

Executive Gemba Walks Hit the Ground *Running*

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Hologic, Inc.

We are an innovative medical technology company primarily focused on improving women's health and well-being through early detection and treatment.

BUSINESSES

Our three divisions form the foundation of an organization focused on delivering breakthrough products.

1

Diagnostic Solutions

2

Breast & Skeletal Health Solutions

3

GYN Surgical Solutions

- San Diego – Molecular Diagnostics
- **The Science of Early Detection**
- Leading Products: Cervical Cancer; STDs
- Enhanced Laboratory Automation



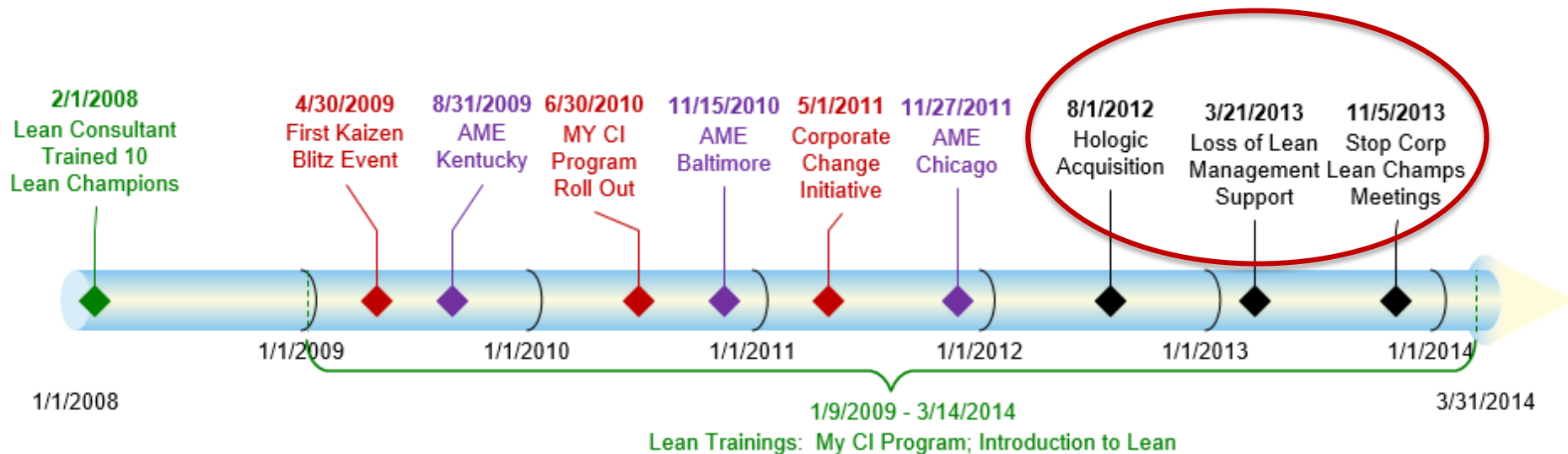
Agenda

Topic	Engagement
Lean Journey	Two steps forward . . . and a few steps back! <i>Keep moving forward</i>
Back on Track	Launch of Executive Gemba Walks <i>Boots on the Floor</i>
My CI Program	Everyday Kaizen – Employee Engagement <i>Implemented Ideas Program to empower employees to make daily change and receive recognition.</i>
Success	Measured results <i>Numbers tell the story</i>
Lessons	What we learned and how we made change <i>Reflection is the key to success</i>
Next Steps	Strive for perfection <i>Not possible but worth pursuing!</i>

Get Engaged!

