

The Magic Pill - Lean Culture

Creating and sustaining your Lean Transformation

Mike Thelen
Business Systems Manager
Steel Partners



Agenda

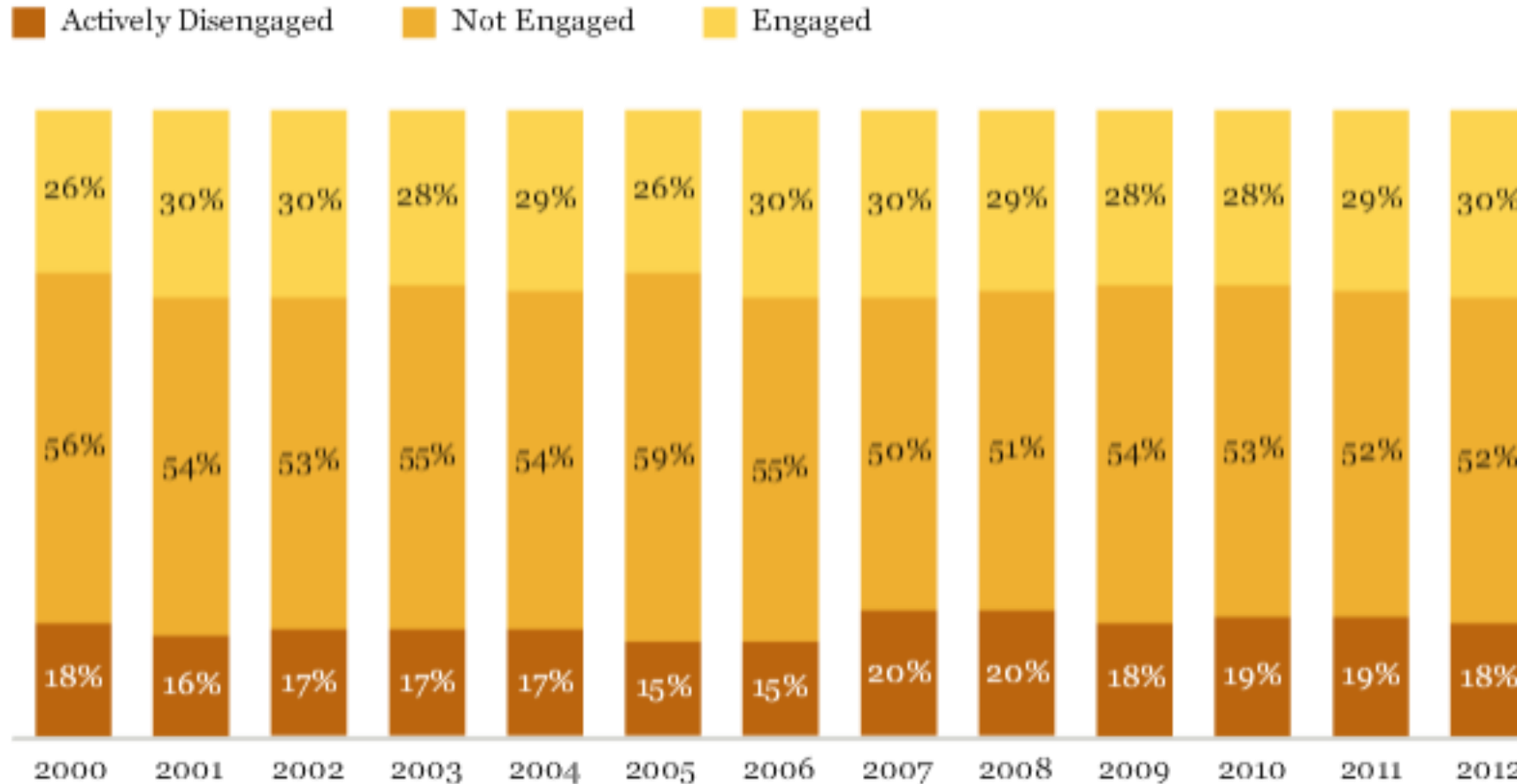
- Who is Steel Partners?
- Why are we here?
- Leadership keys for Culture
- Tell me how...
- Show me how...
- Why should I care?
- Questions?

Steel Partners A Private Equity Firm

Diversified Industrial	Energy		Financial Services	Investments								
2018 Revenue: \$1.29B	2018 Revenue: \$176M		2018 Revenue: \$122M									
Operating Companies	Operating Companies	Operating Companies	Operating Company	Company Ownership % ¹								
				<table border="1"> <tr> <td>Aerojet Rocketdyne</td> <td>5.3%</td> </tr> <tr> <td>Aviat Networks</td> <td>12.4%</td> </tr> <tr> <td>Babcock & Wilcox</td> <td>17.8%</td> </tr> <tr> <td>Steel Connect</td> <td>45.6%</td> </tr> </table>	Aerojet Rocketdyne	5.3%	Aviat Networks	12.4%	Babcock & Wilcox	17.8%	Steel Connect	45.6%
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Aviat Networks	12.4%											
Babcock & Wilcox	17.8%											
Steel Connect	45.6%											

70% of the 100 million workers in the United States are disengaged from their jobs

