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LEAN THOUGHTS

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Managing Customer Demand

Are the successful implementations of Enterprise Excellence tools really helping you manage customer demand or simply more effectively react to it? Chances are the latter. You have used the tools to identify and eliminate the deadly wastes and you have used the tools within your problem solving suite to reduce variability all with the grand result of opening up capacity, hence allowing you more agility to react to customer demand.

Even if you use the tool of Hyjunkia (level loading) it may still inadvertently be another method of reacting to customer demand once it reaches your operation and allowing you to level load to a certain degree your internal operations.

You have a great opportunity to proactively use your Enterprise Excellence tools as an added sales lever to make it easier for your customer to do business with you in a much more stress free manner ... place your customers on Kanban. This will provide you the capability to stabilize a significant portion of your production schedule and will allow you to get closer to actual customer demand of your product at your customer. Is not interesting that the bulk of those pesky Rush Order Requests always seem to come from (pick one or all)

- 1) the same customer
- 2) same sales person
- 3) same customer service representative

... but do not blame them, manage them so they stabilize. In most cases the disturbances are a result of either our own poor performance or service level we have sold them that we cannot support on a regular basis. Also, it is very conceivable that the customer's priority about your product is not high on their agenda until they stock-out

To start the journey do a Parato chart of your Rush Order Requests during the past 90-120 days who generated them and for what products. Any trends? Now dig into your Bill of Lading Files and begin to plot actual shipments on a calendar by date and quantity shipped. Do you see any trends?

Now you can begin some modeling exercises.

- 1) you can calculate demonstrated consumption by day by customer.
- 2) using your internal Capacity and staffing modeler what is the desired best economic quantity to produce ... think cellular and 1 piece flow also, taking into consideration your takt time.
- 3) Consider how to optimize your logistics route by either batch size or the most logical cost effective routing to customers and suppliers. Think about those Bus routes again ...

LEAN CONSORTIUM MEMBERS:

- ACE Bakery
- Alumicor
- CGL
- CTS Canada
- EATON Cutler Hammer
- KRAFT
- LA-Z-BOY- Residential
- MESSIER-DOWTY
- MORRISON LAMOTHE
- ORENDA
- NESTLE WATERS CANADA



Where “Lean Thoughts”
Become Reality

Now you visit the customer with your data. Review the data with the customer and begin to establish quantities and triggers on behalf of your customer. You can provide them with Standard Visual Work Instructions on how to process triggers to your facility. Depending on how you have modeled, you can probably even build in some time phasing of the demand into your operation.

The art of triggers can be innovative and skillful. They can range from the use of returnable containers through to the use of web-cams focused on either storage locations or customer Kanban boards.

Remember sales is there to sell and operations purpose is their to service customer needs ... employing customer Kanban will allow you to provide service in a more predictable and repeatable manner.

We always hear about listening to the voice of the customer ... I think we are better suited by speaking to the customer with a proactive solution beyond your traditional product and service.

If you would like to continue with this dialogue or have some additional thoughts ... feel free to contact me at rkunst@kunstartofsolutions.com

Standard Work and Takt Time

I have several clients that are in the midst of selecting and implementing new Enterprise Software solutions.

They are doing this to;

- Improve data integrity
- Embrace newer technology
- Make decisions faster
- Improve scheduling
- Reduce inventory
- Find world peace

Most of them are doing the implementation in a traditional manner. They are using flow charts to map the current flow of information and then building a huge project management Gant chart to insure that the project will be completed on time and within budget.

But is this truly effective?

The systems are manned by people and people have vulnerabilities. Also, in office and administrative environments because we hire individuals to pursue a career we do little to endorse standard work or even broach the topic of takt time ... that would be insulting.

Installing new software is an opportune time to review process and adjust behaviours of your staff. A good way of doing this is the use of Enterprise Value Stream Mapping. The criteria of “Complete & Accurate” is the demon that seems to add more disturbances to flow that no software could reduce or eliminate.

After you complete your current state map and develop the future state using the job skill and experience of your software support people, you need to build a cadence within your communication infrastructure. There will be tasks that need to be completed on a regular basis ... what benefit is it if order-entry works to update orders hourly if credit only releases them daily ... what did we really gain?

Let us face it, there are more silos existing in offices than in our plants. Our office folks love the comfort of their offices ... heaven forbid if we should place our folks into cells and remove walls, offices and cubicles (possible cost reduction opportunity here folks). There is a lot to be said for the no real personal space rule used within Toyota and some of the other transplant facilities.

You can even build the desired cadence using existing technology. Enter tasks into MS Outlook that need to be performed on a regular basis or build it into your standard work template. I dislike those pesky reminders ... but glad they exist to keep me punctual ... so if it works for meetings why would it not work for tasks?

The only real administrative department that follows some sort of truly standardized work is the finance department ... the rest only think they do. Change the behaviours and you will change the results to what you desire.

Contact me if you need coaching or facilitation help in the areas such as but not limited to; 5S, Value Stream Mapping, Set-up Reduction, Problem Solving or Policy Deployment and Consortium Development



2008 Consortium Event Schedule



Tour Workshop Conference

January	February	March	April	May	June
<p>T</p> <p>Wednesday 16 <u>Eaton Electrical</u>, contact Joe Fisher, JoeRFisher@eaton.com</p>	<p>T</p> <p>Wednesday 13, <u>ACE Bakery</u>, contact Cindy Grolleman, cgrolleman@cebakery.com</p>	<p>T</p> <p>Wednesday 19, <u>Nestle Waters</u>, contact Mariela Castano mcastano@perriergroup.com</p>	<p>C</p> <p>Consortium Shareshowcase</p> <p>Saturday 05 <u>Eaton Milton</u>. Contact Cindy Grolleman cgrolleman@cebakery.com or Joe Fisher JoeRFisher@eaton.com</p>	<p>T</p> <p>Wednesday 14, <u>Alumicor</u>, contact Barry Wood barry@Alumicor.com</p>	<p>T</p> <p>Wednesday 18, <u>Morrison LaMothe</u>, contact Tony Vita tvita@morrisonlamthe.com</p>
July	August	September	October	November	December
		<p>T</p> <p>Wednesday 24, <u>Kraft Foods</u>, contact Hanif Jivraj hjivraj@Kraft.com</p>	<p>T</p> <p>Wednesday 16, <u>CTS Corp.</u>, contact Navneet Mann, navneet.mann@ac.ctscorp.com</p>	<p>T</p> <p>Wednesday 12, <u>Messier-Dowty</u>, contact Mike Smith Mike.Smith@Messier-dowty.on.ca</p>	<p>T</p> <p>Wednesday 10, <u>Orenda</u>, contact Brenda McIntosh brendamcintosh@orenda.com</p>