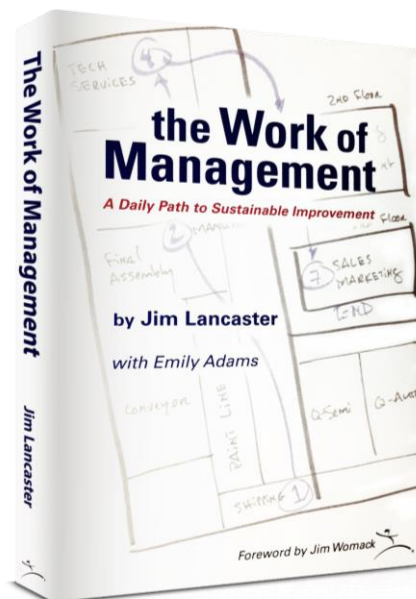


Lantech's Lean Journey

Jim Lancaster, CEO
Lantech



Eliminating the World's Shipping Damage

Case Erecting
Case Sealing
Stretch Wrapping
Conveying



Lantech

Lean Objective at Lantech

to Accumulate Competitive Advantage

- ⇒ Accumulate Process Improvement
- ⇒ Accumulate Ability to *Hunt Like a Pack*

- ⇒ Tyranny of Chasing the *Next Big Idea*
- ⇒ *Deterioration*, the Enemy of Improvements
- ⇒ First, Managers *Believing* in Supporting the Work
- ⇒ Management System to *Combat Deterioration*

The Journey



**First Growth
Stage**

1972 - 1989

The Journey

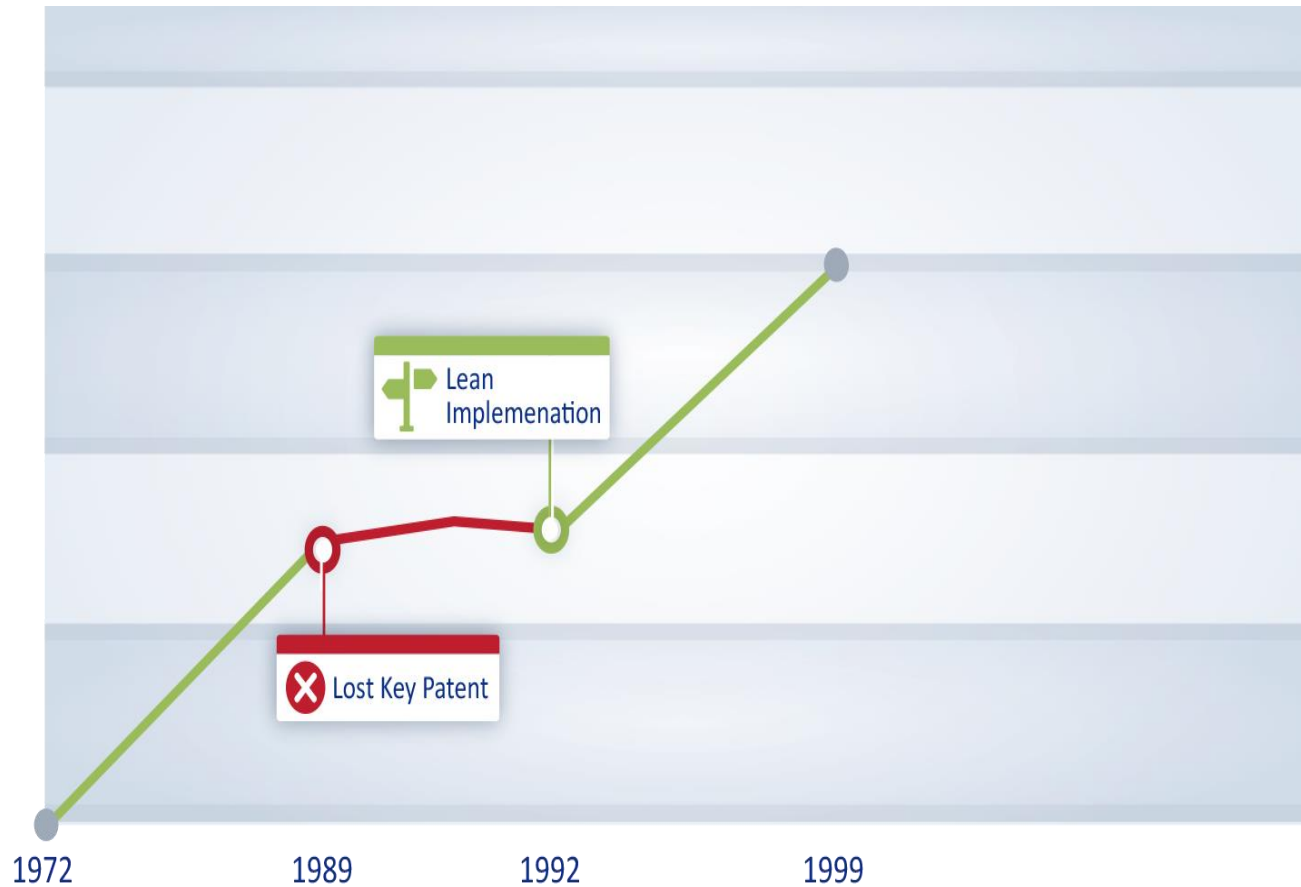


First growth stage went through to 1989 then leveled through 1992.