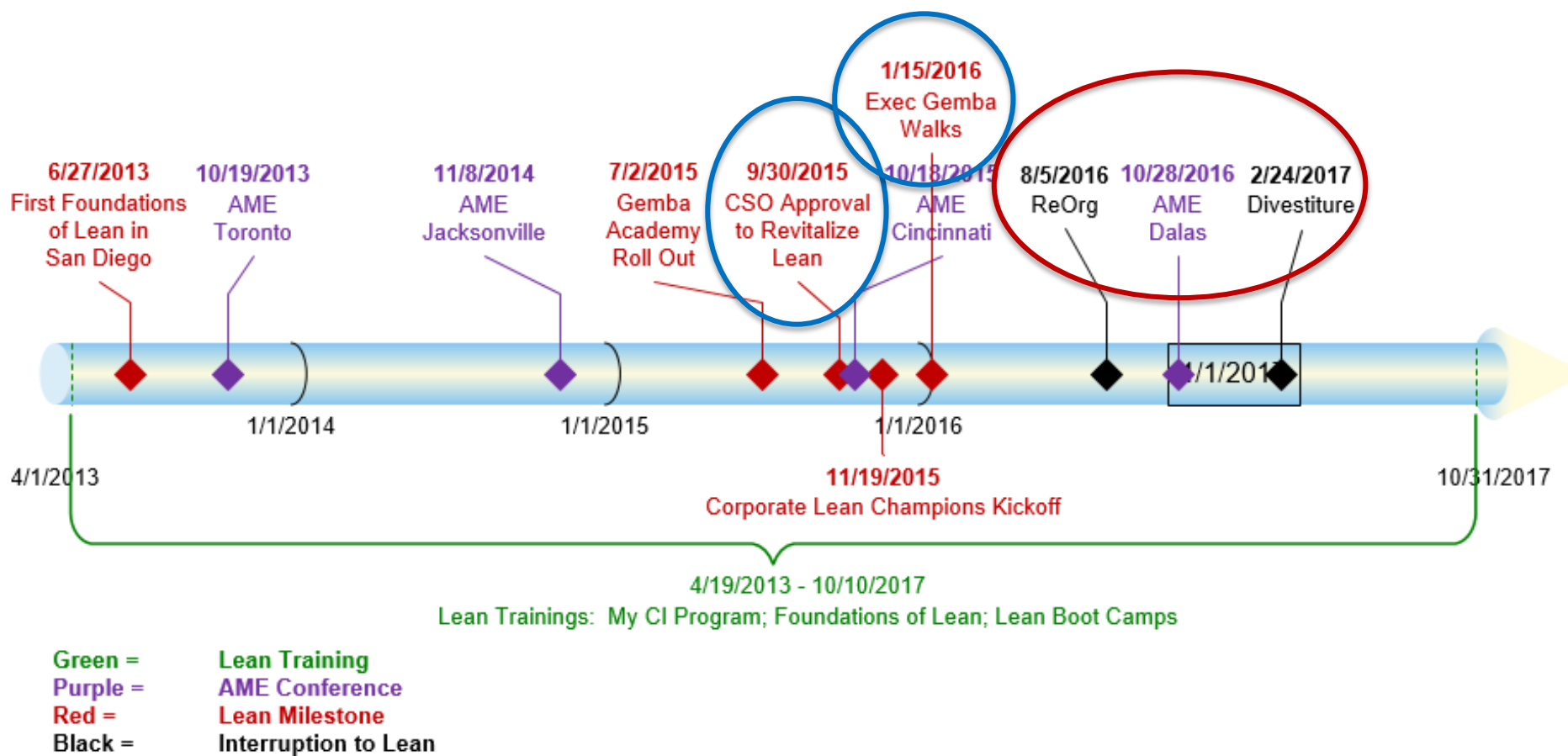
At Hologic, the **My CI Program**,
in conjunction with **Gemba Walks**,
involve all levels of the organization
and together create a Kaizen culture
achieving cost savings, inventory reduction
and improved service levels
viable for business success.

Our Lean Journey



Green = Lean Training
 Purple = AME Conference
 Red = Lean Milestone
 Black = Interruption to Lean

Our Lean Journey



MY CI PROGRAM

- Empowering employees to make daily change
- Implemented ideas program
 - “Complete” an idea--don’t just “submit” one
 - Work individually or as a team (My and Team CIs)
 - No limits around size of improvement
- Recognize REGULARLY
- Require CIs as part of annual Goal Plan
- Publicize monthly My CI metrics
- Showcase impactful efforts
(large and small) **Simple Counts!**

Hologic Idea Card

Originator: Jose D. Moraza Team Members (if applicable): David Bautista, Vanessa Grace, Duxina Perry-Baca


Issue / Problem:
GCD2 WAREHOUSE AND TEMPERATURE EXCURSIONS EVERY WINTER FOR THE LAST 4 YEARS IN THE FLOW RACK AREA.


