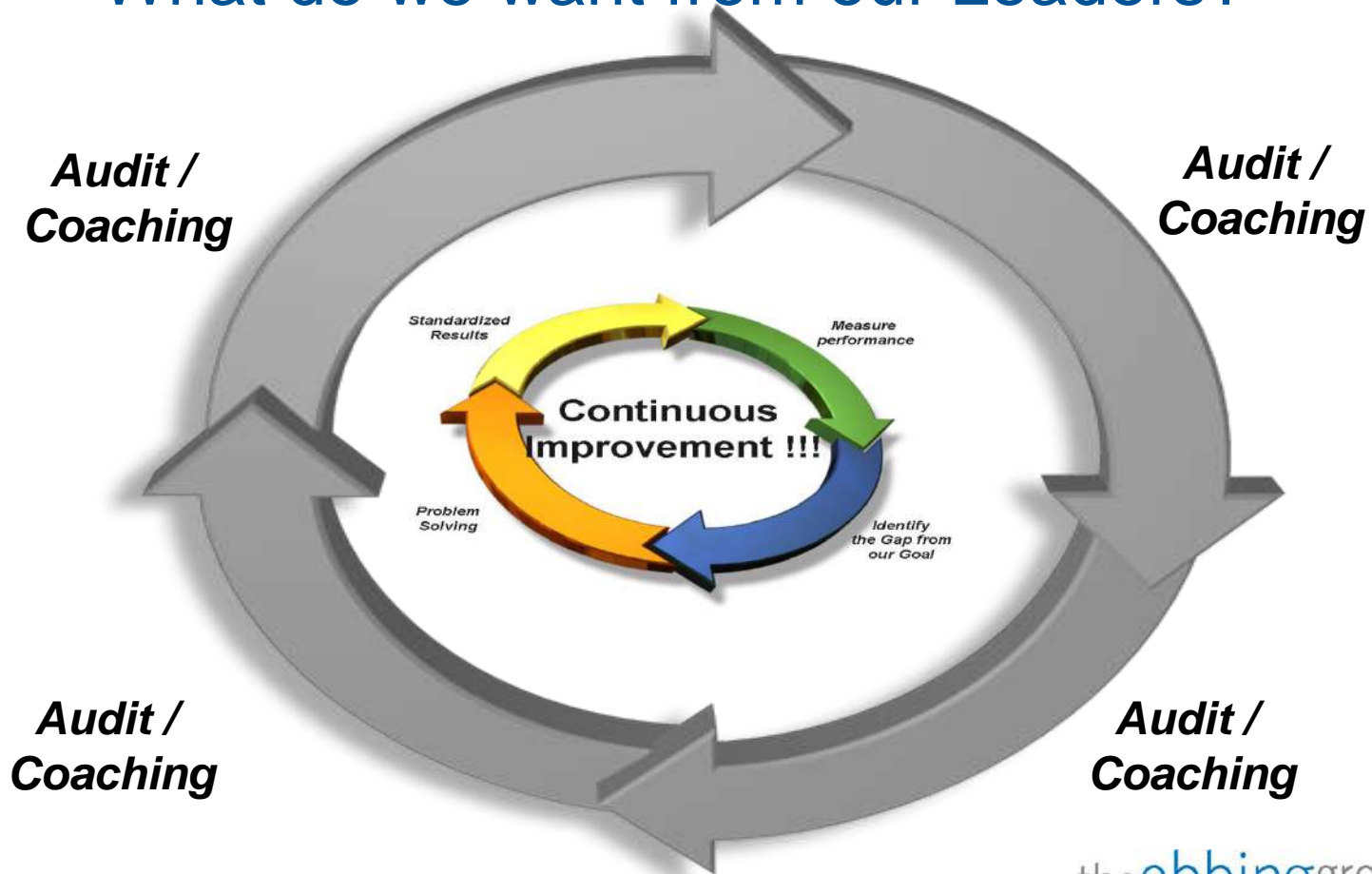
Continuous Learning!

What do we want from our Teams?



