Driving a Lean Steering Committee

Jd Marhevko, Global VP, AQ and Warranty Systems
ASQ Fellow, Shainin Medalist, CMQ/OE, CSSBB, CQE, Crain's, STEP
Delphi Technologies
Arvind Srivastava, Consultant at SAF-Holland
SSMBB, CQA, Joe Lisy & William Liberman Awardee, IATF 16949 Lead Auditor

Learning Objectives

Across this time, we will…

1. Understand how a steering committee can be effectively utilized in any type of organization
2. Learn how to align key business strategies when developing lean system objectives
3. Understand how to leverage leading indicator metrics to proactively manage outcomes
4. Increase our ability to more effectively implement lean systems in our organization

Leading On the Edge

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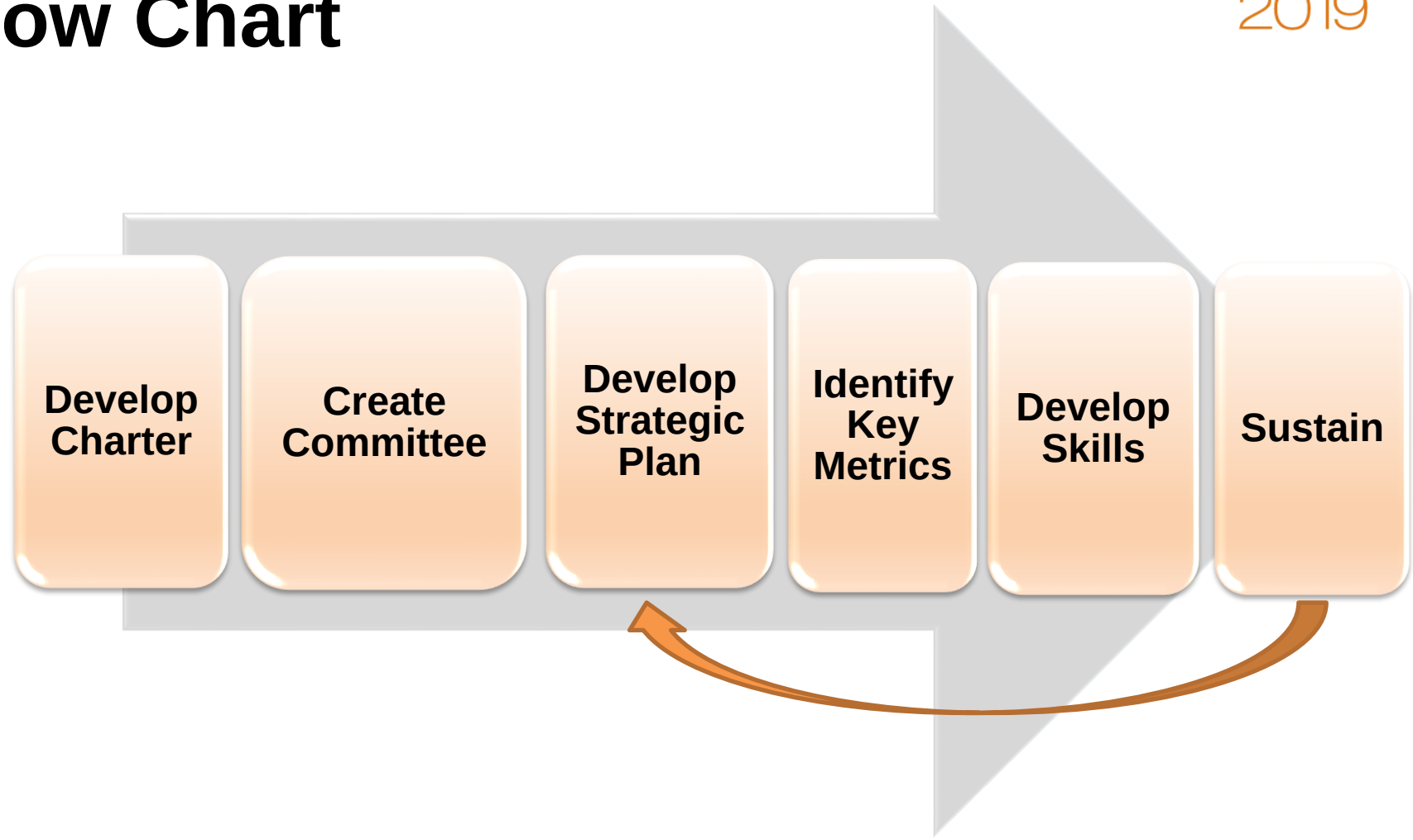
You are all leaders in this room…

- Set the example
- This type of committee can work for many types of functions…Quality, Maintenance, IT, HR, etc
- Share and show the results
- You must show how you are relevant to your business

Steering Committee DMAIC

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



Committee's Charter

Scope: Enterprise-wide Lean Management System (LMS)

Objective: To effect a systematic LMS 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 LMS 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: LMS Status Tool, Personnel Skills, Effectiveness of Metrics, etc.

