

Continuous Improvement through Employee Empowerment




Implementation Roadmap

MPE-Inc.

Date



Presentation Purpose

- Share a vision...
 - Share a mission...
 - Share the purpose...
 - Share the responsibilities...
 - Share the journey...
- 

Snapshot

When you lift the roof off of MPE-Inc. in 2007
(5 years), what do you want to see?

- Paperless
- Clean
- Proactive v. Reactive
- On-time delivery
- Defect free products
- Customer focused
- Continuous flow processing
- Visual workplace



- Empowered workforce
- 5-S philosophy
- E-Business
- Automation
- Community involvement
- Multi-facility
- International/Global

Snapshot


What resources will MPE-Inc. need to accomplish this?

- Workforce with the needed knowledge, skills, and abilities
- Financial resources and time resources





Employee Empowerment

- What does “*Empowering*” mean?
 - *Power* means “Control, authority, dominion”
 - *Em* - means “to put on to” or “to cover with”
 - Employee *Empowerment*, is...NOT a free for all, but rather:
 - Providing a **structure**...to pass responsibility to another.
 - Providing the **resources**...so one can take improvement actions, get more done, and enjoy the work that they do.
 - Providing the **support**...to allow employees to perform at their maximum potential.
- 




Benefits of an Empowered Workforce

- **Improved quality, productivity, and service**
 - Success comes from small steps taken by individuals at all levels in the organization.
 - Job ownership resulting from teamwork has led to an emphasis on continuous improvement.
 - **Greater flexibility**
 - Service quality relies heavily on an organization's ability to discover ways of increasing its responsiveness.
 - Teams can communicate better, tackle more opportunities, find better solutions, and implement actions more quickly.
- 



Benefits of an Empowered Workforce

- **Reduced operating costs**
 - An empowered workforce can often reduce total operating costs by identifying cost improvements in the areas which they work.
 - Additionally, empowered employees can often taking on more responsibilities resulting in a flexible, responsive workforce.
 - **Faster response to technological change**
 - Advanced manufacturing technologies call for different and usually higher work skills. Technologies have created an interdependence among activities once separated.
 - Workers who previously worked alone must team up to provide the communication links and responsiveness necessary to advance the organization.
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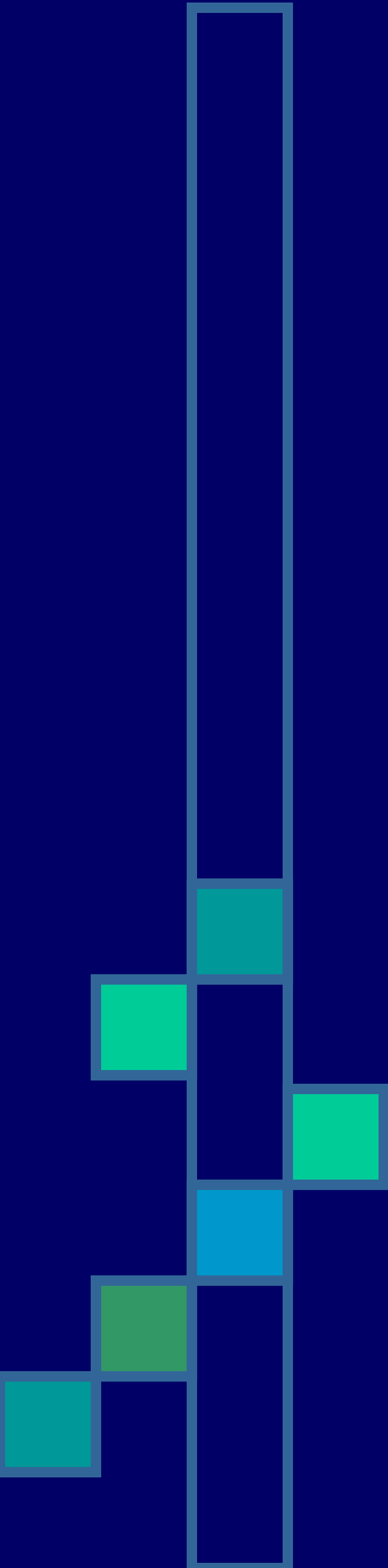
Benefits of an Empowered Workforce

- **Better response to new worker values**
 - Employees today welcome the autonomy, responsibility, and empowerment that Natural Work Teams provide.
 - Studies show that factors such as challenge of the task, participation in decision making, and work that gives a feeling of accomplishment are more important than high levels of pay.
- **Ability to attract and retain the best people**
 - Organizations that acquire (and retain) capable work forces will offer a culture that matches the values of the new work forces.
 - Teams offer greater participation, challenge, and feelings of accomplishment.



Steering Committee

- Gary Pfannerstill
 - Jack Koepke
 - Jim Gartzke
 - Responsibilities:
 - Linking the organization's Vision
 - Developing the purpose and importance of teams for MPE-Inc.
 - Utilizing the design principles to outline the details of implementing Natural Work Teams.
 - Provide ongoing focus and support of the process.
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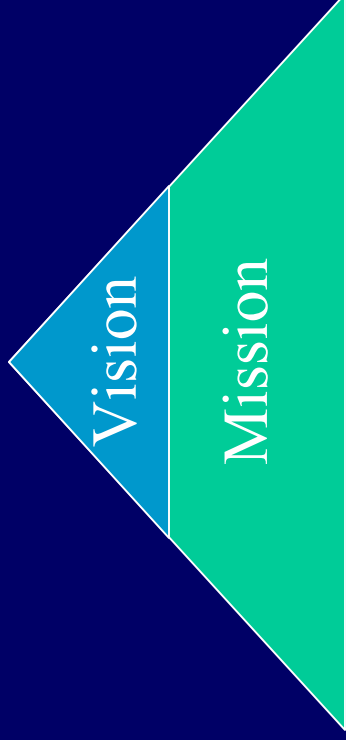


Laying the Foundation



Step One

Building an Organizational Vision



“A clear *Vision*, establishes the foundation for effective, efficient change that eventually leads to teams & employees making clear, informed decisions.”

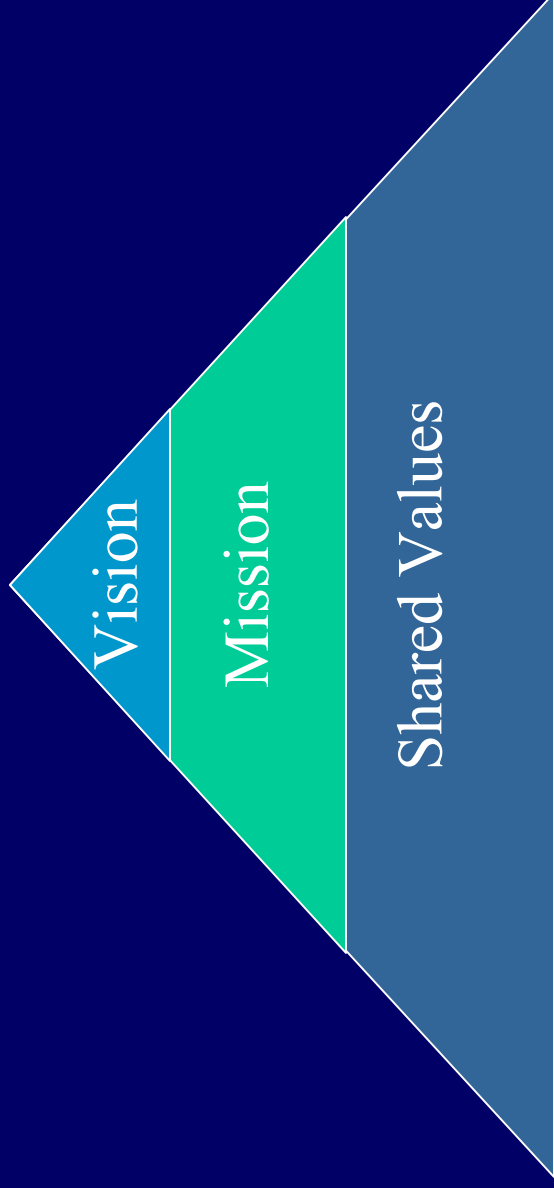
“The *Mission* of the organization tells which direction the organization is going and what it plans to accomplish.”