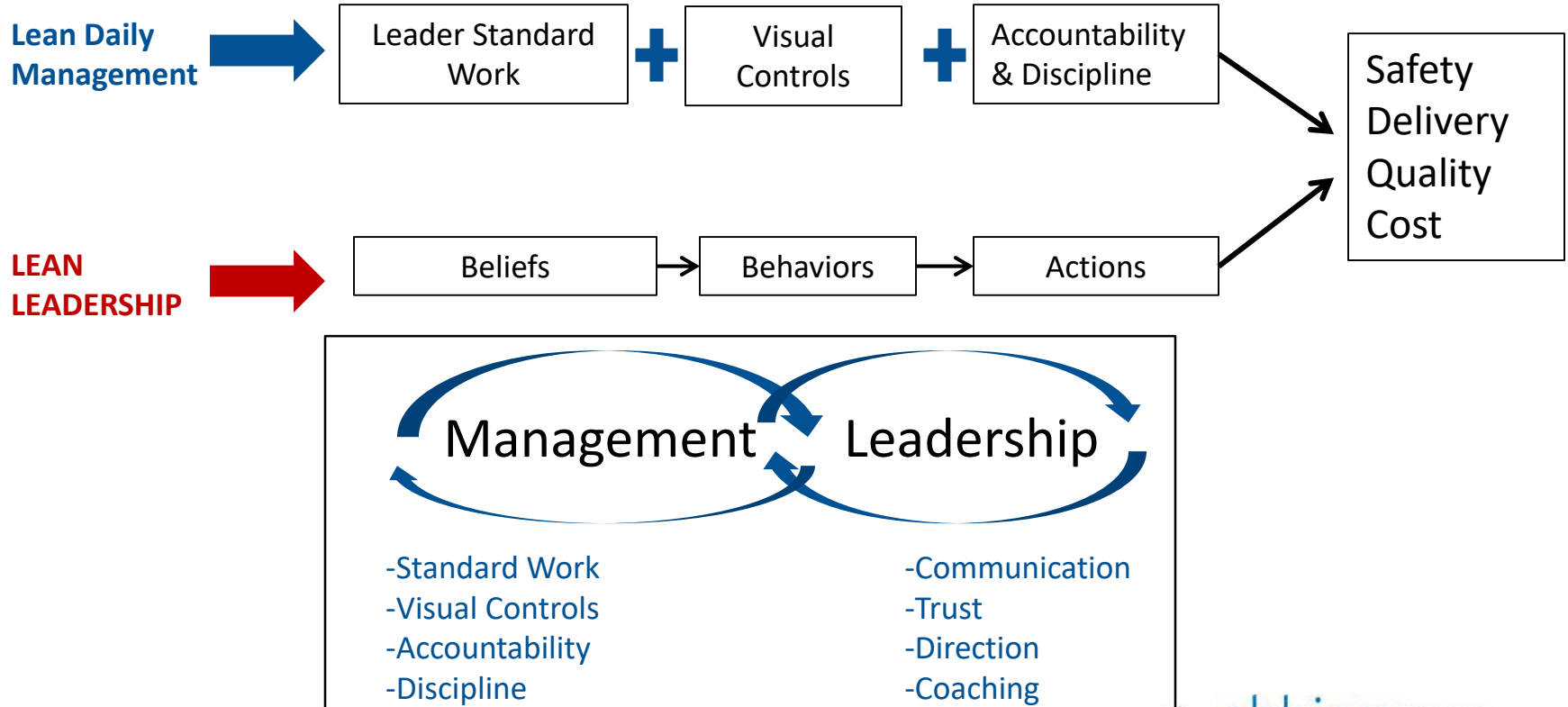
*PDCA, Deming CI Cycle

What do we want from our Leaders?

