



Does lean drive cultural change or does cultural change drive lean?

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Manufacturing Manager & Operations Director

DJO – Vista Manufacturing Operations





DJO Company Overview

DJO Global, Inc. is a **leading global provider of high-quality, orthopedic devices**, with a broad range of products used for **rehabilitation, pain management and physical therapy**. We are the **largest non-surgical orthopedic rehabilitation device company in the United States** and among the largest globally, as measured by revenues.

Our philosophy - “to get and keep people moving” - is based on the idea that **activity is the key to living a healthier lifestyle, better treatment outcomes, and improved healthcare economics** for all. We do this by **delivering a complete Orthopedic Continuum of Care from performance and mobility to surgical intervention and post-operative rehabilitation**.



DJO Vista Manufacturing Overview

- ~\$150M of corporate revenue
- 60,000 ft² facility
- Business Units Supported: Consumer, B&S, Regen
- Brands:

DONJOY

CMFV

AIRCAST

Compex



chattanooga



Custom Brace Manufacturing

Defiance



A22





Electromechanical Assembly & MFG

VenaFlow DVT Device



CMF - Bone Growth Stimulators

Compex Muscle Stimulators

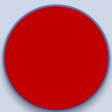
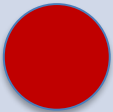
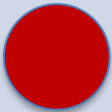
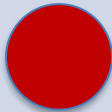
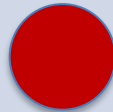
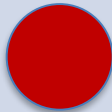
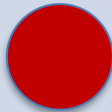
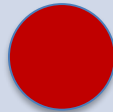


Chattanooga Electrotherapy



The Case for Change

- High labor spend
- Low employee engagement
- Low unemployment/ availability of quality temp labor
- High inventory dollars and low turns
- CoPQ was high (low or not measured yield)

Safety	Wages	Inventory	Efficiency	External Quality	Internal Quality	5S	Engage
							



Where to start?

Lean?

Culture?





Lean Manufacturing Journey



How?

When?



Lean Manufacturing Journey

1. Understanding and a Disciplined Approach
2. Give Meaning to Actions
3. Provide Tools to Empower Team Members
4. Managing the Progress Plan

