Lean Learning Experiences
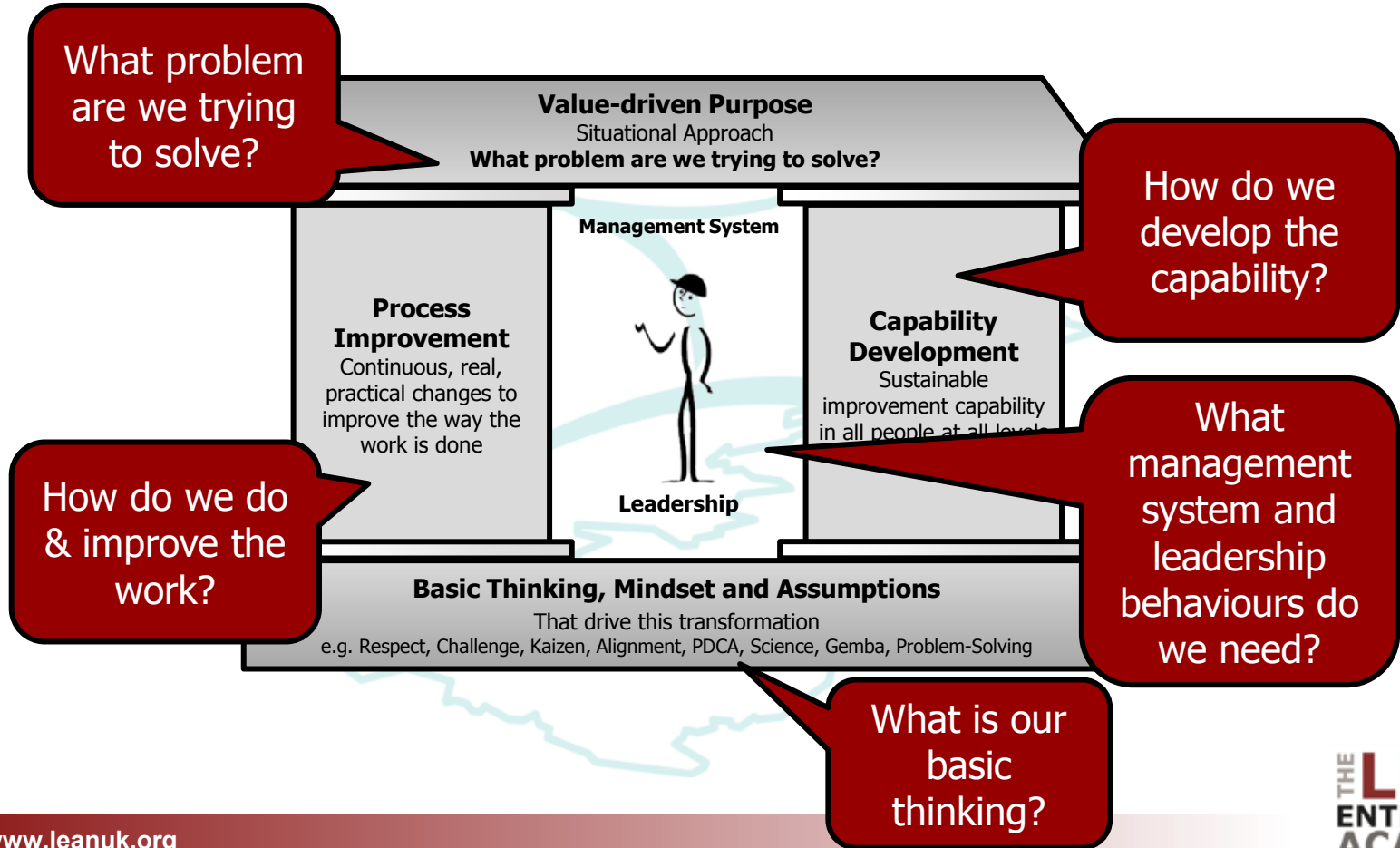
UK Lean Summit –
Learning Lean, Lean Learning

Terry O'Donoghue, Sharon Visser
& David Brunt
November 16th 2016

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ENTERPRISE
ACADEMY

Lean Transformation Framework

Lean Transformation Framework Example

Halfway Team-X Strategy — January 2013 (Version 2)

Our Purpose

Customer Value
- Acquiring & Servicing Vehicles
- Receiving Unmatched Customer Experience
- 100% Customer fulfilment
- Right First Time – F.I.R. 100%
  On Time – OTIF 100%
  Every Time, in less Time
- Customer convenience & minimum interruption to mobility

Our Goals
- Nett profit (% Turnover) > 5%
- Absorption (supporting depts) > 100%
- New Vehicle sales >8% of TSA dealer sales > 8000 units
- Used:New ratio 0,75:1 (or 6000 units)
- Service Retention 80 % of 5 year sales (exc. taxi)
- Increase share of customers motoring spend

People
- Develop problem solving capability of managers & Staff
- Practise Genchi Gembutsu
  - Asakai
  - GG walk
  - Kaizen reviews
- Use scientific method to evaluate & analyse GAPs & set experiments (PDCA)
- Spread Team Leader concept to implement Standard Work
- Develop capacity – A plan for every person
- Use questions to encourage focus on "Grasp the Situation", Go to See & PDCA
- Use A3 to make thinking clear & coach
- Kaizen (CI) review at regular intervals with each value stream team
- Develop proficiency in Improvement Kata & Coaching Kata to evolve Halfway Kata
- Expose staff to Purpose & Process to get alignment & participation in goal setting
- Develop basic skills proficiency ….Sales: product knowledge, Service : diagnostics, Parts : Interpretation, Used : Valuation, F & I : Getting Finance Approved, Service Advisors: 7 Step Process, Managers : Coaching

