

How to Start the Lean Journey

Influencing and sustaining an organization's appetite for change

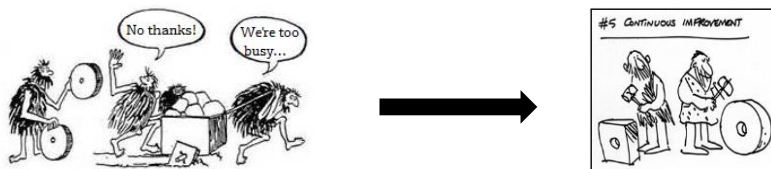


Slide 1

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People for Process Automation

The big decision

The organization must first decide and commit to begin the journey...



Short term goals:

- Drastically improve the customer experience by designing, measuring and improving the processes
- Identify several "quick win" actions that can be taken while driving out future strategies and plans

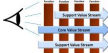
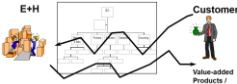
Long term objectives:

- Reduce transaction process time
- Improve customer experience
- Increase volume of business
- Reduce operating cost
- Improve employee satisfaction
- Higher profitability *is the result*

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Where does the journey begin?

- First we must look at ourselves from the customer's view (outside-in) 
- Define "What is VALUE" as a customer sees it (willing to pay \$\$) 
- Define "Value Streams" in the organization 
- Prioritize Value Streams needing improvement – biggest pain/ biggest gain and FOCUS efforts 
- Create the right atmosphere and structured framework for success = appetite for change + plan 
- Communicate, communicate, communicate ! 

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What are the critical factors for success?

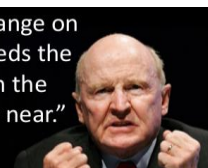
- *Leadership support* -GM is a very outspoken champion of Lean, provides political alignment
- *Motivation* – organizational agreement that we must evolve from the "we've always done it this way" mentality
- *People* – willing to go on the journey, curious and open to the process
- *Process landscape* – moved to defining our processes as core, support and management



Together, we achieved a lot in 2017
Despite excellent progress, we must continue
trying to be a little better each day



"If the rate of change on
the outside exceeds the
rate of change on the
inside, the end is near."
- Jack Welch



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What is Lean 6 sigma?

- A fusion of two related disciplines:
 - **Lean** = a management system developed by Toyota in 1950's
 - = eliminate **waste** and smooth the process flow
 - = increasing **value** and reducing **inefficiencies**
 - **6 sigma** = developed by Motorola in 1980's
 - = eliminating defects by reducing process variation
 - = the methodology uses five steps: DMAIC (Define, Measure, Analyze, Improve, Control)
 - = various statistical tools



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Some Definitions...



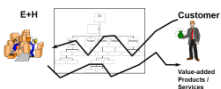
What is "Quality" – defined by the customer

- "The degree to which a product or service will meet the expectations of the customer"



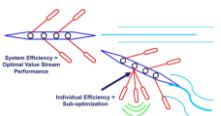
What is "Value" ?

- Value as a customer sees it (willing to pay for) or is a differentiator



What is a "Value Stream" ?

- the path across departments that a customer must go through to get a product or service



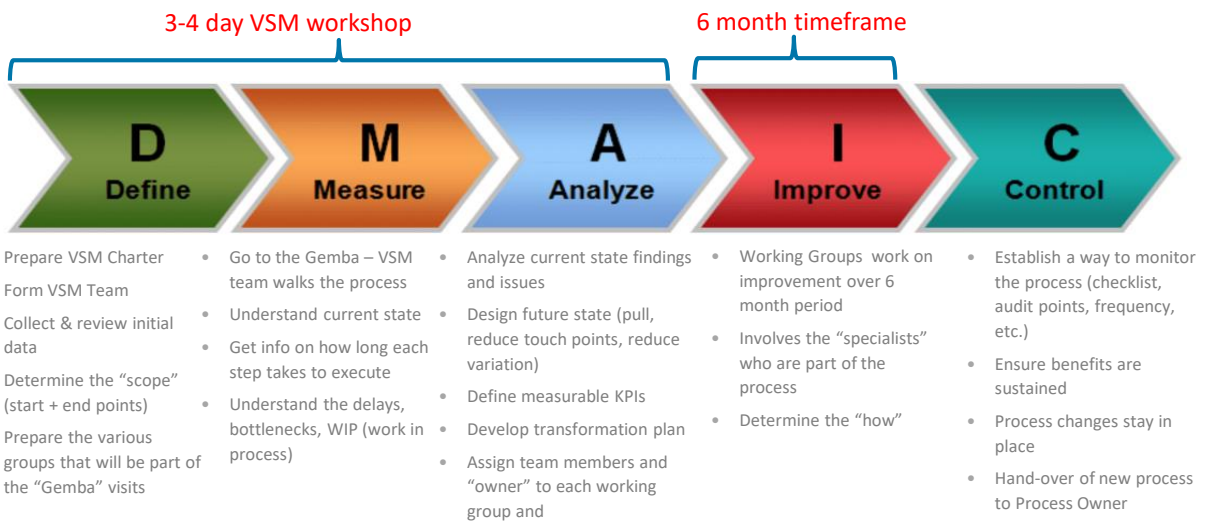
What is "Value Stream Mapping" (VSM)