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

Vision: To be viewed as Company Champions of the LMS Implementation

Consistency/Challenges

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

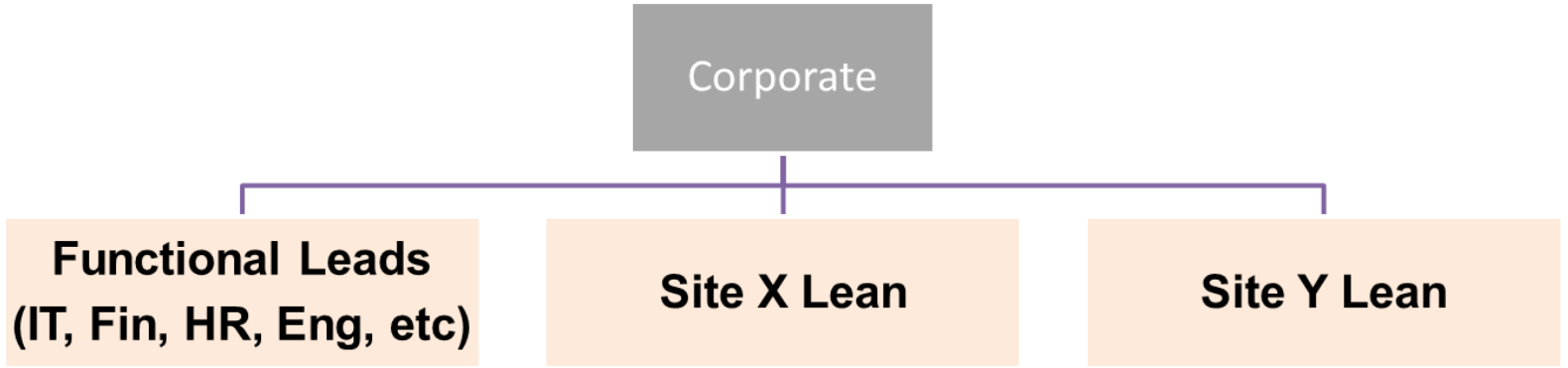
Challenges: Identify current issues that need to be overcome

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

Committee Members

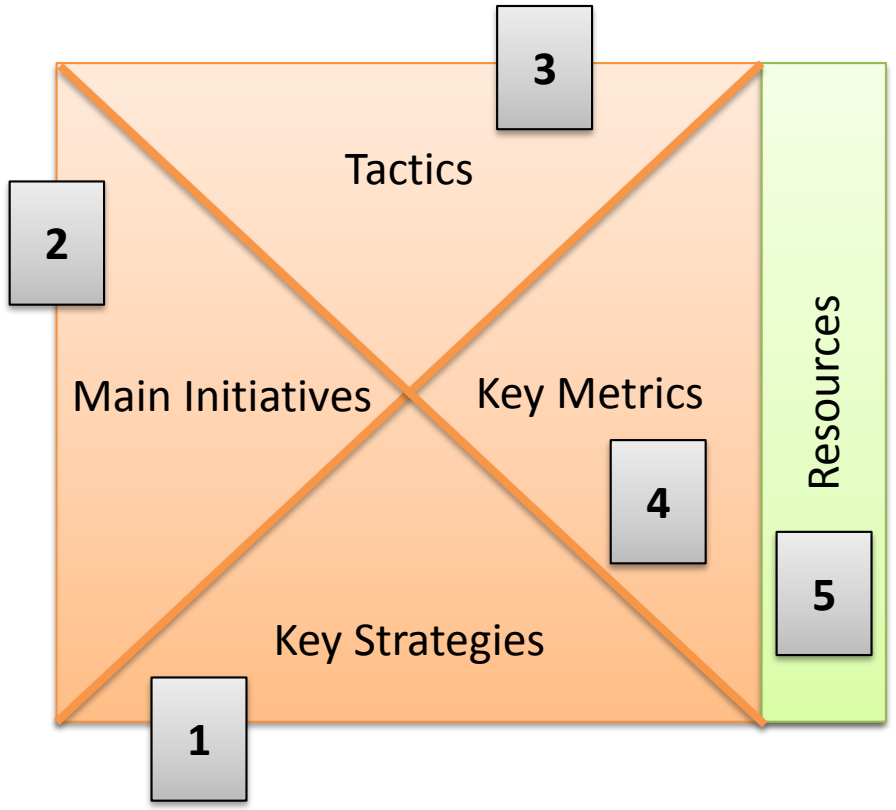
Factors to consider:

- Culture, Locations, Globalism
- Breadth/depth of LMS execution (pilot, enterprise)
- Internal implementation, consultant support, etc.
- LMS skill levels