Source: 2013 Gallup Poll



Lost economic productivity **each year**
from disengagement

\$550 billion

Source: 2013 Gallup Poll

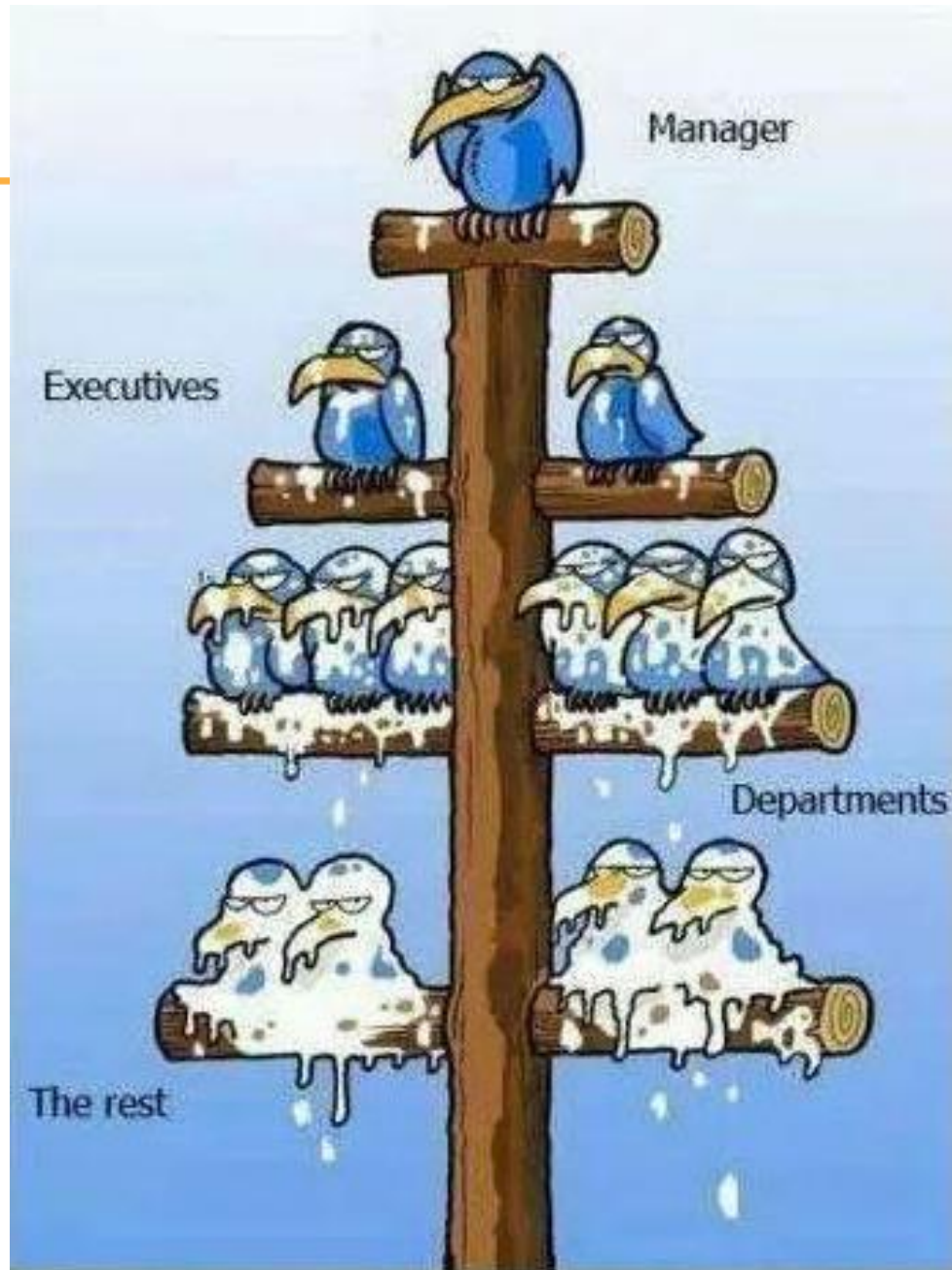




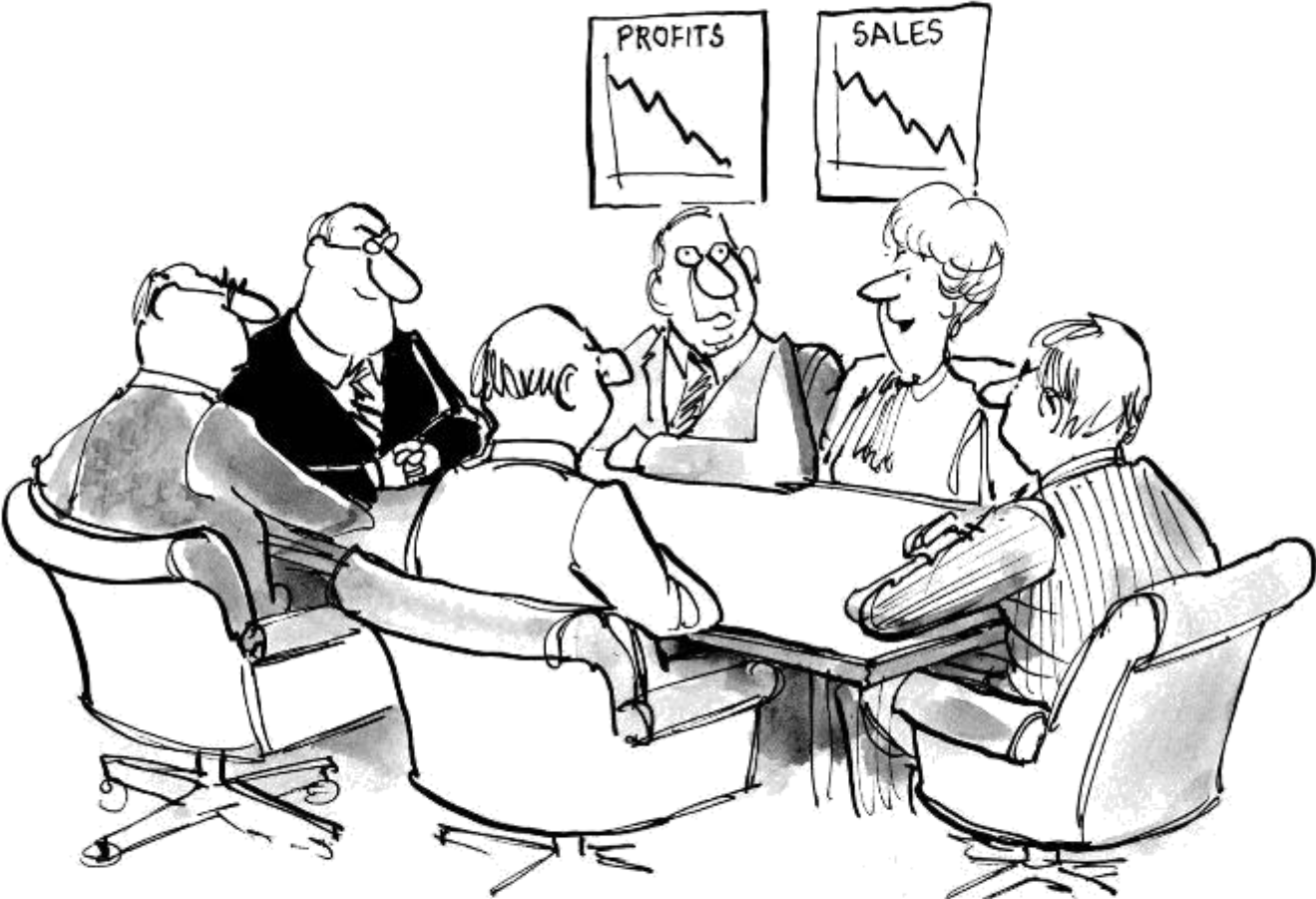
IME

Who?

How am I Leading?



Strategic Deployment



“What if we don’t change at all ...
and something magical just happens?”



Exercise - clarity

N

E

W

D

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R



Exercise - answer



O N E

W O R D



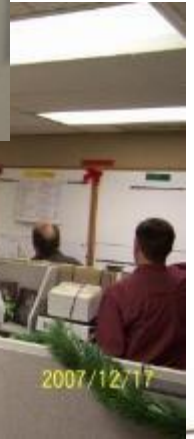
Warm cell Sales Performance
Week of 5/17/18 - 5/23/18

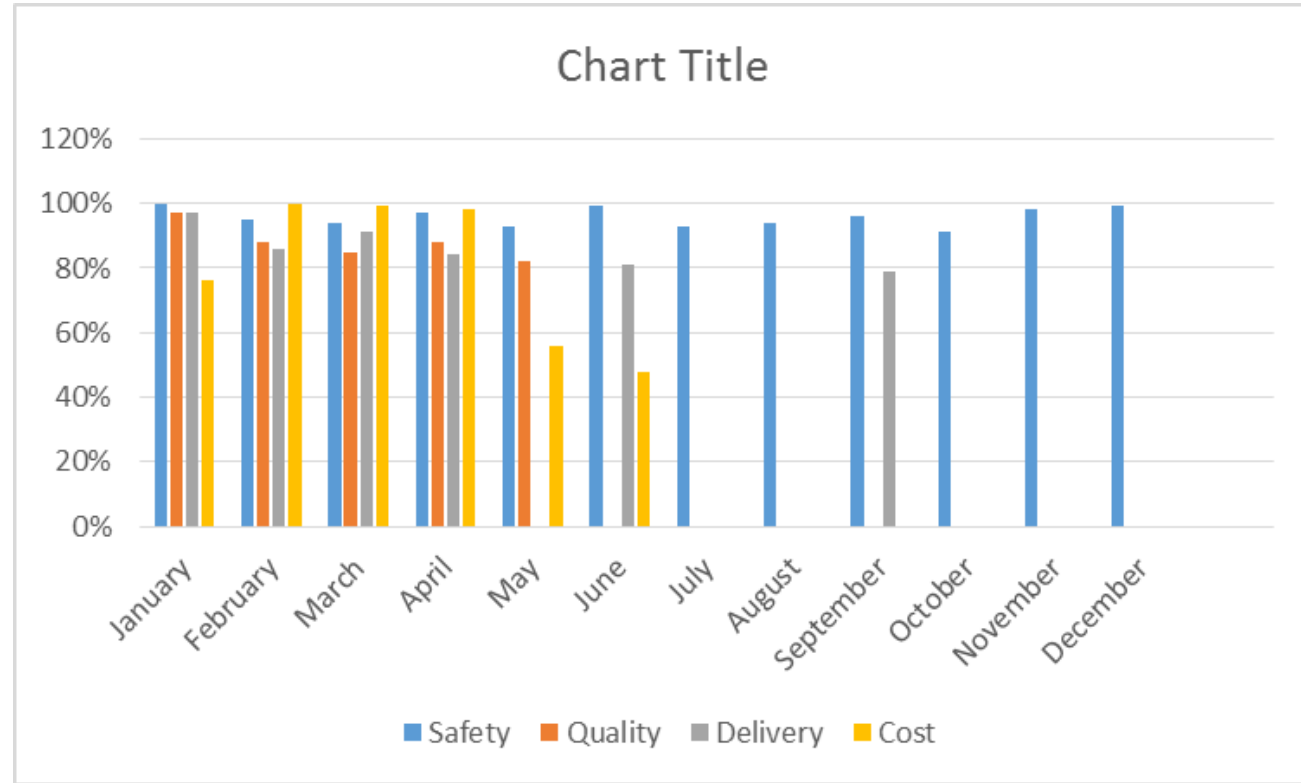
Code	Units	Cost	Revenue	Profit	Margin %	Revenue	Profit	Margin %
WGS	121	121	17,843	2,011	10%	5,000	2,993	60%
WCM	6	6	10,511	39	0.4%	130	23,700	18%
WGO	30	30	5,200	103	2%	89	7,370	8%
Total	157	157	33,554	2,153	6%	917	34,063	37%

Cause	Solution
[Handwritten text]	[Handwritten text]
[Handwritten text]	[Handwritten text]
[Handwritten text]	[Handwritten text]
[Handwritten text]	[Handwritten text]
[Handwritten text]	[Handwritten text]
[Handwritten text]	[Handwritten text]

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2019

NOV. 4-7
Leading
ON THE
Edge





I don't know how to fix ___?