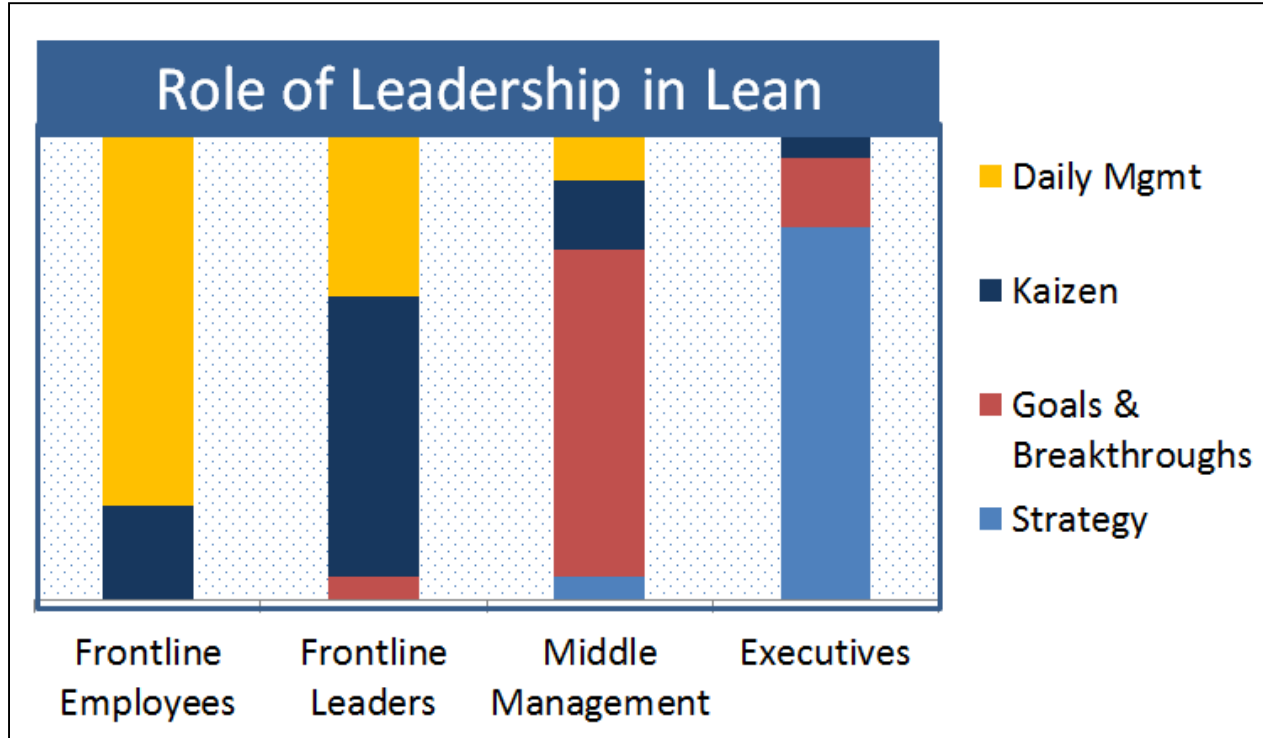


The Complete Lean Management System

Manage Things – Lead People



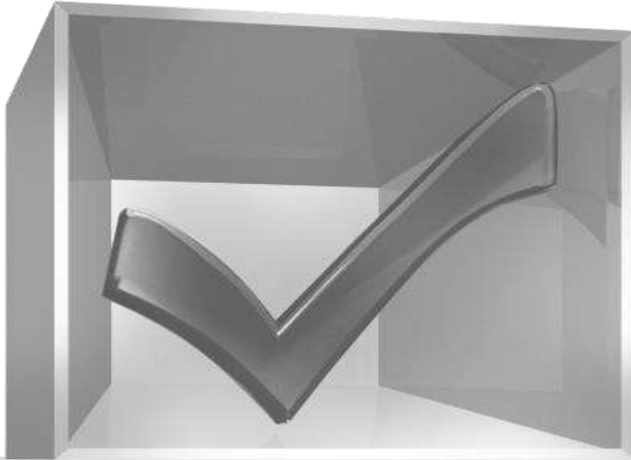
Role of Leadership in Lean



Who must change *for effective LDM?*

- Plant Manager...morning meeting on shop floor vs. office
- Business Unit Managers..Standard Mgmt Work
- Supervisors...cell-by-cell daily performance reviews with operators
- Operators...update their own daily KPIs
- Engineers...engage operators in daily learning

Lean Daily Management



Tool Kit

- ✓ KPI Boards
- ✓ Hour x Hour Boards (takt rate)
- ✓ LDM level meetings
- ✓ Gemba Walks
- ✓ Leadership Behavior

KPI's

Key Process Indicators *KPI's*

- A KPI represents a performance measurement that provides direct feedback about the way we are performing.



Good KPI's are:

- Managed by employees.
- Easily Understood.
- Charts manually updated (not in a computer).
- Easily calculated.
- Reviewed by management on a regular basis.

VISUAL



KPI General Requirements

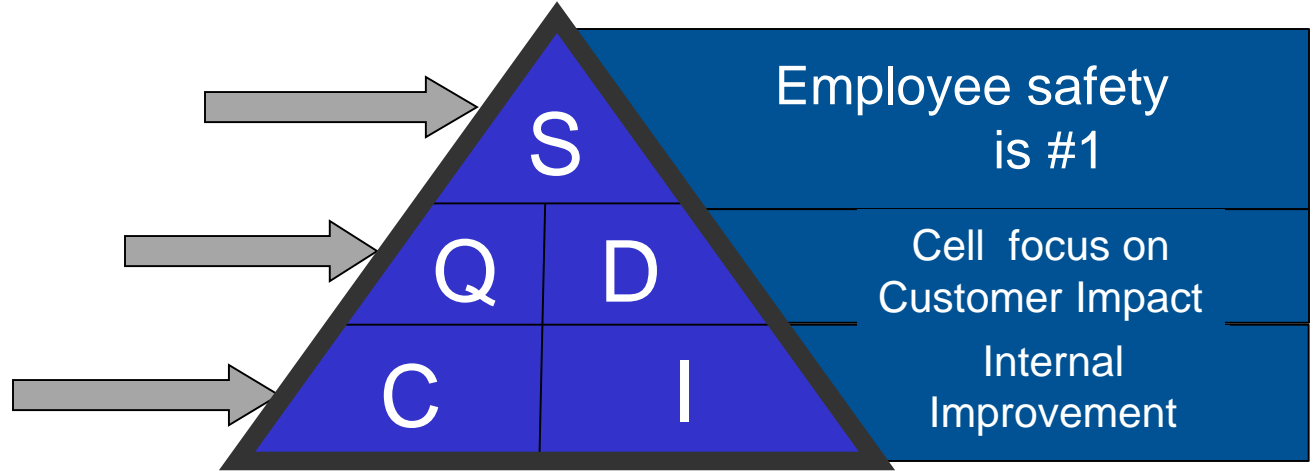
- Visual
- Easy to understand.
- Gemba driven.
- Core team ownership.
- Managed like a Score board.
- We must know if we are hitting or missing the target at first sight (RED or GREEN)
- Focused on the Voice of the Customer (V.O.C.).
- Aligned with strategic business objectives.
- Must be capable to distinguish the severity of the issues.
- Must be maintained on a daily basis.

