Driving a Quality/Lean Steering Committee

Jd Marhevko,
MBB, ASQ Fellow, CSSBB, CMQ/OE, CQE, MI Perf Ex
VP QLMS & EHS Accuride Corporation
Learning Objectives

Across this time we will…

• Understand how a steering committee can be effectively utilized in any type of organization
• Learn how to align key business strategies when developing quality & lean systems objectives
• Understand how to leverage leading indicator metrics to proactively manage outcomes
• Increase our ability to more effectively implement quality and lean systems in our organization
DMAIC for a Steering Committee

Define
- Identify the committee’s External/Internal customer needs

Measure
- Identify committee’s performance targets

Analyze
- Analyze/Plan on how to leverage the committee to meet the targets

Improve
- Execute the plan. Use tools to fit the process(es)

Control
- Sustain gains. Enable accountability
Steering Committee Flow Chart

1. Develop Charter
2. Create Committee
3. Develop Strategic Plan
4. Identify Key Metrics
5. Develop Skills
6. Sustain
Committee’s Charter

Scope: Enterprise-wide Quality & Lean Systems

Objective: To effect systematic a QLMS to meet business needs & exceed competitor performance

Key Actions: DMAIC

Define: Conduct business-wide baseline analysis. Identify key areas of focus by using strategic planning. Insure horizontal and vertical goal alignment
Key Actions: DMAIC

**Measure**: Identify key metrics & leading indicators. Improve on metric calibration and effectiveness. Use a transparent approach to meet the objectives.

**Analyze**: Conduct effective system reviews.

**Improve**: Engage employees in the executive of effecting improvement. Share before/after results. Review and improve upon the QLMS skills of the council. Benchmark others.

**Control**: Sustain gains. Share successes/lessons.
Assessment, Mission/Vision

**Assessment:** Identify what type(s) of assessments of the current situation are needed: QLMS Status Tool, Personnel Skills, Effectiveness of Metrics, etc.

**Mission:** To effectively support the Company in attaining its strategic objectives by using QLMS systems to meet and exceed internal and external customer expectations of delivery, quality and cost.

**Vision:** To be viewed as Company Champions of the QLMS Implementation
Consistency/Challenges

Consistency of Approach: Grow education base. Leverage QLC for execution of QLMS. Share lessons; internally and externally. Transition from an education to application platform

Challenges: Identify current issues that need to be overcome

Economies of Scale: Align team monthly, conduct Face to Face planning sessions, leverage an Intranet and Visual Operating System (VOS), etc
Committee Members

Factors to consider:

• Culture, Locations, Globalism
• Breadth/depth of QLMS execution (pilot, enterprise)
• Internal implementation, consultant support, etc.
• QLMS skill levels
Create an Aligned Strategic Plan

1. Review business strategies. Ex:
   • Increase margin
   • Grow sales revenue
   • Develop new products
2. Develop aligning QLMS initiatives
3. Determine tactics
4. Identify key metrics
5. Identify who is to do what
### “X-Matrix” How it Looks

**Level II Matrix - Year: BU/Site/Location**

<table>
<thead>
<tr>
<th>Key Strategies/ Objectives</th>
<th>Key Initiatives</th>
<th>Key Metrics</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2a Develop improved NPI process</td>
<td>1b Implement Lean Material Flow</td>
<td>1a Implement Value Stream Mapping</td>
<td>Marginal NPI Lead Time</td>
</tr>
<tr>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tactics To Achieve Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>●</td>
</tr>
<tr>
<td>●</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. Increase Margin by 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>●</td>
</tr>
<tr>
<td>●</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Develop 5 New Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>●</td>
</tr>
<tr>
<td>●</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom</td>
</tr>
<tr>
<td>Sue</td>
</tr>
<tr>
<td>Mary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>●</td>
</tr>
</tbody>
</table>