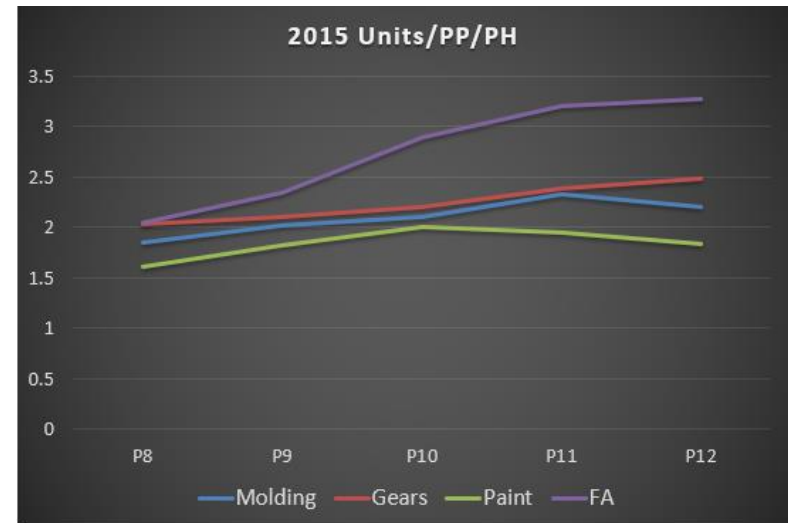


1. Understanding and a Disciplined Approach

Know the Current LIMITS of our Process



Takt Time
Cycle Time
Lead Time



Current Capabilities for each Cell



1. Understanding and a Disciplined Approach

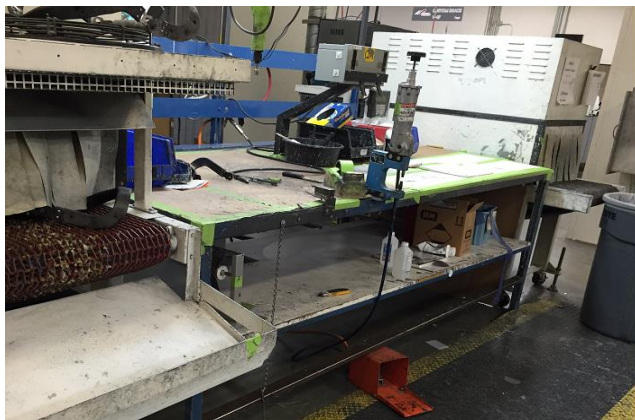
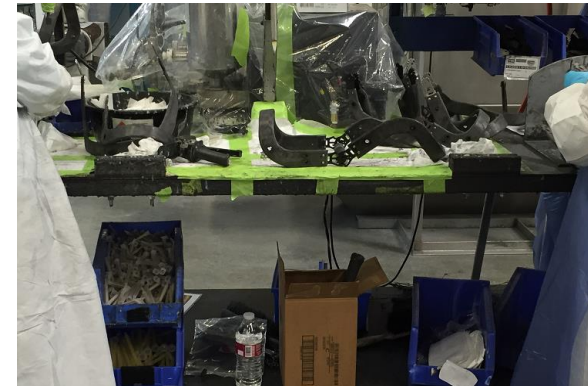
Identify and Understand Current Resources