1. Just let me fix it.
2. You don't know how? Maybe we should visit HR
3. Let me show you.
4. What do you think you could try?

What do you think you could try?

TEAM

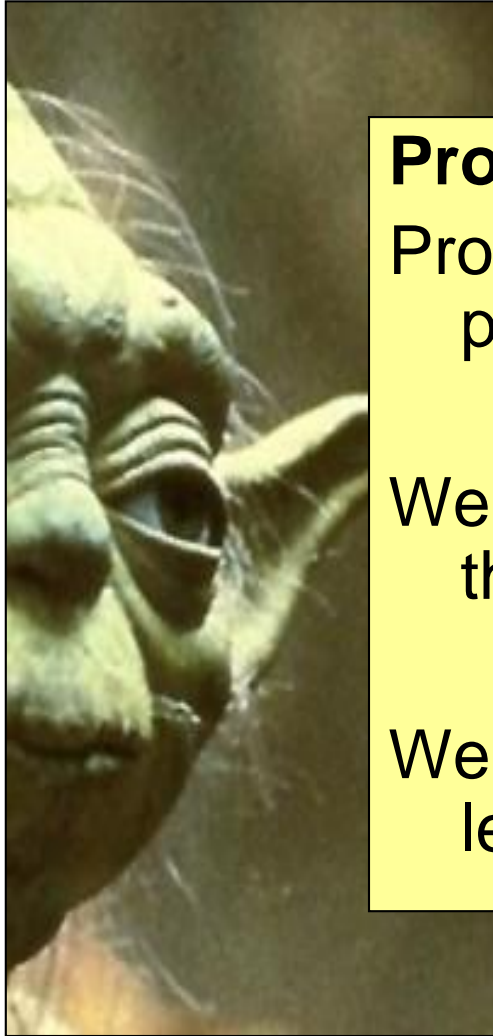
IFAMM

IFAMM

IME

What do you think you could try?

Tell me how



Process Focus

Problems in the process (why?)

We can control the process

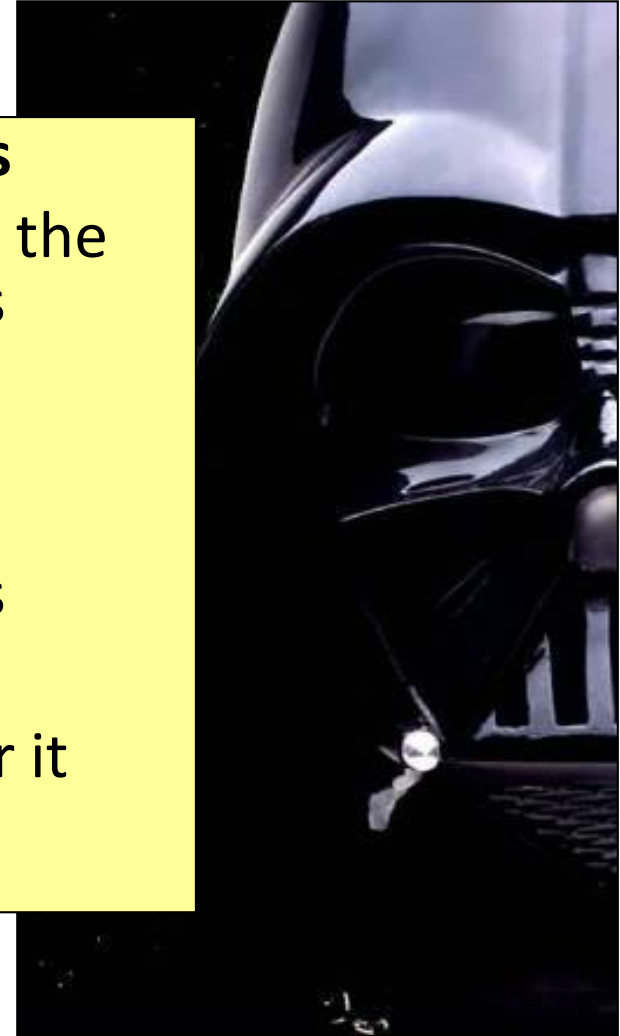
We develop leaders

Results Focus

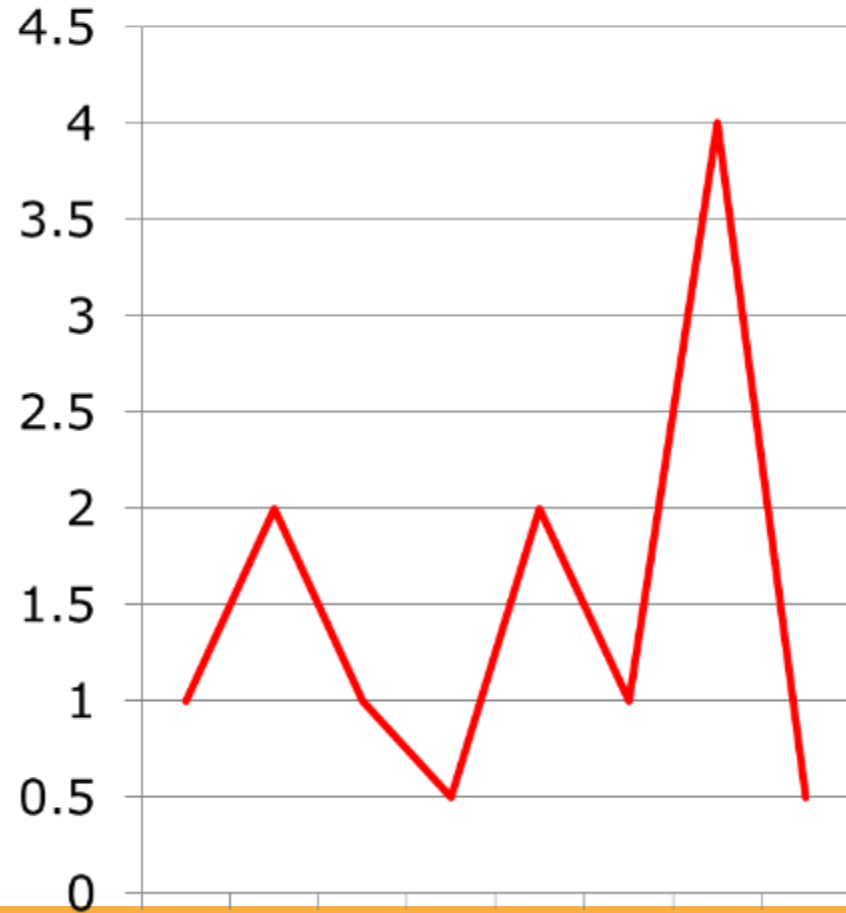
Problems are the employees (who?)