**Initiatives**

1. Reduce NPI Lead Time
2. Rationalize Products
3. Develop improved NPI process
4. Implement Lean Material Flow
5. Implement Lean Value Stream Mapping
6. Increase Margin by 5%
7. Develop 5 New Products
## Sample Committee Matrix

### Level II Matrix - YEAR 20XX

<table>
<thead>
<tr>
<th>4.3 Engineering Alignment</th>
<th>4.2 QMS Execution: TS Systems</th>
<th>4.1 QMS Execution: APQP</th>
<th>3.1 New MRP Implementation</th>
<th>2.2 Lean/Continual Improvement Integration</th>
<th>2.1 Customer Satisfaction</th>
<th>1.2 Process Control (SPC/KPI)</th>
<th>1.1 Scrap/Defect Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tactics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3.b. Conduct annual reviews and training updates on ISO/TS Core Tools by 2Q</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3.a. Increase QA personnel understanding &amp; interpretation of product specs by 3Q</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.a. Consolidate all sites to one registrar by 4Q</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.b. Grow Quality Lean skills and benchstrength by 15% YOY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.c. Participate in monthly Council reviews</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.b. Implement Kanban flow plans to reduce DIOH by 20% by 4Q</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1.b. Create action plan to close customer feedback gaps by 3Q</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1.a. Review and upgrade existing Customer Feedback Process by 1Q</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.c. Plan, develop, manage and implement automated SPC at appropriate processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.b. Enable accurate SPC formats to meet 80% audit scores</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.a. Monthly Management to increase Capable Processes in 80% KPIs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.a. Reduce scrap/work losses by 50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Strategies

1. 1.2 Process Control (SPC/KPI)
   - Improve upon what we do (reduce PPM/QC, grow KPIV)
   - Deliver new products/processes well
   - Enable competitive costing via lean processes

2. Three (3) QMS Strategies
   - Improve upon what we do (reduce PPM/QC, grow KPIV)
   - Deliver new products/processes well
   - Enable competitive costing via lean processes

### Metrics

- **Top Level Initiatives**
- **KPIs to Improve**
- **Resources**
  - Responsible/Accountable
  - Consulting/Support

### Sample Committee Matrix Overview

- **Initiatives**
- **Level II Matrix**
- **Tactics**
- **Metrics**
- **Strategies**
- **Three (3) QMS Strategies**

---

**Year 20xx -xx**

- **Strategic Priorities**
- **Business Strategy**
- **Top Level Initiatives**
  - To Achieve Priorities
- **KPIs to Improve**
- **Strategies**
- **Metrics**
- **Resources**
  - Responsible/Accountable
  - Consulting/Support

---

**Association for Manufacturing Excellence**

**Share. Learn. Grow.**
Measure: Leading/Lagging

Lagging metrics are usually upper management inputs: *If you watch your pennies, your dollars will take care of themselves* – Benjamin Franklin

<table>
<thead>
<tr>
<th>Sample Leading Metrics</th>
<th>Lagging Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEE: Operational Equipment Effectiveness</td>
<td>OTD PPM COPQ DIOH</td>
</tr>
<tr>
<td>RTY: Rolled Throughput Yield</td>
<td>+ + + +</td>
</tr>
<tr>
<td>%Cpk: Processes (\geq 1.33)</td>
<td>+ + + +</td>
</tr>
<tr>
<td>MTBF: Mean Time Between Failure</td>
<td>+ + +</td>
</tr>
<tr>
<td>C/A %Repeat: Repeating Complaints</td>
<td>+ +</td>
</tr>
<tr>
<td>Training Depth: Personnel Skill Levels</td>
<td>+ +</td>
</tr>
<tr>
<td>Linearity: Production Schedule Attainment</td>
<td>+ + +</td>
</tr>
<tr>
<td>C/A TTC: Time to Close Corrective Actions</td>
<td>+ + +</td>
</tr>
</tbody>
</table>
Committee QLMS Skills

Committee skills are key to effective execution; Accelerate learning plan

• Determine **key** QLMS skills for **your** business. Assess team

• Implement a training plan

With this method, you can…

• Identify strengths/weaknesses

• Set individual planning goals

• Tie learning to strategy

• **Lead by example**
Committee QLMS Skills

Holding the Committee accountable for learning and applying the skills will increase business buy-in.