1. Understanding and a Disciplined Approach

Create an Organized and Secure Work Environment





1. Understanding and a Disciplined Approach

Create 5S Standards and Develop Habits



**We are what we repeatedly
do. Excellence, then, is not an
act, but a habit.**

Will Durant



2. Give Meaning to Actions

Identify Customer Requirements and Expectations





2. Give Meaning to Actions

Define and Measure Customer Satisfaction

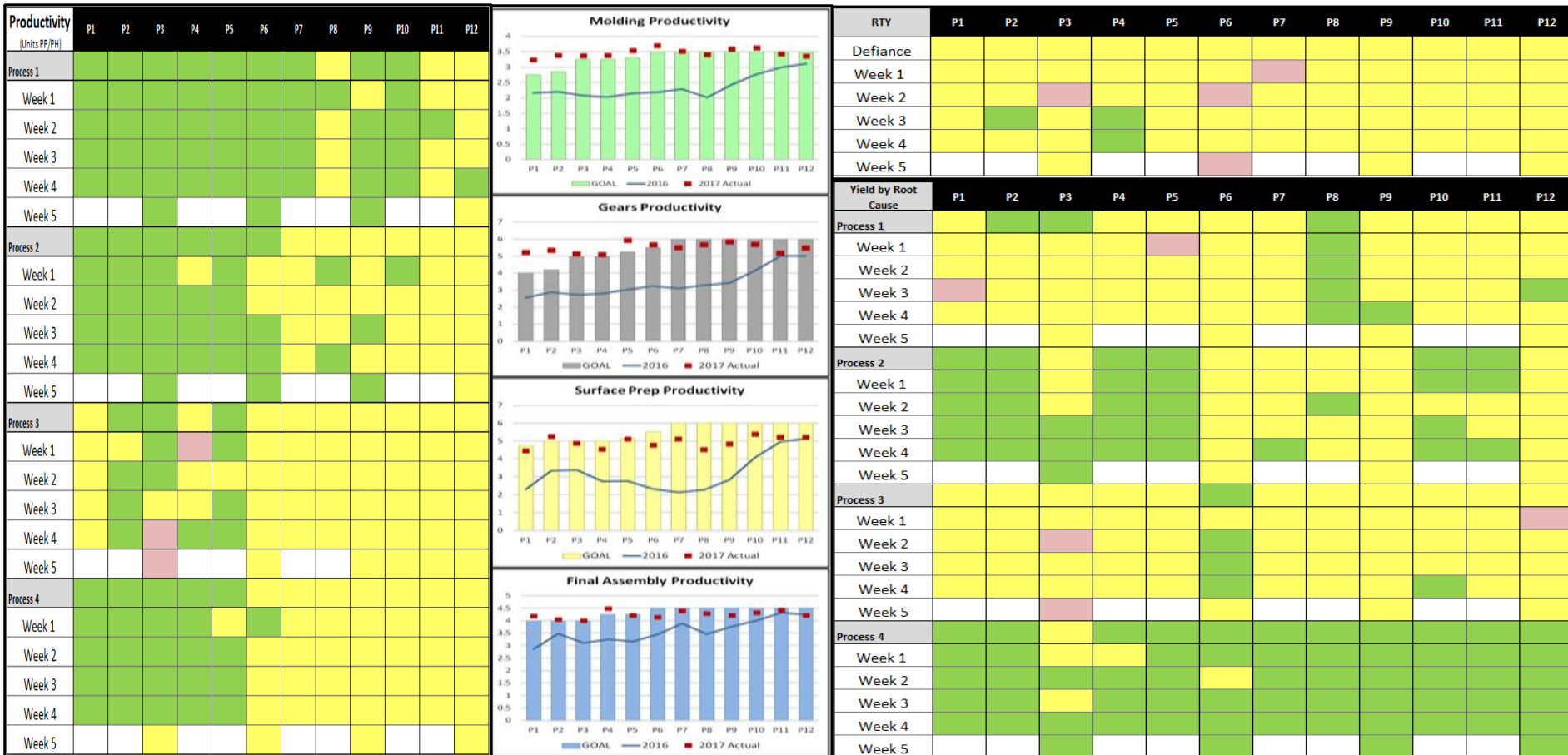


Fulfillment: 95% in 24 hours



2. Give Meaning to Actions

Define and Align Daily Contributions with Company Performance





2. Give Meaning to Actions

Define and Align True Contributions with Company Performance

Very Important

Surface Prep	4.5	5.3	5.0	4.5	5.1
Week 1	4.7	4.9	5.2	4.0	5.0
Week 2	4.6	5.1	5.0	4.3	4.8
Week 3	4.0	5.4	4.5	4.9	5.0



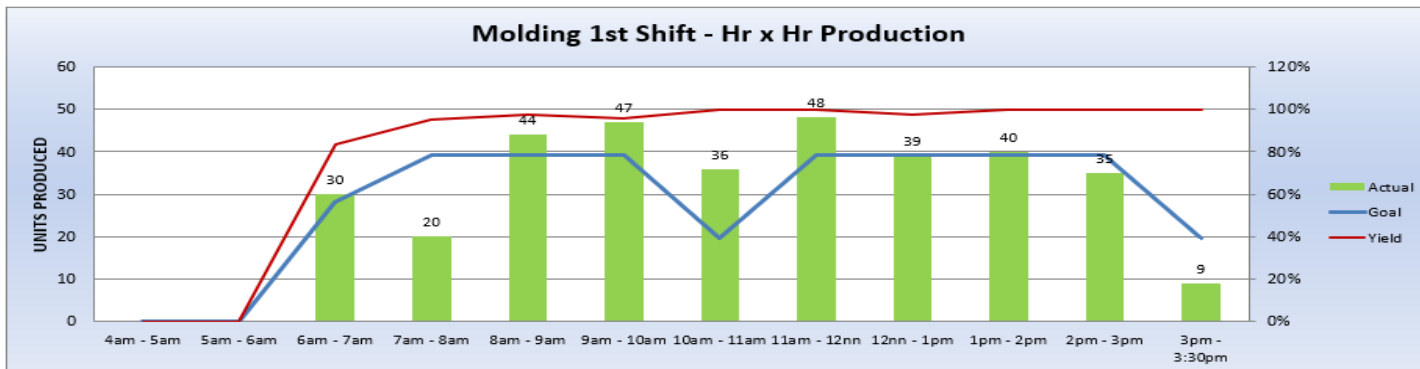
OK!