I can control employees

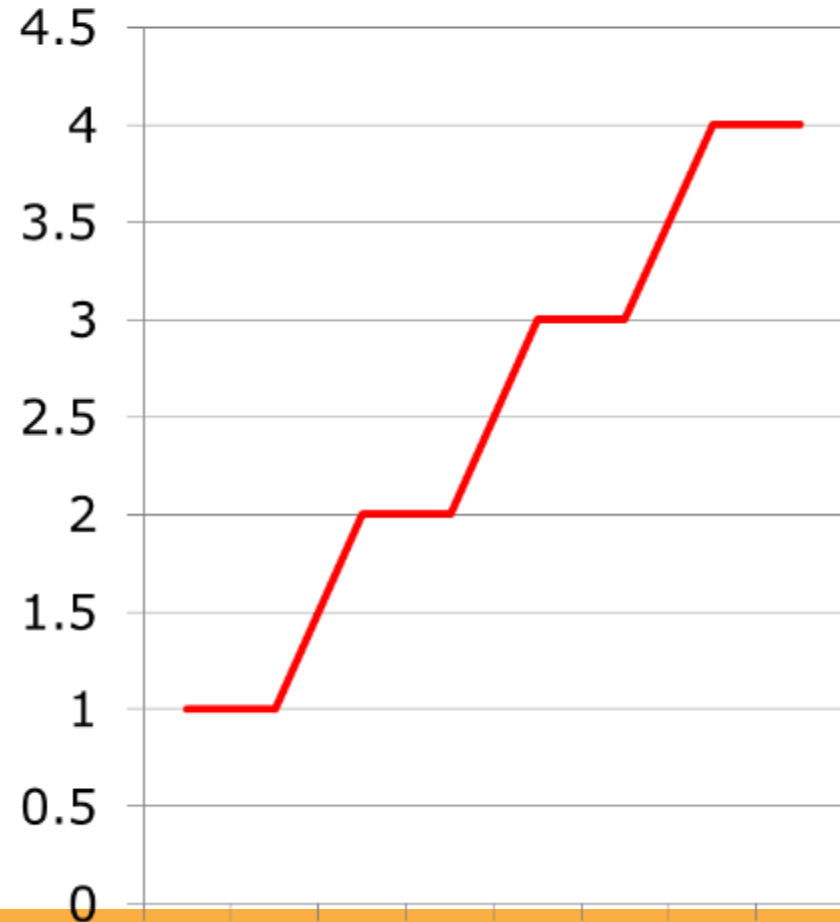
I do whatever it takes



Kaizen! No Standardization



Kaizen! With Standardization



Michael D Thelen

Michael D Thelen

Michael D Thelen

Michael D Thelen

Michael D Thelen

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Mcal Tee

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*Why did we
just do this?*

Leader's role



Guidance vs. Direction



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Controlling Yourself



Controlling Yourself

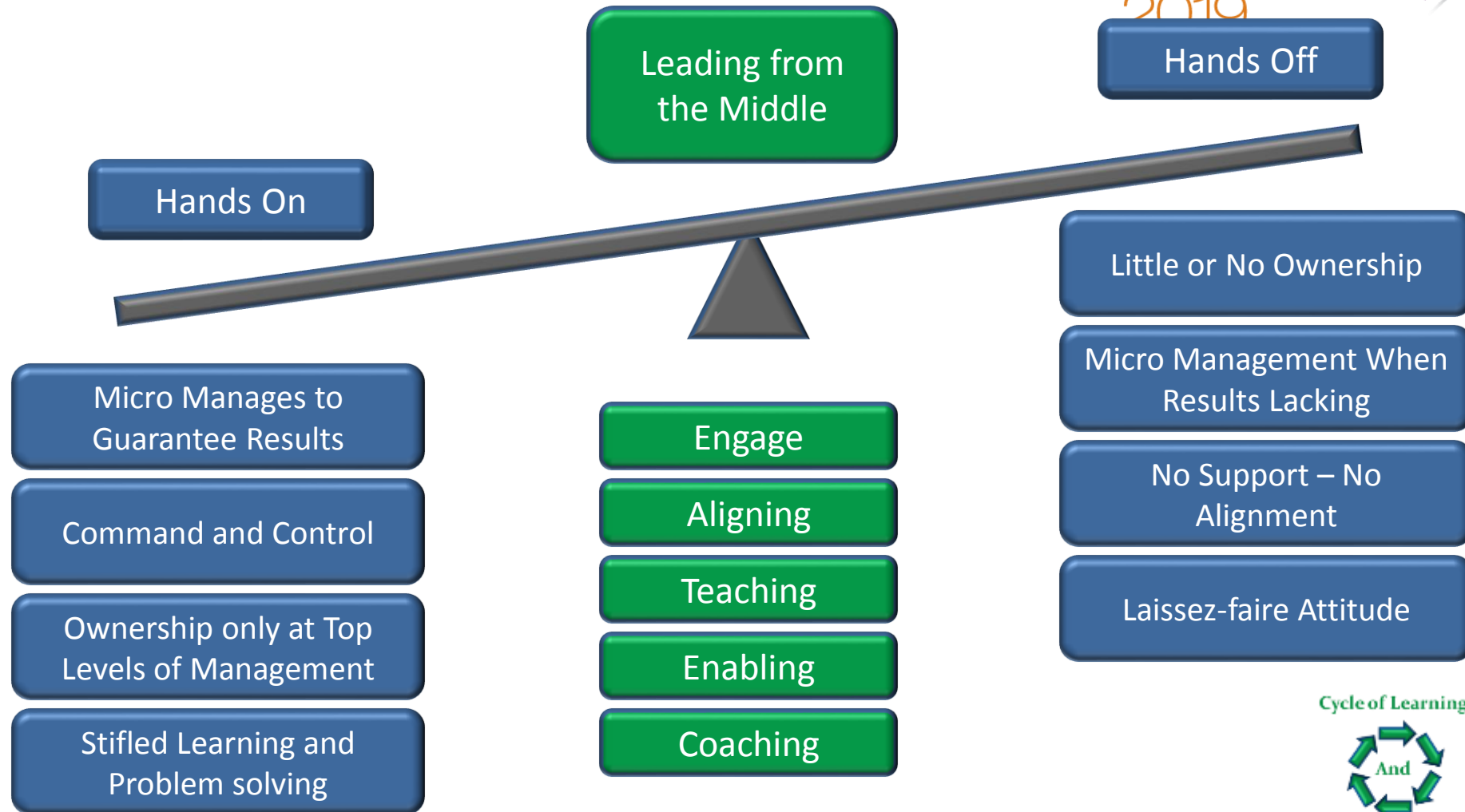
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Leader discipline



Socratic/servant leadership



Cycle of Learning



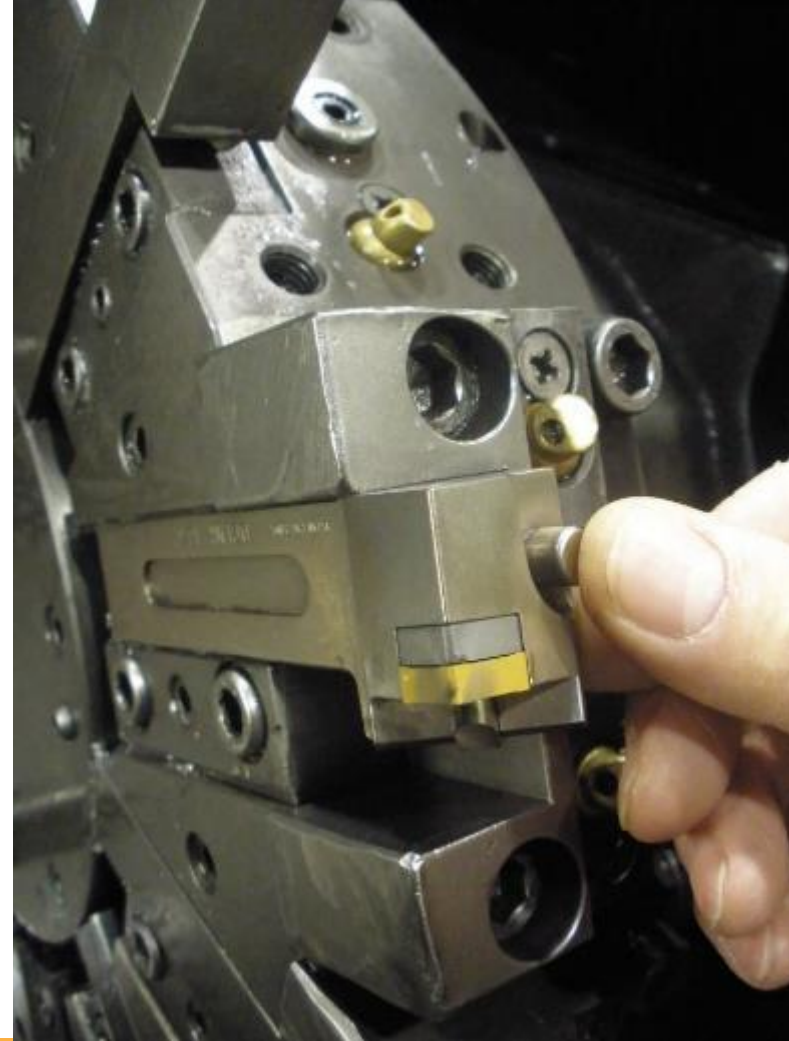
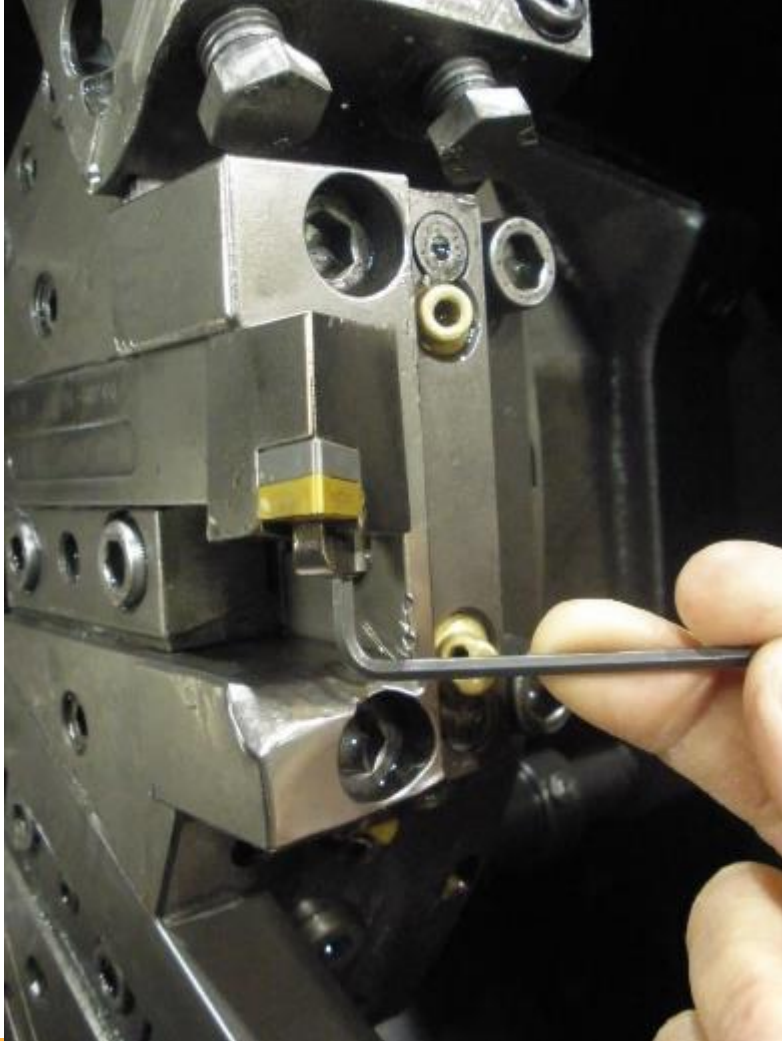
Continuous Improvement