MPE-Inc.'s Organizational Mission

- "...the company be an upright, honest, fair and viable member of the economic community, that it be a fair and equitable provider of employment to people who wish to achieve and to enhance their economic lives through the pursuit of work in the manufacturing segment..."
- "The services provided to customers of MPE-INC shall be honest and straightforward, shall embrace the best and most up to date procedures and processes to produce high value parts and products."
- "...accomplish the customer's highest requirements..."
- "It is hereby recognized that to accomplish these intended purposes, the company must remain a profitable and productive enterprise."

Building an Organizational Vision



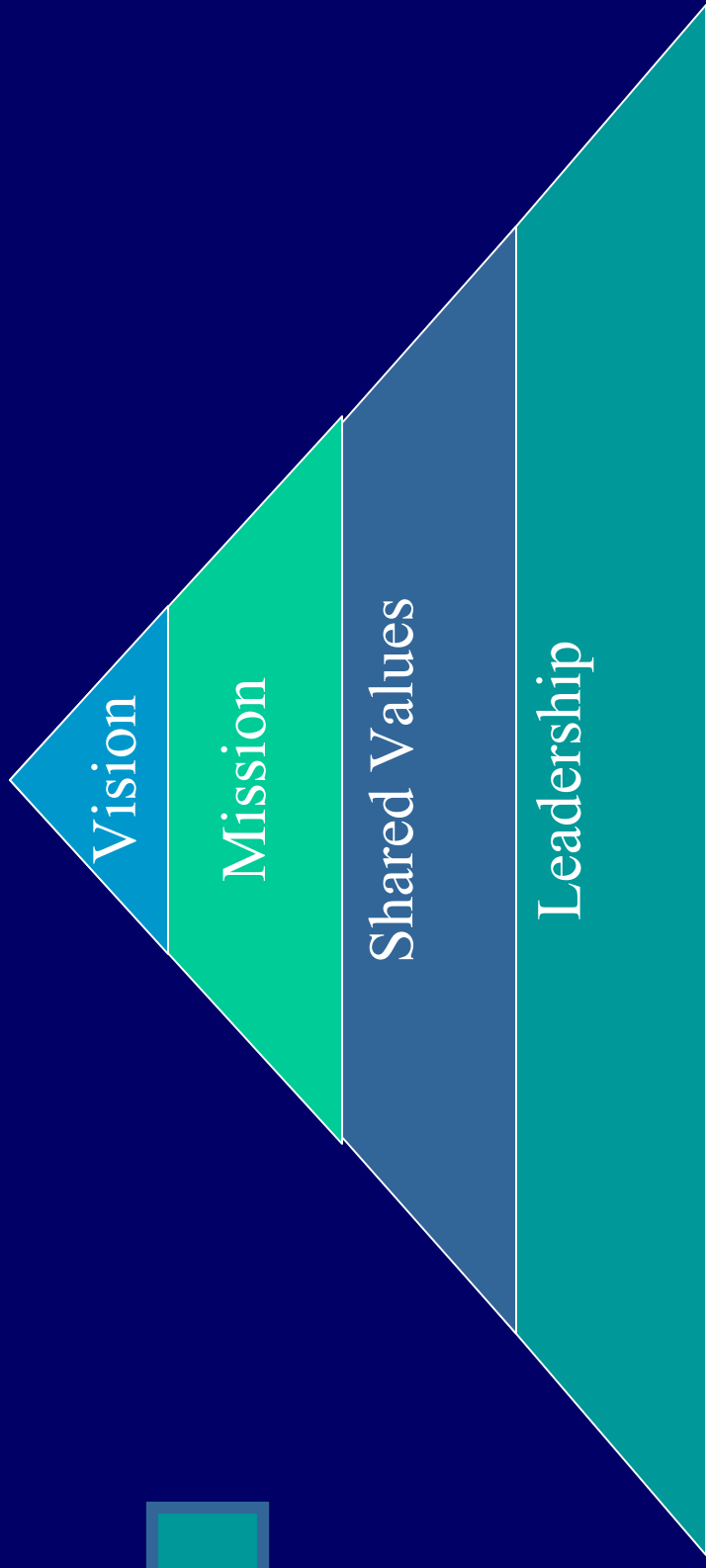
“*Shared Values* tell the team how to accomplish the vision of the organization. *Values* are the subtle control mechanisms that informally sanction or prohibit behavior.”

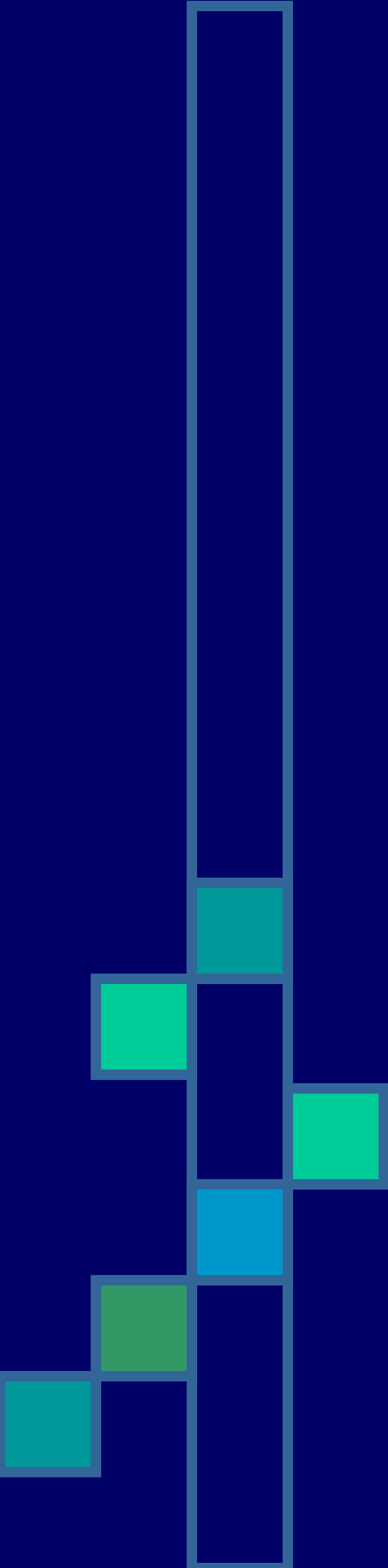


Shared Values

- A Safe Work Environment
 - Respect towards workplace and others
 - Embrace and Encourage Change
 - Exceeding Customer Expectations
(internal and external customers)
 - Spirit of Excellence, Unity and Fun!
- 

