X factor in LEAN implementation

28 Nov 2017
X factor in LEAN implementation

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History on LEAN implementations

Unfortunately not all change interventions are successful:

• Book Good to Great, Jim Collins 11 out of the 1435 organizations sustainable performance improvements.
• Survey conducted by Industry Week in 2007 only 2% lean program achieved their anticipate results
• Other studies 67% of TQM interventions fade away after two years,
• 30% of IT projects are cancelled
• 50% of IT projects exceed their budget by 200%

Clearly, the global change track record does not look too promising!

It is easy to blame unwilling employees, but it is a fact that human beings resist change when it is imposed.
Tools as deliberately practicing a routine for continuous improvement:
• How to develop solutions
• Coaching (questioning)

Selecting people for the business:
• Western business - with good innate work/management characteristics (habits)
• Toyota – focus on openness to learning then the later

“When we look at lean in this way it is not only a set techniques for eliminating waste, but a process by which managers as leaders develop people so that desired results can be achieved, again and again – Coaching people in practicing an improvement tool or methodology – Jeffrey Liker, Ph. D, Mike Rother”
What makes the difference

Leadership is leading and running the business

Organization Capability

Senior Leadership Capability
What makes the difference

Good business - healthy – creates growth - Expand the organization

Organization Capability

Senior Leadership Capability
What makes the difference

Organization Capability

Senior Leadership Capability

Frustration
Limited
People leave
WCM Fail
Key Motivations Behind Work

- Purpose Driven
- Philanthropy Driven
- Passion Driven
- Pay check Driven
Active and visible senior leadership is critical to success

• Supporting change by giving consistent attention to the change and the need for change management

• Championing the change by leading and motivating others in the organization; being the face of the change

• Making effective and influential decisions regarding the change, including the ability to align priorities among other leaders in the organisation

• Maintaining direct communication with the project management and change management teams and being accessible during the change
AS IS and TO BE management actions

The To-Be Leadership Canvas of BRG’s Middle Management

Tagline: Liberate, Coach, and Empower

Key Leadership Activities

Non-existent

Make more than one person responsible for the same initiative
Request frequent and detailed progress reports on initiatives
Enforce compliance with specified reporting requirements for business activities
Speed time with senior managers
Create a safe environment to learn
Explain the strategy clearly
Empower frontline managers to stretch themselves
Coach people
Set performance goals together
Share best practices across teams
Align reward with performance

To-Be Leadership Profile

As-Is Leadership Profile
My/Company journey

0. Realization - 2007

1. Leading 2009

2. Cultivating leaders 2011

3. All Leaders – Self driven 2013

Company Growth

Sustainable Results

Company Growth

Understand Results

Direction?

Laissez-Faire

Direct Coaching

Democratic

Charismatic

Personal Growth

My/Company journey
Different TOOLS
Structures: Laissez-Faire
0. Meetings: Direction?/Laisses-Fair

Ask the guy at the back

Are we nearly there yet?

Where are we going?

I thought we following you?

Realization
Structures: Laissez-Faire

150 Times = CHAOS???
1. Meeting: Direct Coaching
Structured....

Operator to Operator (Shift Handover)

Operators meet when they hand over shift
Discuss problems in area of work
Discuss KPI's of equipment
Highlight areas of concern
Structured....

Operator to Operator (Shift Handover)

- Operators meet when they hand over shift
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- Highlight areas of concern

Shift meeting

- Issues from previous shift
- Problem areas and set priorities for shift
- Review performance & set targets for the shift
- Assign actions
Structured....

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Daily operation review (DOR)
- Review of KPI’s for department UV, Availability, Run-rates
- Review previous day losses
- Verify problem solving actions
- Highlight areas of concerns
- Set priorities for the day
Operator to Operator (Shift Handover)

Operators meet when they hand over shift
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Shift meeting

Issues from previous shift
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Daily operation review (DOR)

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WOR/MOR

• Overall performance
• Feedback from all teams
• Review losses
• Actions assigned to teams to correct losses
• All meetings can delegate up or down
Structure: Disciplined
Structure: Disciplined
Structure: Disciplined
2. Cultivating leaders

Results + Confidence
Formal Process - Approach

- KPI Setting Process
- Problem solving
- Culture of Continuous improvement
- Tracking of Activities Impact
- Rewarding

Change How People think, act & learn over time

Characteristics
3. All Leaders – Self driven

Sustainable results
All driven connected

<table>
<thead>
<tr>
<th>Business Management</th>
<th>Real Time</th>
<th>Shift</th>
<th>Daily</th>
<th>Weekly</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Yearly</th>
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<tbody>
<tr>
<td>Site Management</td>
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<tr>
<td>Frontline Management</td>
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<td>Frontline Team</td>
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</table>

- Activity Tracking
- Process control charts
- On Line / Meeting room

Management routines: standard work, Improvement

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## All driven connected

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<thead>
<tr>
<th>Business Management</th>
<th>Site Management</th>
<th>Frontline Management</th>
<th>Frontline Team</th>
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<tbody>
<tr>
<td>Operation review - More Strategic</td>
<td>Operation review - More Executional</td>
<td>Tracking mechanism</td>
<td></td>
</tr>
</tbody>
</table>