Respect for people – servant leadership

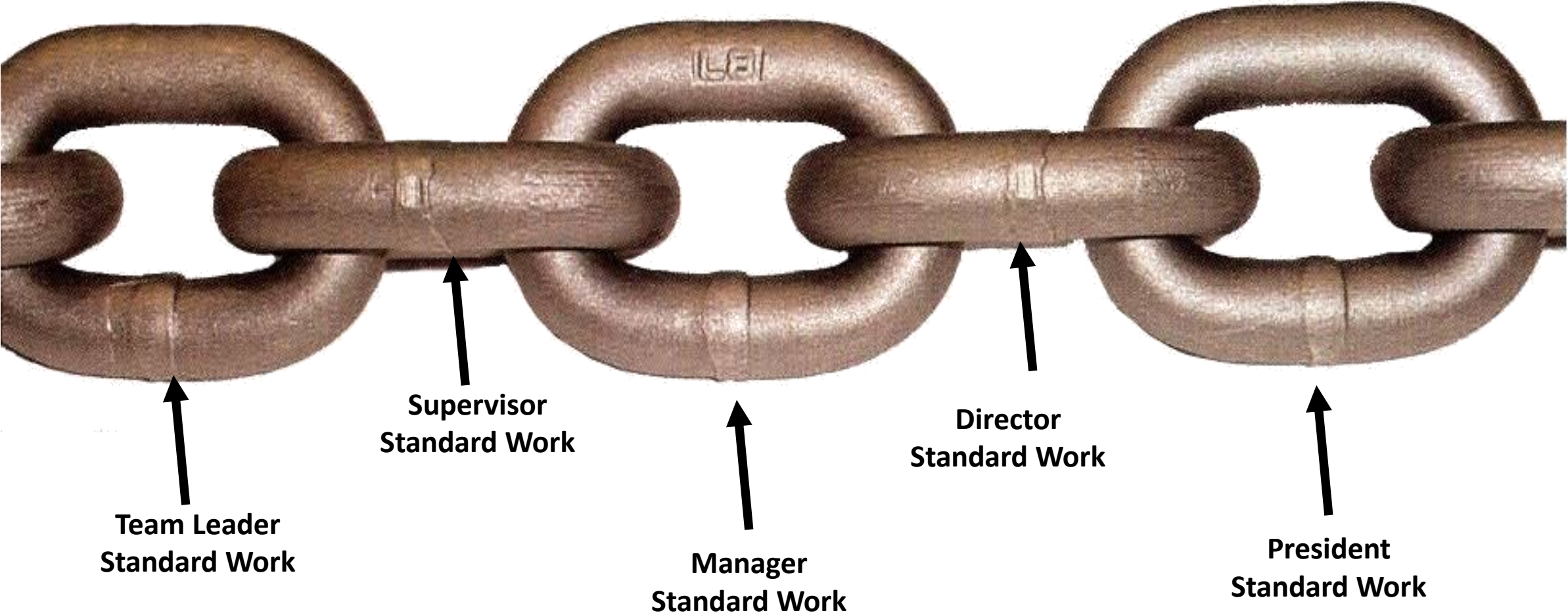


- ~ Providing the right tools
- ~ "Say/Do"
- ~ Have Manners
- ~ Forgive
- ~ Provide Help
- ~ Go and See at the Source
- ~ Challenge
- ~ Empower
- ~ Have Passion!
- ~ Humility
- ~ Providing the right opportunities
- ~ Communicate!
- ~ Teach/Mentor
- ~ Take Charge when Necessary
- ~ Promote (I don't mean new job title...)
- ~ Provide True North
- ~ Lead by Example
- ~ Provide Honest Feedback
- ~ Give Undivided Attention





Linking Standard Work



Show me how

Outside 'Strike Zone'



SAFE Lift Zone



Kaizen Implementation Report

Department: PURCHASING / Work Center/Type: 608 - DEPT. / Author: GALE/BAUDOUY/CEAT6 / Date: 5/5/19 / Kaizen #: 17

Before Kaizen

After Kaizen

Problem	Implemented Item	Effect
<p>GEAR BOX TO GEAR BOX TO CARTON SIZE LIST NOT COMPLETE.</p>	<p>-UPDATE GEARBOX TO CARTON SIZE LIST.</p>	<p>-KNOW EXACTLY WHAT SIZE BOX IS NEEDED FOR EACH GEAR.</p> <p>-RESULT WILL BE NO SECOND GUESSING + PRODUCT OUT TAG DONE QUICKER.</p> <p>10 min shift x 2 shifts 5000 min</p>