While the committee was learning on live processes, they both improved the systems and their skills.
Sustain Committee

Analyze, Improve, Control

• Meet yearly to set strategy
• Check progress to tactics quarterly
• Meet monthly to review performance
• Adjust to business needs

Rules of Engagement

• Agenda/Minutes
• Lessons Learned

Meeting Minutes/Agenda: Monthly Quality Council, every 3rd Thursday of the Month

Date: 19-Mar-2015
Time: 10:00 am – 11:00 am CST

PURPOSE

• Review status of Lean standardization efforts across Accuride Corporation
• Review performance results to Lean KPIs
• Share Lessons Learned

EFFECTIVE MEETING CHARACTERISTICS

- Everyone notified
- All Sites prompt, organized, prepared and participated
- Agenda Developed
- Review past minutes and Action Items
- Meeting Began On Time
- Action Items Assigned
- Minutes Recorded
- Meeting Ended on-Time

AGENDA

Attachments to be sent prior to the Council Call

Time | Topic/Discussion Item | Attachments to be sent prior to the Council Call
--- | --- | ---
10:00 | Attendance. Roll call. |  
10:03 | ALC: Calendar | Review calendar:  
10:04 | Status: X-Matrix Status Update | Round Robin: LEACH, AOT/ADC, Rfd, BW  
10:34 | Status: Transactional VSM’s | Round Robin: BW, Rfd, L, E, A, C, H, AOT/ADC  
10:51 | ME: Status | Erie/Rockford Status:  
10:57 | MBIE: Current ASO Status |  
10:42 | KPIs | Transition to Plex; AS/DB  
10:47 | Next Steps, Accu-Launch | General status  
10:52 | Lessons Learned | ACCU Whare  
10:57 | Accuride News | GB Sessions IP @ EVV (32 attendees)  
10:58 | Next meeting: Thursday, April 16th |  

Notes:

- Review QMS Status/Planning
- Review Mfg Status/Planning
- e-Commerce Status/Planning

Distribution:

AQC Member/Participant (BU/Site/Name)

Attendee

Jd

Accuride QA & Lean: JD Marhevko

jb/ck

Arvind Srivastava Accuride IE

dk

Gunite RKFD: Gary Pecor/Ed Bledsoe

jj

Wheels ERIE: Joe Johnson/Greg Dauer, Tim Maney

lw

Wheels HEND: Ox Townsend, Mike Waller

kr

Wheels HEND: Karen Hunter, Kevin Richard, Michael Gish

ke

Wheels CMDN: Kris Elliott

rt

Wheels AdM: Reymundo Trevino/Steve Kuhn

ACW SCM: MBiah, GMerhar

gm

Wheels LONDON: Chris Cain/Jill Manvell, Ray DeVille

ACW IT: Paul Wright

pw

ADC: Bill Neil, K Magateaux

ot

TS/QMS: Danny Bullock

db

ACC: Jim Morris/CC

jm/cc

Wheels LA: Chris Cain

Annie Mac

AQC Member/Participant (BU/Site/Name)

Notes:

- Review QMS Status/Planning
- Review Mfg Status/Planning
- e-Commerce Status/Planning

Distribution:

AQC Member/Participant (BU/Site/Name)

