

# CLASSSCHEDULE



Impact/Effort Matrix (Affinity Diagram)

Yellow Belt Class Refresh Introduction to DMAIC

Day 1

#### Day 3

- o Green Belt Project Review
- Strategy Execution
- O Change Management
- o Control and Sustainment

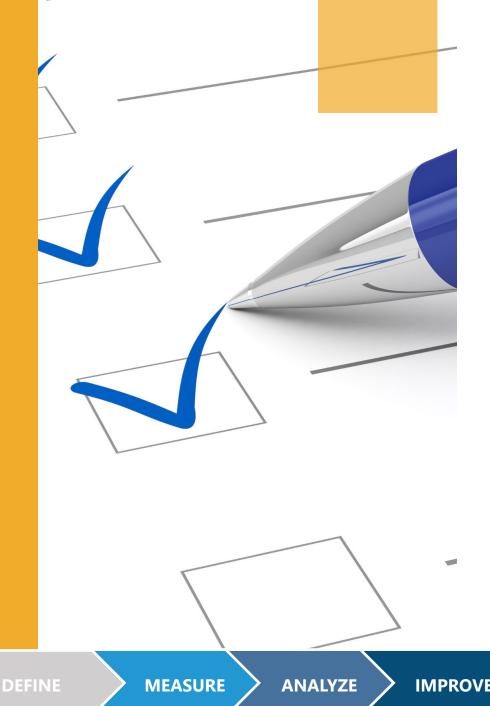
#### **CONTROL**

#### Day 4 (Six Sigma Green Belt Only)

- Six Sigma Statistics
- o Measurement Systems Analysis
- o Correlation and Regression
- o Introduction to DOE

**MEASURE** 







- o What is your Problem Statement?
- o What are your measures of success?
- o What is your timeline? Milestones?
- o Do you have any roadblocks? Do you need help with anything?
- o What are your next steps?

**IMPROVE CONTROL**  Process Improvement
+
Culture Improvement
+
Leadership Improvement







# STRATEGIC OBJECTIVES HOSHIN KANRI



#### **HOSHIN**

#### Policy, Principle, Direction

#### **KANRI**

#### Supervision, Administration, Management

Classic Book: Akao, Y. (Ed.) (1991). *Hoshin Kanri: Policy Deployment for Successful TQM*. Productivity Press, Cambridge, MA.



"Hoshin Kanri is a systematic annual process led by senior executives—and preceded by Strategic Management activities—for developing, deploying, and accomplishing policies (objectives + strategies) through coordinated organization-wide activities and the rigorous application of the PDCA cycle."

**Paper:** "The Application of Policy Deployment in Indian Companies" by Liedtke Go to . . . www.strategicimprovementsystems.com and click on "RESEARCH"