### Management routines

- **Real Time**
  - Weekly Information Networking
- **Shift**
  - Daily Operational Review
  - Operator to Operator
  - Team/Area with action plan
  - On Line / Team room
- **Daily**
  - Production tracking
  - Process control charts
- **Weekly**
  - Shift meeting
- **Monthly**
- **Quarterly**
  - Area/Factory measures & action plan
- **Yearly**

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### Standard Work

- **Integration**
  - Management routines
  - Improvement

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- Business Management:
  - Operation review - More Strategic
  - Operation review - More Executional

- Site Management:
  - Tracking mechanism

- Frontline Management:
  - Shift meeting
  - Daily Operational Review

- Frontline Team:
  - Production tracking
  - Operator to Operator
  - Team/Area room with action plan
  - On Line / Team room

- Point of View:
  - Weekly Information Networking
  - Monthly measures and action plan

- Fertilizer Objectives (Division):
  - Are we on track and experience teambuilding

- Management route:
  - Standard work
  - Improvement
All driven connected

**Business Management**
- Operation review - More Strategic
- Operation review - More Executional

**Site Management**
- Tracking mechanism
- Complex support

**Frontline Management**
- Shift meeting
- Daily Operational Review
- Weekly Information Networking
- Monthly measures and action plan
- Area/Factory measures & action plan
- On Line / Team room
- Operator to Operator
- Production tracking
- Process control charts

**Frontline Team**
- Team/Area room with action plan
- Planning meeting
- Engineer Meeting
- Engineering Meeting
- Monthly Information Networking
- Are we on track and experience teambuilding
- Quarterly Information Networking
- Are we on track and experience teambuilding
- Yearly Information Networking
- Are we on track and experience teambuilding

**Operations Review**
- More Executional
- More Strategic

**Engineering Meeting**
- Standard work
- Improvement

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All driven connected

**Business Management**
- Operation review - More Strategic
- Tracking mechanism
- Ground floor connection
- Complex support

**Site Management**
- Operation review - More Executional

**Frontline Management**
- Real Time
- Shift
- Daily
- Weekly
- Monthly
- Quarterly
- Yearly
- GEMBA Walks
- Safety Shop floor meeting
- Daily Operational Review
- Weekly Information Networking
- Monthly Information Networking
- Monthly measures and action plan
- Area/Factory measures & action plan
- Planning meeting
- Engineering Meeting
- Monthly
- Information Networking
- Monthly measures and action plan
- Area/Factory measures & action plan
- Planning meeting
- Engineering Meeting
- Point of View
- Quarterly
- Are we on track and experience teambuilding
- GM Yearly Operator
- Operator to Operator
- Team/Area room with action plan
- On Line / Team room
- Process control charts
- Production tracking
- On Line / Team room

Management routines
- standard work
- Improvement

Fertilizer Objectives (Division)

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Engaged – All meetings include
Engaged

Big Picture & Understand Impact

PURPOSE

AUTONOMY

Responsibility

MASTERY

Personal Growth

NETWORKS

Linked upwards downwards

Engaged
0. Realization - 2007
1. Leading 2009
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My/Company journey

- Sustainable Results
- Company Growth
- Personal Growth

Laissez-Faire Direct Coaching Democratic Charismatic

Autonomy

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Key Success Factors

• Management understanding and commitment
• Buy-in and participation from all key stakeholders
• Effective deployment of strategy
• Line management accountability
• Effective facilitator support — expertise and focus
• Rigorous loss and waste analysis with aggressive targets
• Effective pilot activities
• Sharing and promoting successes
• Effective measurement of improvements
• Effective use of consultants
• Step-by-step implementation process
• Active HR involvement — 'it's a people deal'
John Kotter's eight steps to lead change

### Reasons why Change Initiatives Fail
- Not establishing a great enough sense of urgency
- Not creating a powerful enough guiding coalition
- Lacking a vision
- Under-communicating the vision
- Not removing obstacles to the new vision and not empowering people to act upon it
- Not systemically planning for and creating short-term wins
- Declaring victory too early
- Not anchoring the change in the corporation's culture

### Steps to Manage Change
- Establish a sense of urgency
- Form a powerful guiding coalition
- Create a compelling vision
- Communicate the vision to everyone
- Remove the obstacles and empower others to act on the vision
- Plan for and create short-term wins
- Consolidate improvements and produce still more change
- Entrench the change
Pulse survey results – Oct 2016

Omnia Sasolburg Pulse Check 2016 - Job Function - Strongly Agree (%)

- Foundation
- Self Confidence
- Belonging
- Leading

<table>
<thead>
<tr>
<th>Year</th>
<th>Management (28)</th>
<th>Supervisory (101)</th>
<th>Other (528)</th>
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<tbody>
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</tbody>
</table>

Legends:
- Sasolburg
- Supervisory
- Other

EQNip

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Typical Implementation Structures

- TRACC Specialist
- Implementation Manager
- Best Practice Leaders
- Master Facilitator and Site Facilitators
- Master Trainers and Site Trainers
- Team Leader
- Shift-based Team

Executive Committee

Local Committee

Implementation Task Force
Chair: 24/7 Area Manager – Others: Production, Quality, Maintenance, HR, Operator Reps

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