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LEAN THOUGHTS

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Two Paths to Quick Changeover

There are two basic paths to achieving quick changeover. I call them, loosely, organizational and mechanical. Either of them, individually, will achieve some good results. Together, they will achieve superior results.

I use the term "organizational" to refer to those aspects of changeover reduction which rely on improved procedures, processes, training, product design, organizational and managerial changes and the like. "Mechanical" refers to improvements to equipment such as eliminating or externalizing changeover steps, making all set-up adjustments measurable, replacement of older machines with newer, more changeover friendly, machines and tool elimination.

As with so many things, there may not always be a clear bright line between the two. I distinguish between them mainly because I believe that improving changeover can seem a pretty daunting task and breaking it down into smaller chunks can make it more manageable.

So let's take a brief look at a few of the steps along the organizational path:

BUY IN

If the people on the floor, the ones actually performing the changeover, do not buy into the idea of improvement, it is unlikely that much will occur. In the event that improvements do occur, it is even more unlikely that they will be held. The very first step in a successful changeover improvement program must be getting buy-in by the people involved. Absent that buy-in, they will do what they are told and little more. We can't succeed unless we can tap into the wealth of knowledge that they carry around with them.

One of the reasons we don't get buy-in is because they may not see what good the program does for them. We, in management, will tell them all the wondrous things that reducing changeover will do for the company

What we really need to do is look at each of them and imagine that on their foreheads they have tattooed WIIFM? In big red letters. WIIFM stands for "What's in it for me?" and is a question we must be sure to answer. Some of the positive things that are in it for them are easier work since it will be better organized and simplified, better job-security as the company will be more profitable and opportunities to learn new skills and surmount new challenges.

There are also some negative issues that may be involved. Some may look at the project and think that what is "in it" for them is loss of a job since not as many people will be required if changeover times go down and loss of status if work is simplified so anyone can do it. It is absolutely critical that both the positive and negative aspects be addressed to achieve buy-in

Management support

Essential to any changeover program is the support of company top management. If the boss is not behind the program, how can we expect anyone else to be? This support needs to be expressed in various ways. Statements of support and recognition are required, of course, but as they say "Talk is cheap". There also needs to be tangible support in the form of giving the team time to work on changeover, training courses and materials, books and periodicals, and perhaps the opportunity to network with their peers in other areas of the company or even in other companies.

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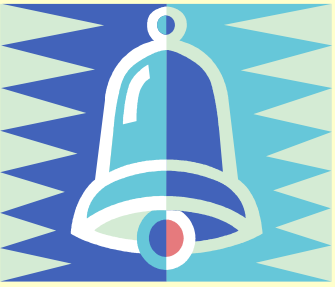
Where "Lean Thoughts" Become Reality



Documentation

I doubt that anyone will deny that work goes more efficiently "doing things right" as well as more effectively, "doing the right thing" (Tipping my hat to Peter Drucker) when the people doing it know what they are supposed to be doing. So why do I find so many companies that do not have any kind of written documentation for performing a changeover? They leave it to the mechanics and operators to muddle through, based on experience and, in some cases, luck. Then they can't understand why A) it takes so long and B) why the process is so uneven. One of the early steps must be to figure out what is being done and/or needs to be done and then documenting it in a **"Standard Operating Procedure"** or SOP (Some of you in other countries may have different names and I am always interested in learning!). Since you will be changing the changeover process anyway, should you write the SOP now? In my opinion, yes. If you do not know where you are starting from, you may not be able to get where you want to go.

Measurement

When I took business finance in grad school the mantra drilled into us **was *"If you can't measure it, you can't control it"***. This applies to changeover as well, though I have learned to add ***"If you don't measure it, you won't control it"***. How long does changeover take? Remember that when measuring changeover it is critical to include not just the cleanup and set-up but the start-up time. (Start-up is the time after the line is restarted but before it has settled down and is running at normal efficiency) If start-up is not measured, it is far too easy to reduce the set-up time (by being quick and sloppy) at the expense of additional start-up time.