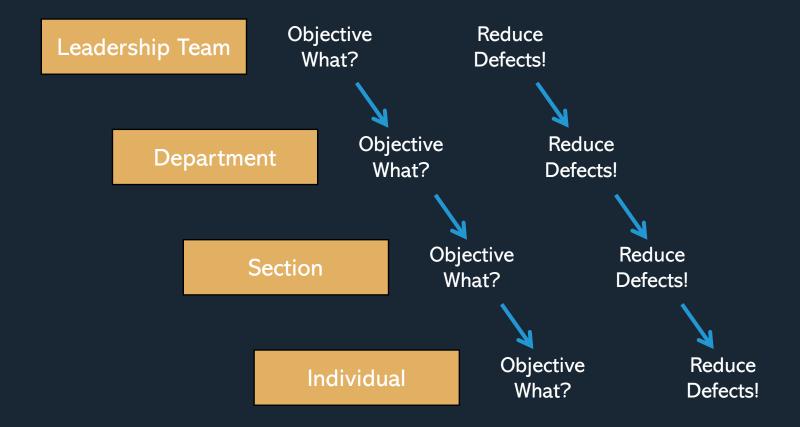




#### **The 7-Step Hoshin Planning Cycle**









				HOSHIN PLANNING MA	TRI	x (x	-M	ATR	IX)										
Ī	•			Filot culturally diverse idea incubators that drive ideation and disruption						•			•	•	•				
	٠			Increase customer engagement in product design							٠	•			٠				0
L			•	Reduce customer complaints					•								0		
L		•		Increase customer loyalty								•				0	٠		
L		•	•	Deploy Performance Excellence improvement methodologies				•									0		
L		•		Increase overall market share in SW territory			•					1						•	
Ŀ		•		Increase number of new interactive packing customer accounts		•													•
÷	_	٠	20	Develop new distribution channels for new digital packaging	٠										H				•
	Develop at least 10 new products with a vitality index above 65%	Grow total revenue by \$75 million	Reduce all process waste by 40% using sustainable improvement methodologies	Top-Level Improvement Priorities  Annual Objectives  Target to Improve  3-5 Year Breakthrough Objectives  Achieve world-class quality production as certified by Malcolm Baldrige	Increase active distribution channels by 6	Achieve 20% of incremental revenue growth from new customer accounts	Increase market share in the SW region by 15%	Implement Performance Excellence in all 8 business units.	Reduce customer complaint calls by 50%.	Reduce PD Team turnover by 25%	Increase customer second product conversions by 25%	increase number of customers with contracts langer than 5 years to 40%	Establish three successful incubators	increase the number of ideas going into stage 2 (Feasibility) by 50%	Fred Burtelson (Chief Innovation Officer)	lim Gruber (VP of Quality)	Dave Nies (VP of Marketing)	Mark Miller (VP of Sales)	Nancy Beckley (VP of Accounts)
ŀ		•	٠	standards by the end of 2017	7									RESOURCES					
	•			Create an empowered culture of collaboration resulting in a 200% increase in new products launched by the end of 2018					1	6					•	Prim	ary Re	spon	sibility
ĺ				Achieve 50% market share of the new digital packaging service by the end of 2018				W-	V	P	-E				0	Seco	ndary	Respo	onsibility
				Grow total revenue by \$250 million with an EBITDA of 18% by the end of 2019						S							lack S	peers	(CEO)



# What is Culture?







**Different Business = Different Leadership System** 



### WHAT DOES

A GOOD LEADER DO?



DEFINE MEASURE ANALYZE

# WE HAVE

#### A PROBLEM...

- o 50% of people who leave their jobs do so to get away from bad leaders
- o 70% of employees are not engaged at work
- o A study of over 2,000 managers found that 51% are not engaged and 14% are actively disengaged.

Gallup Study: Amy Adkins



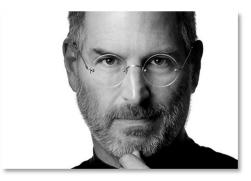
# **Defining Lean Leadership**





# WHATIS LEADERSHIP?

Leadership is the art of motivating a group of people to act towards achieving a common goal.







# LEADERSHIP VS MANAGEMENT

Leadership is not management. Leadership should compliment management, not replace it.

Management	Leadership
Planning and Budgeting	Direction Setting
Organizing and Staffing	Aligning constituencies
Controlling and problem –solving	Motivating and Inspiring





### WHAT IS

LEAN LEADERSHIP?

Lean Leaders embrace and champion continuous improvement throughout their organization.







#### LEADERSHIP ACTIONS

- 1. Leaders must be Teachers
- 2. Build Tension, Not stress
- 3. Eliminate Fear and Comfort
- 4. Lead through visible participation, not proclamation
- 5. Build Lean into Personal Practices



# THE HEART OF A SERVANT

What is Servant Leadership?

Hard-to-Learn Characteristics

o Calling, Empathy, Healing, Stewardship

Learnable Skills

o Listening, Awareness, Persuasion, Foresight, Growth, Team Building







SUCCESSFUL COMPANY CULTURE

- 1. A purpose-driven company culture
- 2. Effective communication patterns
- 3. A culture of feedback
- 4. Embracing diversity
- 5. Teamwork
- 6. Engagement and loyalty
- 7. Growth and development



SUCCESSFUL COMPANY CULTURE

#### 1. A purpose-driven company culture

- o Shift resources to achieve goals
- o Inspiration driver for engagement
- o Drive performance



