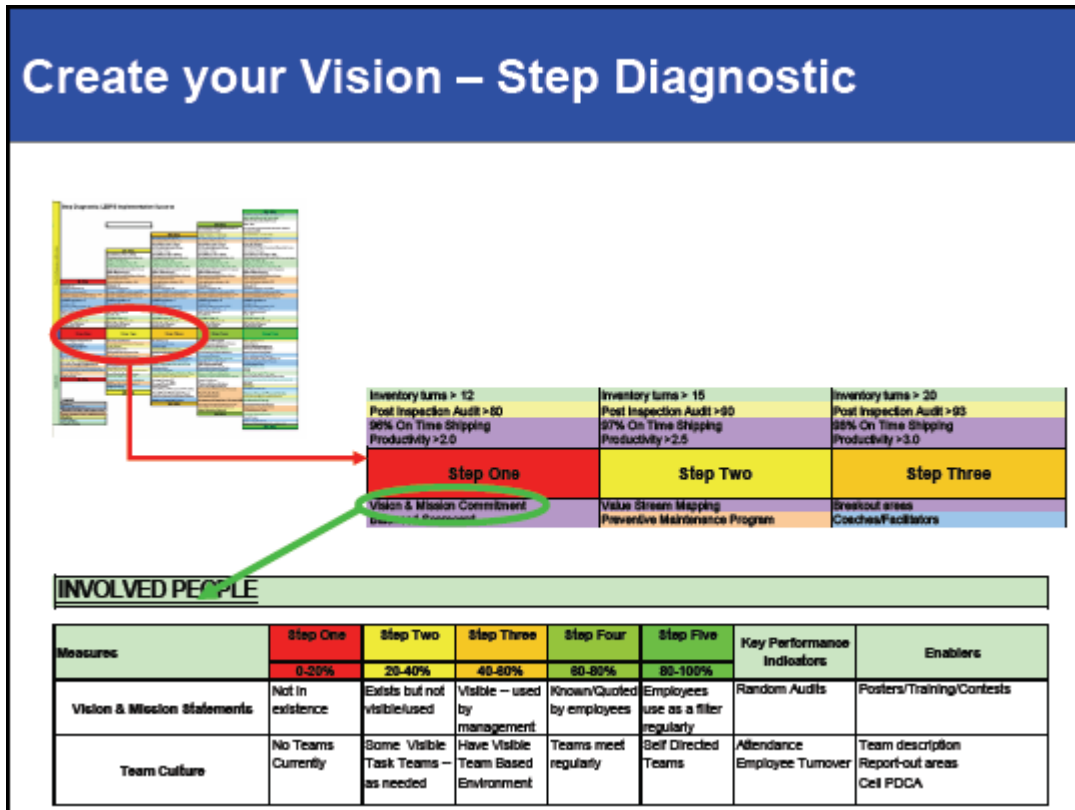


### STEP DIAGNOSTIC



#### How it came to be

Based on working directly with, and observing several Lean transformations we started to notice a trend on how people handled conversions. We also knew that implementing Lean is not a destination but rather a journey. We also realized that in most cases the initial journey of implementing a basic infrastructure would take up to 5 years ... with the first 2 years being the most difficult ... akin to pushing on a rope before a true “adult to adult” relationship has been established between management and the work force.

#### The Format

Along the top of the diagnostic we created the KPI's for the organization and gradually included improvement trends along the 5 steps. In many cases additional KPI's are added ... opposite

to what many think, as an organization gets leaner you need more sophisticated metrics to identify waste to be removed the further you travel down the road. Along the bottom of the diagnostic are the enablers that need to be introduced and implemented which will drive improvement in the metrics as you do the journey. Supporting the enablers are tabs with definitions about the enablers because folks really are not on the same page when it comes to definitions and what the desired future state should look like.

Normally each step in the diagnostic takes about a year to complete (experience has shown us). But when we meet with senior managers they immediately tell me that their organization is smarter than everyone else and because of their leadership capability they will be able to implement faster than a year per step. Cool !! so we make each step a quarter, month, week, day whatever they want ... but the reality will set in that it is easy to install enablers ... but managing culture speed is the largest inhibitor of implementing change.

Other than the enablers each diagnostic needs to be built specific to the operation and the KPI's need to be aligned to accounting budgets to make sure that they will deliver the numbers at the end of the time period. You now have a roadmap.

### **Making it Work**

Aligning plants, managers and CI folks is like herding cats into a cardboard box. Normally head office wants everyone to work on the same initiative (enabler) and then move to the next one. The reality is that each plant has a different priority issue, or a self perceived uniqueness so they will want to work on different enablers ... which is acceptable in our books because eventually all the sites will converge. You also cannot ignore the cultural difference between sites. For example turnover is a big issue for a company in Utah ... so this company is very focused on standardized work and creating VSWI (Visual Standard Work Instructions) and rapid training models ... while in Arkansas they need formal problem solving to eliminate Disturbances to Flow in the plant ... both are very important in the end, but individually to each site they are working on the most important topic to them ... the Step Diagnostic just brings them together on one page. So in essence, we let each site set their own priority and we are working towards a common goal.

Posting the Step Diagnostic shows folks all of the enablers we will be working on during our journey ... which eliminates the feeling of "flavor of the month" as the folks begin to see how all of the enablers tie together. For example, folks are working on 5S+1 this month, then rapid change over, formal problem solving etc, etc. They get confused and begin not to support the initiatives.

We normally do not allow a plant to implement more than 1 enabler per quarter or it will just fail to deliver. However, some can be cobbled together.

### **Annual updates**

We conduct a very simple self diagnostic annually and include the diagnostic in our annual review. The companies need to indicate using color how they are performing. In the case of the KPI's is easy Red=not met, green=you met plan. For the enablers we use the following color codes red=not planned or started, yellow=planned or started but not yet effective, green=implemented and working successfully, blue= able to train others. We also use blue to denote the centre of excellence within a division ... all plants must conform to the COE and the

COE must conduct at minimum annual audits to insure the best practice is being used. The COE owns the VSWI's and this insures that all sites will eventually deliver similar numbers ... a gap of 5% will generate a visit by the COE.

Our experience is that plants will lag behind 1 year on meeting their KPI's after implementing the enablers. So if the first two years of enablers are green then the year 1 KPI will turn green.

### CONTACT INFORMATION

**Name:** Richard Kunst

**Telephone:** 519 651 2341

**Fax:** 519 651 2502

**Address:** 2080 Beaverdale Road  
Cambridge, Ontario  
Canada  
N3H 4R7

**E-mail:** [rkunst@kunstartofsolutions.com](mailto:rkunst@kunstartofsolutions.com)