Building an Organizational Vision



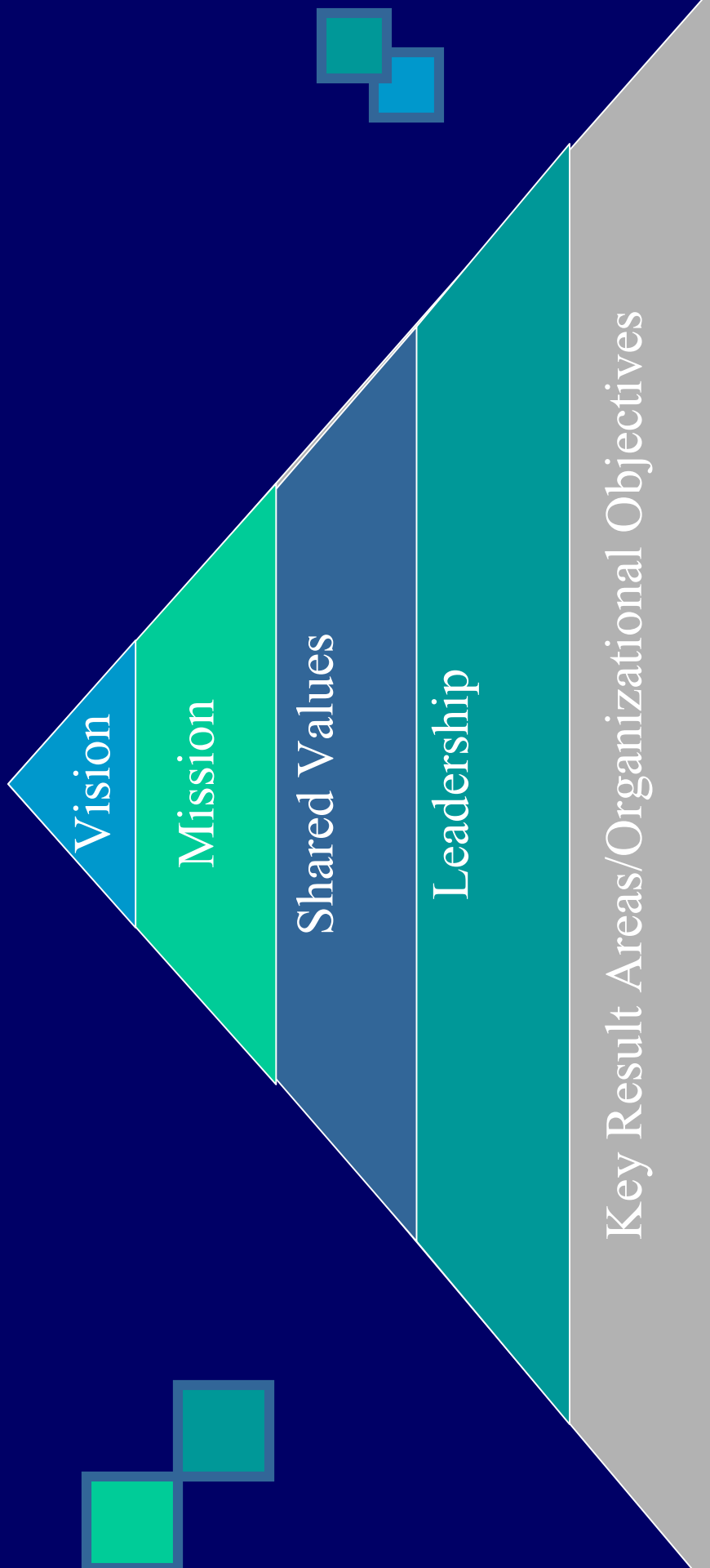


*An empowered, flexible enterprise for
continuous flow processing, eliminating
all non-value activity in a zero defect,
visual workplace.*



Manufacturing Vision


Building an Organizational Vision



“*Key Results* focus an organization’s efforts and resources to help it accomplish its overall vision.”

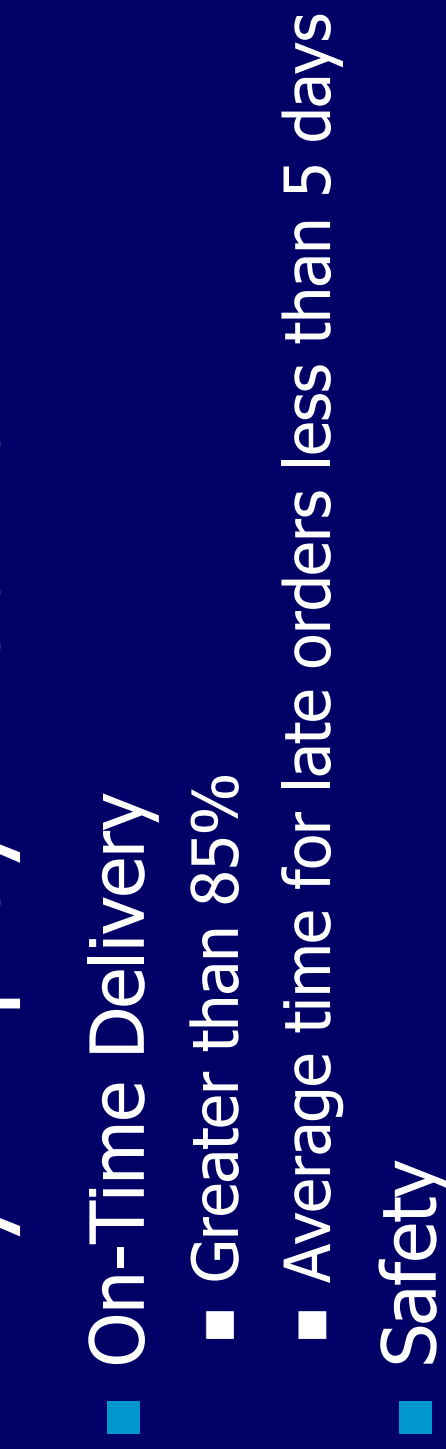


2002 Objectives

- On-time Delivery
 - Safety
 - ISO 9000/2000
 - Cost Reductions
 - Employee Development
 - Mexico Start-up
- 



2002 Objectives

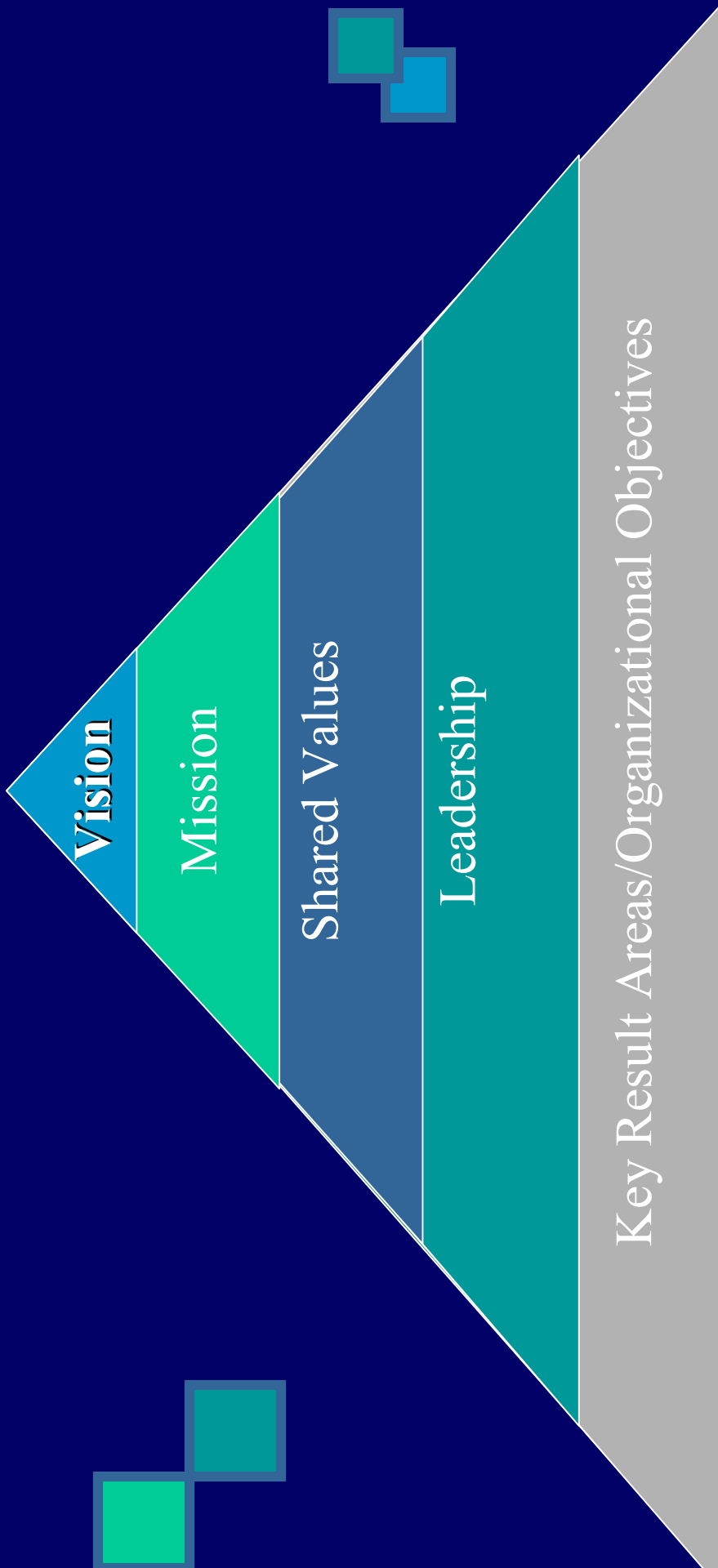
- Key employee outcomes -
 - On-Time Delivery
 - Greater than 85%
 - Average time for late orders less than 5 days
 - Safety
 - IR less than 5.0
 - Zero lost days
 - ISO 9000/2000
 - Implement ISO 9000/2000 by July, 2003
- 