KPI Philosophy

1. Safety Focus

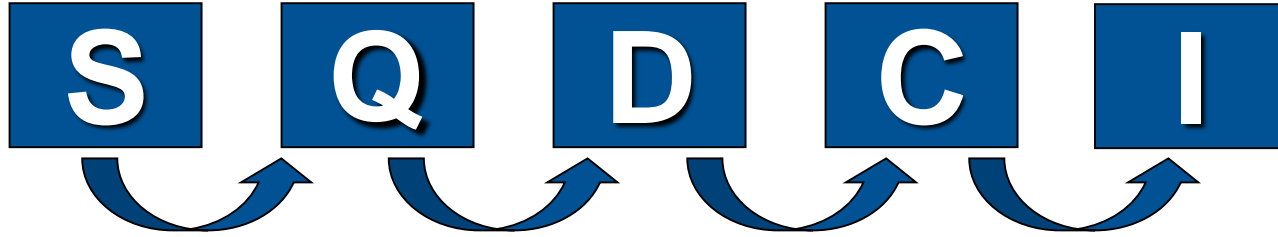
2. Customer Focus

3. Internal Focus



KPI Boards

Improvement focused on...

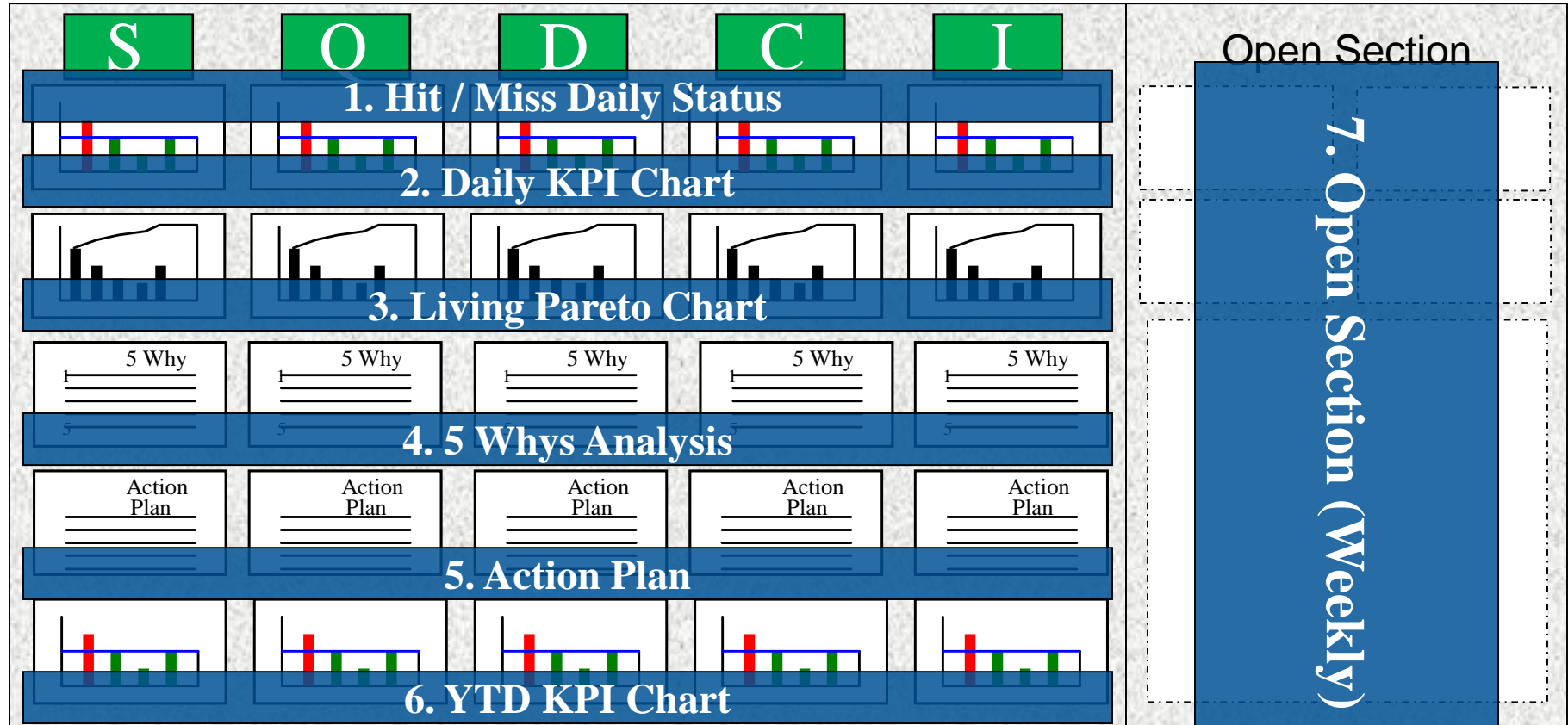


Works from left to right...