SUCCESSFUL COMPANY CULTURE

- 2. Effective communication patterns
- o Clarity
- o Courtesy
- o Proactivity



SUCCESSFUL COMPANY CULTURE

#### 3. A culture of feedback

- o Receptive to give and receive
- o Internal and external
- o Any aspect of organizational life



SUCCESSFUL COMPANY CULTURE

#### 4. Embracing diversity

- o Tolerance and acceptance of others
- o Aware about difference
- o Evaluate impact of differences



SUCCESSFUL COMPANY CULTURE

#### 5. Teamwork

- o Mutual understanding
- o Focus on team accomplishment
- o Fast, better and more efficient



SUCCESSFUL COMPANY CULTURE

#### 6. Engagement and loyalty

- o Psychological meaningfulness
- o Psychological safety
- o Availability



SUCCESSFUL COMPANY CULTURE

#### 7. Growth and development

- o Position-based growth
- o Professional growth
- o Financial growth



# LEADERSHIP REQUIREMENTS

- o The majority of people, if given leadership, respect, opportunities for satisfaction and worthwhile goals, will attempt to excel.
- o As leaders, we need to have a set of beliefs, expectations, and direction, that focuses everyone in the organization on critical objectives in an effective manner.





#### 4) Create Vision and Align Goals

Define the direction and align objectives across levels (vertical & horizontal)

#### **VALUES**

Challenge
Kaizen Mind
Go and See
Teamwork

Respect

3) Daily Management & Kaizen

Establish capabilities that will drive and sustain the improvement efforts

#### 2) Coach and Develop Others

While you keep your development, start to develop and challenge your team members in continuous improvement











## What is Change Management?





#### INTRODUCTION

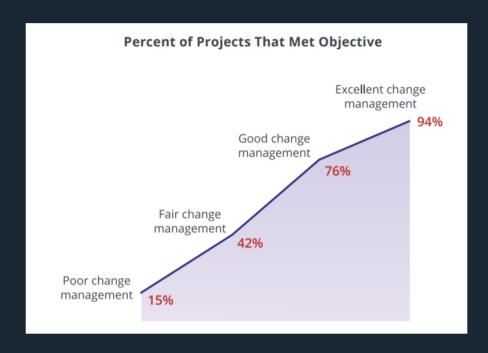
#### TO CHANGE MANAGEMENT

- Change Management is discipline that guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success and outcomes
- o Change management is proactively managing the people side of change, to achieve the desired business results
- o Research shows that Change Management is the #1 success factor for any initiative



### **JUST HOW IMPORTANT**

IS CHANGE MANAGEMENT TO YOUR PROJECTS?







- Effectiveness = Quality of Change x Acceptance by your Stakeholders
- O If you have a Change with Quality at 90% and only 10% on Acceptance, then your EFFECTIVENESS = 9%
- O Good acceptance of your change drives high effectiveness in Change Management



### MANAGING THE CHANGE

Change Management is helping people become...

- READY: Ensuring that people know what will happen, when it will happen, and how it will happen
- WILLING: Gaining buy-in or at least acceptance of the change
- ABLE: Providing the information and tools necessary for people to be successful in the new work environment

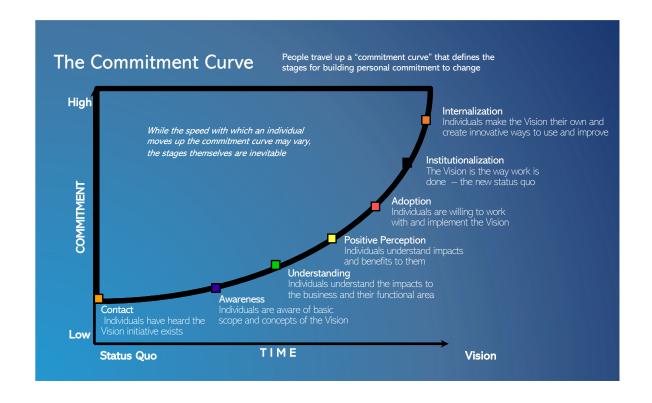


DEFINE MEASURE ANALYZE

**IMPROVE** 

## **UNDERSTANDING**

### THE CHANGE





### **PSYCHOLOGY OF CHANGE**

Every change can be viewed from the perspective of a sender and a receiver

#### **SENDER**



Business issues & need to change



Personal implications & risk

#### **RECIEVER**



What a sender says and what a receiver hears can be 2 different messages!