Create An Aligned Strategic Plan

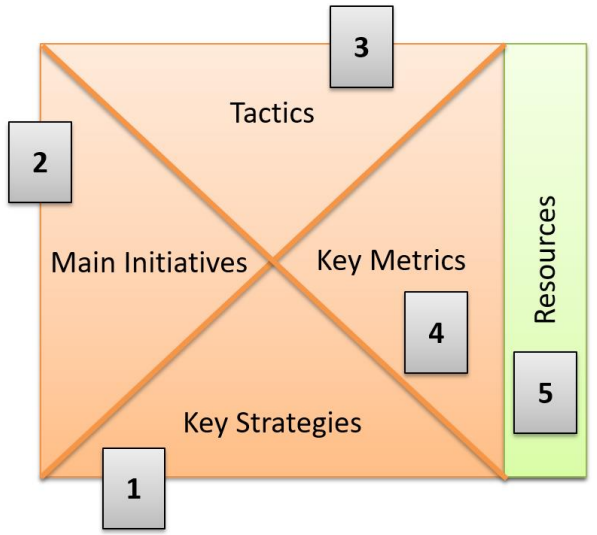
1. Review business strategies.
   Examples:
   - Increase margin
   - Develop new products
   - Grow sales revenue
2. Develop aligning QLMS initiatives
3. Determine tactics
4. Identify key metrics
5. Identify who is to do what