Proposed Fix:
INITIATED AN EQUIPMENT CHANGE CONTROL (ECC) TO EXPAND THE ALARMS FROM 18-25°C TO 15-30°C IN THE FLOW RACK AREA AND GOT THE AREA LABELED AS '15-30°C STORAGE ONLY'.

Results (measurable)—don't forget to take pictures:
THE FLOW RACK AREA NOW STORES MATERIALS AT 15-30°C AND THE GCD2 WAREHOUSE PERSONNEL WILL NOT HAVE FUTURE NCRs DUE TO TEMPERATURE EXCURSIONS IN THAT AREA.

Date Submitted: 05/24/17 Date Completed: 04/25/17
Submit a My CI Form once the idea is implemented

MY CI PROGRAM





Name
Nombre:

Department
Departamento:

Location
Sitio:

Date
Fecha:

Supervisor

Before improvement: (What is the problem or issue)
Antes de la implementación: (Cuál es el problema u oportunidad?)

Develop idea with supervisor
 desarrolle la idea con su supervisor

After improvement: (What you did to improve the process)
Después de la implementación: (Lo que hizo para mejorar el proceso)

Verbal OK with supervisor obtained
 Obtenga el visto bueno verbal con el supervisor

Results: (What changed as a result of the improvement)
Resultado: (Lo que cambió como resultado de la implementación)

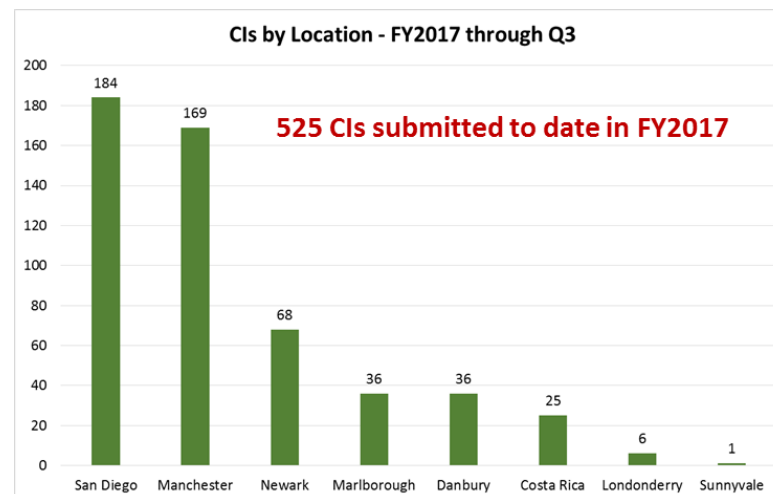
Attachment:
 Documentos adjuntos:

[Click here to attach a file](#)

☐ My CI
☐ Team CI

Team Members: (Were there others who helped you get this done?)
Equipo: (Hubo otros que le ayudaron con la implementación?)

