Operational Excellence

Lean Manufacturing/Total Quality Management
Sheridan

- Business
- Culture
- Challenges
Overview

- TQM, Six Sigma, Lean, ISO 9000: All stand on the shoulders of Deming
  - Everything is a system
  - Systems have variations
  - Blame the system/process not the people
  - Joy of work
  - Intrinsic vs. extrinsic motivations

“If you can't describe what you are doing as a process, you don't know what you're doing”

“It is not enough to do your best; you must know what to do, and then do your best”

“All anyone asks for is a chance to work with pride”

Dr. W. Edwards Deming
Challenges

- **Who are the villains in the TQM process?**
  - Inertia
  - Anecdotes vs. data
  - Fear of the unknown
  - Time consuming process
  - Organizational culture and support from the top

- **Resources**
  - TQM Role
What is Lean?

- A systematic approach to reducing waste
  - Continuous improvement
  - Improving quality
  - Streamlining processes

- The goal is not to eliminate jobs but to restore work/life balance
House of Lean

- VSM – Value Stream Mapping is the stepping stone to identifying where/what is waste; the perfect place to start
- Based on findings, determine which tool should be used next
- Change Management is the foundation – having a clear and supported approach is critical to the success of any program
- Sheridan has used many of these to aid in the development of our TQM Program
Terminology

- **5S**
  - Sort – Eliminate the clutter
  - Set in Order – Organize and label, set boundaries and limits
  - Shine – Clean (inspection through cleaning)
  - Standardize – Ensure consistencies throughout
  - Sustain – Set plan to ensure system holds

- **PDCA**
  - Plan, Do, Check, Act – steps used to work through process improvement activities

- **Kaizen**
  - To make better through continuous improvement
  - Kaizen events are held for rapid improvement activities
Count Control – *Our First Lean/6 Sigma Story*

- What is overage and why is it necessary
- Just how much is enough
- Challenging old norms
- Taking risks
- Using data
- Engaging people
## GREAT IMPROVEMENTS!

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<thead>
<tr>
<th>AREA</th>
<th>IMPROVEMENT</th>
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<tbody>
<tr>
<td>General housekeeping and safety</td>
<td>+84% (average)</td>
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<td>Distance traveled for set-ups</td>
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Sheridan’s Projects

- Reducing turnover
- Improve training
- Reducing recruitment/onboarding time
Where to start?

- Project Charter
- Value Stream Mapping Event
Providing clear direction for an effort with targets is critical to identifying if the changes made result in improvement as well as keeping the project focused.

**Business Case**
The lack of full staffing in finishing is resulting in production inefficiencies and high OT with no end in site. As a result, we need to improve recruiting efforts and reduce turnover. We are not currently getting a good selection of qualified candidates, both in number of applicants and quality. On the flip side, we are also struggling with high turnover within the department. Both items result in significant cost in both lack of productivity, training time and administrative time.

**Goal Statement/Target/Impact**
- Pool of quality applicants increased by 10%
- Full staffing in Finishing by end of year
- Reduce turnover by 10%
- # of new hires that stay 30 days, 60 days, 90 days, 1yr
- Increase referral bonuses given by 2% by end of year
- All targets should be improved by the end of the year.

**Opportunity/Problem Statement**
This team will identify why we are not consistently receiving good candidates and look at new potential sources.

The team will also look at turnover to determine why employees are leaving and at what point in their employment. Trends will be highlighted and we will focus on improving opportunities to reduce the current level of turnover, improving retention.

**Project Scope**
This project will focus on the Finishing department, but the findings will likely prove helpful across all departments.

40% reduction in turnover.
What is Value Stream Mapping (VSM)

- Method for analyzing the current state and designing a future state for the series of events that take a product or service from its beginning through to the customer.
Determine next steps

- Identify area to focus on first
- Determine best approach to complete
  - What tools to use?
  - Who to involve?
  - What is the end goal?
- Assemble team
Recruitment Project

- Flow analysis done for new hire binder process

48 min/binder

- Created new process for orientation

3 hours/new hire
Recruitment Project

- Created a training process flow for supervisors to follow for new employees. This ensures everyone is following the same process and is aware of the expectations.
Beyond the projects

- Employees feel empowered to present ideas for change, even if radical
- Confidence that when ideas are presented, follow up will take place, even if not accepted
- Out of the box thinking, employees challenged to look at things differently based on exposure to tools
- Training becomes a priority
- Continuous improvement becomes an integral part of the culture
In summary

- Document your story and celebrate your successes!
- Encourage continuous improvement
Thank You! Questions?

Paul Bozuwa and Kelly Thorburn