Guarantee Hassle-free Mobility
"100% Customer Fulfilment"

Unmatched Customer Experience
Enhanced Niche Market Offerings

Developing Capabilities	Follow me Style	Unlock flow of Value to Customer
✓		✓
✓		✓
✓	✓ Go see…	✓
✓	✓ Ask why…	✓
✓	✓ Show respect	✓

Easy to do business with
Customer First

Integrity ♦ Respect for All ♦ Kaizen

Process
- Stabilise
- Make problems visible
- Brilliant Basics
- Easy to do business with

Focus on Improving :
- Quality
- (A) Delivery
- Controlled compression of Time

By Service (improve CF to 100% by F.I.R) :
- → Schedule predictable work
- → Standard work defined for predictable work
- → Keep high volume predictable work in flow
- → Staggered bookings & heijunka
- → Initiate the service booking

By Sales (improve CF to 100% by OTIF) :
- → Plan for every car (make plan of work visible)
- → Reduce leaks in Sales funnel (standard work in sales process)
- → Plan for every Customer (stage in buying cycle visible)

Increase Number of Customers
- (B) Focus on defendable underserved niches
- Reactivate existing database to fill funnel
- Demonstrate superior skills, knowledge, understanding & visible interest in key niche
- Expand base by access to Finance

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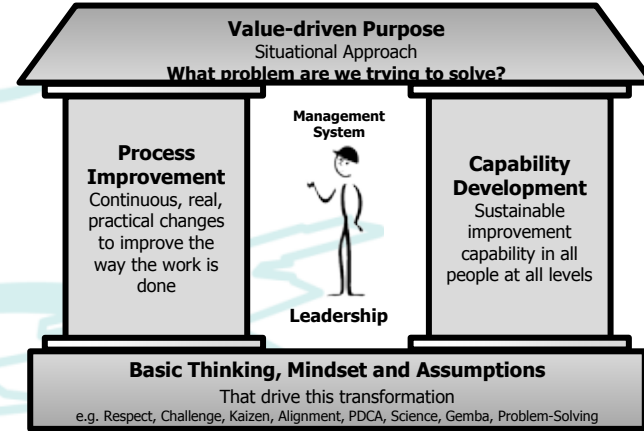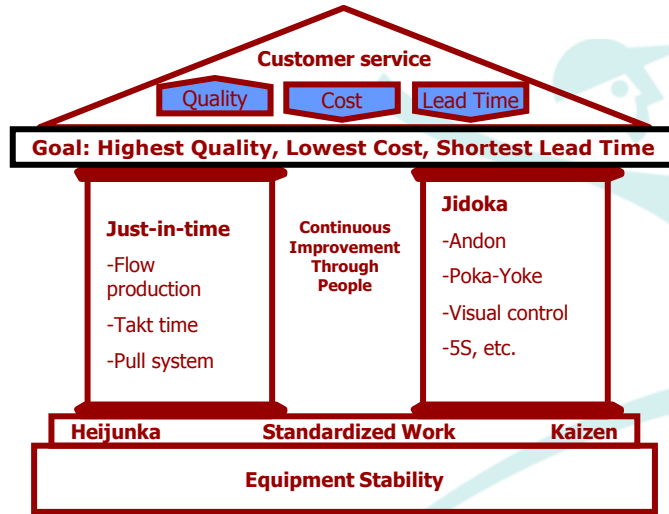# Lean Transformation Experience So Far Sli.do

- The Kaizen Event
- Implementation of Tools
- Developing a Production System
- Training courses
  - Accompanied by Certification (&/or belts)
- Benchmarking activities
  - Certification & Accreditation – by looking at the level of implementation
- Behavioural change
  - Leadership training
  - Team leader development
- Etc. etc.

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Lean Transformation Experience So Far

- We know lean will work anywhere!
  - But – Not every organisation is successful
  - In fact most probably aren't!
- Therefore (probably) the most important problem to solve is to understand:
  - Why initiatives fail? (10 minutes)
  - Why implementation isn't as fast as it could be? (10 minutes)
- Are your efforts biassed to Solutions or Questions

Solutions or Questions?

Customer service

Quality — Cost — Lead Time

Goal: Highest Quality, Lowest Cost, Shortest Lead Time

Just-in-time
-Flow production
-Takt time
-Pull system

Continuous Improvement Through People

Jidoka
-Andon
-Poka-Yoke
-Visual control
-5S, etc.

Heijunka — Standardized Work — Kaizen

Equipment Stability

Value-driven Purpose
Situational Approach
What problem are we trying to solve?

Management System

Process Improvement
Continuous, real, practical changes to improve the way the work is done

Leadership

Capability Development
Sustainable improvement capability in all people at all levels

Basic Thinking, Mindset and Assumptions
That drive this transformation
e.g. Respect, Challenge, Kaizen, Alignment, PDCA, Science, Gemba, Problem-Solving

- Can organisations implement lean by copying someone else's solutions?