### **PSYCHOLOGY OF CHANGE**



**SENDER** 

#### **EXPLAIN**

- o Why the change is necessary
- o How the change affects them
- o How the change impacts their group
- o How this changes the day-to-day

#### **PRACTICES**

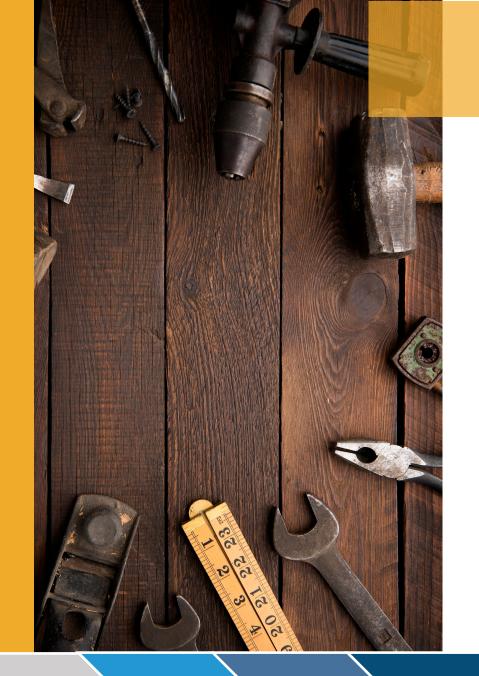
- o Repeat key messages multiple times
- o Use face-to-face communication
- o Answer WIIFM (what's in it for me?)
- o Use a question and answer format

Immediate supervisors are the preferred senders of messages related to personal impact



# CHANGE MANAGEMENT & LEAN LEADERSHIP TOOLS







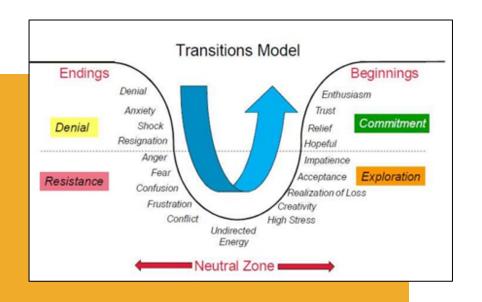
# **CHANGE**

MANAGEMENT TOOLS

#### Taking charge of change

- Transition Grid
- Stop Keep Start
- Decision Quadrant
- o Process Mapping
- O ADKAR Analysis
- Metrics and Data Collection





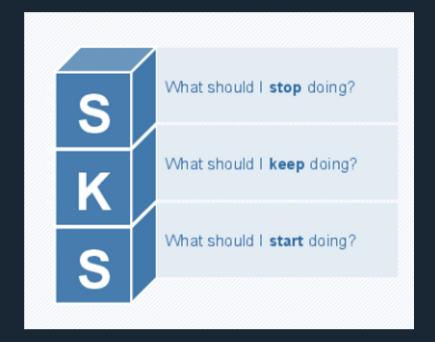
#### TRANSITION GRID

- o Push problem solving / responsibility down the lowest levels via the work systems
- o Work systems change behaviors, behaviors change attitudes, attitudes change values
- o Change Management Tool:
  - o The Transition Grid

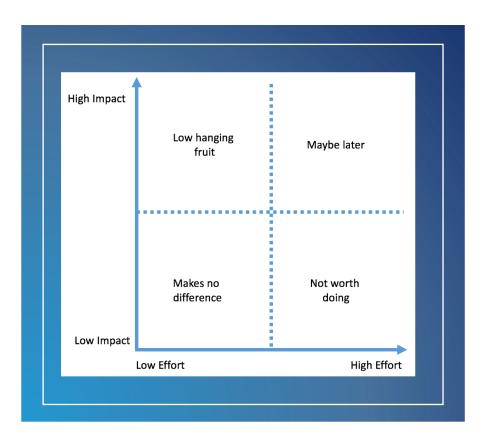


## STOP-KEEP-START

- o Ask to realize, why change?
- o Change Management Tool:
  - o Start-Keep-Start (SKS)
- o What does the data tell us?



