

Back2Basics, LLC



# Alignment and Traction through Operations Vision

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SOCIETY OF  
MANUFACTURING  
ENGINEERS  
ANNUAL CONFERENCE

June 6-8, 2010 Nashville, TN



# Overview

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- Describe Operations Visioning – What and Why
- Introduce a Process to Create Vision
- Explore How Eberspaecher Brighton Plant Created and Use Operations Vision
- Identify Benefits of Creating and Using Operations Vision

# Business Reasons to Create Operations Vision

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- Lot of activity, but track record for sustainable and meaningful results is spotty.
- Scarce resources, pressure to produce results, and only one chance to make positive first impression.
- Need to minimize the risks of:
  - organizational misunderstanding,
  - consumption of resources at cross-purposes and
  - “bullwhip” affect as operations reacts to marketing, finance and engineering strategies.

# Potential Solution to Problem – Use Operations Vision

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# Ops Vision

A description of the plant(s) that is “future oriented”, provides organizational stretch, is compelling, and concisely communicates direction.

# To Set Context, Ops Vision is **not...**

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- A tag line.
- A replacement for day-to-day operating plan.
- A “feel good” document you put on the shelf.



# How Use Operations Vision?

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- To unify executive leadership and plant teams around a core set of principles – harness the energy.
- To provide direction and input into planning and growth.
- To align and challenge priorities -- if a project doesn't support the operations vision, it probably is not a priority.
- To guide development of an overall improvement game plan and context for Lean investment.
- To provide guidance to workforce about how the plant(s) will “look, feel, and smell”.

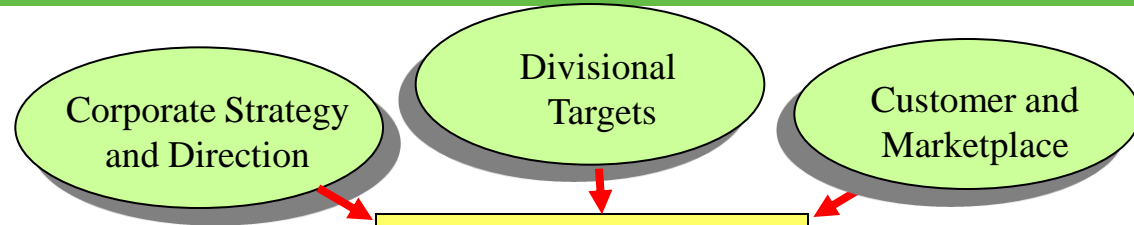
# Participants in Visioning

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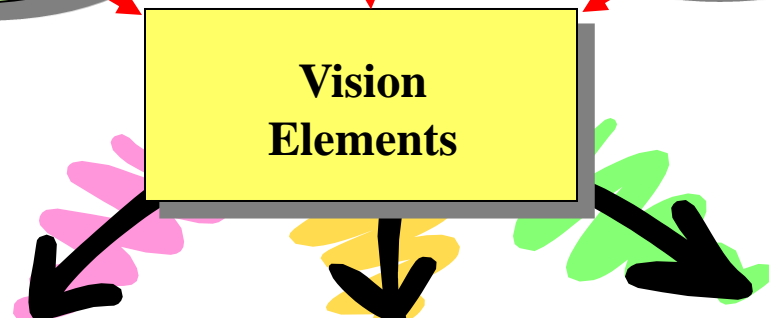
- General Manager / Plant Manager
- All Functional Direct Reports
- Certain Managers and Supervisors (key resources critical to your operation and have the potential to understand the power of Lean.)
- Selected High-Potential People (people who represent the next generation of leadership.)
- Divisional/Corporate Leadership

# Vision-to-Action Hierarchy

**What Drives Our Plant to Change?**



**How Do We Describe the Vision?**



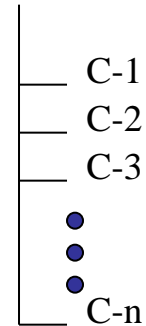
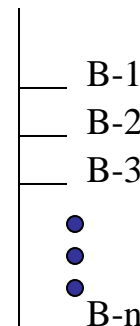
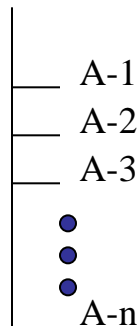
**How Can We Focus the Response?**