1989 - 1992



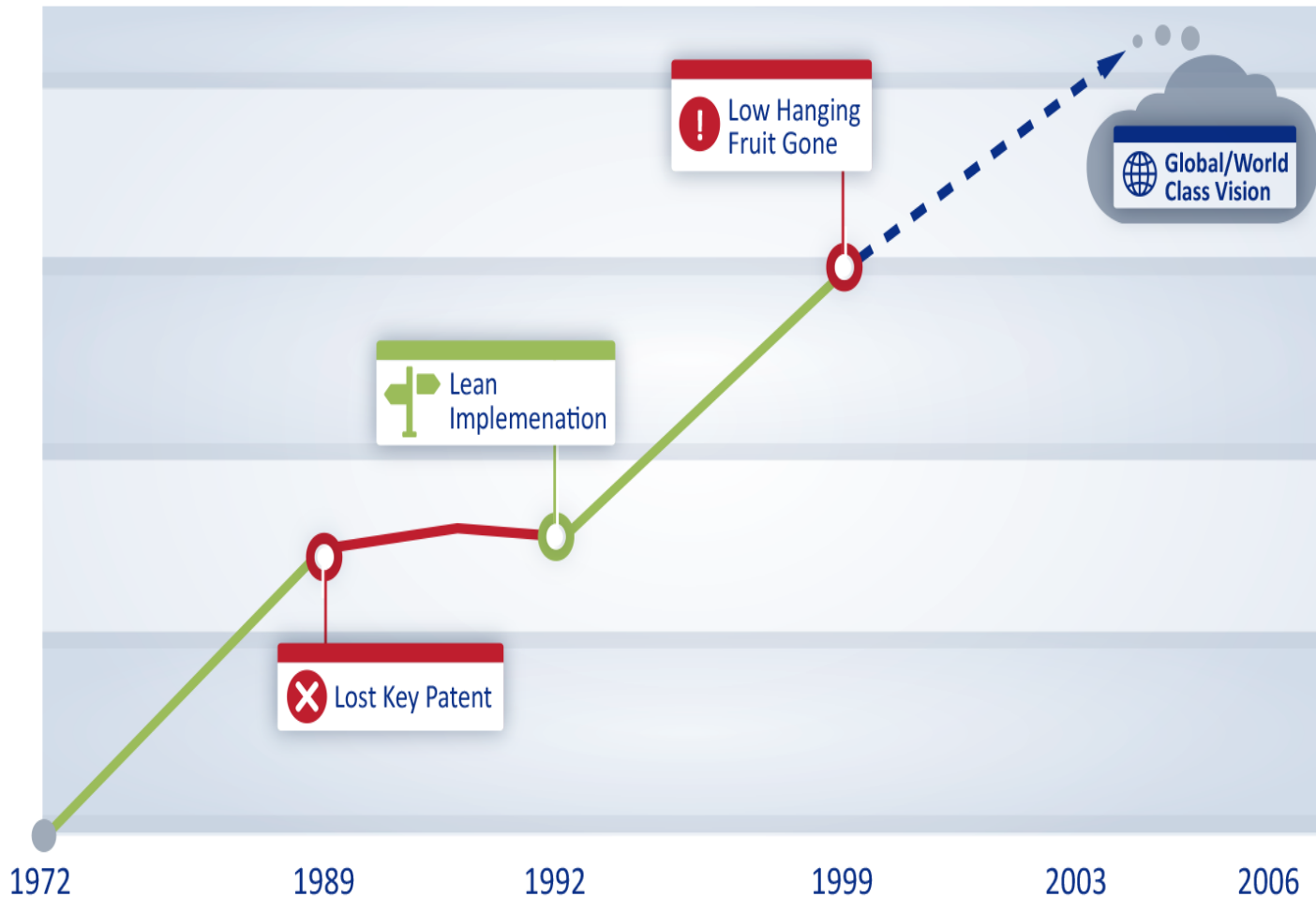
The Journey



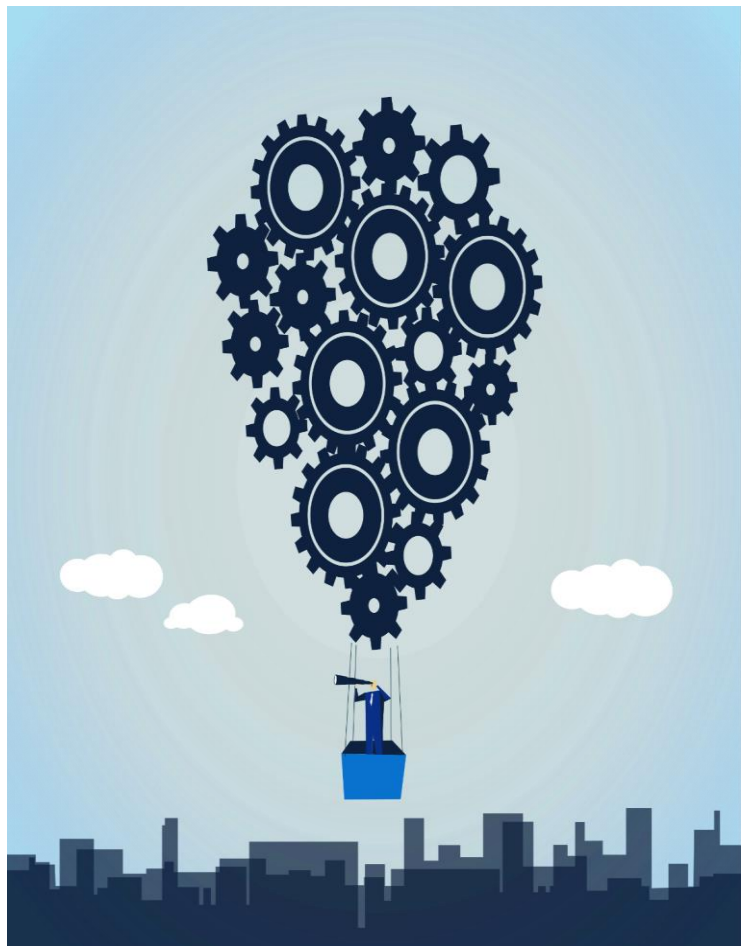
Lean facilitated growth still happening but it was not the same.