Change: Right First Time, On Time

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It's Time to be Explicit About the Gaps we have Between our Desired & Current State

- When problem solving we define the gap(s) to close
- What are the gaps we need to close to successfully improve?
  - Knowledge of the work
  - Skills & Capability
  - Desired Behaviours
  - Others?

Desired Knowledge

Gap

Current Knowledge

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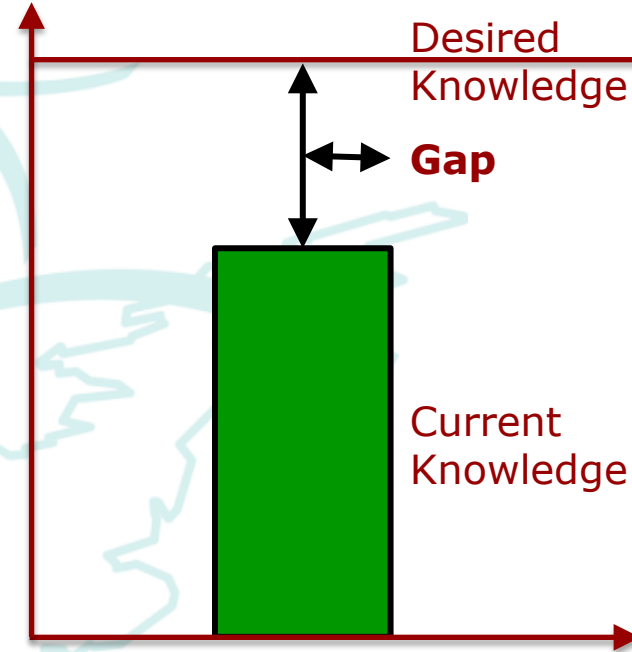
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How many of your organisations are explicit about the fundamentals?

How do you Make a Profit?

Cost-Plus
Cost + Profit = Price
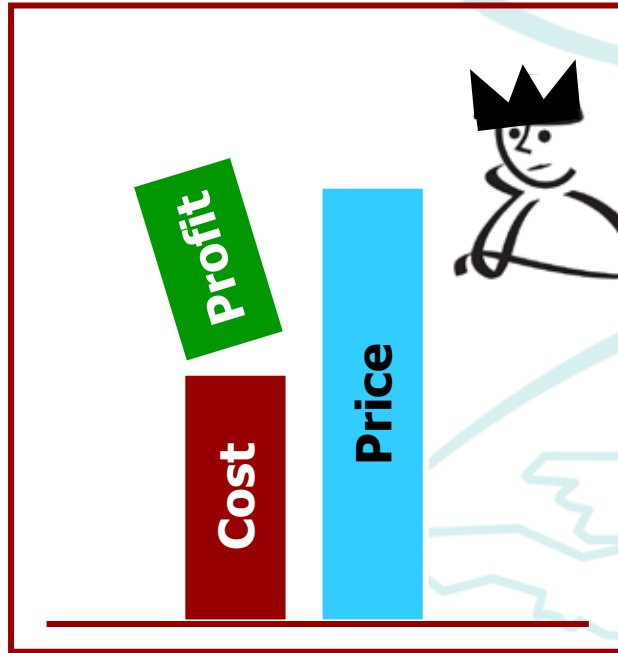
Price-Minus
Profit = Price - Cost

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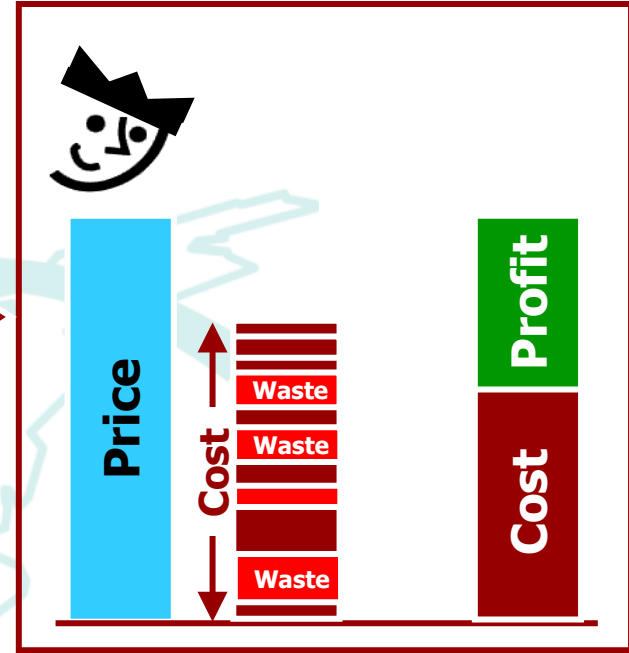
What is Your Philosophy of Efficiency?