- The end-to-end process improvement will always yield a better result than the improvement of the individual parts of the chain

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Value Stream Transformation Cycle



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VSM Outputs

1. Current State Map

It's not about the map.

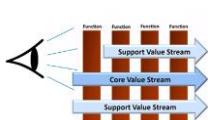
It's about the conversations, the insights, the decisions, the organizational healing that mapping enables.

2. Future State Map with Process Owner + PPI's



1. Implementation Plan (working groups with team members) and timeline

So why is this different from the “As-is, To-be” workshops we’ve done before?



Outside-in



Measurable



Implementation Plan

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2 years, 6 VSMs = 109 Working Groups

<u>Q1 Demand Service</u> Start: 1-Feb-2017 End: 12-Mar-2018		Total Working Groups:	34		■ Working Groups completed (100% completion): ■ Working Groups not yet started: ■ Working Groups started (10-95% completion):
		Working Groups completed (100% completion):	25		
		Working Groups not yet started:	1		
		Working Groups started (10-95% completion):	8		
<u>Q2 MRO Sales</u> Start: 22-May-2017 End: TBA – postponed to 2019		Total Working Groups:	15		■ Working Groups completed (100% completion): ■ Working Groups not yet started: ■ Working Groups started (10-95% completion):
		Working Groups completed (100% completion):	10		
		Working Groups not yet started:	1		
		Working Groups started (10-95% completion):	4		
<u>Q2 SST Proposal Process</u> Start: 6-Jun-2017 End: 2-Aug-2017		Total Working Groups:	16		■ Working Groups completed (100% completion): ■ Working Groups not yet started: ■ Working Groups started (10-95% completion):
		Working Groups Completed (100% completion):	15		
		Working Groups not yet started:	0		
		Working Groups started (10-95% completion):	1		
<u>Q1 Municipal Business Process</u> Start: 8-Sep-2017 End: 13-Nov-2018		Total Working Groups:	12		■ Working Groups completed (100% completion): ■ Working Groups not yet started: ■ Working Groups started (10-95% completion):
		Working Groups Completed (100% completion):	4		
		Working Groups not yet started:	0		
		Working Groups started (10-95% completion):	8		
<u>Q1 In-House Calibration and Repair</u> Start: 5-Feb-2018 End: 19-Jul-2018		Total Working Groups:	17		■ Working Groups completed (100% completion): ■ Working Groups not yet started: ■ Working Groups started (10-95% completion):
		Working Groups completed (100% completion):	15		
		Working Groups not yet started:	0		
		Working Groups started (10-95% completion):	2		
<u>Q1 Project Execution</u> Start: 29-Mar-2018 End: 31-Oct-2018		Total Working Groups:	15		■ Working Groups completed (100% completion): ■ Working Groups not yet started: ■ Working Groups started (10-95% completion):
		Working Groups completed (100% completion):	4		
		Working Groups not yet started:	0		
		Working Groups started (10-95% completion):	11		

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What have we accomplished so far?

- Upskilled certain roles (Project Coordinator) and created new roles (Calibration Specialist / Tools Manager, Purchaser, Quote & Order Coordinator, V-PM)
- Created another lane on the MRO highway “Simple Quote Process” – customers get quote **within 1 hour** (vs. previous quote turn arounds of **2-3 days**)
- Reduced touch points and manual documents (manual invoices, shipping docs) for Instrument Project Execution VSM
- Updated other related support processes that resulted in direct savings (Product Returns process – savings of ~ **CAD\$150K** in 2017 alone)
- Improved turn around time for Project Quotations from **12WDs** to **7WDs**
- Automated the Workshop Calibration and Repair process to enable transparency of status to both external and internal customers, as well as committed to turn-around times (expectation management)
- Enabled the use of Tasks to manage the Municipal project statuses and standardized communication with Accounting, Logistics and Service
- Reduced response time of Demand Service (breakdown) customer calls from **8-12 hours** to around **2 hours**

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Final Thoughts and Questions ?

**Problems are the irritants
that produce pearls.**