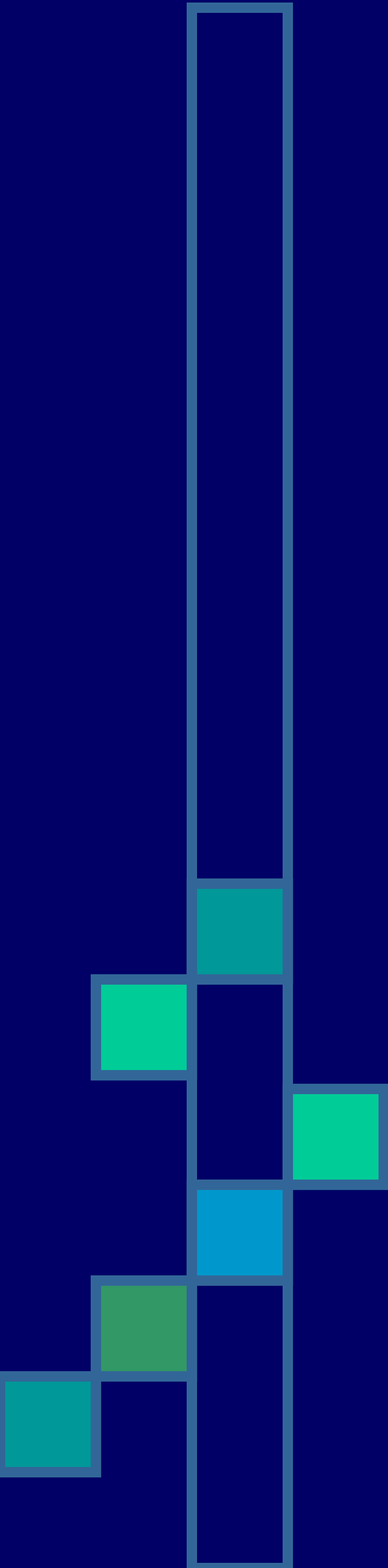
2002 Objectives

- Key employee outcomes -
 - Cost Reduction
 - Reduce costs by 5% (Ratio expenses to sales)
 - Employee Development
 - Each MPE-Inc. employee will be assessed against the Skills Training Criteria and,
 - Skills Training will be conducted to current skills
 - Mexico Start-up
 - The Mexico facility will be fully-functional by year end

Building an Organizational Vision



Responsible, Informed Decision Making at the Employee/Team Level



Designing the Continuous Improvement Structure



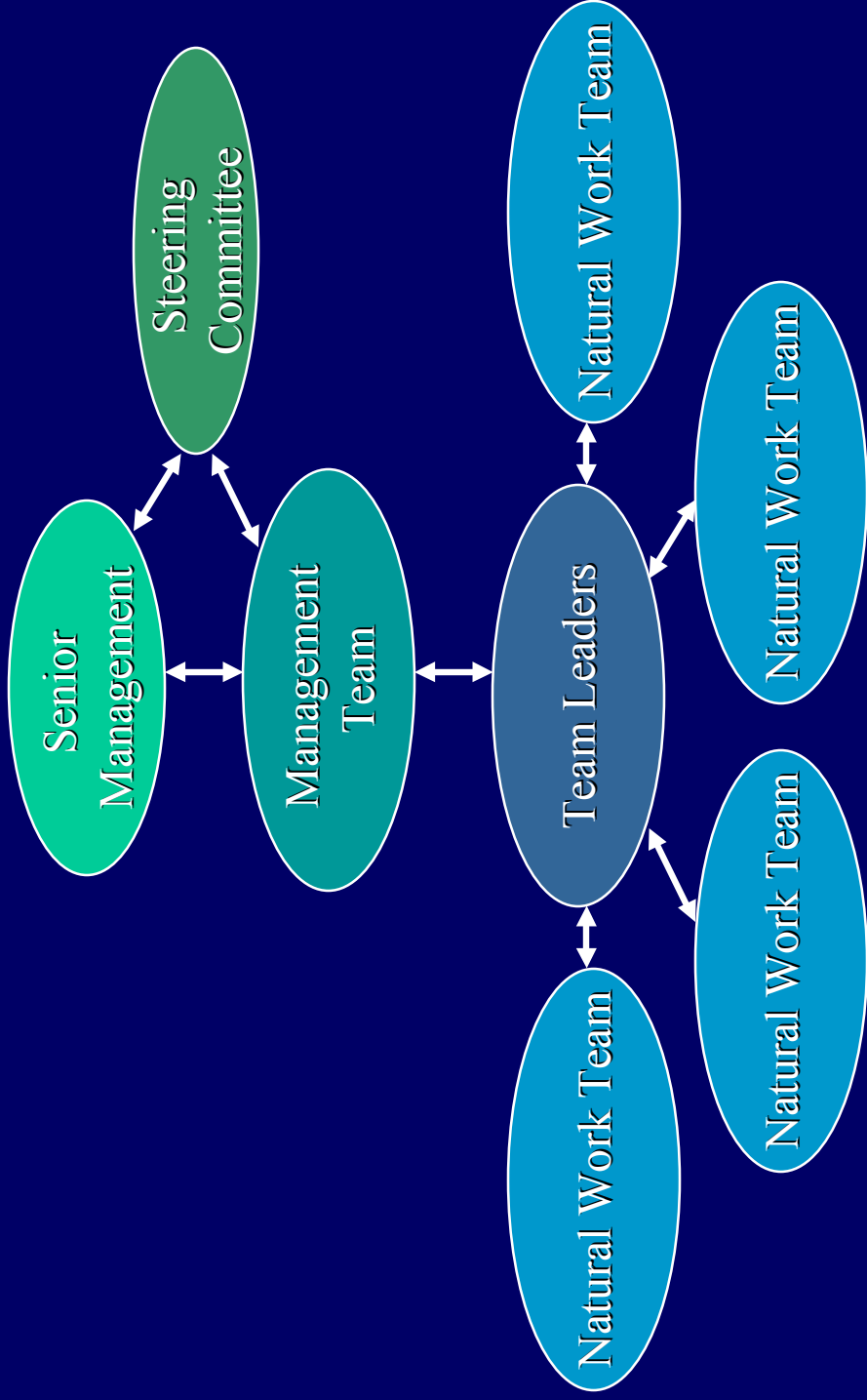
Step Two

Snapshot!



- Current practice...
 - How do projects get implemented?
 - Who is responsible for what?
 - Is everyone involved to the best of their capabilities?