Apparent Efficiency vs True Efficiency

100 Units

Apparent Efficiency	Current	True Efficiency
120 Units	100 Units	100 Units
X 10	X 10	X 8
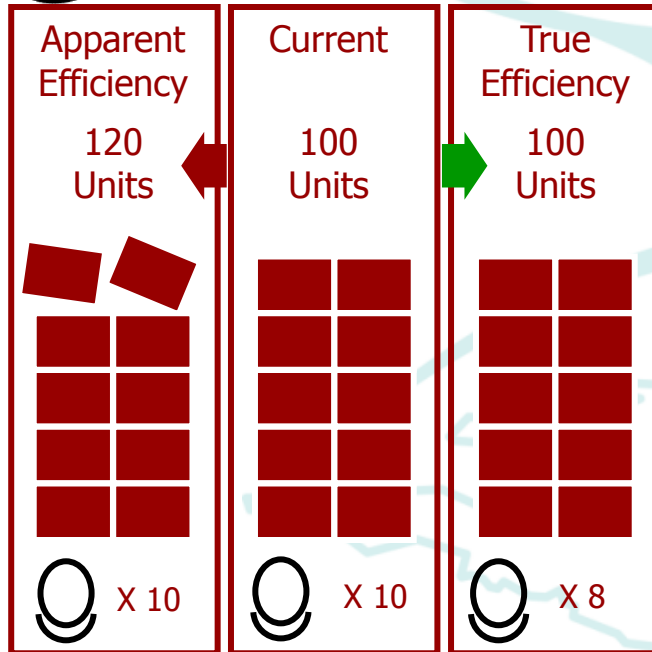
Local Efficiency vs Total Productivity
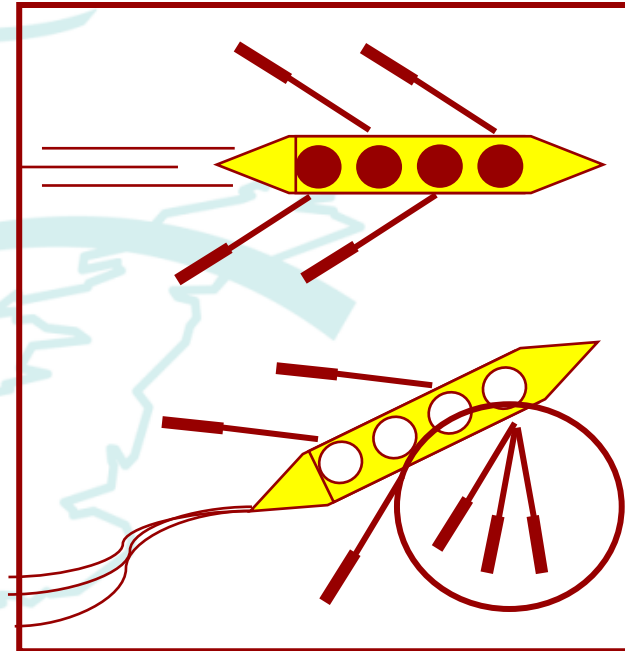
Overproduction: The Worst Form of Waste!

= Making more than is required by the next process

= Making earlier than is required by the next process

= Making faster than is required by the next process
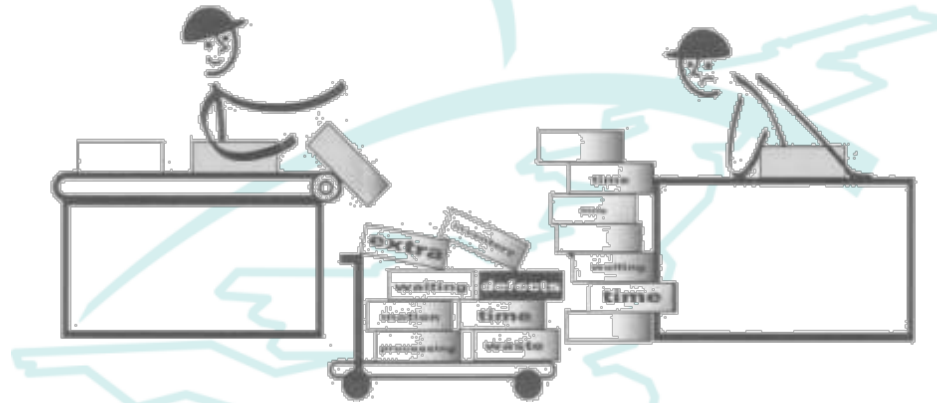
Batching isn't just bad, it's EVIL!

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Experience 1:

How many organisations measure right first time, on time?

Or another way of measuring Value Driven Purpose

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Value Driven Purpose
Customer Fulfilment: The "Veronica Chart"

Customer Fulfilment

- Right first time, on time
- Clear link between Value (purpose) and problems
- End to end process focus (not point optimisation)
- Respect for the individual
  - Problems identified in real time (not through historical data capture)
- Ensures "go and see"
- Small improvements (kaizen) to close the gaps

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Experience 2:
Understanding & Improving the Work
Have you defined the work to be done?
Is it being improved?
How, by what means?
To what end?

The Case: Customer Arrival
Grasping the Situation

- **Current Condition**
  - One entrance, one exit to the workshop
  - Long customer queue
  - Service advisors go out to the queue to get ahead
  - 7 minutes to see a customer
- **What's the Problem?**

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Continuous Flow Processing
Batch & Queue (Push) Processing

Process A: 10 minutes   Process B: 10 minutes   Process C: 10 minutes
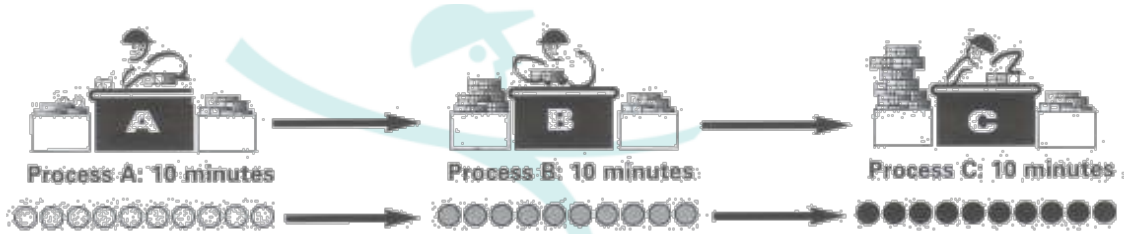
Lead Time: 30++ minutes for total order. First part: 21 minutes