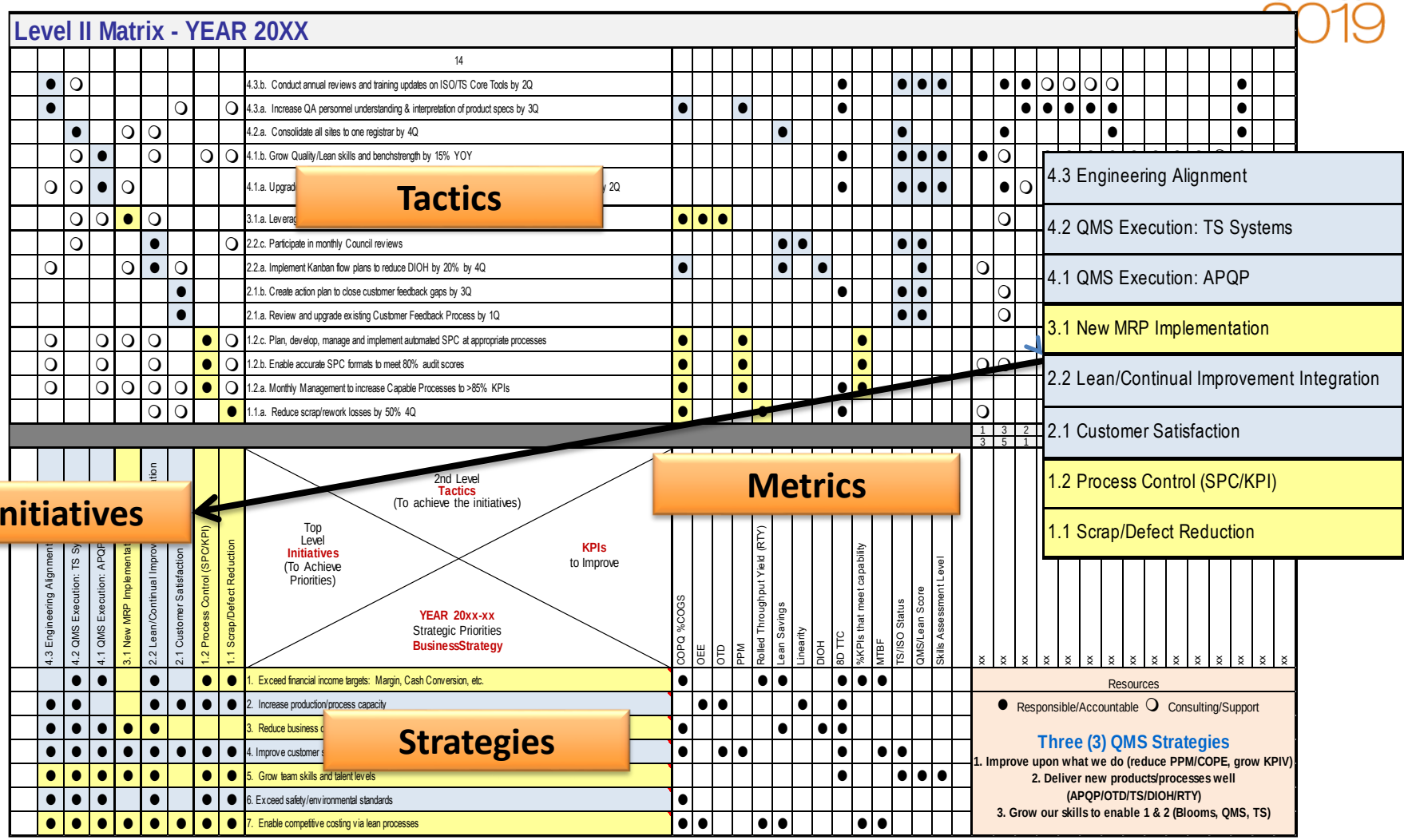
“X-Matrix” How It Looks

Level II Matrix - Year: BU/Site/Location

	2a Develop improved NPI process	1b Implement Lean Material Flow	1a Implement Lean Value Stream Mapping	Tactics To Achieve Initiatives / Key Initiatives / Key Metrics / Key Strategies/ Objectives	Margin	NPI Lead Time		Tom	Sue	Mary	
	●		●	2a1 Reduce NPI Lead Time	●	●				●	
	●	●	●	1a1 Rationalize Products	●			●			
		●	●	1. Increase Margin by 5%	●				Resources		
	●		●	2. Develop 5 New Products	●	●		●	Primary Owner		
								❍	Support		



Sample Committee X-Matrix



Leading & Lagging Metrics

If you watch your pennies, your dollars will take care of themselves – Benjamin Franklin

Lagging metrics are usually upper management results. Identify and manage leading metrics that will affect these results.

Example Leading Metrics	Common Lagging Metrics			
	OTD	PPM	COPQ	Margin
OEE: Operational Equipment Effectiveness (Health of the production process)	+	+	+	+
RTY: Rolled Throughput Yield. (Product effectiveness and risk to the business)	+	+	+	+
Margin Stratification (<0%, 0%<Plan, >=Plan) (Product/Process design/execution effectiveness)		+	+	+

Committee LMS Skills

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Committee skills are key to effective execution; Accelerate the learning plan

- Determine **key** LMS skills for **your** business; Assess team
- Implement a training plan

With this method, you can…

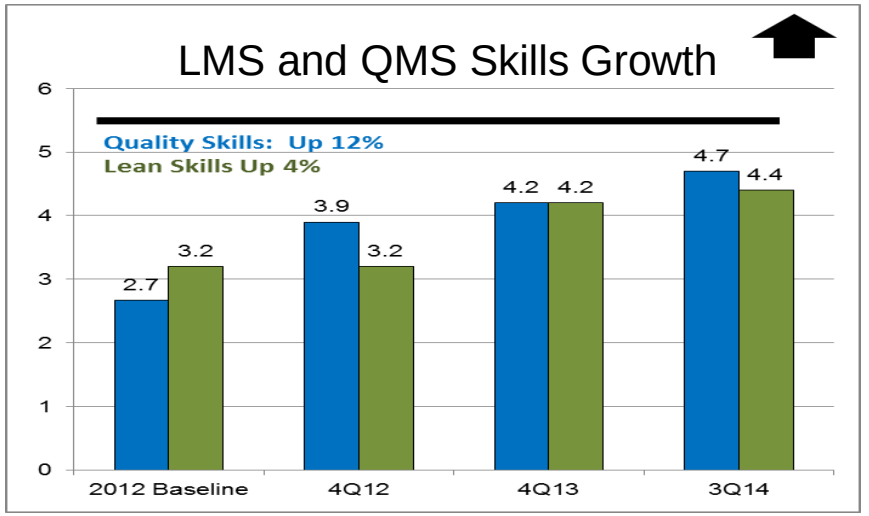
- Identify strengths/weaknesses
- Set individual planning goals
- Tie learning to strategy
- ***Lead by example***

Sample Business-Based KPIs/VOS	Tom	Joe	Mary	Sue	Avg
Understands all KPI defns					2.75
VOS Metrics/Obeyah Wall: Understands use & all Components					2.50
VOS Cell: Understands use & all components					2.50
VOS EHS TRIR/Safety Board: Understands use					3.00
VSM (CVSM/FVSM/EVSM) Kaizen, takt					
Understands Takt Time and calculation					2.50
Understands OEE and calculation					2.50
VOS can construct Current & Future State VSMs					2.50
VOS can construct Enterprise VSM					
Standard Work (StdW) w/Visual Operating Systems (VOS)					
VOS can conduct StdW Analysis: Machine					
VOS can conduct StdW Analysis: Operator					
VOS can conduct StdW Analysis: IDL					
VOS LPA: Understands use					
Automomous Maintenance (TPM/SUR/RCO)					
Understands TPM metrics: MTBF and MTTR					
VOS PM Board: Understands use					
TPM/SUR/RCO: Knows how to conduct Set-Up Reduction to achieve Total Productive/Autonomous Maintenance					
Understands Error Proofing/Poka Yoke					
Flow/Product Planning/Pull					
VOS can develop a PFEP					
VOS can develop a TTR					
VOS can develop a Schedule "Wheel"					2.00
VOS can develop and utilize Kan Ban cards					2.00
VOS Hourly Board: Understands use (production/transactional)					2.00
VOS Receiving Board: Understands Use					2.00
VOS Shipping Board: Understands Use					2.00
VOS Supplier Pull Board: Understands Use					2.00
VOS Tuggers: Understands use					1.75
5S: Knows the 5S's/Impact and Red Tag Approach					
Understands 5S in execution and sustainment with LPA					3.00
VOS 5S Board: Understands use					3.00
Individual Strengths	2.11	2.75	2.79	1.29	2.30