Communication Structure





Team Purpose

Senior Management Team

Identify the direct and indirect business reasons for teams, determine the investment required to implement and maintain teams, and support the final decision.

Steering Committee

Develop Vision for the organization, Create singleness of purpose, Identify implementation plan and needed resources, Drive Continuous Improvement (CI) processes, Regular review with all teams.

Management Team

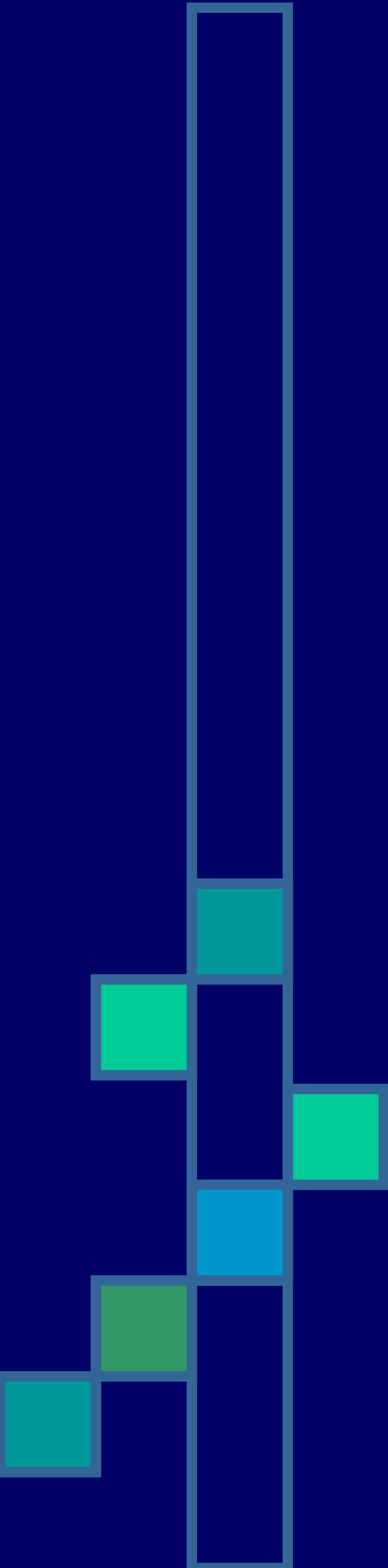
Develop overall direction & plant objectives, Create singleness of purpose, Drive CI processes, Regular review with all teams.

Team Leaders

Provide leadership for NWTs, Drive overall Plant objectives.

Natural Work Team

“Customer” focus, Improvements in quality, productivity, safety, and cost reductions.

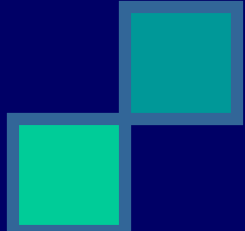



What should a Natural Work Team
(NWT) look like?





What are the major benefits of an integrated, structured natural work team?

- Enhanced sense of ownership
 - Enhanced involvement in decision making
 - Versatility training & rotation
 - Broader knowledge of the business
 - Stronger work relationships
 - Less restrictive communication flow
 - Continually improving performance
 - More fun!
- 
- 




What should a NWT look like?

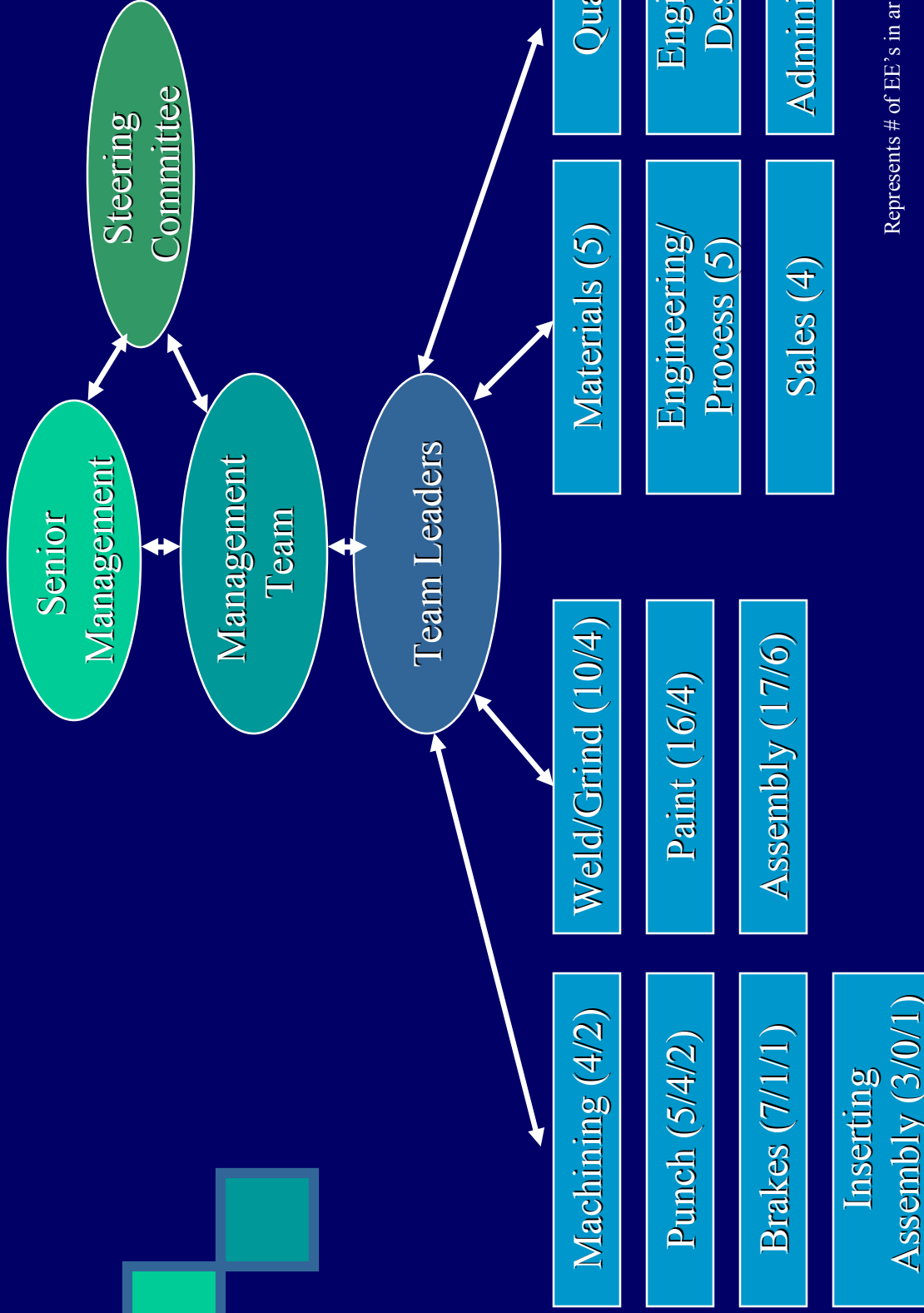
- Organized
- Utilize compiled data
- Set objectives
- Up-to-date, visible, accurate measures
- Improvement focus
- Prioritize problem areas
- Assign natural owners to assist in problem solving
- Evaluate progress made
- Solve problems
- Implement projects
- Focused on what they can do to improve
- Positive trends in all key measures
- Helping each other improve performance
- Work safely
- Keep area clean
- Training to assure everyone has needed skills



Natural Work Teams


- Manage daily productivity & quality performance by taking actions to address daily bottlenecks & scrap and rework issues.
 - Use daily requirements and results to guide actions to maximize performance.
 - Collect data on a daily basis and schedule review/problem solving opportunities.
 - Focus on safety and skill development of all team members.
- 

Team Structure





Team Responsibilities

- Safety
 - Materials
 - Quality
 - Employee Involvement and Development
 - Continuous Improvement
 - Customer Satisfaction
- 