Continuous Flow "make one, move one"
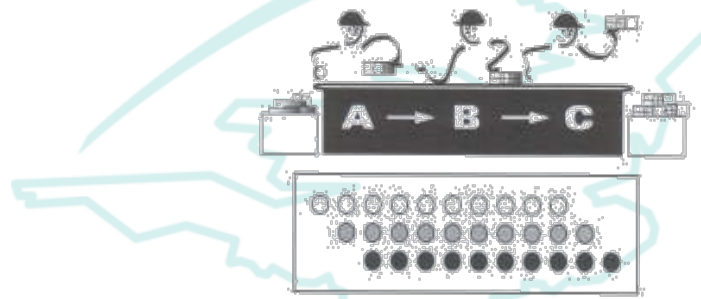
First Experiment: April 2015
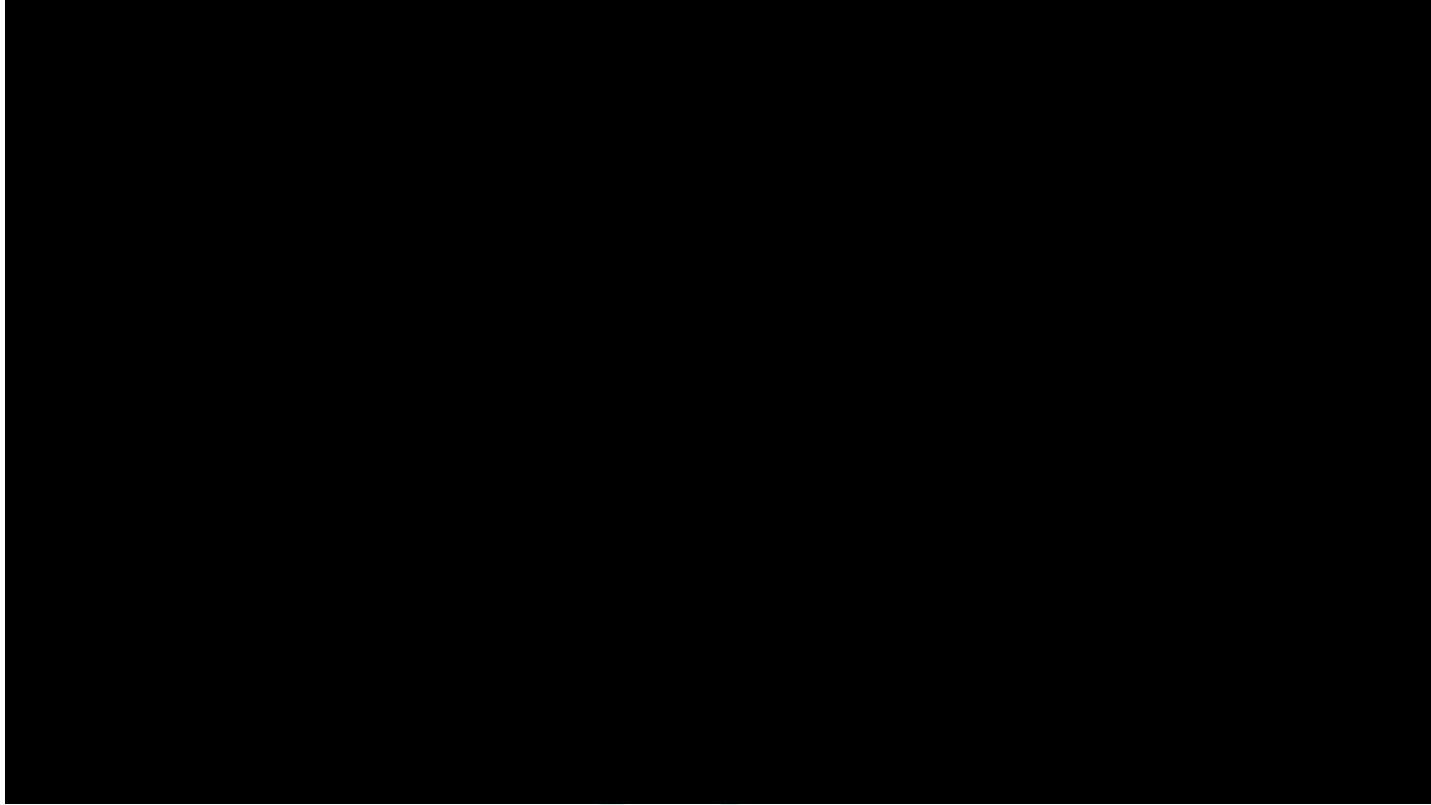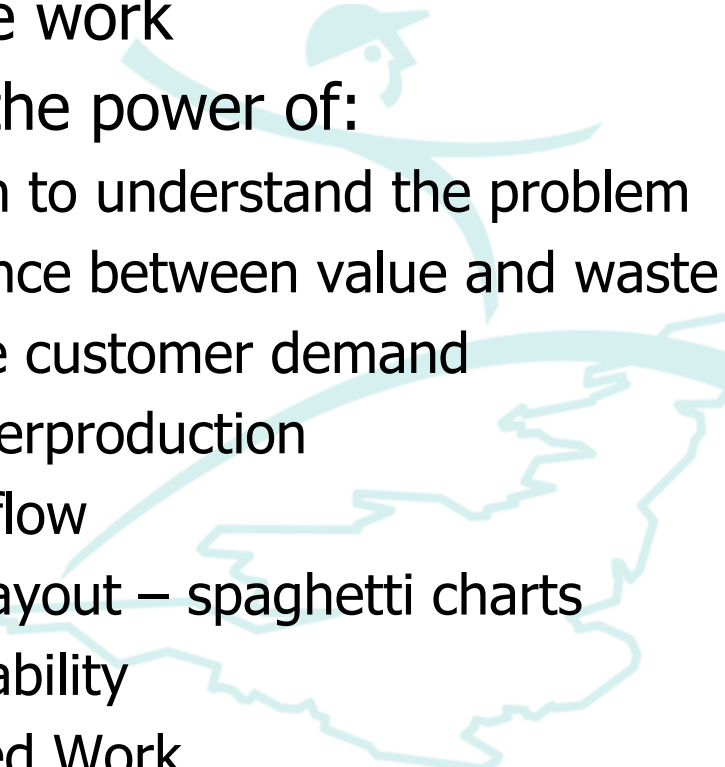
Experiment: May 2016