1992 - 1999

The Journey



The Next Big Ideas

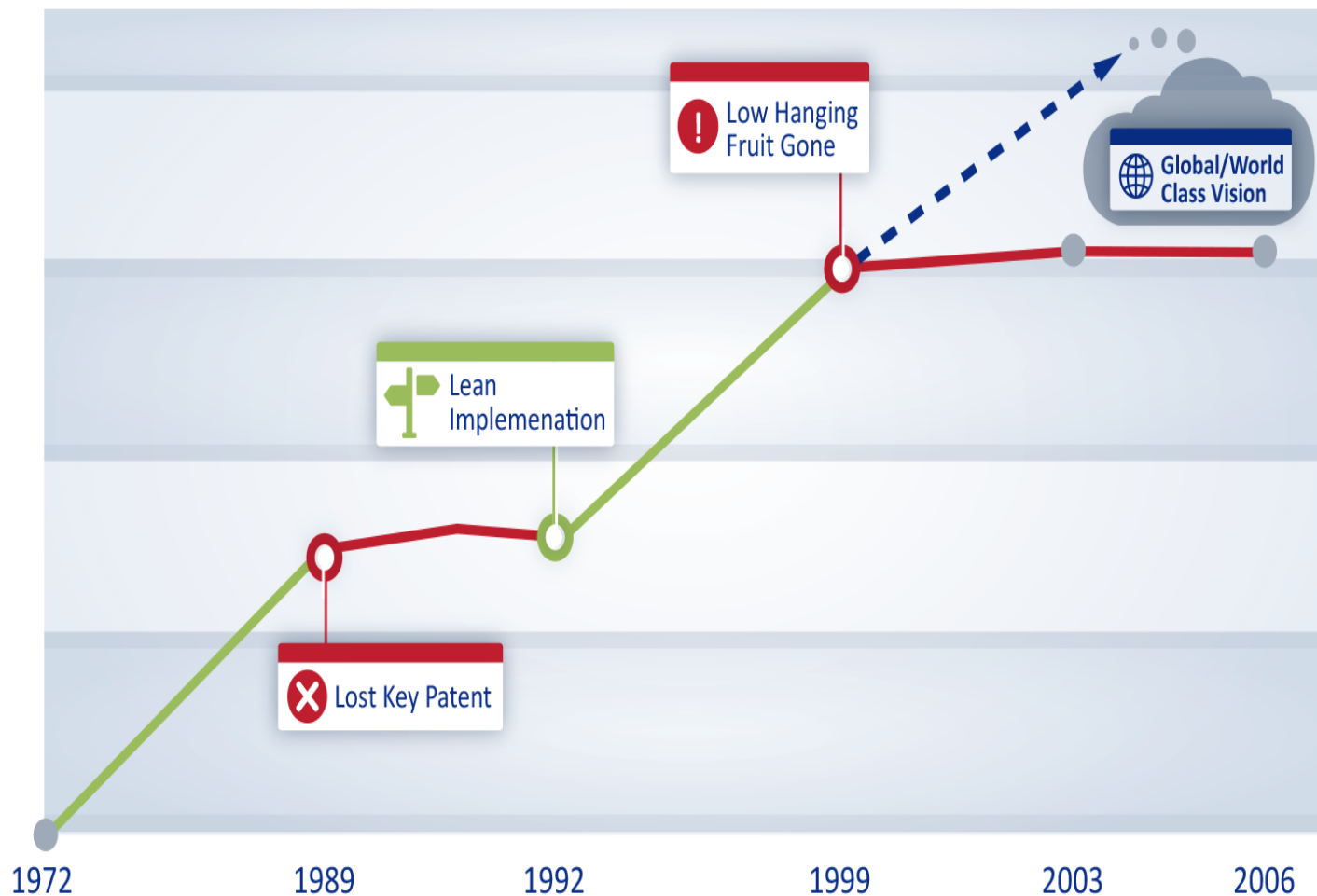


⇒ Acquisitions

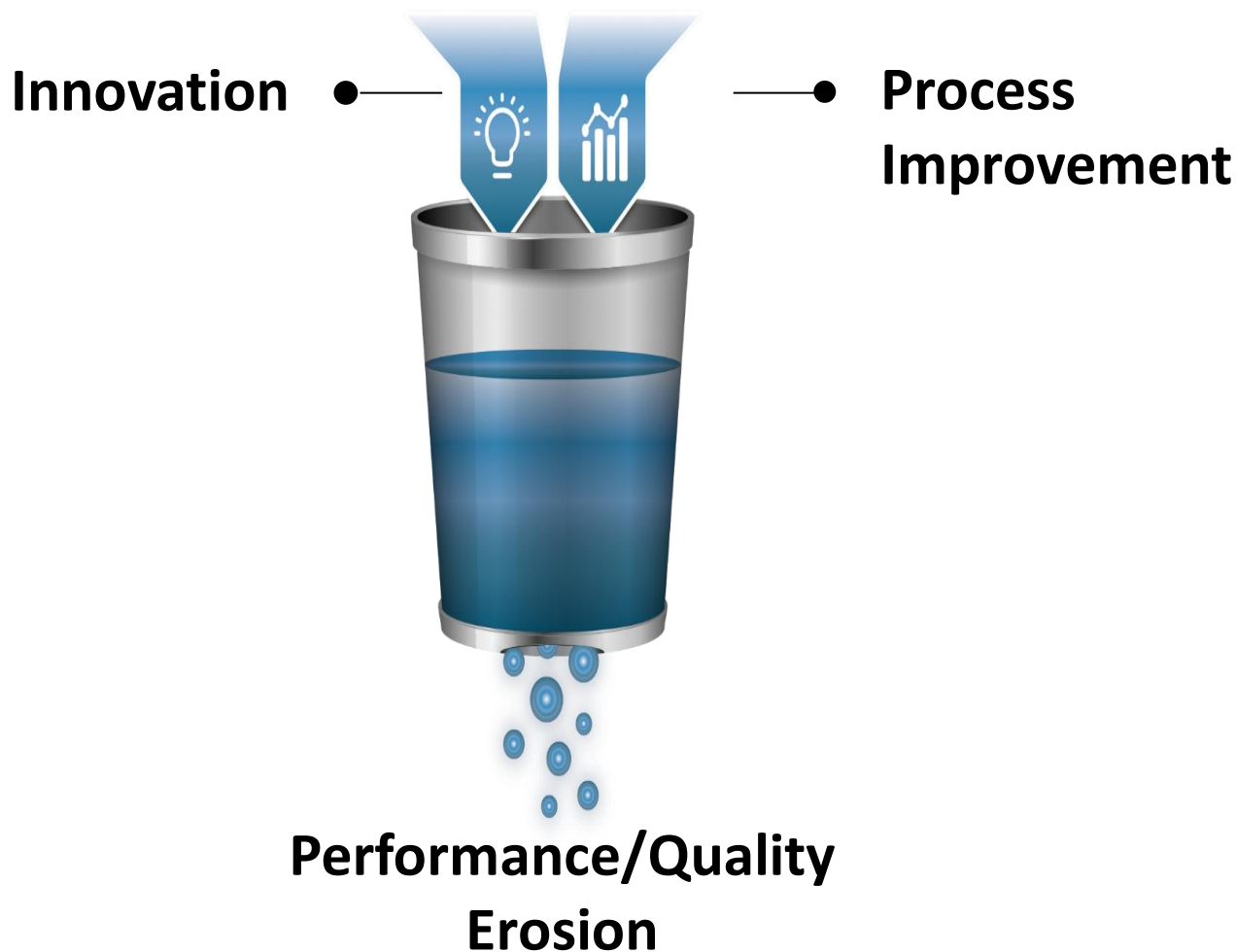
⇒ Global Expansion

⇒ Product
Expansion

The Journey



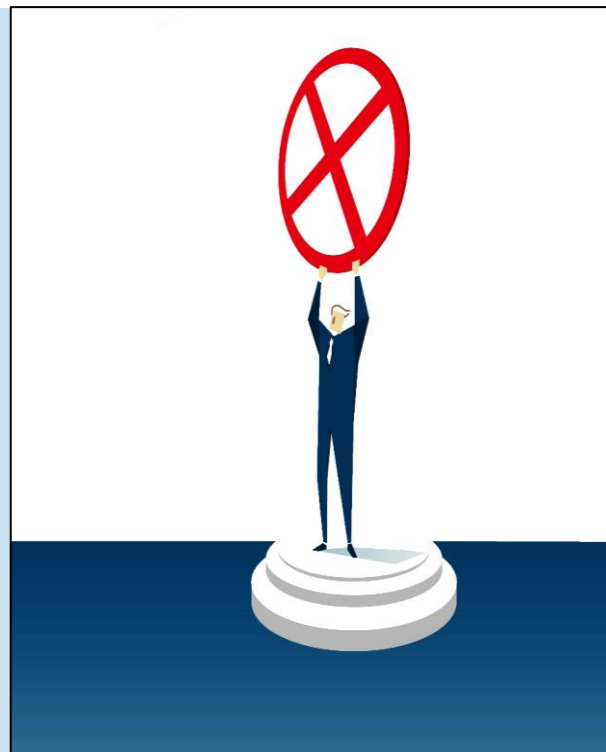
Revelations . . .