3. Provide Tools to Empower

Example: *Hr x Hr Tools*

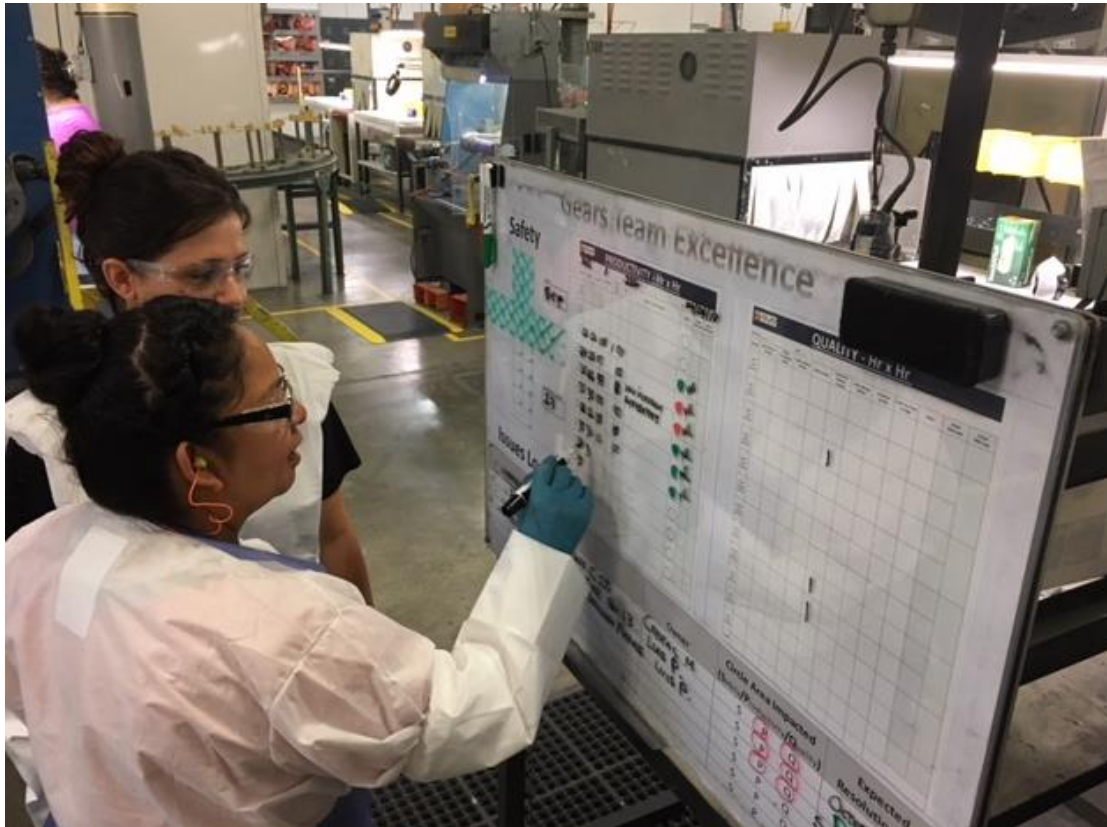
Worked Hrs	8						
Process:	MOLDING			Planned	342	102%	YIELD 97%
Target Units/PP/PH	2.80			Actual	348		
TIME	HC	Goal	Actual	Goal Accum	Actual Accum	Rejects	Yield
4am - 5am		0		0	0		
5am - 6am		0		0	0		
6am - 7am	10	28	30	28	30	5	83%
7am - 8am	14	39	20	67	50	1	95%
8am - 9am	14	39	44	106	94	1	98%
9am - 10am	14	39	47	146	141	2	96%
10am - 11am	7	20	36	165	177		100%
11am - 12nn	14	39	48	204	225		100%
12nn - 1pm	14	39	39	244	264	1	97%
1pm - 2pm	14	39	40	283	304		100%
2pm - 3pm	14	39	35	322	339		
3pm - 3:30pm	14	20	9	342	348		100%