www.leanuk.org
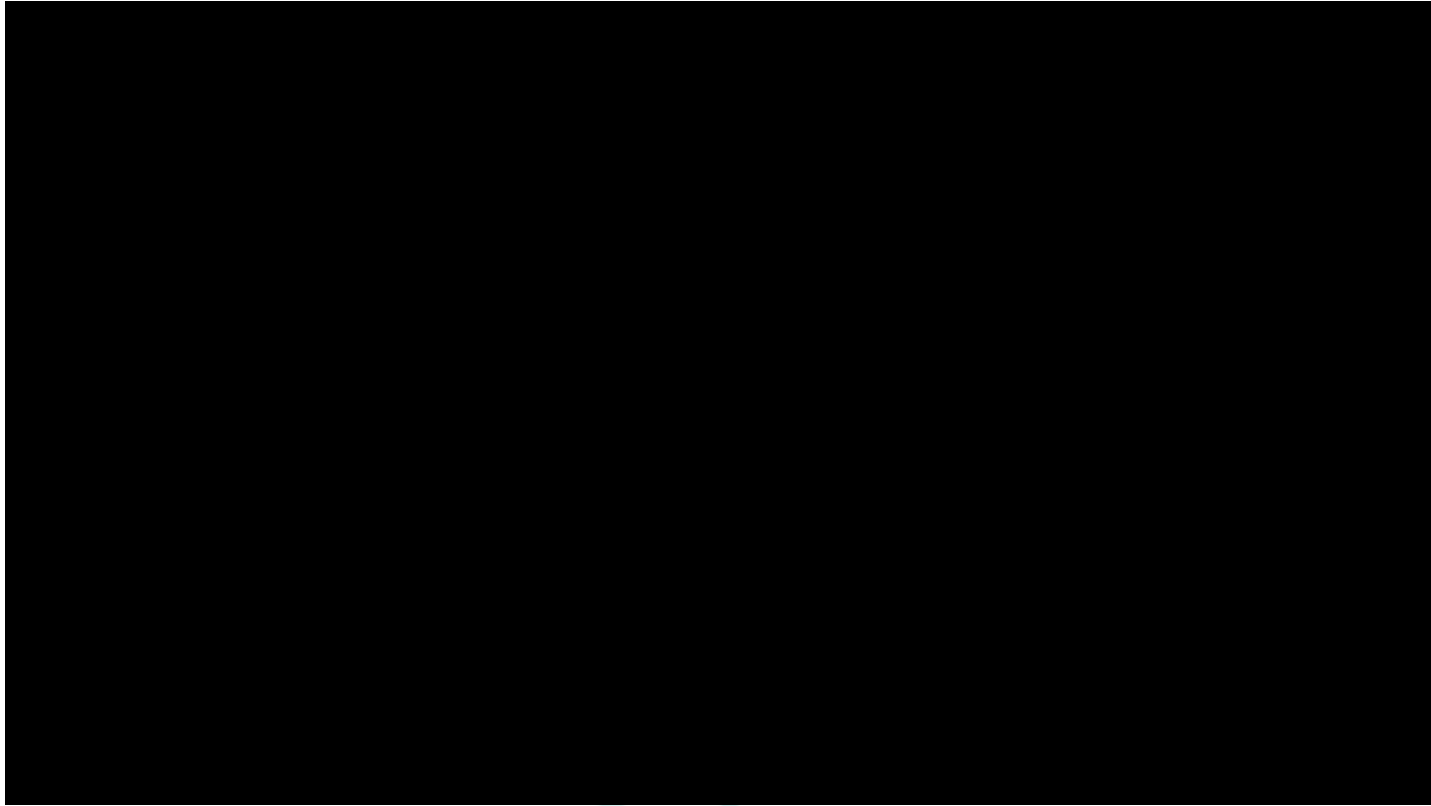
Experiment: September 2016