Big Idea



⇒ **Management
Accountability**



Big Idea



⇒ **Get Some Help**

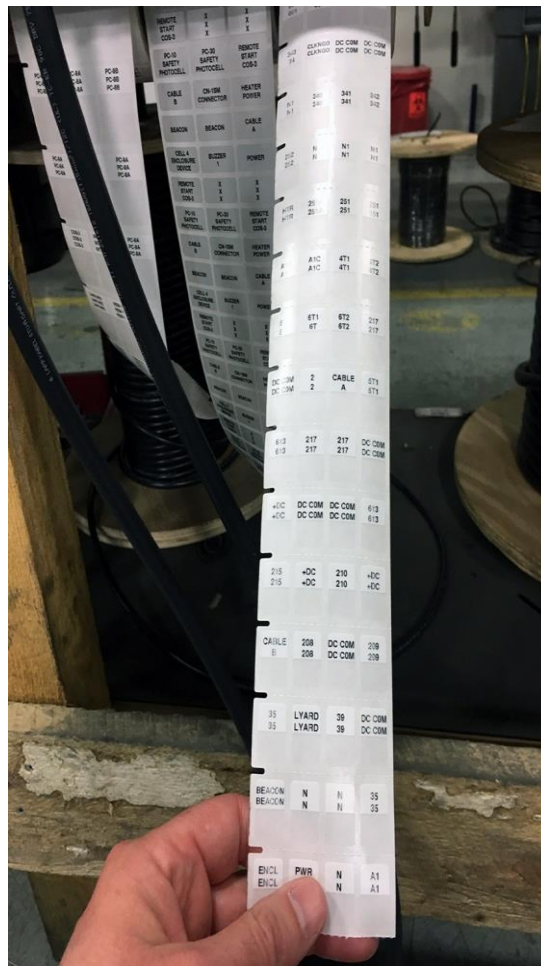


Back to the Floor



Electrical Panel Cell

Back to the Floor

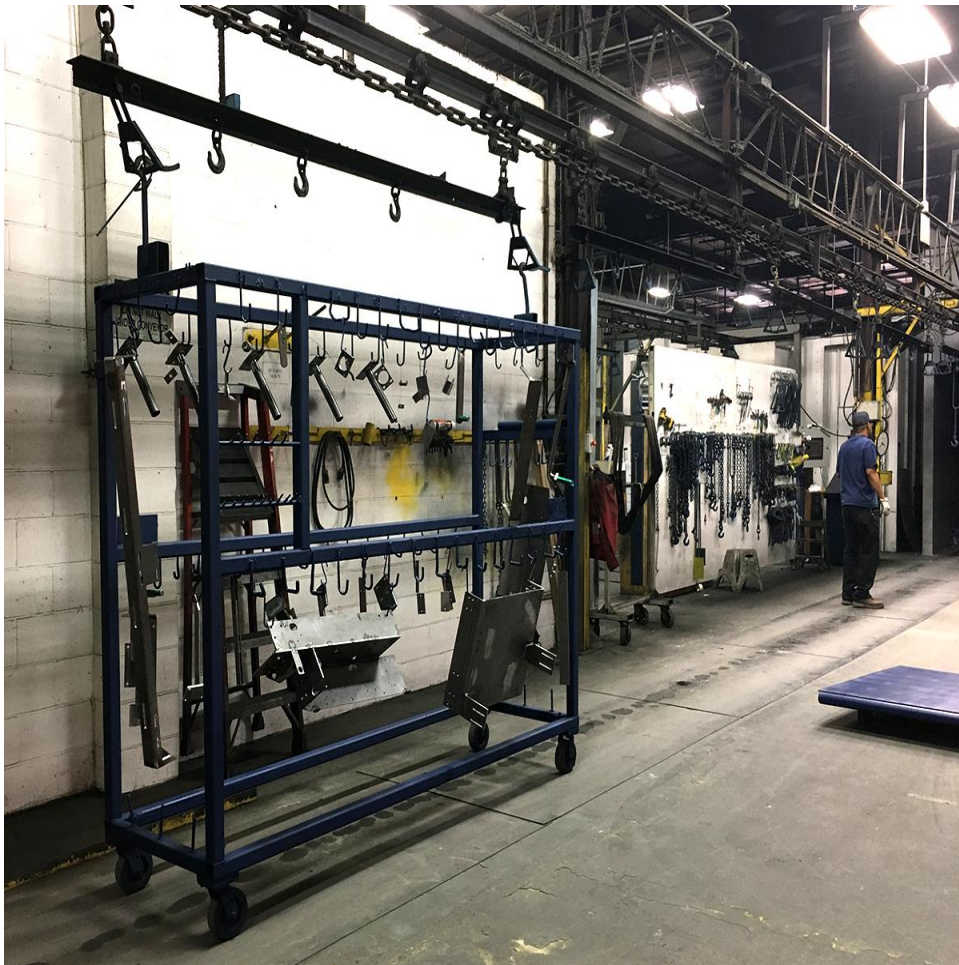


Labels

**Seeing and understanding
the work is harder than it
looks.**

*Does it really take the CEO
to get rapid support to the
operator?*

Back to the Floor



Paint Line

**Huge number of variables
attack the process every
day.**

*Operators and Team
Leaders can't control many
of those variables.*

The System

THE Business Issue: Quality-Margin-Knowledge, Skill Capture

are not improving at an acceptable rate

- We are living off the past and it will not last
- We are stuck in do loop of fire fighting vs fixing root causes
- Plenty of direction but little momentum.

WE Need a Strong Management System

- That holds gains through management quick response
- Allows for Improvement over time with time fixed up from firefighting
- The two jobs of management vs. leadership which is setting direction & getting others to follow.

Management System Components:

- Daily Operating Principle for how to maintain and improve our business vs looking for a silver bullet to save the day.

P - plan
D - do
C - check
A - adjust

Call it here only to fix →

Each Team needs a Clear picture of quality in their area

VISUAL MANAGEMENT

| | |
|--|---|