3. Provide Tools to Empower

Example: *Hr x Hr Tools*





4. Managing Progress Plan

Breakthrough Improvements – Meet Strategic Challenges





4. Managing Progress Plan









Breakthrough Improvements – Meet Strategic Challenges





Post Lean Results

- Improved safety
- Favorability in YoY wage spend
- Reduction in inventory dollars and improved turns
- Improved quality
- Improved engagement

Safety	Wages	Inventory	Efficiency	External Quality	Internal Quality	5S	Engage
							



Lean Learnings

- What worked?
- What didn't?
- What would we do differently?



Lean Learnings

- **Know WHY Before Knowing WHERE**
 1. Why should we start?
 2. What are the problems we are trying to solve?
- **Secure Early Wins**
 1. Look for low hanging fruit to experience the power of Lean.
 2. Quick wins must be measurable and real.
- **Visualize the future**

“Knowing where you’re going is the FIRST STEP to get THERE”
- Ken Blanchard
- **Don’t let PERFECT get in the way of BETTER**



Culture Improvement Journey



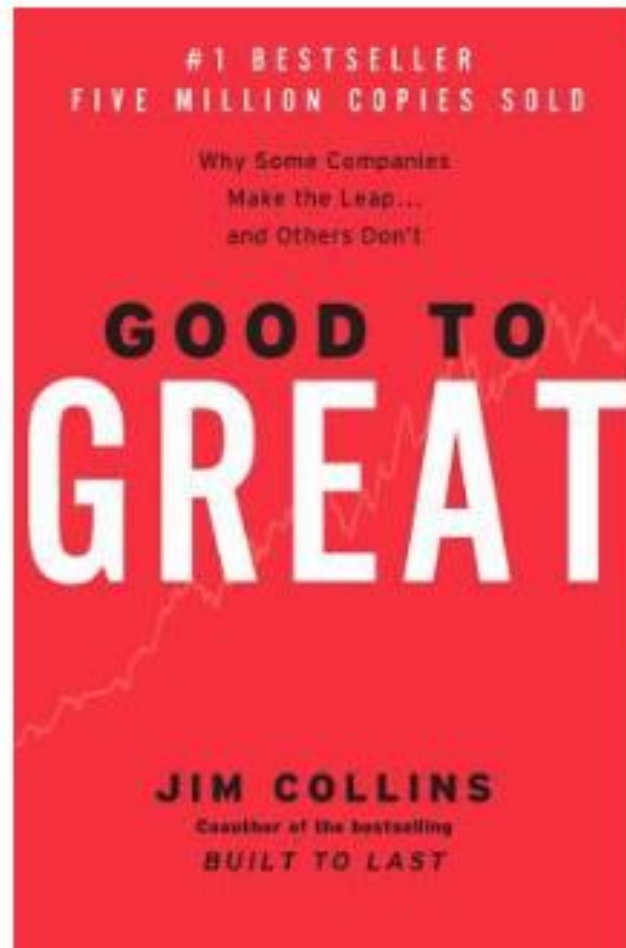


Cultural Transformation

- Good to Great (Collins):
 - First ...Who?
 - Level 5 Alignment
- Build Trust
 - Lead with Questions
 - LISTEN
 - Challenge Each Other
- Protect the Culture
- Then ... What?