- Assess team per skill; across the business
- Evaluate across skills
- Evaluate across team
- Create training plan

Growing the Committee's LMS 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

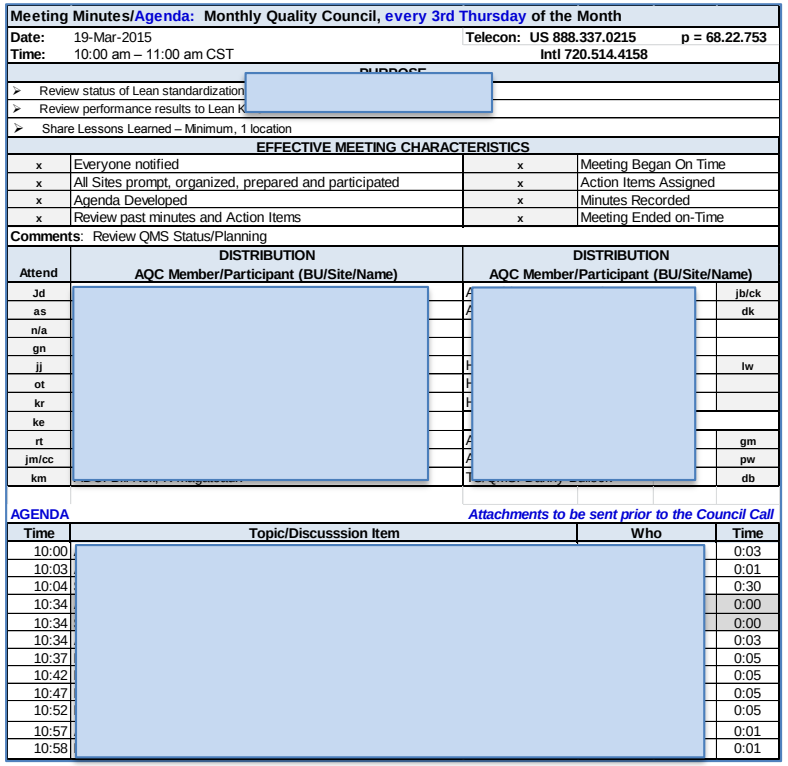
Sustain Via The Committee

Analyze, Improve, Control

- Meet yearly to set strategy
- Check progress to initiatives monthly
- Meet monthly to review KPI 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 **Telecon:** US 888.337.0215 p = 68.22.753
Time: 10:00 am – 11:00 am CST Intl 720.514.4158

PURPOSE

- Review status of Lean standardization
- Review performance results to Lean K
- Share Lessons Learned – Minimum, 1 location