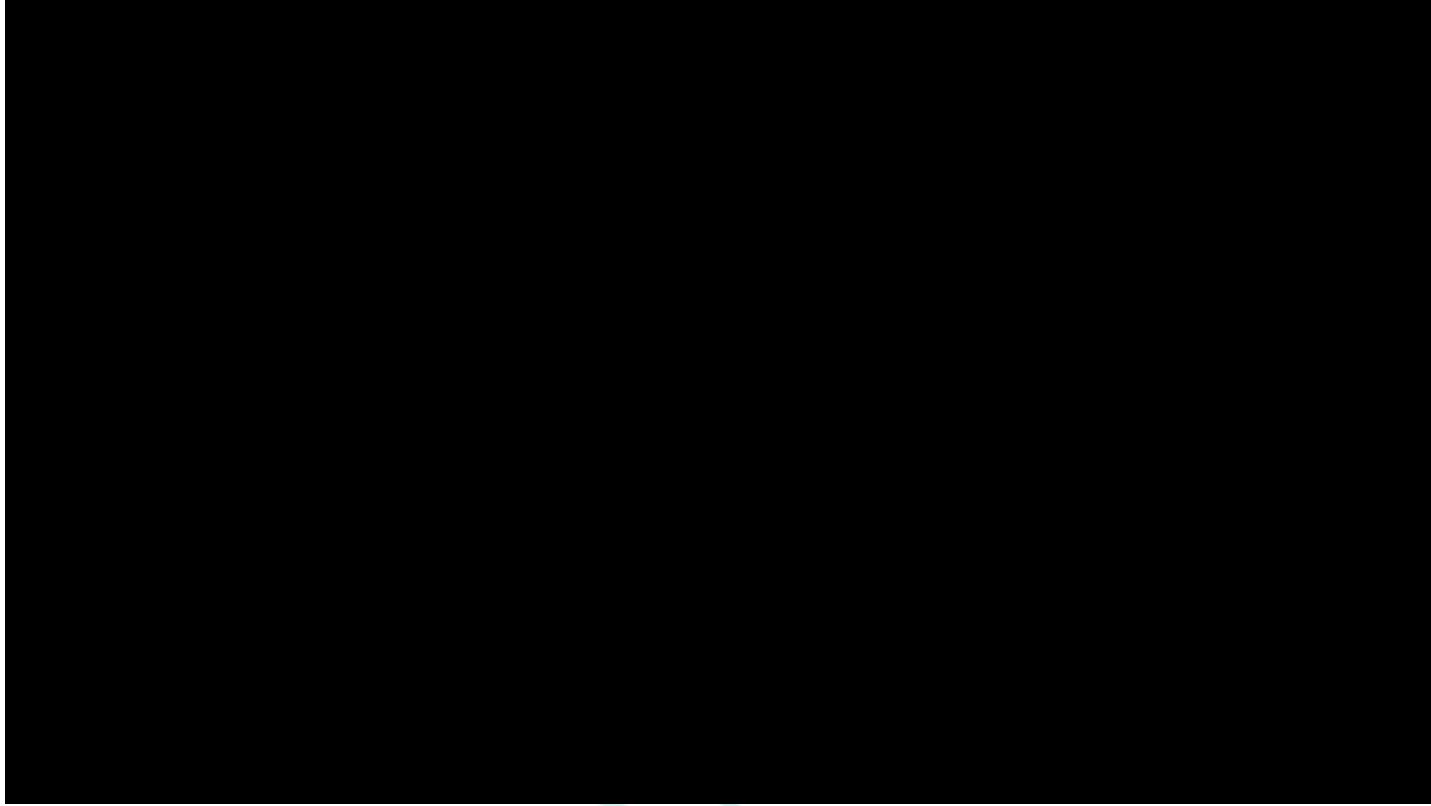
Summary: Understanding & Improving the Work