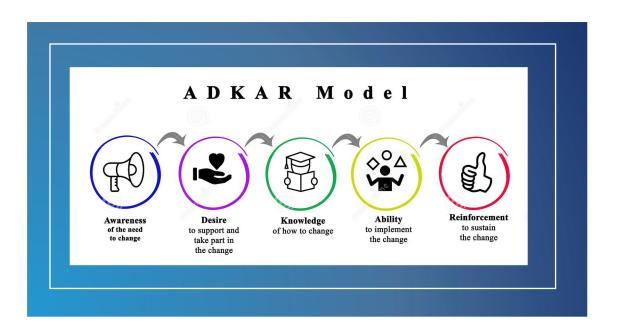






Many Variations
Use Low-Hanging Fruit
Modeled after Eisenhower
Matrix

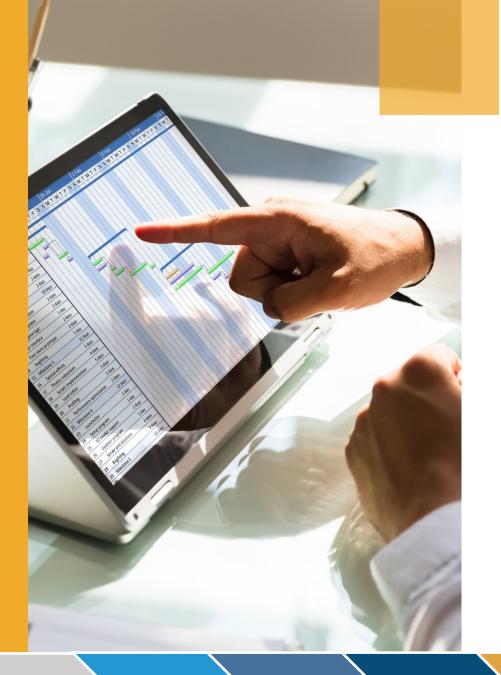






How can we assist individuals to make personal transitions?







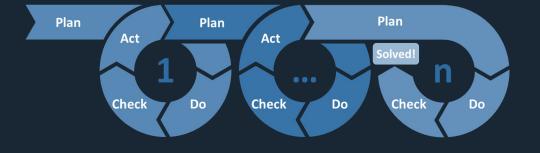
#### AND DATA COLLECTION

- Start with the end result in mind
- o Carefully describe the evidence of that result
  - O What would we see, feel, hear, or touch
- Identify the Measure(s)
  - o Can we Count or Quantify
- Look at the Bigger Picture
  - Control, Influence, Consequences (good/bad)



# THE CHANGE LOOP

- o Describe the desired state
- o Share the future state
- o Identify and eliminate barriers
- o Work the PDCA cycle
- o Leverage Lessons Learned





# LEADING CHANGE





Dr. Kotter's

# 8 STEPS OF

Tocorporate changes into culture

Never let up

Generate short-term wins

Empower broad-based action

Communicate the vision for buy-in

Develop a change vision

Create a guiding coalition

Establish a sense of urgency



### LEADING CHANGE

Step 1: Establish a sense of urgency



#### Actions Needed:

o Potential Crisis oUntapped Opportunities



#### Potential Pitfalls:

o Underestimating

o Paralyzed

o No Leadership



**MEASURE DEFINE** 

**ANALYZE** 

**IMPROVE** 

### LEADING CHANGE

Step 2: Forming a powerful collation



- o Assemble a Group
- o Enough Power
- o <u>Teamwork</u>

#### Potential Pitfalls:

- o No Experience
- oTeam Leadership



**MEASURE DEFINE** 

**ANALYZE** 

**IMPROVE** 

### LEADING CHANGE

Step 3: Creating a Vision



o Create a Vision o Develop Strategies

Potential Pitfalls:

o Vision too Complicated o You Got 5 Minutes



### LEADING CHANGE

#### Step 4: Communicating the Vision







**MEASURE ANALYZE DEFINE** 

### LEADING CHANGE

Step 5: Empowering Other to Act on the Vision



#### Actions Needed:

- o Change Structures o Recognize Contributions

**DEFINE** 

#### Potential Pitfalls:

o Not Addressing the Naysayers



**MEASURE** 

ANALYZE

**IMPROVE** 

### LEADING CHANGE

Step 6: Planning For and Creating Short-Term Wins



o Define What is Success

o Short-Term Wins

o Recognize and Rewards

#### Potential Pitfalls:

o Not Recognizing Improvements



**MEASURE ANALYZE DEFINE** 

### LEADING CHANGE

Step 7: Consolidating improvements and still producing more change



#### Actions Needed:

- oUse Credibility
- o Dedicated Employees
- o New Projects



**DEFINE** 

#### Potential Pitfalls:

- o Declaring Victory too Soon
- oNot Proving a New Process
  is Repeatable



MEASURE ANALYZE IMPROVE CONTROL

### LEADING CHANGE

Step 8: Anchor the new approaches in your organization



#### Actions Needed:

- o Articulate Connections olmprove Performance

#### Potential Pitfalls:

- olgnoring the New Normal and Values
- o Promoting or Hiring Non-Believers





**MEASURE ANALYZE** 

**IMPROVE** 

CONTROL

# CONTROL PHASE LEAN SIX SIGMA CONTROL



### **EXAMPLE OF CONTROLS**

- o Control Plan
- o Control Chart
- o Other Tracking Charts
- o Standard Work
- o Recurring and Documented Training
- o Audit



### WHAT IS A CONTROL PLAN?

- A written summary describing systems used for monitoring/controlling process or product variation
- A Living document to be updated as new measurement systems and control methods are added for continuous improvement
- Often includes concise operator instructions (SOPs, SWIs, OCAPs)
  - OCAP = Out of Control Action Plan
  - SWI =Standard Work Instructions
  - SOP = Standard Operating Instruction
- Made in conjunction with the final project report
  - Lessons Learned
  - Actual Gains vs Planned Gains



### **CONTROL PLAN ELEMENTS**

- 4 Elements of a Control Plan
- 1. Training
- 2. Documentation
- 3. Monitoring
- 4. Response



# **CONTROL PLAN**

#### **Control Plan**

Item #	Subject	Control Description	Type(s)	Control Cycle(s)	Control Owner(s)	Status	References / Other
	Maintain compliance to the new Operator SOP.	Train personnel on new SOP	Training	Daily	Dan Krueger	Training completed on	SOP #12345
1		Track parts per hour & downtime/fault occurences/times and take action on largest issues.	Fix & Train	Daily	Brian Buchanan	Spreadsheet tool provided	Fault Tracking Log
		Respond to operator challenges of new design to sustain the improvements.	Monitoring	Weekly review at production mtg.	John Stewart (supv.)	Onging	
	Maintain compliance to the new Lead/Setup SOP.	Train personnel on new SOP	Training	One time	Dan Krueger	Training completed on	SOP #12345
2		Track reasons for being pulled off route and take action on largest issues.	Fix & Train	Daily	Brian Buchanan	Spreadsheet tool provided	Tracking Log
		Respond to lead challenges of new design to sustain the improvements.	Monitoring	Weekly review at production mtg.	John Stewart (supv.)	Onging	
3	Escalation Plan for Lead/Setup	Train personnel on new response plan	Training	One time	Dan Krueger	Training completed on	
4	Maintain compliance to the new Parking Lot SOP.	Train personnel on new SOP	Training	One time	Dan Krueger	Training completed on	
5							

Control Plan Approval and Acknowledgement											
			Control Owner Action Acknowledgement								
Process Owner(s) - Date					Name and Date						
		APPROVAL									
						Name and	Date				
						Name and	Date				



# **QUIZ 5:**



- 1. What is necessary for world class 'operational excellence'?
  - Process Improvement + Culture Improvement + Leadership Improvement
- 2. What is the first step in strategic planning (Hoshin Kanri) for an organization?
  - Establish and agree on the Mission, Vision, and Goals





## **HOMEWORK REVIEW**

(Open Computers and Log into your Portal)







### **CONGRATULATIONS!**

You have completed the Lean Green Belt course.

Good Luck in your Exam!

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