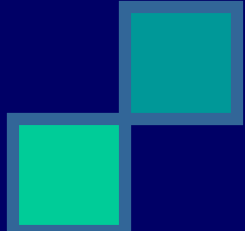



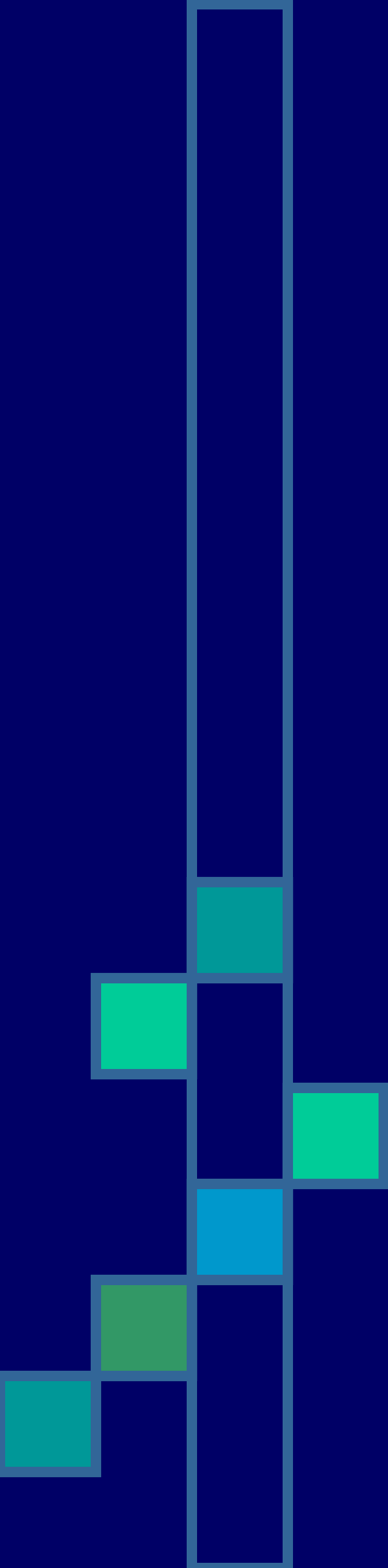
Shifting Responsibilities

- Becoming a Natural Work Team is an evolutionary process.
- Work teams grow more *empowered* as they increase ownership of their processes.
- Typically, that ownership grows from...
 - production activities (*doing the job*) to,
 - production control (*coordinating the job*) to,
 - leadership (*group support and team leadership*).



Team Measurements - *1st year*

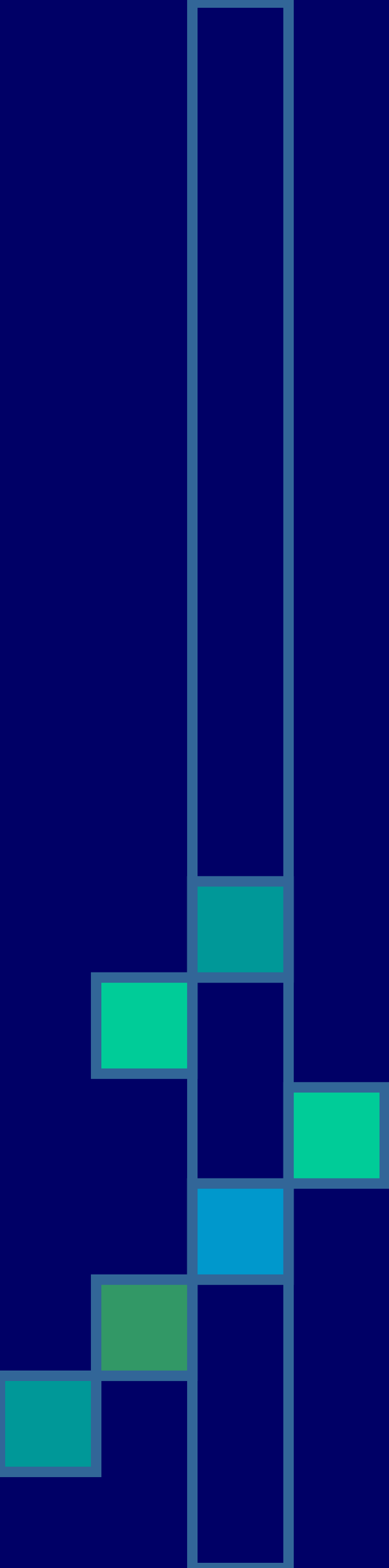
- 5-S Implementation & Improvements
 - Sort
 - Set-in-Order
 - Shine
 - Standardize
 - Sustain
 - Cost Reduction Improvements
- 
- 



Is MPE-Inc. ready to embark on
such a Continuous Improvement
journey?



Organizational Readiness




Setting the Structure up for Success: Team Implementation



Step Three



Team Development Program

- Tri-Fold Focus
 - Focus on the Management Team, Team Leaders, and Natural Work Teams.
 - Why so detailed?
 - Management team needs to be ready to lead Team Leaders.
 - Team Leaders need to be ready to lead NWTs.
 - At that point NWTs are trained.
- 