| Identifies Current Status (Metric, Green or Red) | Identifies Improvement Targets Planned actions and Current Status |
| Actions to put it back to standard | Actions to get back on track to Improvement Targets and Actions |

Support to be provided to managers in their areas minimizing disruption to their work.

W - Walk
A - Around
R - Review

Owner of Area → (Updating on actions to be taken - who takes what)
Support Managers → (Represent resources and Comprehensive Evaluating if the person in place can support the area today)

Start at end of value add process & work backwards.
< 10 min. per stop with set start & stop time.

Principles

If management work is not defined - 100% of work becomes fire fighting

UE must be deliberate (standardized) on how we manage the current condition so we free up time to do Improvement

Management happens at the work place. It is not a reporting process. Have key people present and decide how to proceed there. Goodwill between managers to free up time.

Standard process at each stop

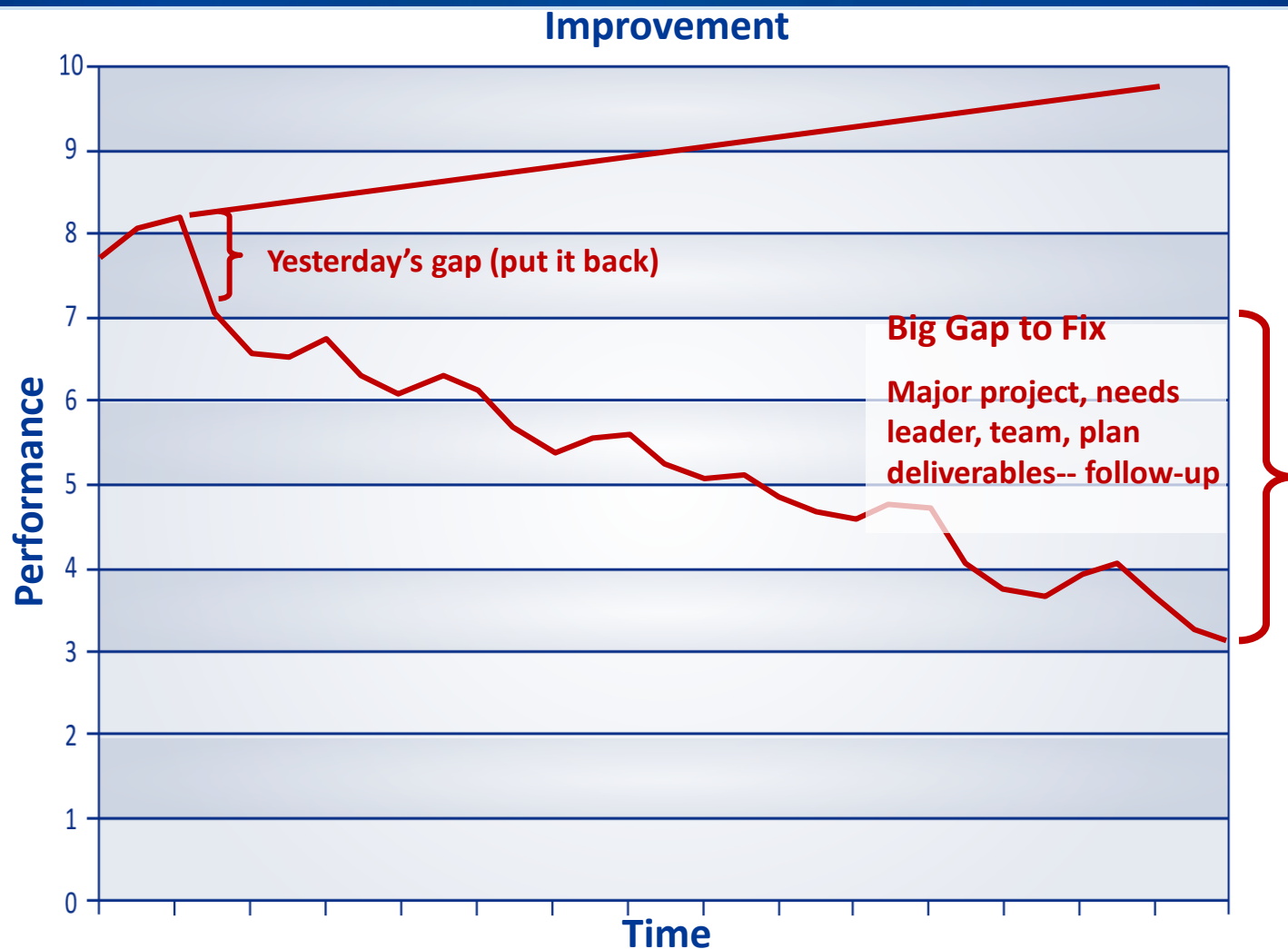
1. Observe Current Condition - metrics and area.
2. Discuss "Andon" Metrics below standard with next action focus.
3. Identify support needed or next action
4. A Way to capture who then takes what by when.
5. Follow up on Actions from prior days with follow up do today and record next who/what by when if needed.

