

LEAN DIRECTION

The LEAN Management Group Baltics Newsletter

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Lean workstation at Schmalz - one of the world's leading suppliers in automation technology, handling technology and clamping technology.



Henrik Mjöman
LMGB Chairman

An LMGB Update

A lot of water has run under the bridge already this year and autumn has arrived. With that notion it's time to kick into full gear after a lazy summer. You're now holding the first LMGB newsletter in your hand, aimed at conveying information, spreading the word and opening up the discussion. We focus both at current practitioners, as well as factory managers, business-people and those simply inter-

ested. One cannot live without the other and to improve our society, our world, we need to utilise all that we have at our disposal!

You will find articles, follow-ups on venues we have visited, opinions of those we have met. We are looking at two-three issues per year to start off with and for it to run we need you and activity. To us at LMGB searching for the next venue and to orchestrate a productive and educational event is very important – but for that to happen we need a participative audience.

I recently met and spoke to a larger Nordic firm who has ideas to bring

over specialists to coming events when we have a few venues/events under our belts this autumn. Additionally we have an invitation when the time is right to come to Lithuania. A successful wood-working operation there delivers for the world market and we will get to see how its glue-board operation applies theory into practise –making it one of the most successful in its industry.

Our first point on the agenda though is to set up the next event. It is in my view possible to run 2-4-6 events per year provided there are companies showing either what they are

doing or letting us come in and help them find answers to questions – and in the process learn. We usually plan this by short study visits prior, then set everything up and then invite members and interested (for a fee to join). All get to participate and are formed into teams where each has to observe areas of improvement and then report to the other teams after.

Thus, being with someone who knows a little more, a LEAN pro or two, yields us all new insight into how production factories or service organisations – like a bank – operates and under which constraints, and for a Recruiter like myself this is of course GOLD! What better way to understand what is expected of the person I shall deliver in trying to see what features of the work are the most tricky to get right – and then look for that in the interview?

That is my task – for a tool sup-

plier it is about understanding frequency of use, how many sets are needed, can tools be improved to do more and allow better economies of scale? For a services provider it is understanding possible future service products to supply that today are missing or use too much resources and find a better solution – in short the production scene is very much part of our society.

We can actually still affect things and that is what LEAN is all about, better usage of what we got and this helps us to keep our eyes on the ball for continuous improvement – yet another part of LEAN, and what could better be a motivator when you have that as the carrot?

LEAN in Latvia

It's exciting to see the progress of LEAN in Latvia, even though still in its cradle. When discussing production efficiency for Latvian exporting

companies it's important to not only focus on one's own production efficiency, but also along the whole supply chain. If a few parts from a supplier don't measure up it can create costly changes that may affect not only the internal organisation but also creates trust issues with both suppliers and customers.

For a country like Latvia shaking off the chains of a previous totalitarian system where the reaching of a fixed amount as opposed to quality prevailed, retraining the mindset to care, to pay attention, to blow the whistle and to cushion positive thinking that this can be done so there is energy to actually perform it, is a Gargantuan task indeed. And it is the creation of this awareness that takes time and resources of all kinds to push change in behavior and attitude forward. More discussions on this topic will follow in future issues of the LEAN DIRECTION.



The Lean Management Group visiting Brabantia in Talsi during spring 2011.



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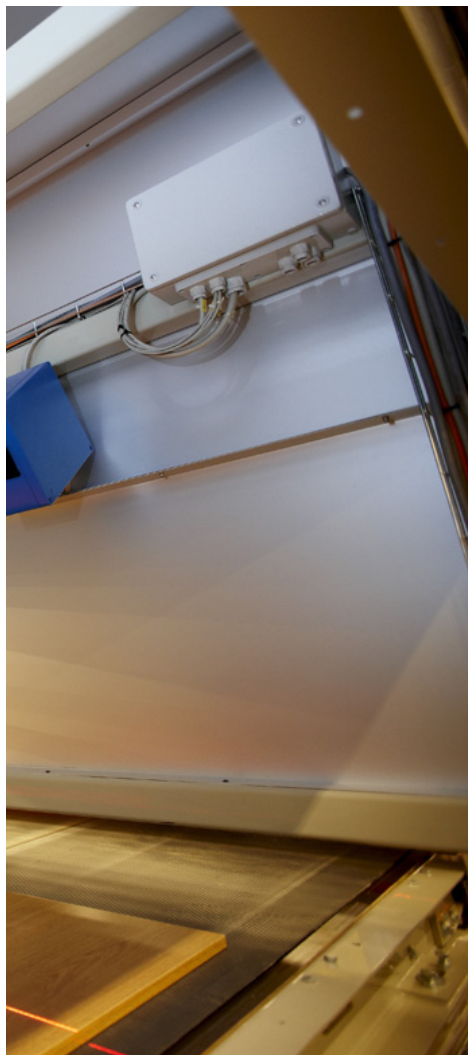
One Lean success story: Swedwood showing the way!

I had the pleasure to come back as the Factory Manager at a plant I previously had managed. When I reviewed the performance I noticed that our costs for material loss had grown significantly. We had at the time just started up a Lean initiative and had two guys dedicated full-time to Lean implementation.

There are many possible approaches to Lean implementation. One way is to do the base things first, all over the place. Another way is to focus on certain areas and drive them to a high level, one by one. A third is just to pick the lowest apples and focus on where you get the most bang for the buck, wherever it may be. Probably most companies use a combination of the three. In this particular case we used the third model and chased material loss, wherever it occurred.

We didn't use any particular traditional improvement tools such as 5S, SMED or Poka Yoke. Instead our core method was Kaizen, or continuous improvements. First we set up a measurement tool so we daily and weekly could measure and identify where the losses occurred. Then we set up an improvement group from different involved areas in the company, both production and logistics. Most of the involved guys were workers, not manag

ers. We met weekly on Tuesdays. The group members got the measured data on Monday morning and spent the day identifying reasons and coming up with improvement projects. They were of course trained in problem-solving tools like 5 why, Ishikawa and Pareto. At the weekly group meetings the proposals were reviewed and actions agreed. A few bigger areas for improvements became sub-projects.



We continued this initiative during one year and reduced our material losses with around 70% which gave a positive effect to the company profit. Our concern was measuring improvement performance and this particular case was a big contributor to the fact that our factory was consistently performing among the top three of fifteen European factories.

The lesson learned is that it takes a while before such activities give results. But it is like a religion, you have to believe and continue. The method doesn't have to be complicated, rather the opposite, common sense will most often be good enough. It is the focus and persistence that matters. When the Managing Director allocates one hour per week in a certain improvement initiative, then it gets attention and things are being done. It also shows the organization the importance of improvements and that everyone not only can but shall contribute.

Western companies often want to be able to manage and to monitor improvements. But according to me, the Managing Director of a factory with a real continuous improvement culture, will never be able to manage or monitor all the improvement activities because they are ongoing everywhere all the time with everyone involved. When you are out of control, then you know that you are managing a true Lean factory!

**See you in the next issue
of LEAN DIRECTION!**