EFFECTIVE MEETING CHARACTERISTICS

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

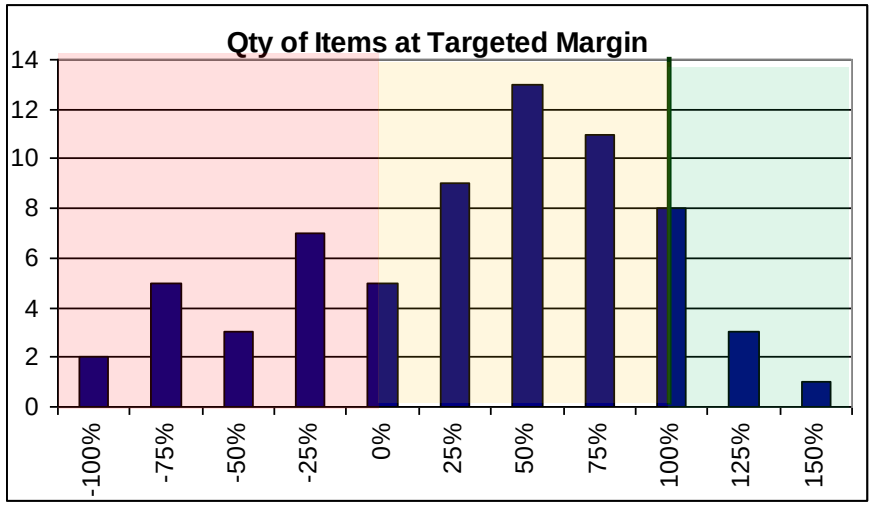
Comments: Review QMS Status/Planning

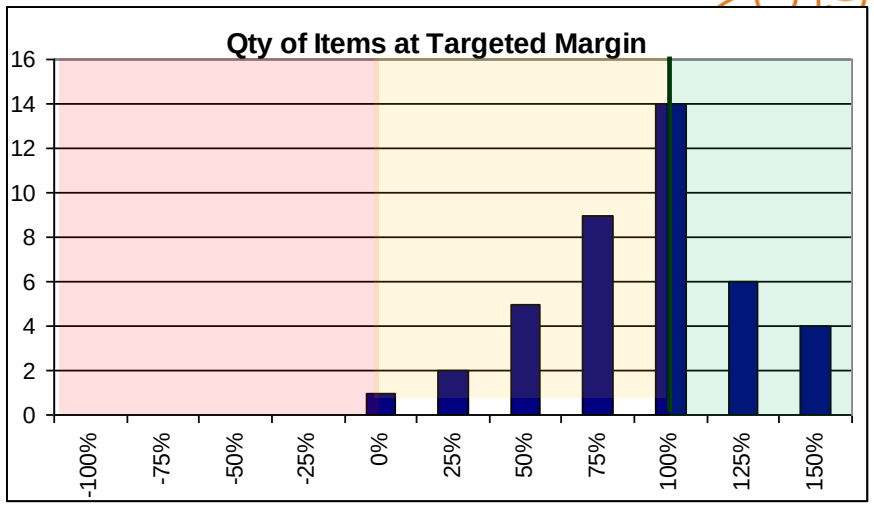
Attend	DISTRIBUTION AQC Member/Participant (BU/Site/Name)	DISTRIBUTION AQC Member/Participant (BU/Site/Name)	
Jd			jb/ck
as			dk
n/a			
gn			
jj			lw
ot			
kr			
ke			
rt			gm
jm/cc			pw
km			db

AGENDA — *Attachments to be sent prior to the Council Call*

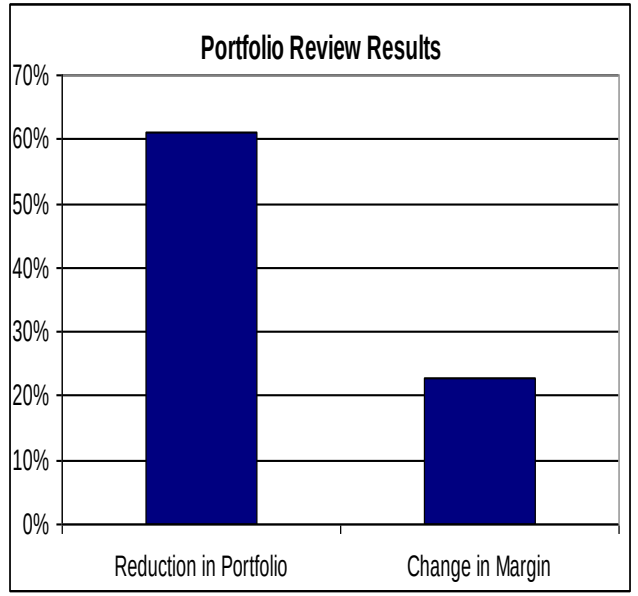
Time	Topic/Discusssion Item	Who	Time
10:00			0:03
10:03			0:01
10:04			0:30
10:34			0:00
10:34			0:00
10:34			0:03
10:37			0:05
10:42			0:05
10:47			0:05
10:52			0:05
10:57			0:01
10:58			0:01

Margin Results: PN Portfolio





Ex: If targeted margin is 5%, then 8+ Items were meeting the 5% objective before and 14+ were meeting the objective after



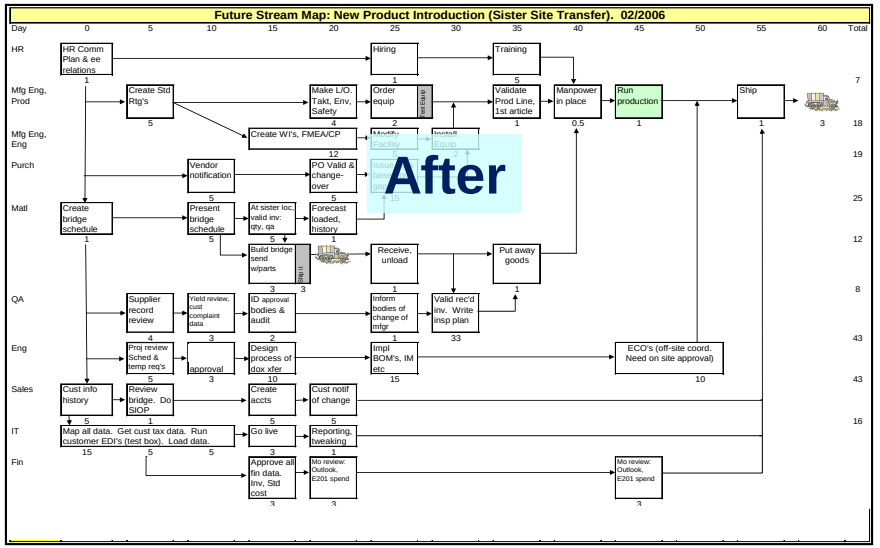
Initiative: Improve margin by 5%

Action: Analyzed all SKUs on a margin continuum. Fixed or rationalized. Continued to fix