Attendee

Jd

Accuride QA & Lean: JD Marhevko

jb/ck

Arvind Srivastava Accuride IE

dk

Gunite RKFD: Gary Pecor/Ed Bledsoe

jj

Wheels ERIE: Joe Johnson/Greg Dauer, Tim Maney

lw

Wheels HEND: Ox Townsend, Mike Waller

kr

Wheels HEND: Karen Hunter, Kevin Richard, Michael Gish

ke

Wheels CMDN: Kris Elliott

rt

Wheels AdM: Reymundo Trevino/Steve Kuhn

ACW SCM: MBiah, GMerhar

gm

Wheels LONDON: Chris Cain/Jill Manvell, Ray DeVille

ACW IT: Paul Wright

pw

ADC: Bill Neil, K Magateaux

ot

TS/QMS: Danny Bullock

db

ACC: Jim Morris/CC

jm/cc

Wheels LA: Chris Cain

Annie Mac
Initiative: ↑5% Margin

Tactic: Conduct rationalization. Create Rules of Engagement

Results: 22% increase in margin base

Ex: If targeted margin is 5%, then 8+ Items were meeting the 5% objective before and 14+ were meeting the objective after
**Initiative:** 5 NPIs/Yr  
**Tactic:** Conduct VSM analysis. Implement fixes  
**Results:** 70% reduction in lead time
Results: 75%, 2x, 20%

75% Reduction in Lead Time generally results in…
Doubled (2x) Productivity and/or
20% Reduction in Cost/Unit
Results: YOY QLMS Metrics

<table>
<thead>
<tr>
<th>Leading Indicators Manage the Outcomes</th>
<th>OTD</th>
<th>PPM</th>
<th>%COPE</th>
<th>TS/ISO</th>
<th>QMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>What the Customer Sees →</td>
<td>CRD</td>
<td>All</td>
<td>dbl</td>
<td>47%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Leading: OEE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading: %Pull to Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading: 8D TTC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading: %KPIV @ 1.33 Cpk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading: MTBF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading: QMS Bench Strength</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Operational Equipment Effectiveness
- All key Value Streams are on PFEP/TTR
- Time To Close an External Concern
- Key Process Indicator Variables
- All sites improved YOY
- Quality/Lean Management System Skills

Enterprise-wide improvements are realized
Sustain: Hold the Gains

Steering Committees generally experience heavy turnover. To retain effectiveness consider…

• Quarterly alignment to strategic plan
• Partner new members with seasoned personnel
• Standardized & accessible learning material
• Hold KPI accountability via personnel reviews
Learning Objectives

In our time together we have…

• Seen how a quality/lean steering committee can be effectively utilized in any type of organization
• Learned how to align the business’ key strategies in the development quality and lean systems objectives
• Learned how to better leverage leading indicator metrics to proactively manage outcomes
Thank You!

Please complete the session survey at: www.ame.org/survey

Session: WP-33
Driving a Quality/Lean Steering Committee
Jd Marhevko
Accuride Incorporated
JdMarhevko@AccurideCorp.com
Company Quality Council Charter

Company Quality/Lean Council (QLC)

<table>
<thead>
<tr>
<th>Corporate</th>
<th>QA Name</th>
<th>Lean Name</th>
<th>SCM Name</th>
<th>Eng Name</th>
<th>IT Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site QA &amp; Lean Leaders</td>
<td>Site 1 QA Name</td>
<td>Site 1 Lean Name</td>
<td>Site 1 SCM Name</td>
<td>Site 1 Eng Name</td>
<td>Site 1 IT Name</td>
</tr>
<tr>
<td>Other key members</td>
<td>Site 2 QA Name</td>
<td>Site 2 Lean Name</td>
<td>Site 2 SCM Name</td>
<td>Site 2 Eng Name</td>
<td>Site 2 IT Name</td>
</tr>
<tr>
<td></td>
<td>Site 3 QA Name</td>
<td>Site 3 Lean Name</td>
<td>Site 3 SCM Name</td>
<td>Site 3 Eng Name</td>
<td>Site 3 IT Name</td>
</tr>
<tr>
<td></td>
<td>Site 4 QA Name</td>
<td>Site 4 Lean Name</td>
<td>Site 4 SCM Name</td>
<td>Site 4 Eng Name</td>
<td>Site 4 IT Name</td>
</tr>
<tr>
<td></td>
<td>Site 5 QA Name</td>
<td>Site 5 Lean Name</td>
<td>Site 5 SCM Name</td>
<td>Site 5 Eng Name</td>
<td>Site 5 IT Name</td>
</tr>
</tbody>
</table>

Scope: Company’s Quality and Lean Management Systems, Enterprise-wide

Objectives/Deliverables: To support and effect a systematic methodology of deploying the Quality and Lean Management System to meet the customer expectations and exceed competitive performance and corporate requirements.