Tracking: Further Review / Accepted / Rejected

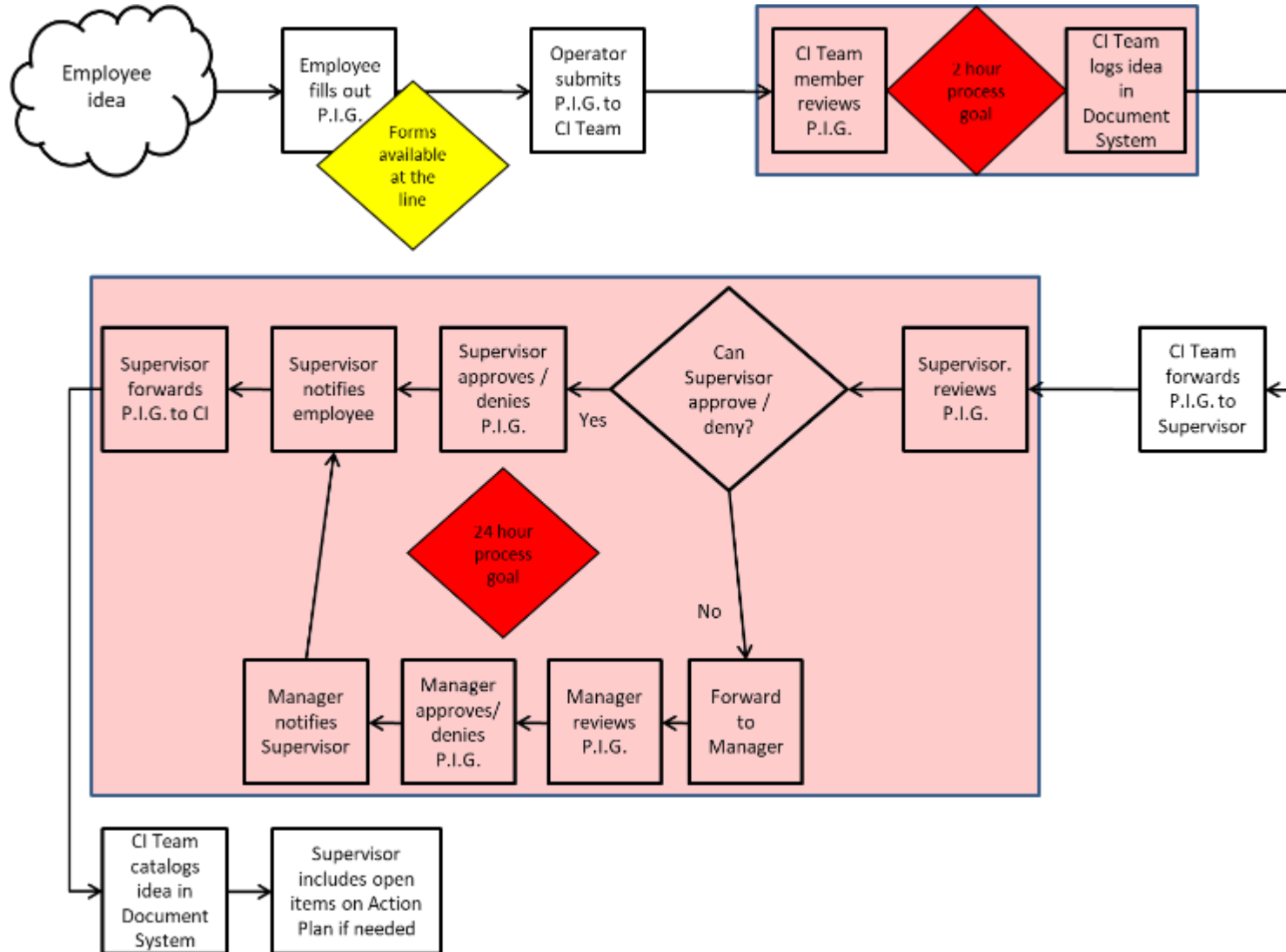
Reviewer: Jenny Leier

Comments:

5/12/2019

21

Kaizen Implementation Report		Kaizen #
Department: <u>workcell</u>	Work Center/Type: <u>Assembly</u>	Author: <u>Alan Enger</u>
Date: <u>9/26/07</u>		
<p>Before Kaizen</p> <p>clutter</p>	<p>After Kaizen</p> <p>moved pipe apx 8 in.</p> <p>clean</p>	
<p>Problem</p> <p>many times during a shift as you pull down on air wrench the air hose catches on tools that hang from magnet strip knocking them to the bench / floor or wherever</p>	<p>Implemented Item</p> <p>move the pipe that the air tool slides on farther out so the wrench doesn't hang right on the tools. apx 8 in should be about right,</p>	<p>Effect</p> <p>would not have to stop work to keep picking up tools. 5 min per shift Apx. 10 min per day 50 min per week 2600 min per year 43.3 hrs year</p>
<p>Tracking</p> <p>Further Review</p> <p>Accepted</p> <p>Rejected</p>	<p>Reviewer</p>	
<p>Comments</p>		



CI Log

- Track processing time to goal
- Track open ideas for action
- Follow-up with reviewers on open items (or place on Daily Walk action registers)

CI Catalog

- Idea sharing across lines & plant
- Track ideas for implementation success
- Track ideas for future reference

Operator steps to complete the P.I.G.



Start Here → Project/Idea Leader: **Who's idea?** Project Title/Idea: **Idea to consider**

I. BUSINESS CASE/OBJECTIVE (PROBLEM) (Chart, Table, Graph, etc)

Excess time spent searching/using multiple tools

III. TARGET CONDITION (SOLUTION) (New Layout, VSM, Process Map, etc)

Draw the Future Situation

Tool A = Setup

Describe what we want to see changed

Step 2 →

II. CURRENT CONDITION (CAUSE) (Layout, VSM, Process Map, RCA)

Draw the Current Situation

Tool 1 + Tool 2 = Setup

Describe the opportunity for improvement

IV. ACTION PLAN (ACTION) (Problem/Countermeasure)

Action Step	Owner	Due Date	Implementation Schedule/Status (days / weeks / months)																	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14				
Make Universal Tool	Bob S	7/17/17																		

Step 3 →

Leader Review : Accepted Rejected Comments

V. IMPROVEMENT (MEASURE)

1 Improve setup by 3 minutes

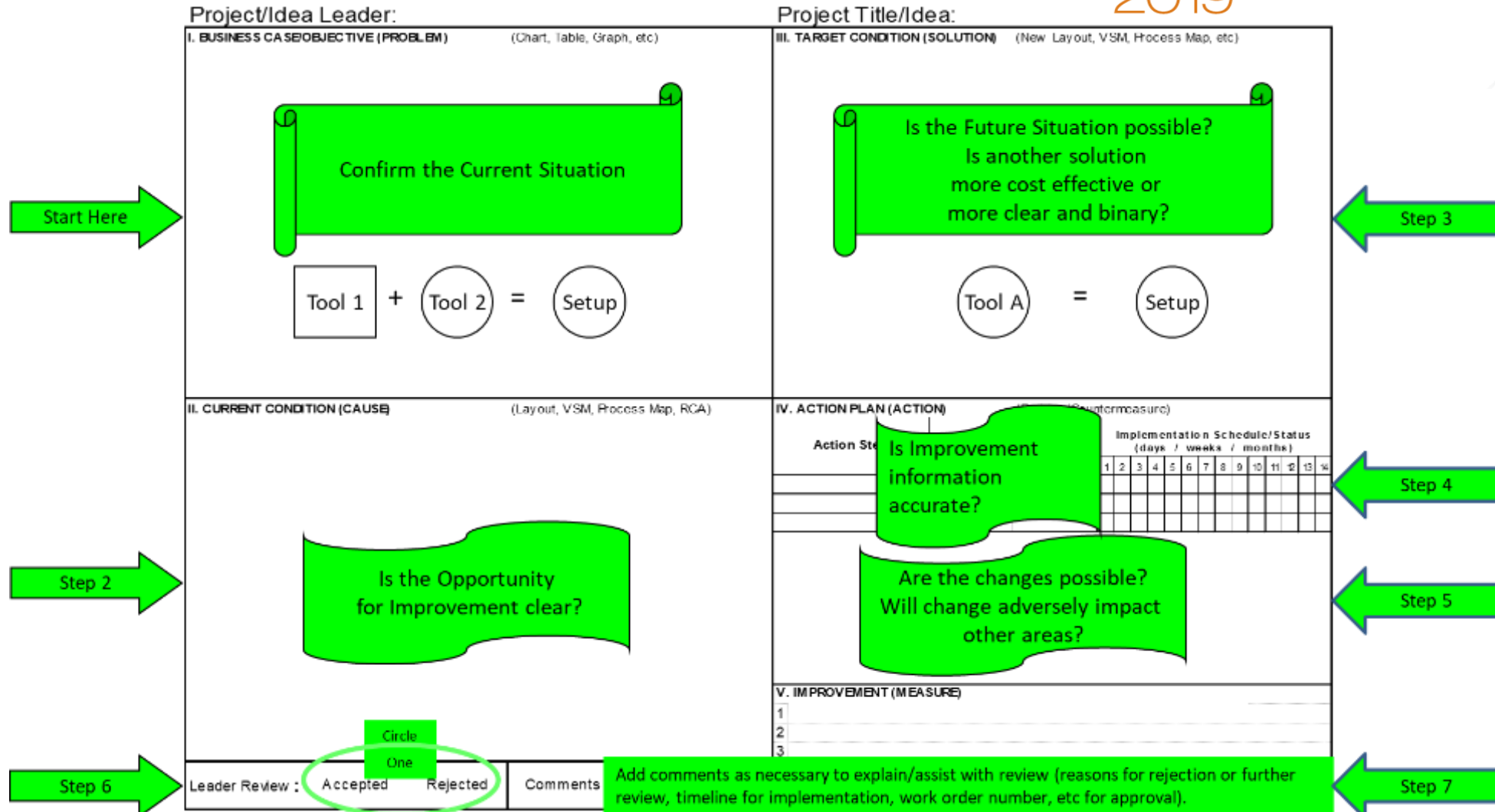
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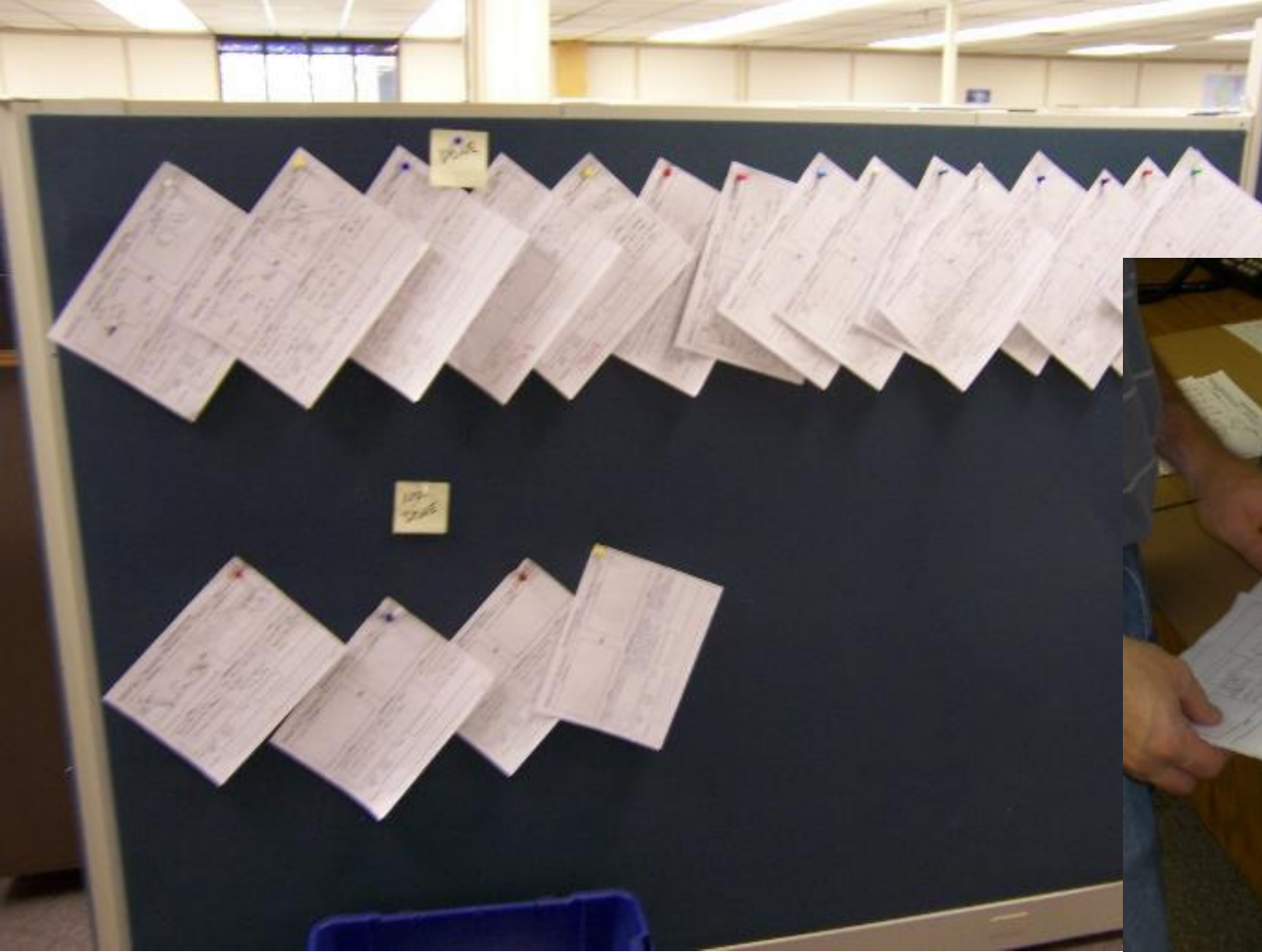
3