**Process and Performance Impact**

**Facilities and Equipment Impact**

**Organization and Culture Impact**

**What Actions and Measures Should We Take to Make the Vision Real?**





# Elements of ABC Co. Lean Vision

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- 1. Exceptional Quality**
- 2. Competitive Cost**
- 3. Muda Recognition**
- 4. Time and Responsiveness**
- 5. Flexibility**
- 6. Equipment Effectiveness**
- 7. Inventory Management**
- 8. Supplier Partnership**
- 9. Mgmt/Labor Relations**
- 10. Safety**

# Time and Responsiveness (ABC Co.)

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We will support Logistics delivery goals by focusing on speed and responsiveness in all ABC Co. business processes (dock to dock). We measure time as the primary basis of ABC Co.'s operational metrics. We will do the right things faster!

# Actions to Support Time and Responsiveness Element (ABC Co.)

We will support Logistics delivery goals by focusing on speed and responsiveness in all ABC Co. business processes (dock to dock). We measure time as the primary basis of ABC Co.'s operational metrics. We will do the right things faster!



## *Actions Required to Accomplish Operational Vision:*

- Develop and implement measures that focus on speed and responsiveness
- Focus on cycle time to drive non-value added activities out of production processes
- Focus on set-up reduction and quick changeover to drive speed and throughput
- Focus energy to identify and resolve “constraint” equipment and processes
- Implement pull system to align feeder operations with customer operations
- Develop understanding by all personnel about TAKT time / cycle time and educate to be able to relate time to cost

# Operations Vision for a Church

## 1 Church Example Vision Elements

1. Foundation
2. Hope
3. Spiritual Growth
4. Ministry
5. Thinking Church
6. Critical Mass
7. Refuge
8. Missions & Outreach
9. There's Something Going On
10. Accessibility

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**9. THERE'S SOMETHING GOING ON:** Something relevant for all ages/generations of members and visitors -  
- There's always something going on 7 days a week...not just on Sunday morning.

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**Action!!!**

# Operations Visioning Case Study

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Eberspaecher NA  
Brighton, Michigan Plant

# Shots from Ops Vision Workshops



## Characteristics of Ops Visioning Process:

- Hands-on
- Exploring
- Revealing
- Stretching
- Learning



# ENA's Business Case: Why We Created Operations Vision

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- Lot of very significant change.
- Relatively new plant with “young” leadership and front-line teams.
- Lot of activity in other functions (engineering, program management, and procurement).
- Operations Vision was a way for my plant to control its destiny.

# Our Ops Visioning Process (1 of 2)

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- Three 6-hour workshops for education and defining vision elements.
- Series of informal sessions to share and refine the vision elements.
- Breakout groups define action plan for each vision element.
- Frequent meetings to share, refine, and coordinate the action plans.



# Our Ops Visioning Process (2 of 2)

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- Formal meeting with leaders from corporate and support functions.
- Briefings with hourly workforce.
- Share with corporate staff at President's staff meeting.
- Execute, execute, execute!

# Brighton's Vision Elements

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1. Safety, Health, and Environment
2. Quality Products and Services
3. Meeting Delivery Expectations
4. Communicating Our Message
5. Training and Skill Development
6. Caring for Our Assets
7. Integral Supplier Relationships
8. Process Effectiveness
9. Methodical Improvement
10. Managing Costs & Realizing Profits

# Quality Products and Services



We understand and define quality in everything we do...regardless of whether it is for product or service. Our quality performance metrics provide us quick and actionable feedback. Both internal and external customers are treated with respect and integrity as relates to all aspects of quality, taking into account all downstream customers. We do not accept ambiguous answers to difficult quality questions. We pursue perfection!