Team Leader Development

Sample programming

Team Leader Skills

Orientation

Leading a NWG

Coaching Techniques

The Importance of Coaching

The Superior Coaching Model

Values & Beliefs

Roundtable Discussions

Facilitating the 5S system

Train-the-Trainer

Team Development

NWT Initial Training

Orientation to NWT

Part I: Communication

Part II: Participation

Part III: Working in Teams

Part IV: Decision Making

Part V: Respect in the

Workplace

Part VI: Team Performance &

Goal Setting

Key Metrics 101

Introduction to Continuous

Improvement

5-S Housekeeping Process

Plan-Do-Check-Act Problem

Solving Technique



Natural Work Team Development

Sample programming

Team Skills

Key Metrics 101

Introduction to Continuous

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5-S Housekeeping Process

5S: Introduction & Sort

5S: Set in Order

5S: Shine

5S: Standardize

5S: Sustain

Plan, Do, Check, Act Problem Solving

Team Development

Orientation to NWT

Part I: Communication

Listening & feedback, 1-on-1 communication, Team communication

Part II: Participation

Effective meetings, Team member roles

Part III: Decision Making

Making decisions, Problem solving

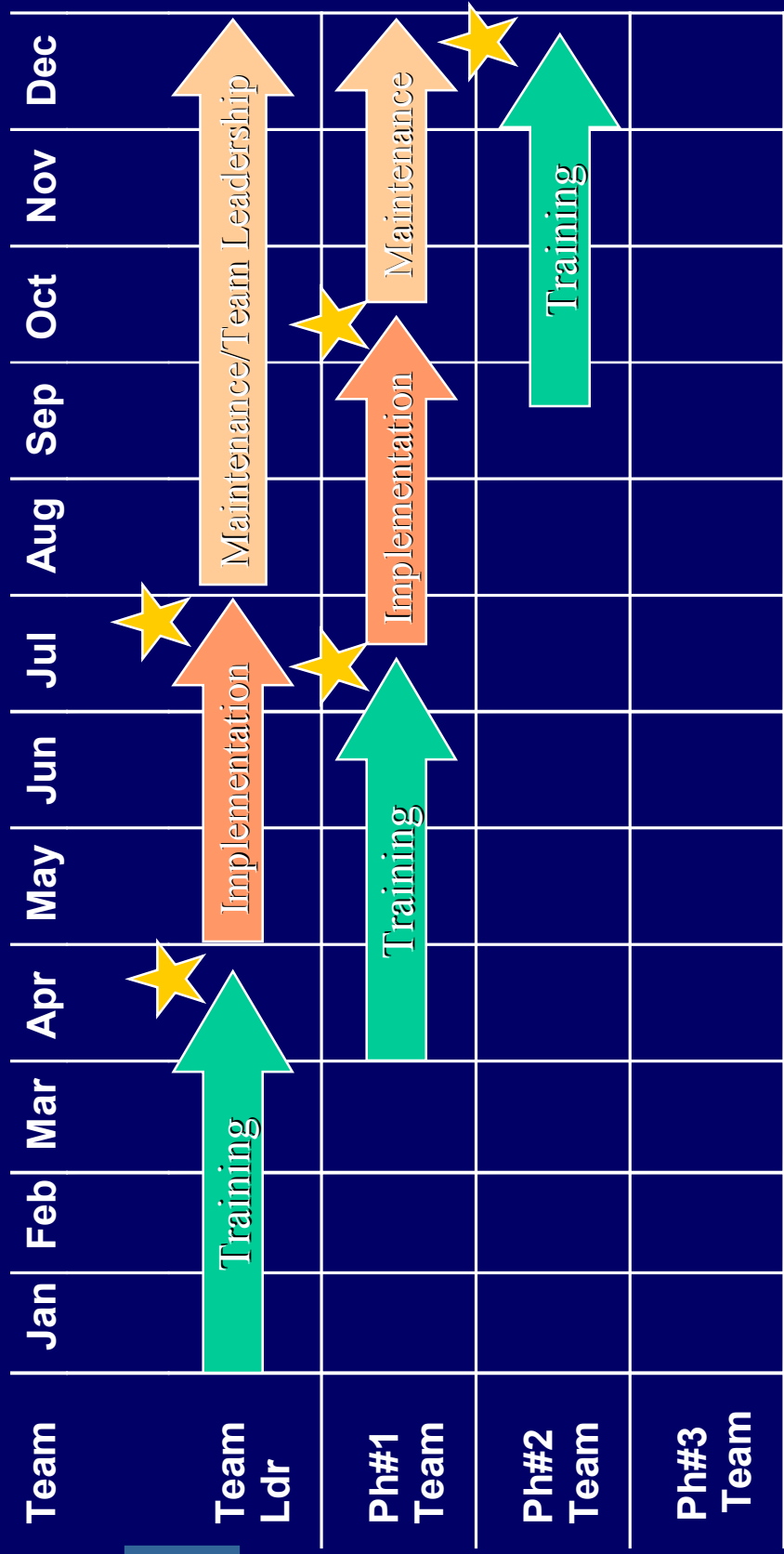
Part IV: Conflict Mgmt

Valuing differences, Handling conflict

Part V: Team Performance

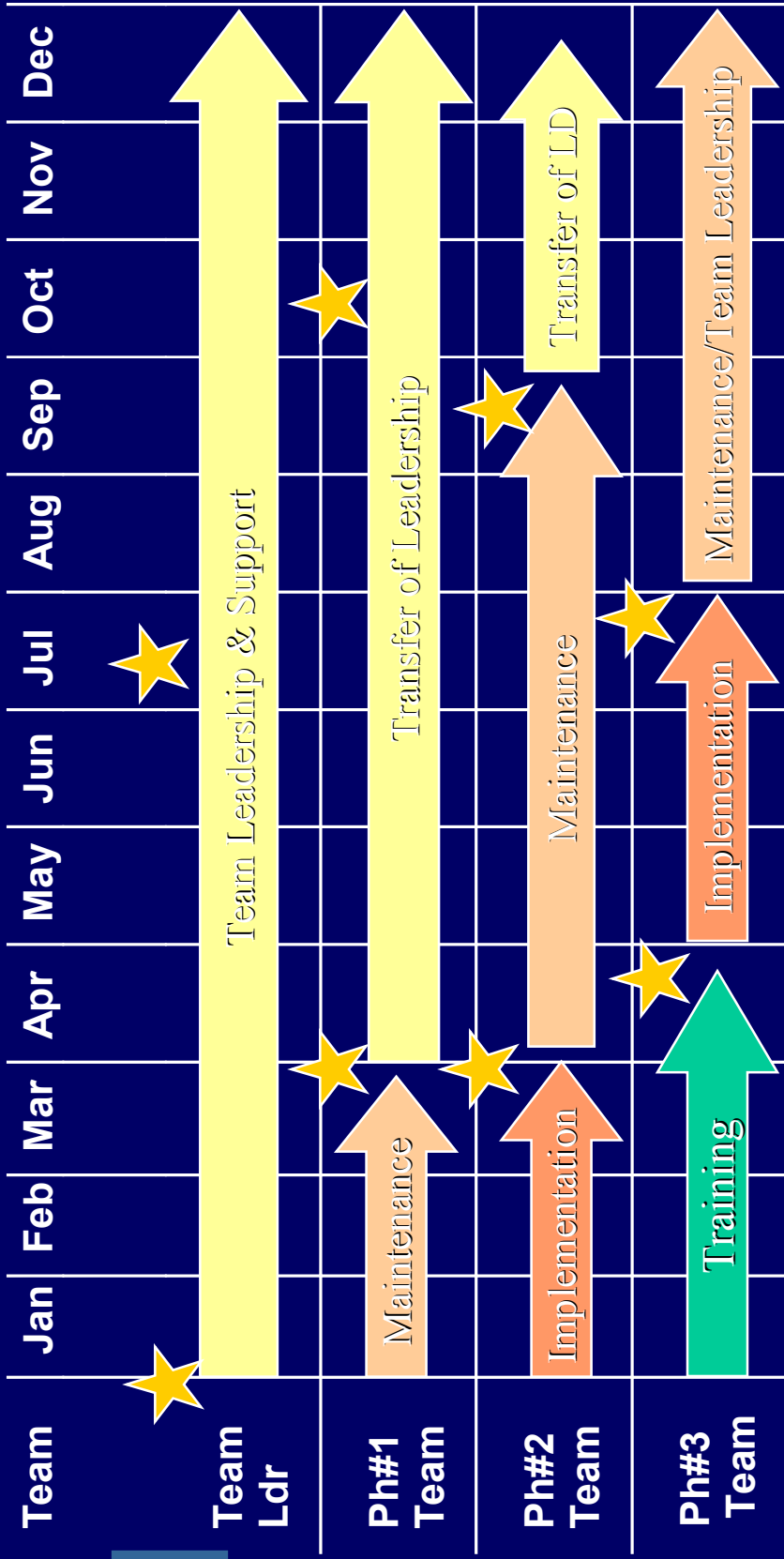
Assessing team performance, Setting team goals & assessing needs

Training Plan - Sample (Year #1)



★ = Update/evaluation opportunities


Training Plan - Sample (Year #2)