- Focus on the work
- Experience the power of:
  - Observation to understand the problem
  - The difference between value and waste
  - Meeting the customer demand
  - Limiting Overproduction
  - One-piece-flow
  - Improved layout – spaghetti charts
  - Creating stability
  - Standardised Work

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Experience 3:
Capability Development
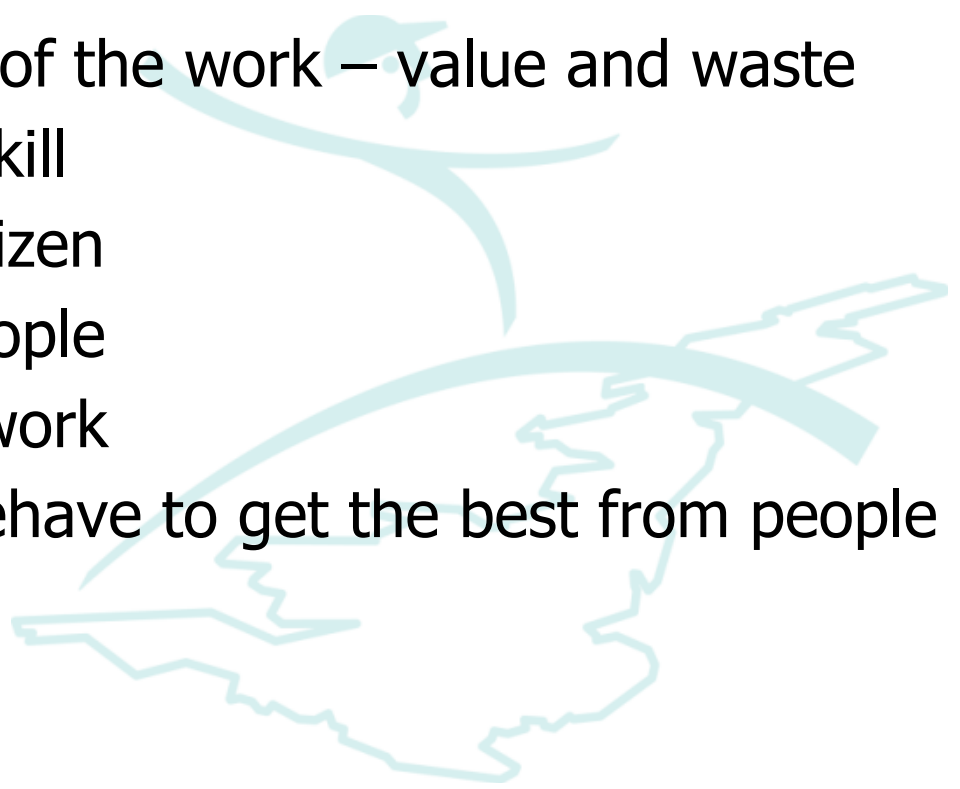*Do you have the necessary capabilities?*
Have you defined them?
What is your approach to capability building?
How are you developing people?

Summary: Developing Capability

- Knowledge of the work – value and waste
- To do the skill
- Promote kaizen
- Develop people
- Build teamwork
- A way to behave to get the best from people

Lean Learning Experiences

Experience 4:

Leadership & Management

Have you designed the management system and do your leaders exhibit the needed behaviours (to develop capability to do the work to accomplish the purpose?)

Lean Learning Experiences

Experience 4:

Basic Thinking

Do you understand the basic thinking (mindsets, assumptions, as well as values) and grasp its impact on the organisation and its culture?

What are you going to do to change the basic thinking (and culture) in desired directions?

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Further Questions

Lean Learning Experiences

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Background: Learning

- 26th year applying Lean Thinking
- 18th year applying Lean Thinking in automotive workshops
- Consistently good examples of sustained improvement
  - Simao, Porsche, Jaeger, Halfway
- Most important learning in 2016:

FLOW!!!

After Sales Improvement

- A site generally starts in After Sales as it's easiest to see the work in this environment (and make the work flow)

- We separate out the work into value streams and design a process to get the predictable, highest volume work to flow
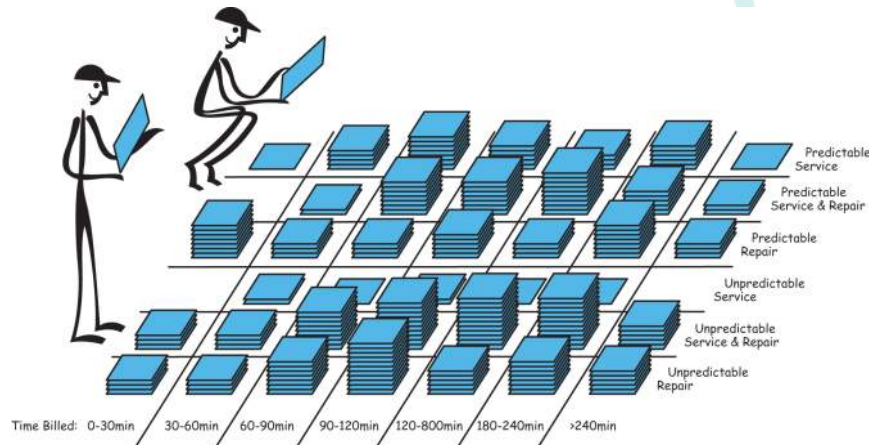
- Here is an example from a Johannesburg site

Current State: Express Service Example

Express Service Example

- Work content, sequence and timing are standardised

- The most frequent additional work is built into the process and parts are replaced if necessary
  - E.g. Brakes, wiper blades, bulbs etc.

- Focus on working smarter, not harder
  - Make the work easier to do

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Fixed Time Service Bay Efficiency

- Performance snap-shot from the previous video

- Even though there is still lots of potential to remove waste performance to industry norms is significant

  - Traditional "good" performers produce 5 cars per day from a ramp
  - With "Fixed Time Service" 16 cars per day is easily achievable

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Two Stage Fixed Time Service

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Two Stage Fixed Time Service

- In Station 1 the work on the floor is carried out in under a 10 minute cycle time (takt = 10 mins)
- The vehicle then moves to Station 2 where the vehicle is raised and the remaining work is carried out

	Cycle Time	Vehicles per Day	Lead Time
Traditional Workshop	Variable	4 to 5	One Day (8 hours)
Fixed Time Service (FTS)	30 minutes	16	30 minutes (60 including valet)
Two Stage (FTS)	10 minutes	48	20 minutes (41 including valet)

What I Really Learned

- The power of deep observation
  - Even when you have been doing something for years
- Having the idea is worthless
- Implementing the idea is pretty worthless
- UNLESS – the people you are working with understand the principle you are trying to teach
- THEREFORE – what I really learned is that we should try to create LEAN LEARNING EXPERIENCES to teach principles rather than implement our ideas
- Good lean learning experiences = good process
  - If process is good then results can be good

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