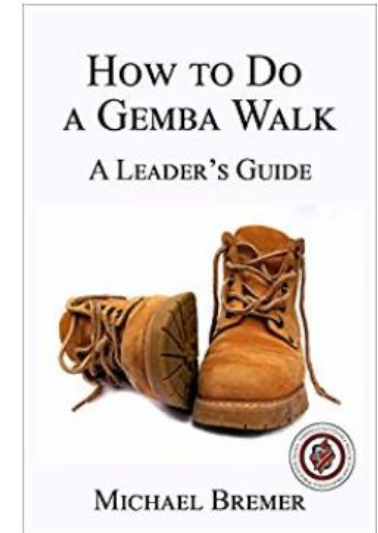
Requestor	Created	CI Type	Team	Location	Department	Before	After	Result	MyCI Next Approver	MyCI Form Status
Contreras, Ana	1/27/2015 11:09	My CI		San Diego GCD1	Manufacturing	Fill operators use the bambino fill machine on a regular basis and with a schedule quantity of 6000 vials, 41 fill checks need to be performed. In order to perform a fill check a balance is needed and the closest balance was 21 feet away. There is also no	Reused a filter integrity cart that was no longer needed in the bulk lab and placed the balance on top of the cart next to the fill machine. Ordered a new table for paperwork and set it next to the balance cart.	The filling process became more efficient since all work is now done next to the fill machine (2ft away). Everything is an arms length away and it saved the operators from walking 1722 ft (861 ft x2) per filling process @ 6000 vials. Also, manufacturing d	DeGuzman, Rodel	Approved
Shankie, William	1/16/2015 7:28	Team CI	Blevins, Jeff	Newark	Manufacturing (Array)	Brass particles on panels	All fittings were replaced with stainless steel fittings-ionizers blow off guns added to critical areas	since mid October no brass particles issues continuously monitoring.	Robinson, Sean	Pending
Han, Sung	1/13/2015 6:38	My CI		San Diego GCD1	Manufacturing	After completing Prodesse Manufacturing, barcode labels are needed to apply to the product container. Previously operators would submit a print request from the Prodesse room 1265 GCD1 to a Zebra printer located in the warehouse. In order to obtain the p	A Zebra printer in Room 1580 was rarely being utilized, so a request was initiated to transfer it to Room 1260 which is the lab adjacent to the Prodesse room. In order to perform the transfer, I had to 1) submit a CCE for the transfer, 2) have manufactur	Zebra printer in room 1260 is utilized at least 3 times a week. 1 to 3 hours of time has been saved each week and operators can concentrate on other processes.	DeGuzman, Rodel	Approved
Knipe, Jessica	1/7/2015 3:20	Team CI	Valiquette, Thomas	Newark	Manufacturing (Array)	Update : Operator would like to decrease the amount of time it takes to complete pull test for YMIT BP peel panels (see 12/18/2014 submission)	Engineer has approved shortened test, and improvement is currently implemented (see 12/18/2014 submission)	Time it takes to pull test YMIT BP peel panels has decreased by half. Wirebonders no longer have to rework panels. (see 12/18/2014 submission)	Ross, John	Approved
Taylor, James	12/16/2014 4:06	My CI		Manchester	Product Development	Whilst carrying out Panther AC2 assay in G01, the operator must carry out dilutions of CT and GC. This involves following separate out CI, GC and vague instructions that require carrying out calculations or looking at previous notes.	Dilutions required for the AC2 assay have been calculated, colour-coded and laminated. The rack set-up for both AC2 and HPV Panther Assays have also been included, these are also colour-coded	This has improved the process for both AC2 and HPV Panther assays by streamlining the process as these new laminated sheets provide an easy to follow reference guide, instead of looking through multiple pages of a document. The amount of paper entering	Cotter, Sean	Approved



Getting Back on Track

(What we did)

- One Lean seminar moved us forward (2015)
(Gemba Walk seminar and tour in San Diego)
- Sr. VP said “Let’s do it!”
- Lean Champion said “You’re crazy!”
- I said “Yes I am! Let’s go!”
- Included in FY2016 Operations performance goals



Hit the Ground Running

(Implementation)

- Obtained permission to hold Sr. VP of Ops accountable
- Established 5 key measurements (S-Q-D-I-P)
- Identified first 4 Gemba Board locations
- Trained managers and operators
- Established phased approach for adding new boards
- Completed dry runs prior to first official walk

Sustain – Gemba Action Tracker

GEMBA WALK ACTION TRACKER (New and Open Action Items)			LEGEND	Green = Complete	Yellow = In Process
No.	Department (Issue)	Action	Responsible	Due Date	Status
08-08-17 Gemba Walk (Route 1) - Provided by Greg K					
1	GCD2 Warehouse (System Issues)	On Monday, July 31, the system went down at approximately 4:30 PM and orders were missed. The Help Desk was called with no response. The next day, Warehouse received an email asking for screen shots. We are still not getting the help and support we require for issues such as this. Update 08-09-17: Escalated issue to IS management and assistance has been received.	Mark	08-09-17	Complete
2	GCD2 Warehouse (301154--LPT tubes)	Tubes on back order, however, they were showing with 10 days on hand last week. Team recommended root cause evaluation by Planning regarding why there is a mismatch in quantity. Update from Camille 08-08-17: Miscommunication--we are not on back order. Kits are in SDM/GCD-1 and needed to be transferred to GCD-2 in order to process the customer sales orders. The transaction has been completed and there are sufficient kits in GCD to cover the demand.	Camille	08-09-17	Complete
3	Reagent Packaging	The bottom cardboard trays that sit on top of the wooden pallets and used to hold kits are bigger than the pallet. Packaging tries to center the kits but it is causing issues where the stack of kits can become unbalanced. Last week, a pallet of kits actually tipped over so this is a safety issue that can also lead to damaged kits. Sung is looking into smaller cardboard trays that are the same size as the wooden pallets. EH&S is assisting.	Sung	08-18-17	In Process
4	Thermoformer	New Sojet printers are installed on both thermoformers and are working much better than the previous printers. This has greatly reduced our printing issues and the need to rework kits due to bad ink. The new wider plastic rolls are in stock and we have been using them for a week now. These wider rolls have greatly reduced our off-clip issues. These two implemented improvements show that the Gemba walks really do lead to positive change in our manufacturing areas! Leslie will revise the QR for Ink Cartridge PN 504545 and issue SCO for the SOP 09-01-00-431.	Leslie	08-31-17	Complete