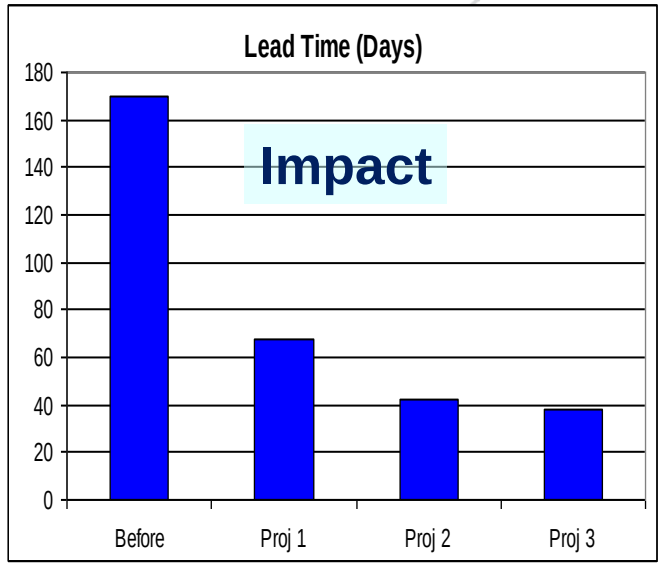
Results: **22%** Improvement in margin base