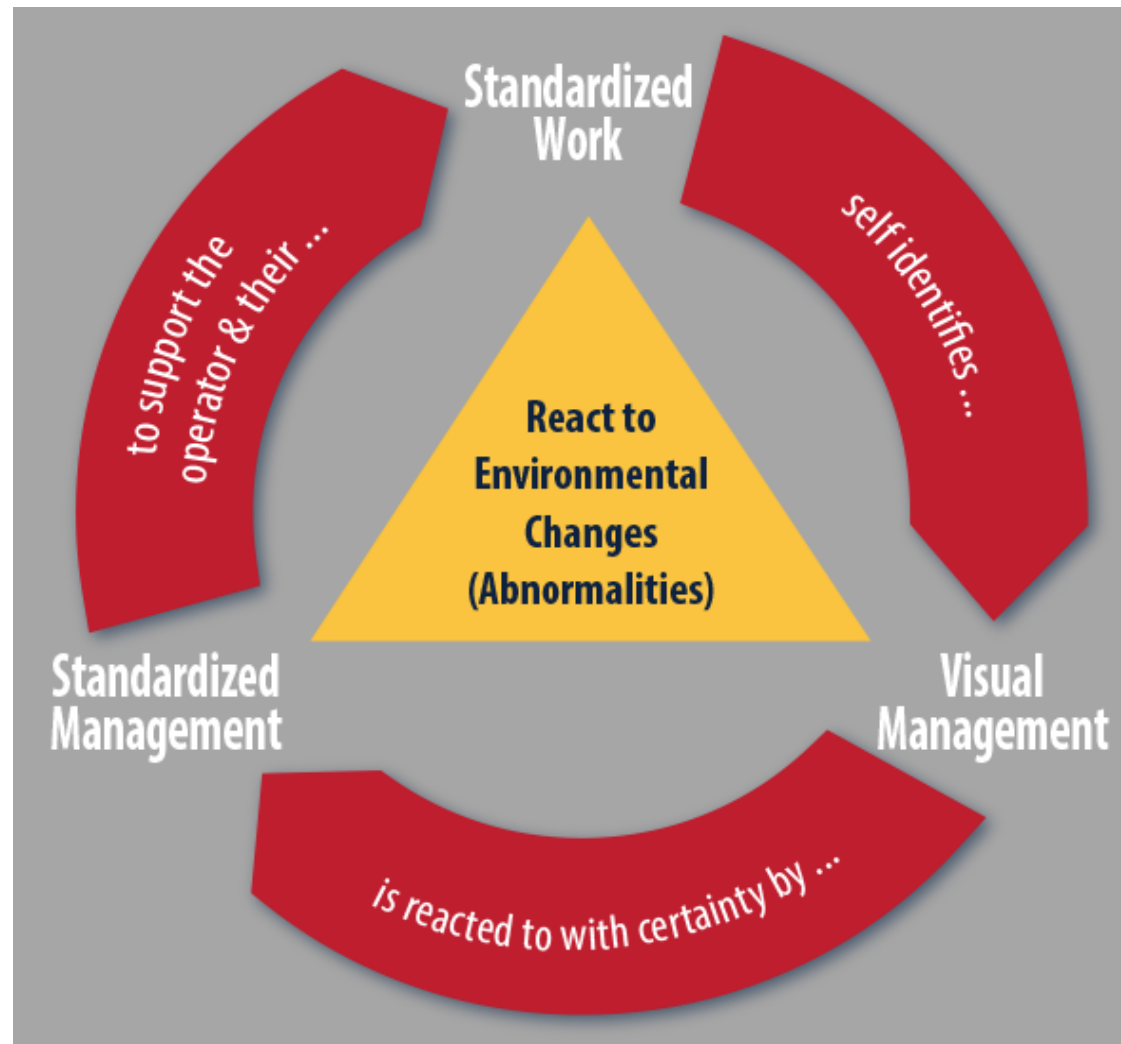
So . . .

We need a system that:

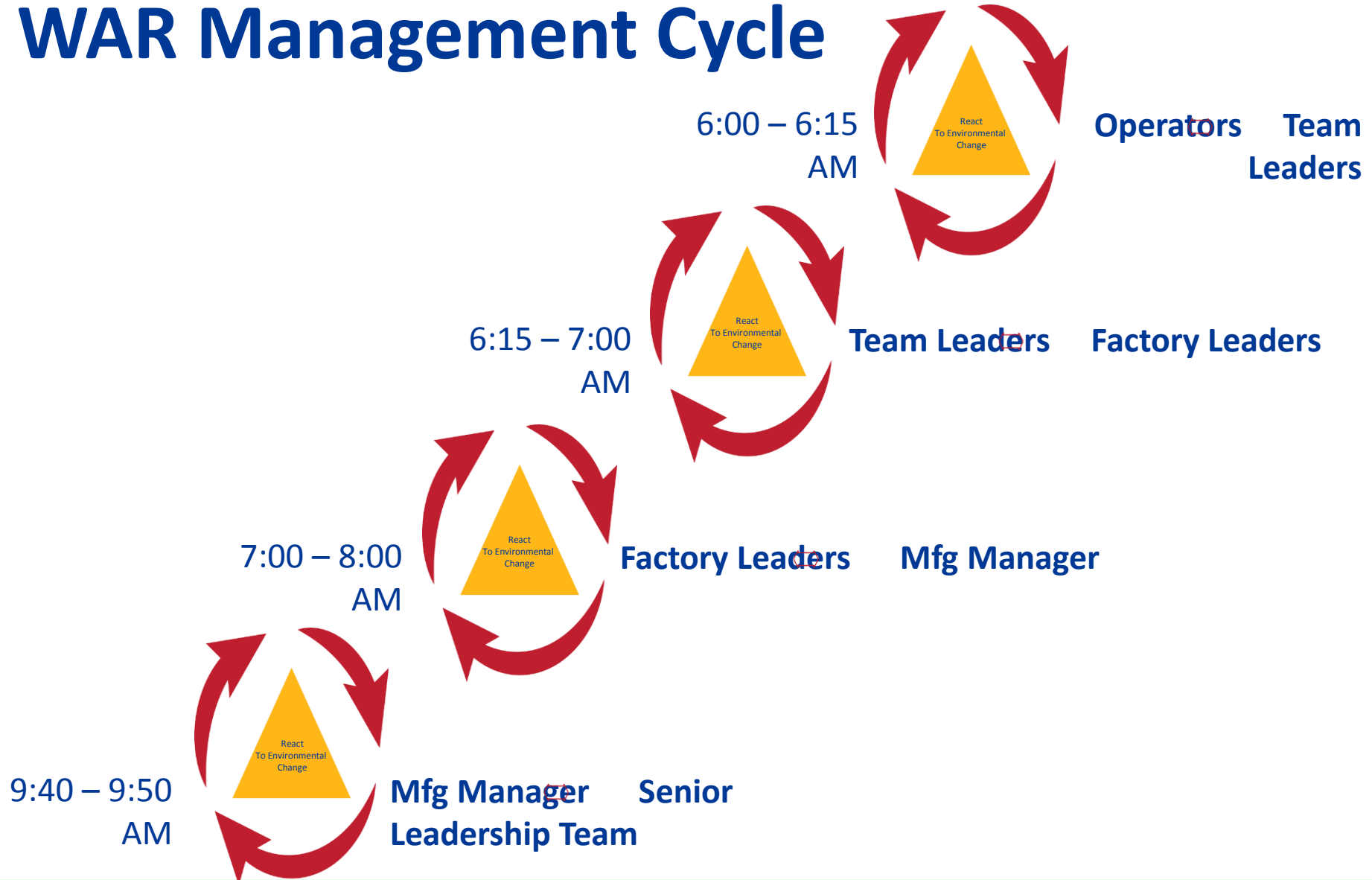
Holds gains through management's quick response, allowing for improvement from the freed up time from fire fighting.

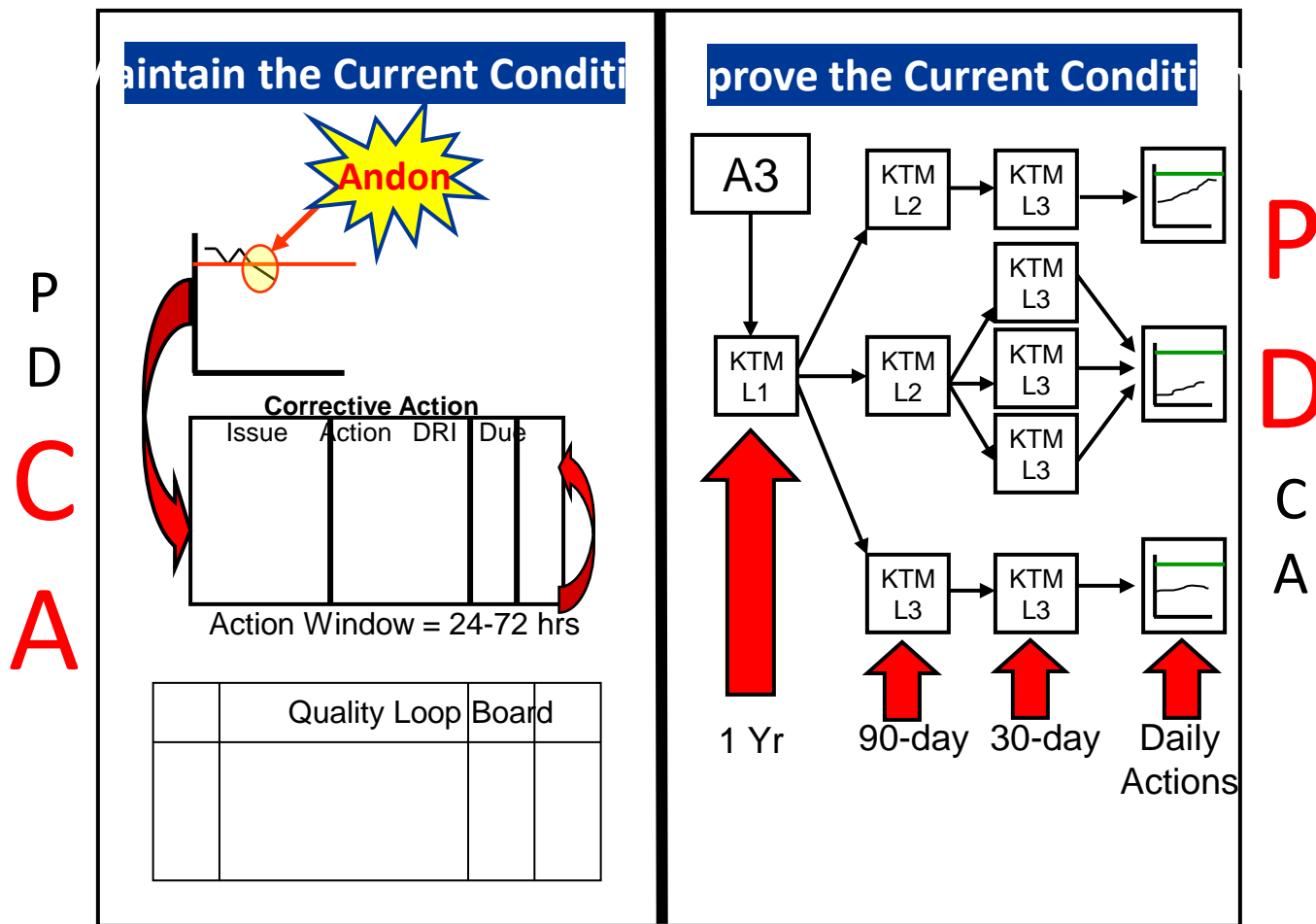
First Job of Management is to Hold Performance.
If Done Well, Provides Time for Improvement.





