Getting a Real and Sustainable Transformation

13th Annual European Manufacturing Strategies Summit 2017

César Lombarte
OpEx Manager
B.Braun Medical SA

27th - 29th November, 2017 - Berlin
Upon completion of this session

- Foundations to build an OpEx implementation
- Pillars for a successful change
- Don't forget the innovation

100% SUSTAINABLE OpEx Model
Disclaimer

The views expressed herein are the views of the presenter only and not those of any company, employer, or organization associated with the presenter.
Our philosophy is “Sharing Expertise”

- **Hospital Care**
  Provides basic care and therapy concepts in the fields of anesthesia, intensive and acute care

- **Aesculap**
  Provides products and services for all surgical processes and cardiology – from surgical instruments and implants to suture materials

- **OPM (Out Patient Market)**
  Provides medical devices as well as pharmaceutical products and is a service partner outside hospitals

- **B. Braun Avitum**
  Provider in the field of extracorporeal blood treatment and is an experienced provider of dialysis centers
A system is not the sum of its parts, but the product of its interactions.
Going back to the basics
Going back to the basics

Defeating enemies from the traditional operational system

- Long Production Lead Time
- Quality not integrated in the process
- No Flexibility to meet diverse market requirements
- Lack of cross functional coordination
- Conflict among Stakeholders
- Low Morale of Employees
- Short-term perspective
- Business Scale: bigger, faster, ...
- The only customer is the final customer
Going back to the basics

Emphasizing and focusing on the continuous improvement and its principles

- Shorter Production Lead Time
- Quality really integrated in the process
- Flexibility as a competitive advantage
- Cross functional coordination
- Collaboration between Stakeholders
- Employees as Assets
- Long-term perspective
- Business Scale: Adequate size
- The next process is the customer

And…

- Focus on the Flow
- Attention also to the Operational part
- Customer orientation
Habits, Paradigms...Culture...

Unconscious Mind
- Routine Behaviours
- Emotions
- Amygdala
- Dopamine

Practicing existing routines is not painful

Repeat * n = Habit
Same perspective = Same results

Conscious Brain
- New Information
- Conscious
- Prefrontal Cortex
- More energy needs

Learning something new implies an effort
Habits, Paradigms
What parking spot # is the car parked in?

If you google it, you won’t get fun...
Requirements for a successful change

Want to:
- commitment
- common vision
- objectives
- self discipline
- communication
- trust
- improvements

Able to:
- training
- qualification
- learning

SUCCESS

Allowed to:
- empowerment
- roles and accountabilities
- trust
- security
- independency and autonomy
Sustainable Cultural Transformation recipe
It’s not a trial & error process, neither tool box usage,...

We need a Strategy

Timeline

H1
Capability to Change!

H2
Capability to Change!

Goal
It's not a trial & error process, neither tool box usage,...

We need a Strategy, including a Strategy Deployment

- A3’s are the key point for an effective strategy deployment
- From top to down, i.e., the whole organization is involved
- Continuous dialogue between layers
Sustainable Cultural Transformation recipe
TOTAL COMMITMENT of Top management is a must ... or it will never really happen

- Lead the change, getting involved
- Change people's mindset to change the culture of the organization
- Willing to work with teams
- Assure that things said to be done, get finally done
- Willing to go to the gemba, to the shop floor

If the leader doesn't lead, the followers won't follow
Top management leadership style

Organization chart

Blame flow

God

Rule makers

Controllers

Enforcers

Losers

Claudio Perrone
agilesensei.com
Top management leadership style

- Creates and transmits a clear vision for change
- Creates partnerships to achieve team goals
- Strengthens the capacity of the organization to change
- Encourages desirable behaviour
- Coaches the teams in gemba
- Inspires employees in gemba
- Leads workforce to adapt skills and behaviours in gemba
- Put pressure on the organization
TOTAL COMMITMENT of Top management is a must ... or it will never really happen
Sustainable Cultural Transformation recipe
Touch Gemba

Operational Excellence is a people thing

- Gemba must reflect customer requirements
- Skills, behaviours, training and team work
- People make the process flow
- People identify non verbal added works and waste
- People need a proper workplace
- Gemba will show the reflect of poor support by other areas
- People are key and make things happen in the gemba, no machinery

"Involv operators and team leaders in improvement activities"
Build constructive dialogs at Gemba

- Top Management
- Middle Management
- Team Leaders and Group Leaders
- Shop Floor

Be Clear  Be Constructive  Be Honest  Be Effective

Align Targets  Seek Understanding  Be Accountable
Performing OpEx workshops without establishing the people foundation will avoid getting long-term sustainable results.