Results: NPI

170 Days



40 Days

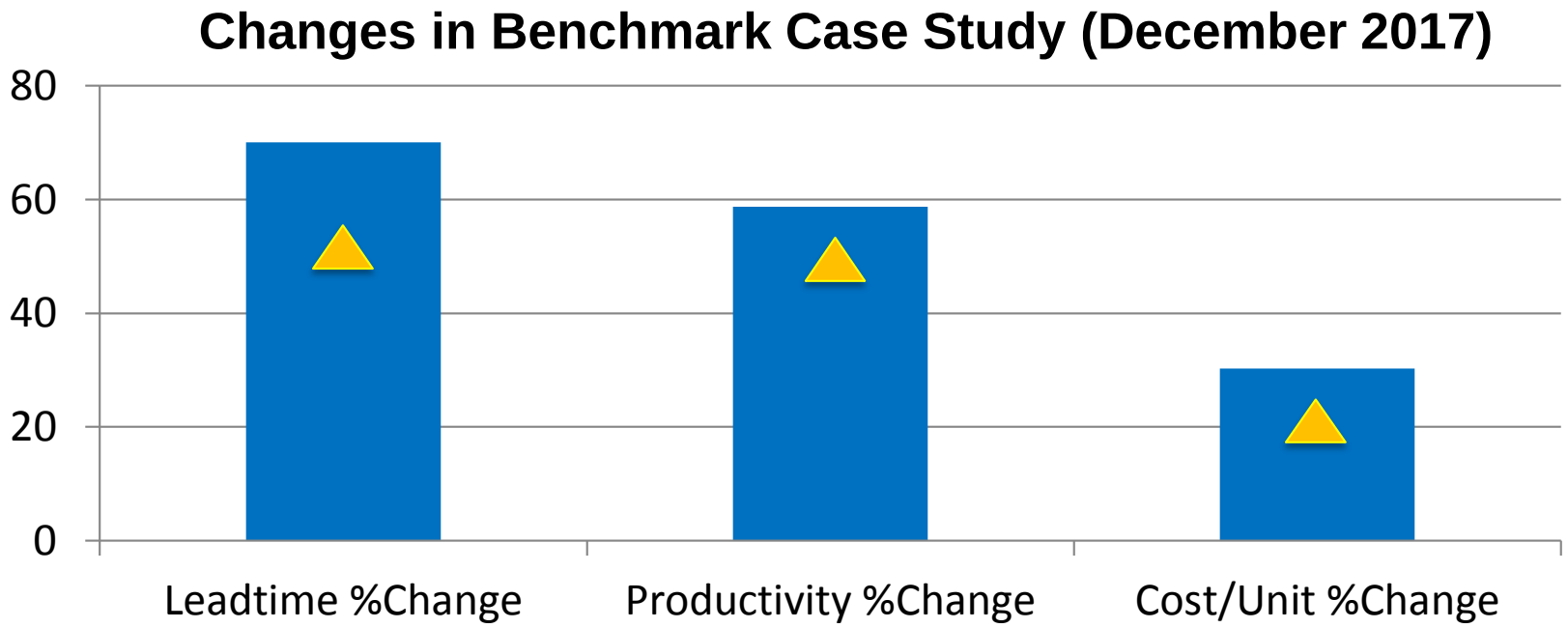


Initiative: Reduce New Product Introduction (NPI) Lead Time

Action: Conduct value stream map review. Implement fixes

Results: **70%** Lead time reduction. Team able to increase NPI output

Real Results: 50-50-20



50% Reduction in Lead Time generally results in…

- Doubled (50%) Productivity and/or
- 20% Reduction in Cost/Unit

Results: YOY KPI Impacts

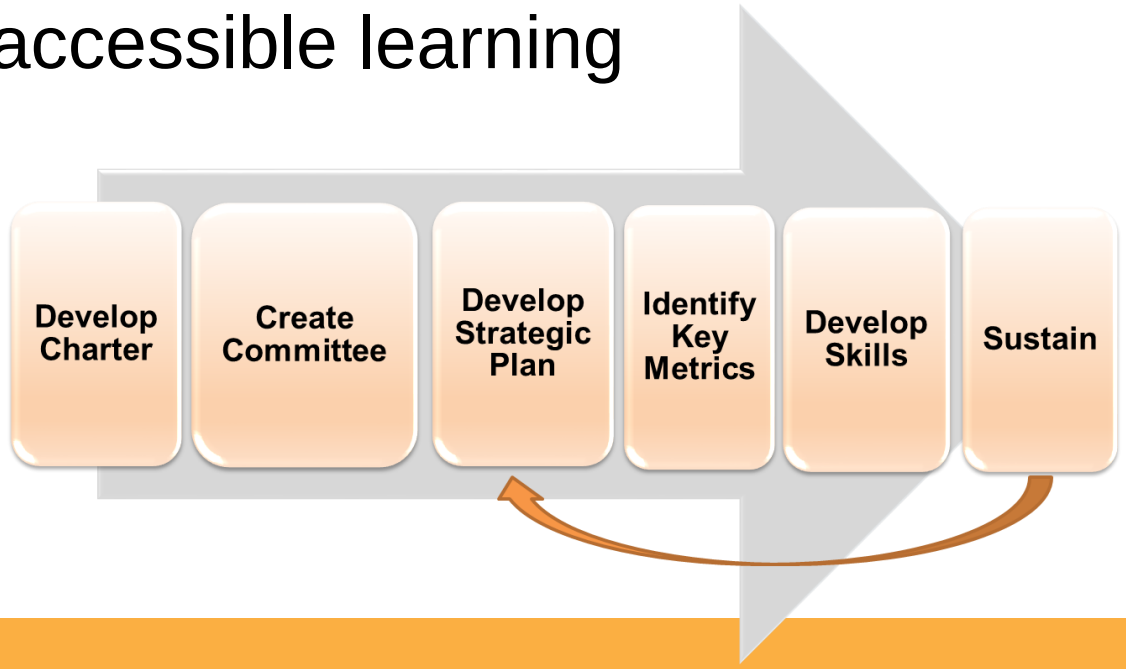
Enterprise-wide improvements are realized

Leading Indicators Manage the Outcomes	Common Lagging Metrics				
	+/-	OTD	PPM	COPQ	Margin
What the Customer & Stakeholder Sees →		↑	↓	↓	↑
OEE: Operational Equipment Effectiveness (Health of the production process)	↑	World class OEE. 85%-95%			
RTY: Rolled Throughput Yield. (Product effectiveness and risk to the business)	↓	Single digit PPM			
Margin Stratification (<0%, 0%<Plan, >=Plan) (Product/Process design/execution effectiveness)	↑	Profitable growth			

Sustain: Hold The Gains

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

- Quarterly alignment to strategic plan and initiatives
- Partner new members with seasoned personnel
- Standardized & accessible learning material
- Hold KPI accountability via personnel reviews



What We Did…

In our time together we have…

- Seen how a Lean steering committee can be effectively utilized in any type of organization
- Learned how to align the business' key strategies in the development of lean system objectives
- Learned how to better leverage leading indicator metrics to proactively manage outcomes

Leading On the Edge

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You are all leaders in this room…

- Set the example
- This type of committee can work for many types of functions…Quality, Maintenance, IT, HR, etc
- Share and show the results
- You must show how you are relevant to your business

Thank You!

Your opinion is important to us!

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

Session No: TS/09

Driving A Lean Steering Committee

Jd Marhevko
Delphi Technologies
Jd.Marhevko@Frontier.com; Join me on Linked-In

APPENDIX

Company Quality Council Charter 20xx

Company Quality/Lean Council (QLC)				
Corporate	QA Name	Lean Name	SCM Name	Eng Name
Site QA & Lean Leaders. Other key members	Site 1 QAI Site 2 QAI Site 3 QAI Site 4 QAI Site 5 QAI			Site 1 IT Name Site 2 IT Name Site 3 IT Name Site 4 IT Name Site 5 IT Name

Company Council Charter

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 competitor 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* 8D/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…

Area	Notes
Members	
Scope	
Objectives	
Define	
Measure	
Analyze	
Improve	

Charter Notes to Self…

Area	Notes
Control	
Mission	
Vision	
Challenges	
Approach	
Scale	