Key Actions:
- Define: Conduct Lean and Quality Management System baseline analysis across the business. Utilize X-Matrix strategic planning methods to identify key areas in which to focus improvements and/or to close gaps. Insure horizontal and vertical alignment on the goals and objectives.
- Measure: Identify Quality and Lean based KPIs focusing on leading indicators. Refine and improve the calibration and effectiveness of the KPIs and align them to the business strategies. Continue to use a dashboard approach to meet delivery, quality, cost and safety.
- Analyze: Conduct focused and effective system reviews using QMS and Lean methodologies.
- Improve: Engage our employees in the application and execution of effecting improvements. Demonstrate before and after results. Regularly review and improve upon the Quality and Lean Science skills of our Council members. Benchmark the systems of others to further our knowledge base.
- Control: Sustain gains. Share successes and Lessons Learned (LL).

QLC Mission: To effectively support the Company in attaining its strategic goals and objectives by using Quality and Lean Management Systems and methodologies to help the business meet and exceed both internal and external customer expectations of delivery, quality, cost and safety.

QLC Vision: To be viewed by Accuride employees as Champions of Quality System Implementation and Excellence.

Assessment of Quality & Lean Functions: The team will execute through a Council. Baseline assessments have been conducted across all core locations. An enterprise-wide improvement plan will need to be developed for execution. Leading KPIs have been developed for review and baselines are being established. A focused growth in the bench strength of QLC members is needed based on key quality science skills levels. Standardized systems are being reviewed for gaps as well as the opportunity to build upon existing foundations.

Challenges: Team members are at different levels of quality and lean science skill sets, applicational backgrounds, and ability to execute quality and lean systems. IT/Data systems are needed for effective data collection and rapid analysis. Internal BD/CAPA systems need to be developed at most locations. Leading indicator KPIs need to be developed. Overall, need to focus on and manage scrap due to lack of process control and system losses due to lack of material flow control. There is a need to manage cultural change.

Consistency of Approach: Grow baseline education and establish goals. Utilize QLC to leverage execution of core processes. Share lessons learned; internally and externally. Create a plan to transfer from a platform of education to one of application with measured results.

Leveraging Economies of Scale: Utilize monthly, web-based telecons for team alignment. Conduct bi-annual Face to Face (F2F) strategic planning sessions. Leverage F2F sessions to grow skills and align resources. Leverage the Intranet for shared processes and documents. Publish/Share benchmarking activities across the business. Standardize quality and lean Visual Operating System documents/processes as feasible.
### Charter Notes to Self...

<table>
<thead>
<tr>
<th>Area</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
<td></td>
</tr>
<tr>
<td>Scope</td>
<td></td>
</tr>
<tr>
<td>Objectives</td>
<td></td>
</tr>
<tr>
<td>Define</td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td></td>
</tr>
<tr>
<td>Analyze</td>
<td></td>
</tr>
<tr>
<td>Improve</td>
<td></td>
</tr>
</tbody>
</table>
# Charter Notes to Self...

<table>
<thead>
<tr>
<th>Area</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control</td>
<td></td>
</tr>
<tr>
<td>Mission</td>
<td></td>
</tr>
<tr>
<td>Vision</td>
<td></td>
</tr>
<tr>
<td>Challenges</td>
<td></td>
</tr>
<tr>
<td>Approach</td>
<td></td>
</tr>
<tr>
<td>Scale</td>
<td></td>
</tr>
</tbody>
</table>