... so limited resources can be focused on critical priorities.

Once the KPI is on Green, then the primary focus can change to next KPI to the right.

Standard KPI Board



Cell level- *let Employees Drive Innovation*

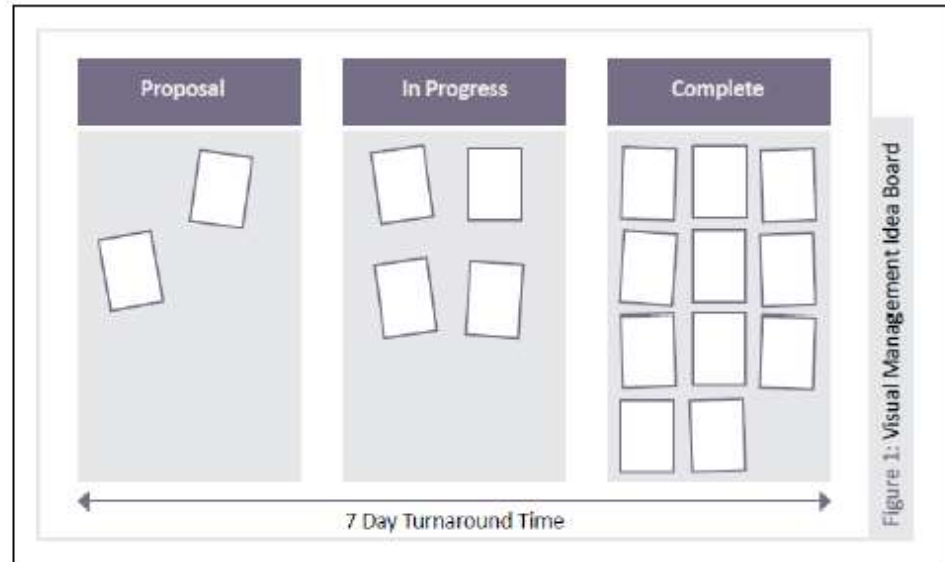
Visual Improvement Idea Management

WHY DO EMPLOYEES STEP FORWARD WITH IDEAS?

- They trust that they will be listened to and supported with implementation;
- They want to eliminate impractical things that they have to do;
- To make their jobs easier and more interesting;
- There is nothing more frustrating than watching money being wasted.

LEAN
MANAGEMENT
JOURNAL

Issue 6 Volume 2 | July-August 2012 | www.leanmgt.com



Problem Solving

- 5 Whys
- Cause & Effect (Fishbone Diagram)

5 Whys

- Moves a team past symptoms
- Asking “Why” five times let’s the team delve into a problem deeply
- Goal is to identify the root cause
- Focus on the 5 Whys, not the 5 Who’s
 - Focus on the process!

5 Whys Worksheet

Date: _____

Completed by: _____

Define the Problem:

Why is it happening?

1.

Why is
that?

2.

Why is
that?

3.

Why is
that?

4.

Why is
that?

5.

**Focus on the
Why's not
the Who's?**

**Caution:
Don't jump to
Conclusions**

5 Whys Worksheet

Date: _____

Completed by: Ngo Gogh

Define the Problem: The car won't start because the battery is dead

Why is it happening?

1. The alternator did not charge it correctly

Why is that?

2. The alternator is not rotating

Why is that?

3. The belt driving the alternator is broken

Why is that?

4. The belt was not changed at the correct maintenance mileage interval.

Why is that?

5. The owner did not follow the recommended maintenance schedule.

Caution:
*Don't jump to
Conclusions*

**Focus on the
Why's not
the Who's?**

5 Whys Worksheet

Date: _____

Completed by: _____

Define the Problem: The Jefferson Memorial surface is deteriorating resulting in high resurfacing cost.

Caution:
Don't jump to
Conclusions

Why is it happening?

1. We are using a more abrasive cleaner than in the past.

Why is that?

2. There are more pigeons and pigeon droppings

Why is that?

3. They come to eat the spiders

Why is that?

4. Because there are a lot of gnats.

Why is that?

5. Gnats are active at dusk; lights were programmed to come on at dusk to illuminate the Memorial.

Focus on the
Why's not
the Who's?

Solution:

- Delay turning on the lights to one hour after sunset. Program to self adjust throughout the year.
- Gnat population went down 90%. Therefore fewer spiders, fewer pigeons, less pigeon droppings, less cleaning with abrasive cleaners!