These two implemented improvements show that the Gemba Walks really do lead to positive change in our manufacturing areas!

Our Findings

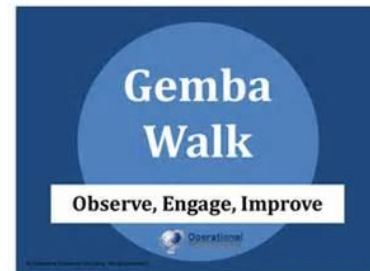
(What we learned)

People don't learn from experience. They learn from *reflecting* on their experience.

- Leadership Team amazed at what they didn't know
- Some Gemba Boards all “red” . . . that's good!
- Middle management sometimes missing altogether
- Needed more participation from Support functions
- “This is how we do business.”
- Refresher on importance of Gemba Walks

Engagement & Gemba Walks

Gemba Walks tie to our Gallup Survey results:



- Employees are sharing what they need
 - Q2: Exposed places where employees didn't have materials and equipment to do their job

Question	Current Mean	Last Mean	Difference
Q2: Materials and Equipment	3.72	3.87	-0.15

- Q3: Not enough support to be able to do best every day

Question	Current Mean	Last Mean	Difference
Q3: Opportunity to do Best	3.82	3.90	-0.08

- Q5: Someone cares about me

Question	Current Mean	Last Mean	Difference
Q5: Cares About Me	3.85	4.06	-0.21

Engagement Brainstorming

Description		Metric
Operations teams involved:		10
▪ Warehouse	▪ Manufacturing	
▪ Distribution	▪ Packaging	
▪ Planning	▪ Consumables Eng	
▪ Procurement	▪ Label Control	
Total number of frustrations communicated by employees		148
Percentage of total items addressed	(112)	76%
Items remaining to be addressed	(31)	21%
Do not proceed	(5)	3%