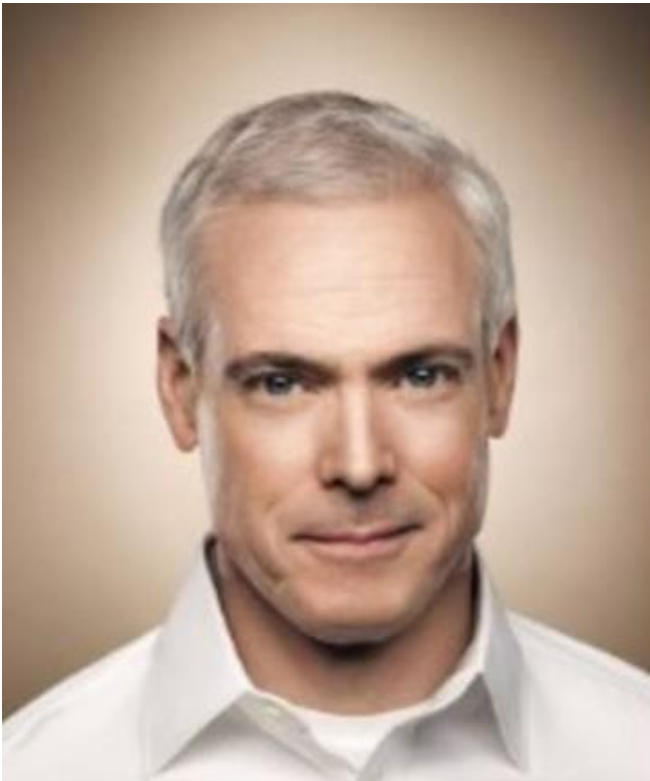
Cultural Transformation





First, Who?

- The **RIGHT** people in the **RIGHT** seats and the **WRONG** people off the bus.



The main point is first get the right people on the bus (and wrong people off the bus) before you figure out where to drive it. The second key point is the degree of sheer rigor in people decisions in order to take a company from Good to Great.

— James C. Collins —



Level 5 Alignment





Level 5 Alignment

SAVE THE PLANET
kill your ego



Building Trust

- *“No man will make a great leader who wants to do it all himself, or to get all the credit for doing it.” —Andrew Carnegie*
- *“Earn your leadership every day.” —Michael Jordan*
- *“Never lose sight of the fact that the most important yardstick of your success will be how you treat other people.” — Barbara Bush*
- *“Nobody cares how much you know, until they know how much you care.” — Theodore Roosevelt*



Building Trust

- Lead with questions
- LISTEN
- Challenge each other





Lead with Questions





LISTEN



Source: Center for Creative Leadership



Challenge Each Other





Protect the Culture





Then ... What?

- Create Team and Site Values
- Improve and Align Interviewing and Hiring Practices
- Act on Talent
- Define Goals and Measure Performance
 - KPI's
 - Tie off with Financials
- Do not let up!

KEEP YOUR
**FOOT ON
THE GAS**



Cultural Learnings

- Building trust is important in early stages of Lean implementation
- Active listening can generate ideas for change
- Act more quickly when it comes to leadership and talent deficiencies, and take more time to hire
- Fill the trust reservoir every chance you can
- Be excessive, open and honest in your communication



Current Results

- Safety, wages, inventory, efficiency and quality are excellent
- External quality metrics improved greatly
- Improvements in internal quality and 5S
- Evidence of improved engagement

Safety	Wages	Inventory	Efficiency	External Quality	Internal Quality	5S	Engage
							



Before

Safety	Wages	Inventory	Efficiency	External Quality	Internal Quality	5S	Engage

+ Lean

Safety	Wages	Inventory	Efficiency	External Quality	Internal Quality	5S	Engage

+ Culture

Safety	Wages	Inventory	Efficiency	External Quality	Internal Quality	5S	Engage



Rearview Mirror Roadmap

Culture

Assess
Talent

Level 5
Leadership

Lead with
Questions

Active
Listening

Challenge
Each Other

TRUST

Disciplined
Approach

Customer
Needs

Tools

Measure
Results

Manage
Progress

Lean



Create Waves of Excellence

When used together, the implementation of Lean concepts and tools, along with cultural transformation, can create waves in your site, in your organization and with your competition!

- Focus on WHO first!
- Ferociously work to create a Culture of trust and respect.
- Implement Lean tools and techniques.
- Measure progress.
- Protect your Culture



Thank You!

Your opinion is important to us!

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Session No: TS/13

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