MoreSteam Example

5-WHY ANALYSIS SHEET		
Failure Mode	Enamel Finish Defects	Department/Area
		Porcelain Plant
		Equipment
		Top Coat Spray
WHY #1: Orange Peel from holding spray guns at wrong angle.		WHY #5 The production culture is oriented toward volume. Due to yield problems, using untrained operators actually produces fewer good units even though the line keeps running.
WHY #2: New Operators are not fully trained.		
WHY #3: Excess absenteeism is disrupting the training schedule. New operators are placed on the job before they are trained.		
WHY #4: Production demands are given priority over fully training operators.		
		TEMPORARY COUNTERMEASURES Date <u>6/18</u> New policy to slow line speed during high absenteeism to allow extra time for less experienced sprayers.
		FINAL COUNTERMEASURE Name <u>Jess Fixit</u> - PERMANENT CORRECTIVE ACTION Date <u>6/19</u> Establish sprayer certification program and train pool of backup sprayers - change volume oriented culture. Launch absenteeism reduction program, including attendance bonus and tighter employment screening.
		VERIFICATION: No Recurrence in Three Months? <u>IBD</u> Date _____ Single-Point Lesson? <u>Yes</u> Date <u>6/20</u>
		DO THE 5 WHY'S MAKE SENSE WHEN READ BACKWARD?
Note: Continue on separate page if 5-Whys are not enough to determine root cause.		

5 Why – Practice Exercise

- Chose one of the following examples and conduct a 5 Why analysis
 - I was late arriving at work (15 minutes late)
 - The packaging machine stopped working
 - Customers are not happy that they are receiving product that does not meet their expectations
- Time: 10 minutes

Cause & Effect (Ishikawa Diagram)

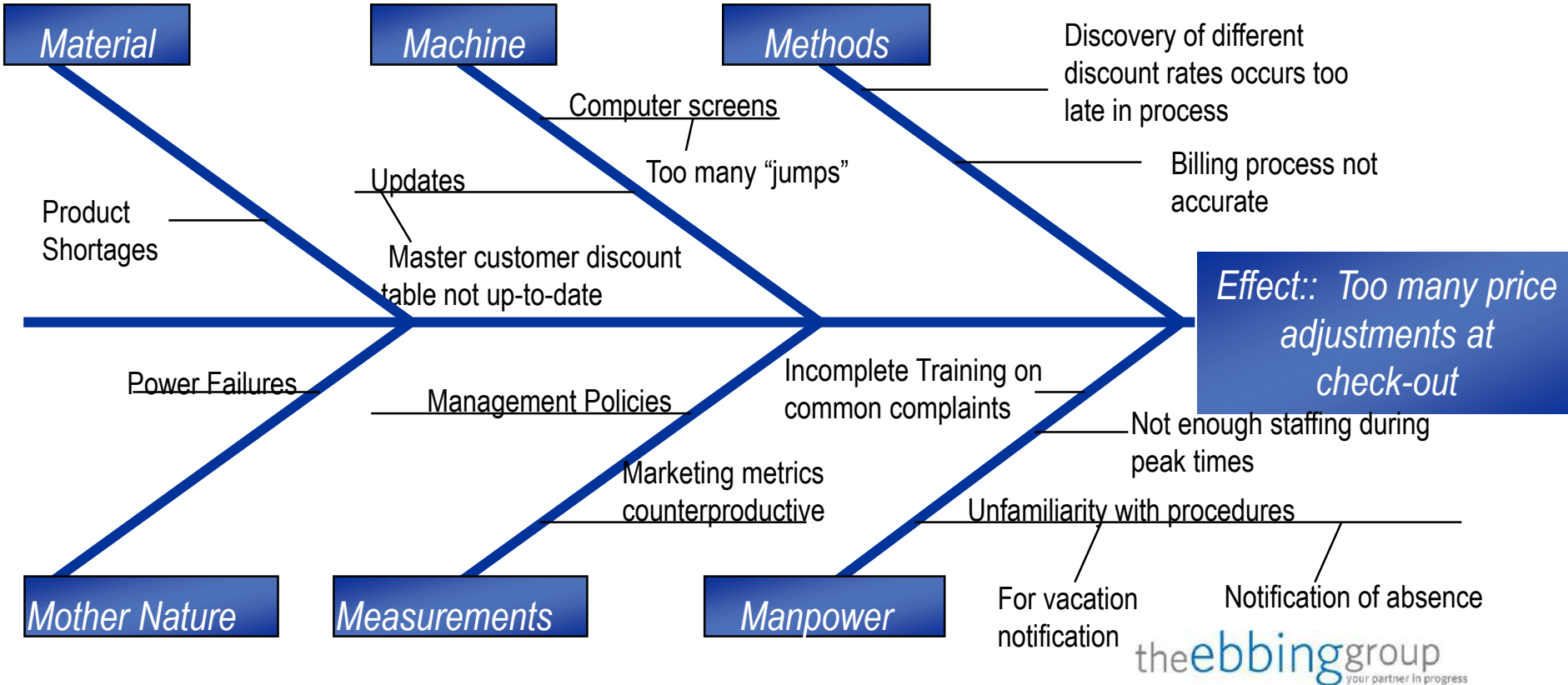
- Represents the relationship between an Effect (problem) and its potential Causes
- Helps ensure that a balanced list of ideas have been generated during brainstorming
- Helps us overcome the “theme” or “group think” effect
- Sorts and relates the factors affecting a process while little quantifiable data is available
- Serves as a discussion guide to assist in determining root causes

Fishbone / Ishikawa Diagram (Cont.)