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# Example of Action Plan to Support Vision Element #2



Location: Brighton, MI		Start Date:	01/14/09					Owner:	FFM					
		Rev. Date:	03/31/10											
"Color Codes"		Vision Element 2 Quality Products and Services												
<b>G</b>	Green - Task Completed on Time													
<b>B</b>	Black - Task Is On Schedule													
<b>Y</b>	Yellow - Task May Be Late													
<b>R</b>	Red - Task is Late													
<b>W</b>	White - Task Re-Timed, No Status													
<b>B</b>	Blue - Task Status is Incorrect / Not Updated													
			TOTAL		TOTAL		STATUS							
			12		6									
ITEM	ACTION ITEM	ACTION LEADER	DATE OPENED	TARGET CLOSE DATE	ACTUAL CLOSE DATE	LAST UPDATE	STATUS HISTORY		COMMENTS					
							1-Jan	1-Apr	1-Jul	1-Oct	1-Jan	3-Apr	4-Jul	
1	1) Review all customer interface processes. 2) Standardize procedures, countermeasures, and process flow diagrams. 3) Train personnel in processes and forward training document to HR.	M. Farooqi Functional Area Managers	14-Jan-09	30-Apr-10		31-Mar-10								Liaison escalation matrix, DDC sub assembly gages in progress by new 1 box AQE
2	1) Standardize LPA procedure, countermeasures, and process flow diagram. 2) Train personnel in process and forward training document to HR.	M. Farooqi	14-Jan-09	11-Nov-09	9-Dec-09	9-Dec-09								complete
3	Customer specifications available to team members.	AQE	14-Jan-09	30-Apr-10		31-Mar-10								Cv complete, working on Pass car books; place in kiosk folder
4	Quality training orientation package complete	M. Farooqi K.Gurnee	14-Jan-09	15-Dec-09	15-Dec-10	6-Jan-10								Quality orientation available for review
5	Customer orientation - Pride in Craftsmanship and part handling and installation reviews with customer	M. Farooqi	14-Jan-09	1-Apr-10	15-Mar-10	31-Mar-10								Volvo PHR complete, DDC lines PPAPed
6	1) Develop value stream maps of ALL processes 2) VSM awareness training (e.g., process walks, feedback loop, etc.). 3) Train personnel, forward training document to HR, and add to orientation program.	FFM	14-Jan-09	30-May-10		31-Mar-10								Training is complete, currently working on VSM
7	Customer Service Audit (CSA) instituted for each product line.	Team	14-Jan-09	1-Nov-09	15-Nov-09	9-Dec-09								EPC process in place for all finished product.
8	1) Suggestion questionnaire reviewed 2) Add drop boxes to every line 3) Define answer process for all levels (associate, team, plant) 4) Train personnel, forward training document to HR, and add to orientation program.	K.Gurnee	14-Jan-09	15-Nov-09	16-Nov-09	9-Dec-09								Complete
9	1) Identify location and retrieval steps for easy access of controlled process procedures 2) Train personnel, forward training document to HR, and add to orientation program.	FFM	14-Jan-09	1-May-10		31-Mar-10								Via doc & data coord.
10	Implement Quality Circles for continuous improvement	TL	14-Jan-09	30-Apr-10		31-Mar-10								revised 5 Why format to be utilized
11	Assign Internal Auditing Teams	M. Farooqi	14-Jan-09	10-Jul-09	10-Jul-09	21-Oct-09								
12	1) Industry standard Quality training 2) Train personnel, forward training document to HR, and add to orientation program.	M. Farooqi	14-Jan-09	30-Jun-10		31-Mar-10								QAAT, QSB refresher course to be scheduled for team leads



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# How Ops Vision Helped Us

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- Created solid base with which to calibrate the group, launch a new business, and alter old habits.
- Defined a path towards operational excellence.
- Got us to really think about action items to improve and launch the new business.

# Ops Visioning Lessons Learned

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- Start the Ops Visioning process from the “top” – difficult to lead from the middle.
- Thorough communication of the vision to every level within the plant/organization is critical to success.
- The vision elements and relevant kpi’s must be visible to all...every day.

# Vision and Action Together

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**“Vision without action is merely a dream;**

**Action without vision just passes the time;**

**Vision with action can change the world!”**

# Conclusion

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- Vision provides direction and rallying point.
- Vision will help with resource allocation.
- Undefined and undocumented vision leads to confusion and chaos.
- Vision must lead to action for vision to be sustainable.







*Thank you!*

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