•Time or distance saved, waste reduced, process simplified

Step 4 ← **Step 5** ← **Step 6** ←

Leader steps to complete P.I.G.





Wall of Fame



1,979 ideas implemented 2008



4,998 ideas implemented 2009



Manufacturing

STANDARD WORK CHART

TAKT TIME CYCLE TIME
 DATE CREATED

DEPARTMENT OPERATION
 SIGNOFF

SEQ #	ELEMENT	STANDARD TIME	MINUTES	SECONDS
1	Place CaseBox on pallet loading or bolting in place	5 Min		
2	Verify tag to shipping document	20 Sec		
3	Print Tag and Locate Box info	1 Min		
4	Create Wet or Dry Packoff/ded hardware	2 Min		
5	Place Cardboard on Pallet/Add tag/staple pouch to cardboard	75 Sec		
6	Travel to Scale, weigh, record on pallet	708 Sec		
7	Move to Shipping Area	30 Sec		
8				
9				
10				
11				
12				
13				
14				
TOTALS		12 Min		



Critical Item 	In process stock 	Quality check 	Safety issue 
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Leader Standard Work



Standard Leader Work for Continuous Improvement Specialist at the North Ice Cream Plant

Date: _____

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	
SAFETY	Conduct assigned Layman Process and SQF Audits							
	Standard Operating Proc. _____							
	Standard Operating Proc. _____							
QUALITY	Managing Daily Improvement Responsibilities (One Line Per Day)							
	What ingredients/flavors are present on the production line?						SQF Daily Observations	
	Item Number	Item Description						
	Item Number	Item Description						
	Item Number	Item Description						
	Item Number	Item Description						
	Item Number	Item Description						
	Are all of the above ingredients/flavor correct for the product going to be produced next? If no, please remove all incorrect ingredients/flavors from the production line prior to continuing change over notification.							
	What packaging materials are present on the line?							
	Item Number	Item Description						
	Item Number	Item Description						
	Item Number	Item Description						
Item Number	Item Description							
Item Number	Item Description							
Are all of the above packaging materials correct for the product going to be produced next? If no, please remove all incorrect packaging materials from the production line prior to continuing changeover notification.								
DELIVERY	Down Time Causes for the Shift (One Line Per Day)							
	Line	Item	Target Run Rate	Actual Run Rate	Target Crew Size	Actual Crew Size	Downtime Reason	Actions Taken

Leader Standard Work Week of _____

SICP Continuous Improvement Leader

Area	Mon	Tue	Wed	Thu	Fri	Check/Act
Safety and Health	Safety - Check production lines daily for safety concerns, conduct one safety walk each week (once established). Conduct assigned BBS audit monthly					
	Quality - Provide support with SQF Audit process, root cause mapping, etc. as requested. Conduct assigned LPA weekly					
Process	Daily Walk Audit (standard)					
	Standard Work audit (standard)					
People Support	Provide support for P/L Newspaper					
	Safety					
	Quality					
	Delivery					
	Cost					
	Monday					
	Tuesday					
Daily Improvement (Daily Walk Visual Management - Process Improvement)	Process Improvement					
	Daily Walk Visual Management					
Project Management (CI Visual Management)	Review CI Strategy Board (CI activities)					
	Review Board of Six Sigma Plan/Business Unit A/B					
	Code/Change Control					
	CI Open Items prep/meeting/share					
Project Development	Support CI Manager 3-3 - Action (monthly) - see schedule					
	RACI CI Leader 3-3 - Yield (monthly)					
	RACI CI Specialist updates - Events					
	Business CI Specialist updates - CIW					
	Work CI Specialist updates - SWI					
	Process CI Specialist updates - SWI					
	Production/CI Specialist updates - AI (monthly)					
	Production/CI Specialist updates - BI (monthly)					
	Plant Support					
	Plant Manager 3-3 - Brand					
RACI Seawing CI review (monthly)						
RACI Seawing Project review (monthly)						
RACI Seawing prep/meeting/share						
Night Club Management updates - RACI (monthly)						
Capital Project prep/meeting/share						
Capital Project review (monthly)						
RACI CI Team Financial Review (monthly)						
CI Strategy						
CI Strategy						
CI Strategy						
Plant Support	CI Strategy					
	CI Strategy					
	CI Strategy					
	CI Strategy					
Project Management	Corporate Management Project (see schedule)					
	Plant Committee					
	Milestone Review					
	Team Meeting Review (monthly)					
	CI Strategy					
	CI Strategy					
	CI Strategy					
	CI Strategy					
	CI Strategy					
	CI Strategy					
Knowledge Programs	Management System Development					
	Employee Engagement					
	NOTES					
Training Programs	Daily Walk, Site walk/audit					
	Assign information					
	NOTES					
	NOTES					
Support	Education, Training, Certification, Knowledge Building					
	Lean Mgt System Certification					
	Continuous Improvement Reporting					
	Milestone Review					