WAR Management Cycle





Actions in response to a
“trip wire”

Actions to achieve goals

- ★ Shipping
- ★ Materials
- ★ Manufacturing
- ★ Service
- ★ Engineering
- ★ Procurement
- ★ Sales Operations
- ★ Human Resources



Management is what happens standing there at the board!

- ⇒ Only deviations or things requiring support are discussed.
- ⇒ Deviations and problems have action attached with who does what by when before meeting is over.
- ⇒ Is the next step by the correct area or person?
- ⇒ Is the next step respecting problem solving and the operator?
- ⇒ Do we have immediate support for operator/customer?

Results in

Cross functional support every morning.

Priorities adjusted daily cross functionally.

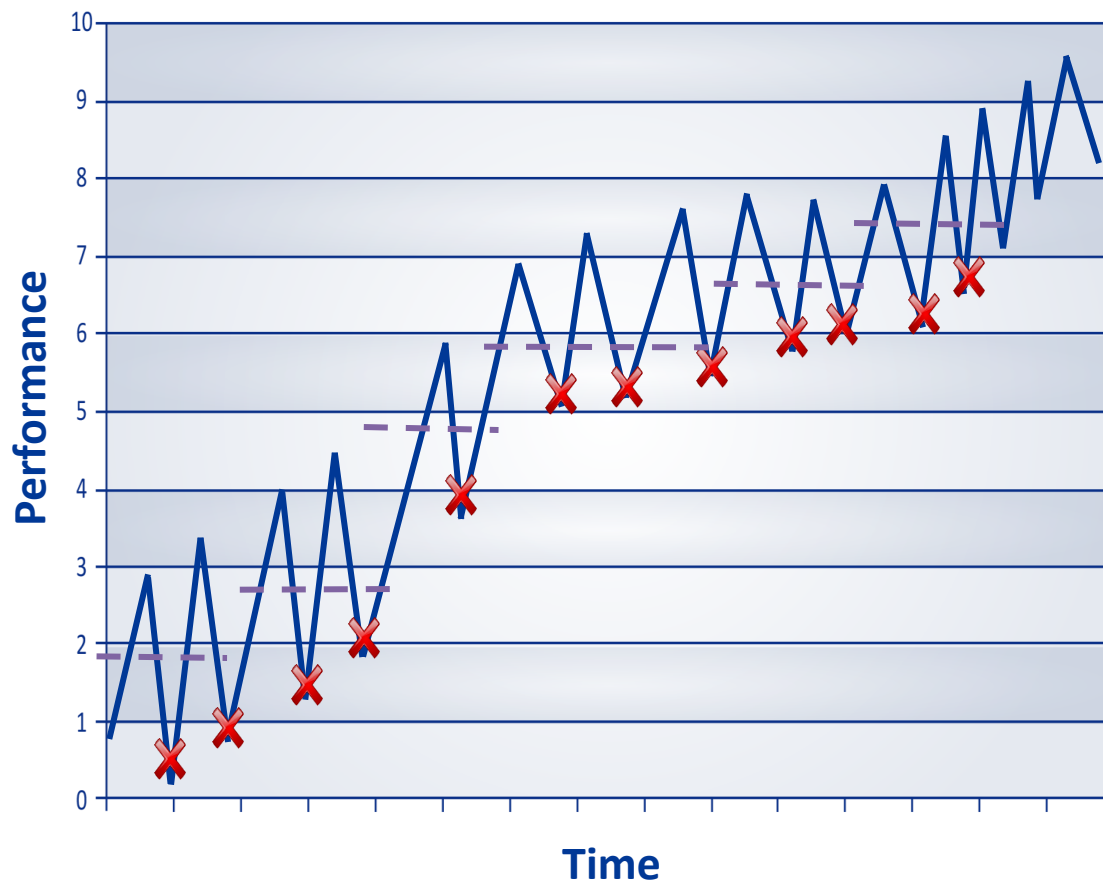
Clarity of Responsibility – who decides what.

The Impact

Improvements accumulate.

Significant directional changes can occur quickly.

Improved Performance from Maintaining Current Condition



It's About the Work!!

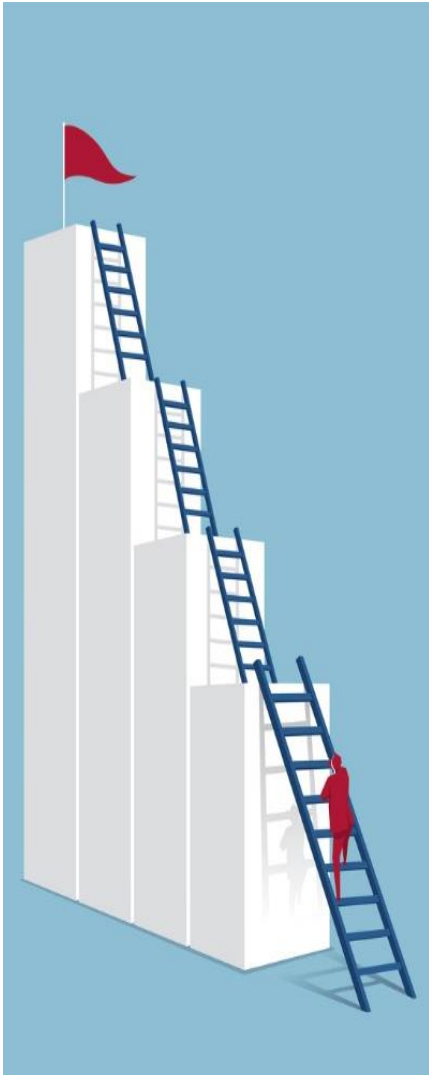


⇒ LEARNING to *SEE* it

⇒ LEARNING to *DESIGN* it

⇒ LEARNING to *MANAGE* it

If Lean improvements are not impacting your income statement and you have little time for improvement work, maybe you don't have an improvement problem. Maybe you have a deterioration problem.



Next Steps

- ⇒ Articulate your most pressing business need
- ⇒ Turn yourself into a believer
- ⇒ Go to where the work is being done and observe
- ⇒ Improve and standardize the work **YOURSELF**
- ⇒ Watch what happens to what you improved
- ⇒ Create a daily management system connecting the work to the needed support managers
- ⇒ Read the *Work of Management*
- ⇒ Buy more stretch wrappers!

Thank You!

Your opinion is important to us!

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

Session No: TS/17
Lantech's Lean Journey
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