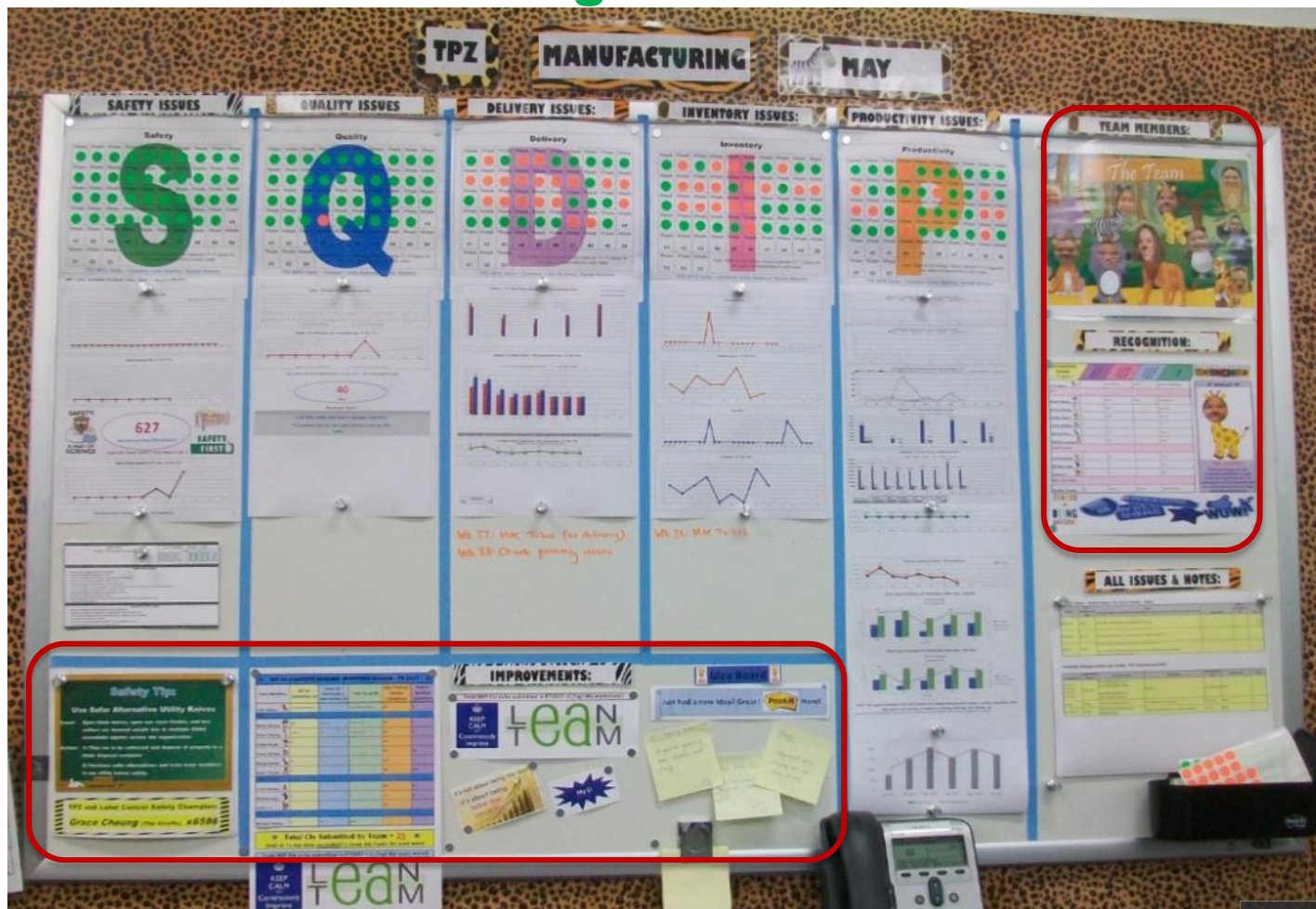
Gemba Boards

Manufacturing – High-Speed Transport Filler



Gemba Boards

Manufacturing – TPZ Bulk and Fill



Gemba Boards

Support Processes – Quality Microbiology



Gemba Boards

Support Processes – Analytical Testing



SUCCESS

“A desk is a dangerous place from which to watch the world.” – John Le Carre

- Greater collaboration and problem solving across teams
- Greater Executive Management awareness and support
- New Walk routes that make more sense
- Increased employee engagement
- Accelerated Lean revitalization
- Increased participation in My CI Program

SUCCESS

The numbers:

- VIP (Value Improvement Projects—Cost Savings)
 - 5% reduction in standard cost YOY from 2015
 - 2015 = \$21M in cost savings (goal was \$15.3M)
 - 2016 = \$12.1M in cost savings (goal was \$10M)
 - 2017 = \$>\$10M in cost savings (goal \$10M—on track for \$12M)
- Service Level at 98%
- Inventory reduction from 2015 from \$132M to <\$80M

Driven by Kaizen Events and Value Stream Mapping

Lessons Learned

(Incremental Change)

Positive Lessons:

- Increased management awareness of issues
- Incorporated more daily walks / huddles
- Ownership of Gemba Boards

Needed Improvement:

- Not a problem-solving event—focus on issue identification
- OLT took all actions early on—engagement struggled
- Practice coaching—ask “why” to get to root cause
- Key support stakeholders not included

Key Takeaways

- Establish a culture of Kaizen – daily change
- My CI Program--implemented ideas--not suggestion box
- Gemba Walks engage all levels of the organization
- Evaluate and make next level of change
- Never give up . . . Keep striving for perfection!

Conclusion . . . Next Steps

- Monitor new routes and make adjustments
- Get other Executive Management on the floor
- Expand Gemba Walks to other parts of the business
- Learn from others (internal and external)
- Empower and engage the workforce
- Continue to strive for perfection



Go to the Gemba with the eyes of a child
Go See – Ask Why – Respect People

Thank You!

Your opinion is important to us!

Please take a moment to complete the survey using the conference mobile app.

Session No: ThS/64

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