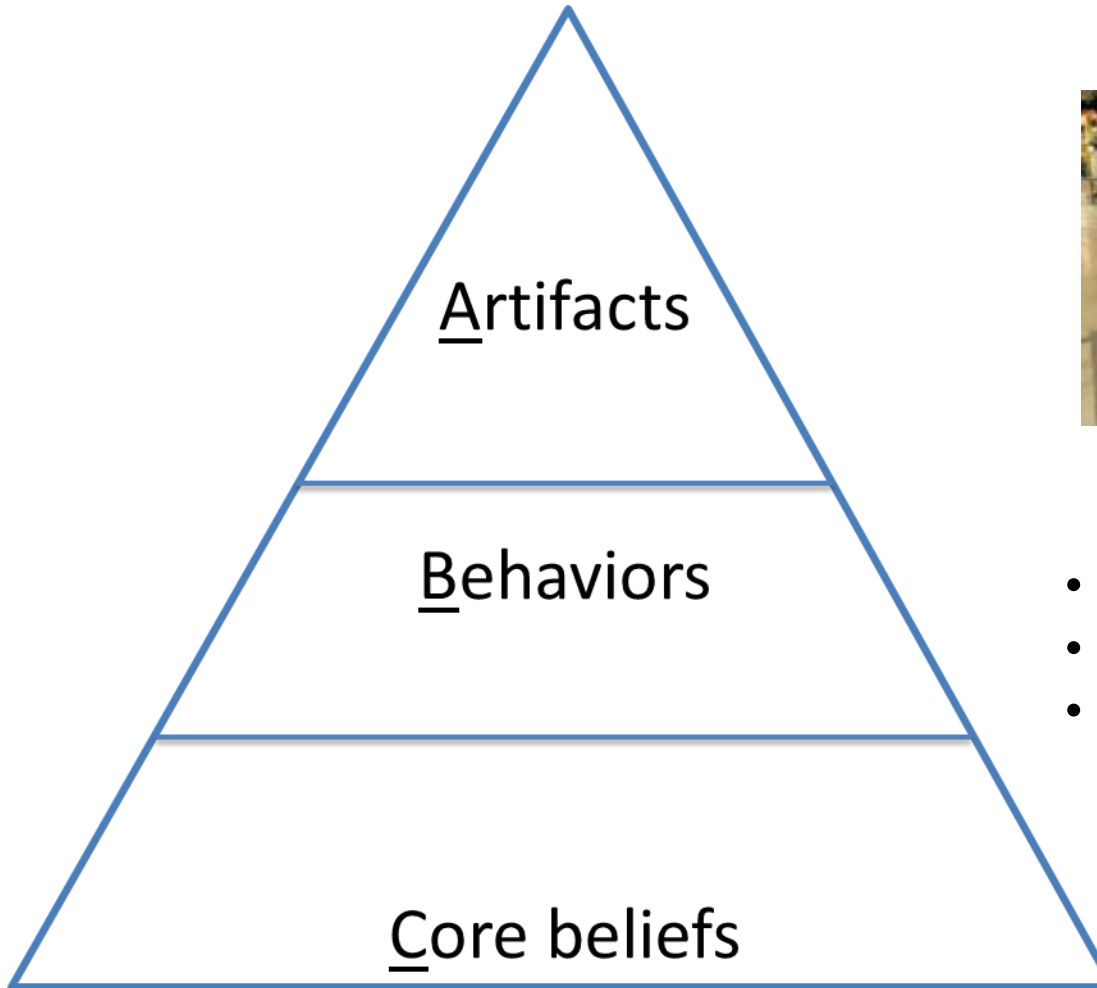
Why do I care?

Lost economic productivity **each year**
from disengagement

\$550 billion

Source: 2013 Gallup Poll

ABCs of organizational culture



Adapted from Prof. Edgar Schein

5S Workplace Organization



- Clean each day
- Put things back after use
- Follow standards

*We must expose problems,
assign no blame, look for
causes and find a better way.*

What is the Purpose of 5S?





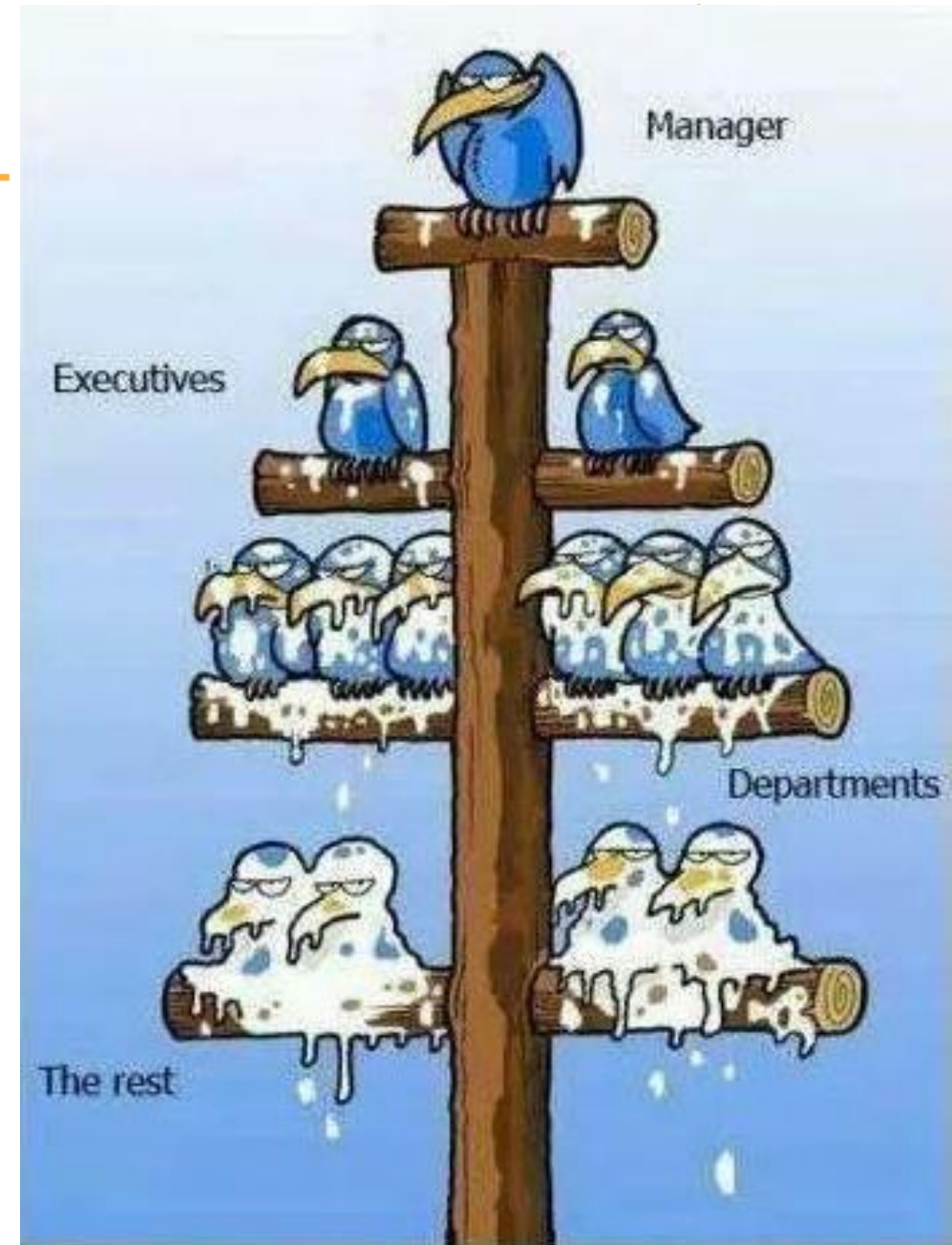
“The only thing of real importance that leaders do is to create and manage culture.”

Prof. Edgar Schein
MIT

Leading on the Edge

- Are you breaking away from old ways of managing and shifting toward collaboration and fostering a culture of advancement, development and respect for people?
- Are you exploring ways to accelerate your journey toward excellence?
- Are you engaging your organization?

OR



Parting Thought...

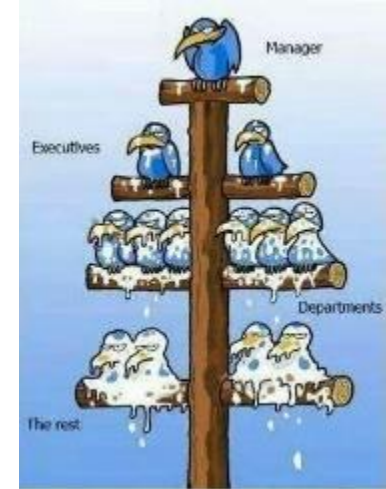
The differences between a **BOSS** and a *Leader*



Drives employees
Depends on authority
Inspires fear
Says "I"
Places blame for the
breakdown
Knows how it's done
Uses people
Takes credit
Commands
Says "Go"



Coaches employees
Depends on goodwill
Generates enthusiasm
Says "We"
Fixes the breakdown
Shows how it's done
Develops people
Gives credit
Asks
Says "Let's go"



Thank You!

Your opinion is important to us!

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

Session No: ThS/37
The Magic Pill – Lean Culture
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Steel Partners
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