“People support what they help create... they reject what they are excluded from...”

Margaret Wheatley
Sustainable Cultural Transformation recipe

- Strategy
- Commitment
- Gemba
- Accountabilities
- Transformation
Operational Discipline

Dedication and Commitment to do it right, every time, everyone.

Build a corporate culture of challenge. Maintain and improve. To produce outputs QCDaSM.

Manage Inputs 5M KPIs

What can not be counted cannot be measured, and what is not measured cannot be managed.

Not everything that can be counted, counts; and not everything that counts, can be counted (A. Einstein)
Give Feedback...

Feedback leads to higher performance when it is specific

Holding each other accountable the team self-manages better

Feedback facilitates the conversation

Be ready to receive feedback from your employees

...even Negative Feedback
Effectiveness of Management

- Focus on necessary things...only
- Proper management and flow at Gemba
- Select project reviews and meetings
- Maintain and improve standards
- Use of A3s as mentoring tool of subordinates
Sustainable Cultural Transformation recipe

- Strategy
- Commitment
- Flow
- Gemba
- Accountabilities
Importance of Flow Work

- Batches
- Inventory
- Downtimes
- Rework
- Changeovers
- Transportation
- Layout
- Push
- Unbalanced work

Flow as Realization of simple processes
Shop Floor Management to get Flow

SFM to **develop people and sustain improvements**: changing **habits** and **behaviours**
empowerment and improvement of **competences**
**leadership** in the natural teams in gemba
sharing **knowledge** and **expertise** between teams
monitoring of **KPIs**
tackling deviations by applying **countermeasures**
establishing a **continuous improvement culture**
Is innovation the solution to our needs?
Digital revolution is unavoidable
Kaikaku

Better tools = easier work & collaboration

http://sehen-lernen.com/wofuer-dann-kaizen/
Last but not least

Accept that there is no immediate return and there will be difficulties.

Be persevering and consistent.
There is no end point.

It sounds risky, but the real risk is not to change

Re-improve what was improved for further improvement (Taiichi Ohno)

Make it simple. Simple is better

Be open.
Same old methods, same old results.

One Billion Baby Steps...
Take-aways

- Establish the Foundations
- Learning by Doing is the real productive Work
- Dialogue around an A3 to get Lean Thinkers
- Go and See at Gemba – Visual Management
- Respect People and Enable the work of managers
- Have discipline while practicing Teamwork
- Done is better than Perfect!

"The secret of getting ahead is getting started"
Mark Twain
WHERE COMPLACENT BRANDS GO

R.I.P. STUCK IN THE STATUS QUO
ANALYSIS PARALYSIS
FOLLOWED THE SAME STRATEGY YEAR AFTER YEAR
DISMISSED ANYTHING NEW AS A FAD
DIDN'T TAKE CHALLENGERS SERIOUSLY

© marketoonist.com
Think out of the Box

Lateral thinking, **change the focus, make it simple!**

---

**Hong Kong Elementary School First Grade Student Admissions Test Question #21**

What parking spot # is the car parked in?

香港小学一年级学生入学考试试题

关注即可做题→ 易哈佛

2013-11-28

香港小学入学考试题：21题

请在20秒内完成回答 Please answer within 20 seconds.

@微博搞笑排行榜

16 06 68 88 98
Getting a Real and Sustainable Transformation

13th Annual European Manufacturing Strategies Summit 2017

César Lombarte
OpEx Manager
B.Braun Medical SA