- Helps determine the real cause of the problem versus a symptom
- Helps refine brainstormed ideas into more detailed causes
- Helps identify a team's level of understanding of the linkage between cause and effect in a process
- Note: Templates available in Minitab (Stats>Quality Tools>Cause and Effect) and elsewhere

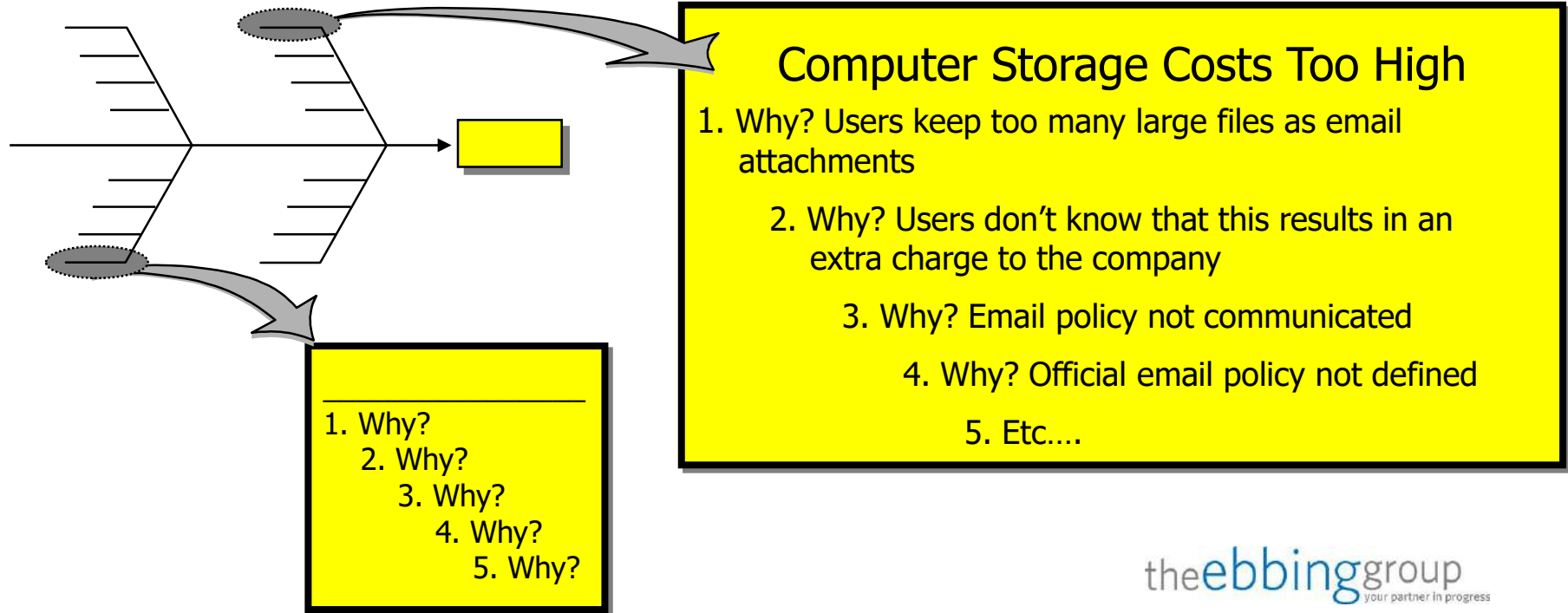
Example:

Fishbone Diagram



Refine Brainstormed Ideas to the Root Cause

Ask "Why?" 5 Times



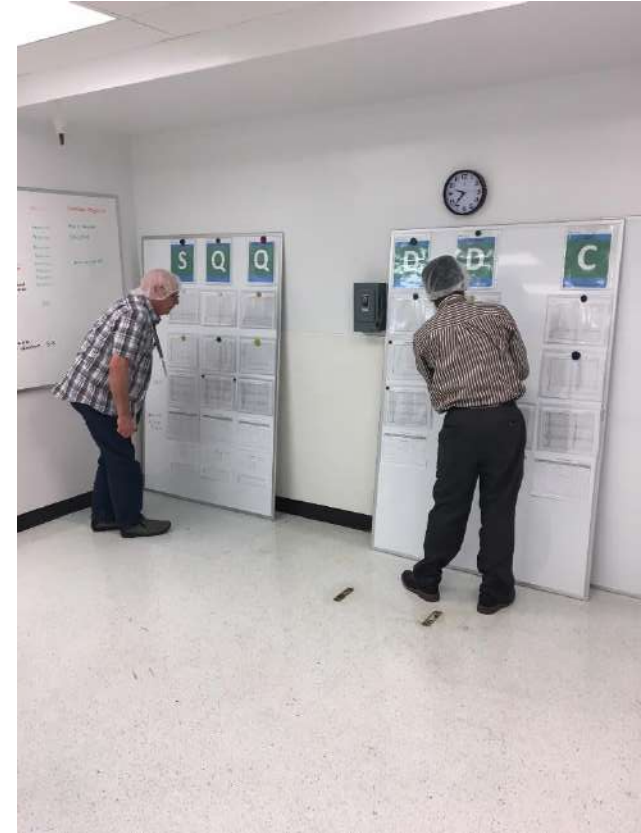
Seven Steps to get a LDMS up and Running

1. Understand your process
2. Develop a standard KPI board
3. Develop daily management processes
4. Do Daily stand-up meetings
5. Develop a response plan
6. Monitor Problems
7. Monitor performance

Primary Visual Displays

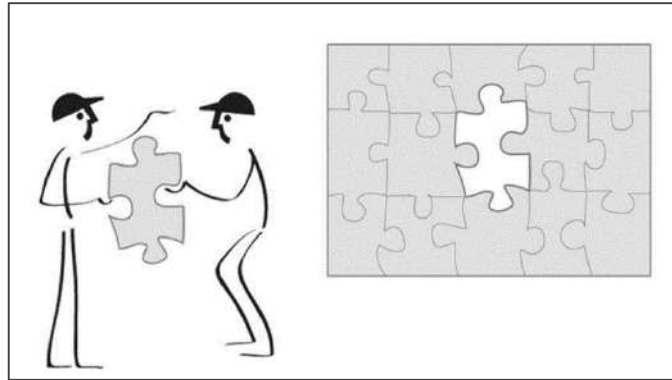


Primary Visual Displays



Key Takeaways

- Everyone knows if yesterday was a good day!
- Make it a standard process
 - It is about the process-not just the boards



For Sample templates please
leave your business card!

Thank you !

Steve Ebbing
The ebbing group, llc
619 212-2716
steve@ebbinggroup.com
www.ebbinggroup.com

Your Partner in Progress

the**ebbing**group
your partner in progress



Steve Ebbing, Founder and
President of
the ebbinggroup, llc

Steve Ebbing, the president of the ebbinggroup, llc has been focused on business performance improvement and operational excellence for over 25 years. His background includes engineering, engineering management, and operations management. As a Corporate-wide Operational Excellence leader, Steve developed and implemented a widely accepted Lean Maturity Assessment process, a Goal Deployment/Hoshin Kanri process, initiated a standard Operating System for the company, and led Lean transformations for a number of sites. Throughout his career Steve has been implementing Lean Six Sigma in aerospace, medical device organizations, hospitals, hospital pharmacies and other companies in manufacturing operations and in transactional functions both domestically and internationally.

Steve's prior experience includes roles as an Adjunct Faculty position at the University of Tennessee as Trainer and Lean Facilitator to the United States Air Force for the Air Force Lean Implementation Program, AFSO21, and as an instructor for San Diego State University Lean Certificate program. Steve has trained, coached, mentored and certified numerous students through Project Sponsor/Champion, Kaizen/Lean Leader, Lean Six Sigma Green Belt, and Lean Six Sigma Black Belt classes. Steve is a 10+ year volunteer for Tech San Diego's Manufacturing Operations Roundtable program and a member of the Board of Directors for the Western Region of AME (Association for Manufacturing Excellence).

Steve has both a Bachelors of Science degree and a Master of Science degree in engineering from the University of Illinois. He is a Certified Lean Six Sigma Black Belt, and a Certified Lean Six Sigma Master Black Belt.

The ebbinggroup Services

- Facilitation – *custom engagements to meet your needs*
 - Lean Six Sigma transformations
 - Strategy Deployment – Hoshin Kanri
 - Value Stream improvement activities
 - Focused / Targeted improvements
 - 5S, Lean Daily Management, Visual Management, Set-up Reduction, Total Productive Maintenance (TPM), Cell Design, Pull Execution (Kanban) and more
 - Lean Maturity assessments
- Training & Certifications
 - Lean Six Sigma Overview / White Belt
 - Lean Practitioner
 - Lean Six Sigma Green Belt – Blended learning (on-line and instructor led)
 - Lean Six Sigma Black Belt – Blended learning (on-line and instructor led)
 - LSS GB or BB one-day refresher course
- Speaker – *keynotes, workshops, overviews*