A goal or target needs to be set for changeover times. If there is no measurement, it is impossible to know if that goal is met. If management doesn't know if the goal is being met, it is impossible to insist that it be met. Measuring changeover time is tough and takes some thinking (When does start-up finish?) But it can and must be done.

This article on "Changeover" is from the **Quick Changeover** e-newsletter by John R Henry. John calls his newsletter **S.M.I.L.E.** for **Set-up Minimization Improves Line Efficiency**

Save Headcount!!

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Obsolete Inventory: Your Ticking Time Bomb

"Tick...tick...tick" I am following the warehouse supervisor as we walk through the storage area. He shows me both the incoming materials and finished goods warehouses. His pen is tapping each box on the shelf as we walk past.

"Tick....tick...tick" *3* more boxes get added to the total. He turns the corner to start a new row and the pen continues tapping on each box that sits there. Like the Energizer Bunny, he keeps going, and going and going.

"Tick...tick...tick" *We* had just finished discussing the presence of slow moving and obsolete inventory kept in the warehouse. To give our Kaizen team a rough idea of how much "old stuff" we had in storage, the warehouse supervisor agreed to give us a quick tour. His instructions from the team were "using your pen, tap on each box that has been sitting here for more than 3 years, and we'll take a quick count". So off the team goes, following the warehouse supervisor to find out how much "old stuff" we are talking about.

"Tick...tick...tick" By the time the supervisor is done his tour, the team calculates 30% of the warehouse has been storing material or finished goods that hasn't moved in over three years. It's all still good stuff: either saleable goods or useful inventory...but only if a customer is willing to pay for it! And with all the changes in the customer ordering patterns, this material is no longer in demand. Back in the Kaizen room, the team discusses the possibility of freeing up valuable warehouse space by removing the slow moving and obsolete inventory. It sounds like a workable plan, until we get input from the finance team. It seems that this non-performing inventory is still sitting on the books at full value. Therefore, we cannot simply scrap it, because that would negatively impact the financial statement if the inventory suddenly were removed. Even though the team knows the inventory is not an asset to the business (in fact, in Lean all inventory is seen as a liability), the team cannot remove it for fear of damaging the company's financial position with creditors and investors. So, how long should we let obsolete inventory accumulate? It will depend on how long you can stand the sound of

"Tick...tick...tick". One thing is certain: everything needs to be reconciled sooner or later. And the longer we wait, the bigger the bomb will be when it goes off!

Source: EMC e-newsletter www.excellence-inmanufacturing.Org

Technology is dominated by two types of people: those who understand what they do not manage, and those who manage what they do not understand. Putt's Law

2008 Consortium Event Schedule

Tour Workshop Conference

January	February	March	April	May	June
T Wednesday 16 Eaton Electrical, contact Joe Fisher, JoeRFisher@eaton.com	T Wednesday 13, ACE Bakery, contact Cindy Grolleman, cgrolleman@acebakery.com	T Wednesday 19, Nestle Waters, contact Mariela Castano mcastano@perriergroup.com	C Consortium Shareshowcase Saturday 05 Eaton Milton. Contact Cindy Grolleman cgrolleman@acebakery.com or Joe Fisher JoeRFisher@eaton.com	T Wednesday 14, Alumicor, contact Barry Wood barry@Alumicor.com	T Wednesday 18, Morrison LaMothe, contact Tony Vita tvita@morrisonlamthe.com
July	**August**	**September**	**October**	**November**	**December**
		T Wednesday 24, Kraft Foods, contact Hanif Jivraj hjivraj@Kraft.com C Executive Forum Tuesday & Wednesday 23rd & 24th Contact Richard to register rkunst@kunstartofsolutions.com C 22nd Transportation Thursday 24th http://www.transportconference.net/mission.html	T Wednesday 16, CTS Corp., contact Navneet Mann, navneet.mann@ctscorp.com	T Wednesday 12, Messier-Dowty, contact Mike Smith Mike.Smith@Messier-dowty.on.ca	T Wednesday 10, Orenda, contact Brenda McIntosh brendamcintosh@orenda.com