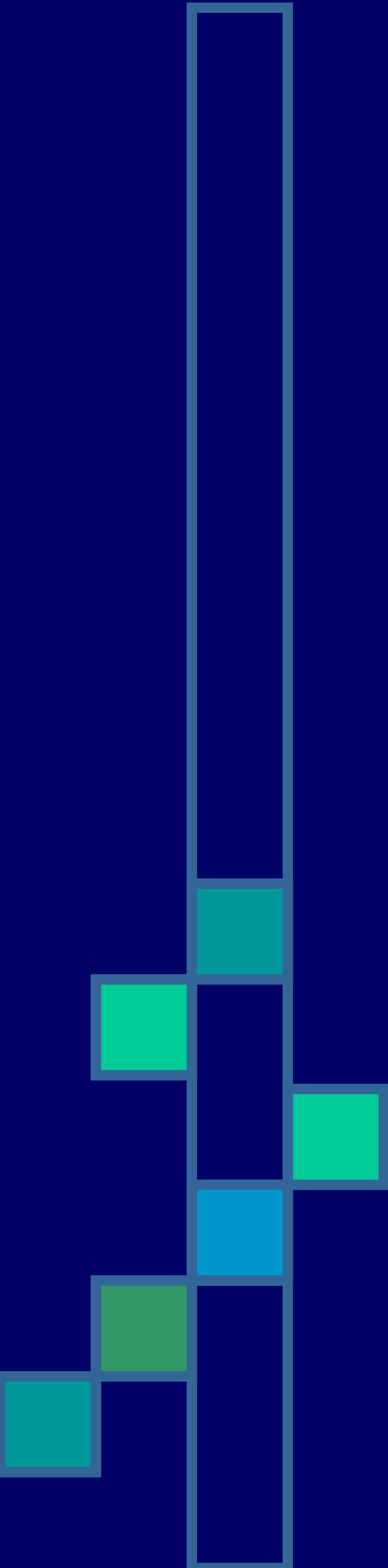


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Team Reward Systems

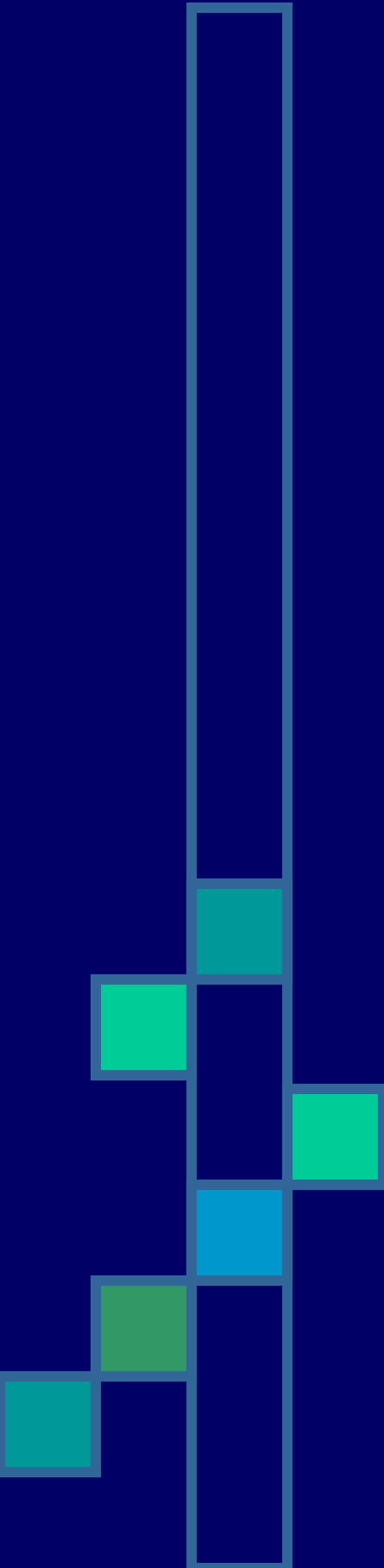
- Teams will come up with their rewards for achieving their goals/objectives subject to Management Team approval.
 - The above will be the initial system for 12-18 months. (i.e. during the implementation timeframe.)
- 



Discussion & Questions



Thank You



Supplemental Information



Why do organizations develop Natural Work Team...

<u>Respondents%</u>	<u>Cited as Primary Reason</u>
38%	Quality
22%	Productivity
17%	Reduce Operating Costs
12%	Job Satisfaction
5%	Restructuring
6%	Other

Examples of Work Teams' Success

- *Business Week* reports that plants designed with socio-technical methods and using Natural Work Teams are, on average, 30 to 50% more productive than their conventional counterparts (Hoerr and Pollock, 1986).
- Westinghouse Furniture Systems increased productivity by 74% in three years (Hoerr, 1987).
- Volvo Corporation's Kalmar facility reduced defects by 90% (Patinkin, 1987).
- General Electric Company's Salisbury, NC, plant increased productivity by 250% compared with other GE plants producing the same products (Hoerr, 1989).
- Dana Corporation's Minneapolis, MN, valve plant trimmed customer lead time from six months to six weeks (Sheridan, 1990).

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Solving Technique

Approximate Time:

36 hours/four months

Natural Work Team Development

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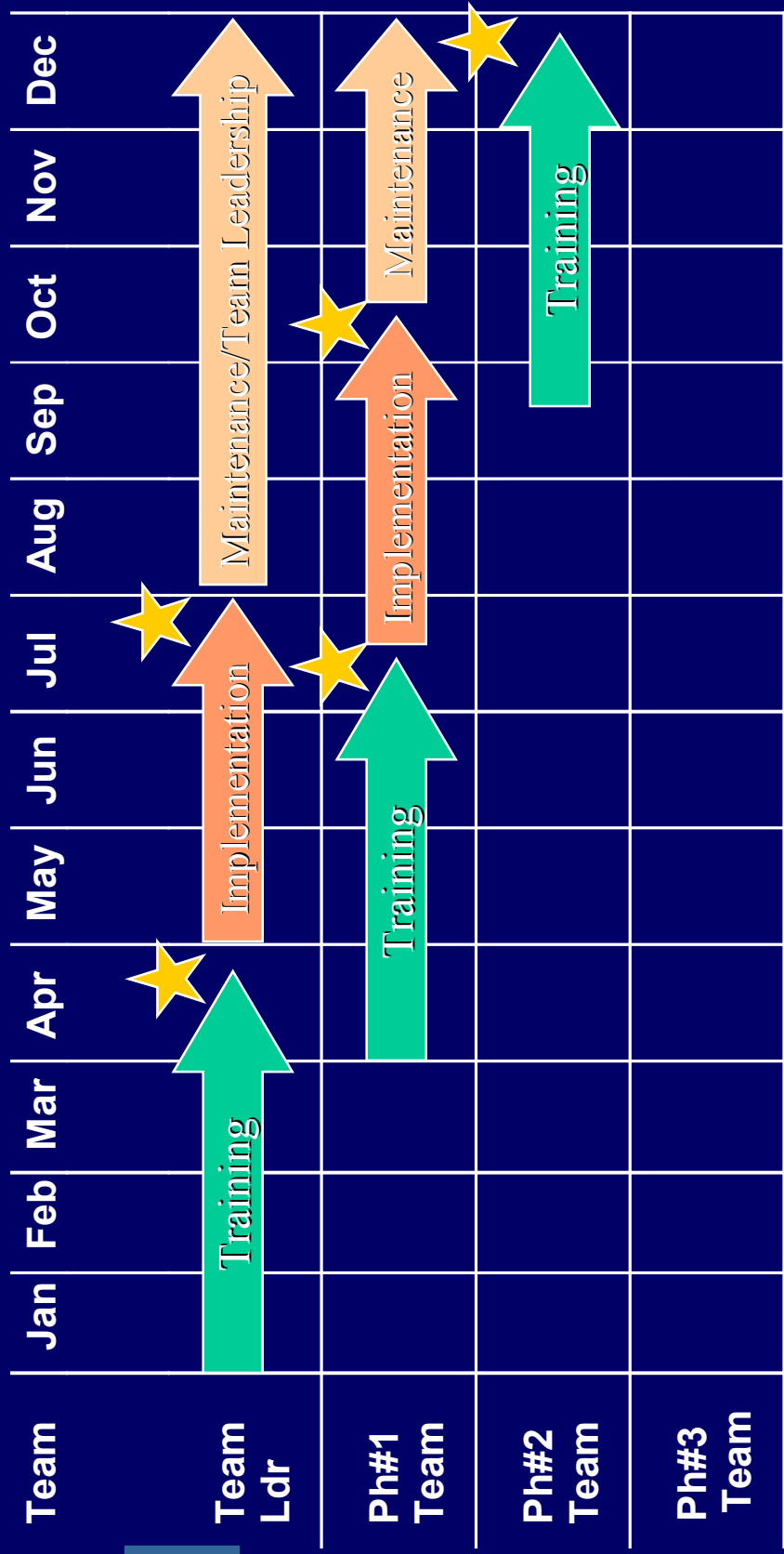
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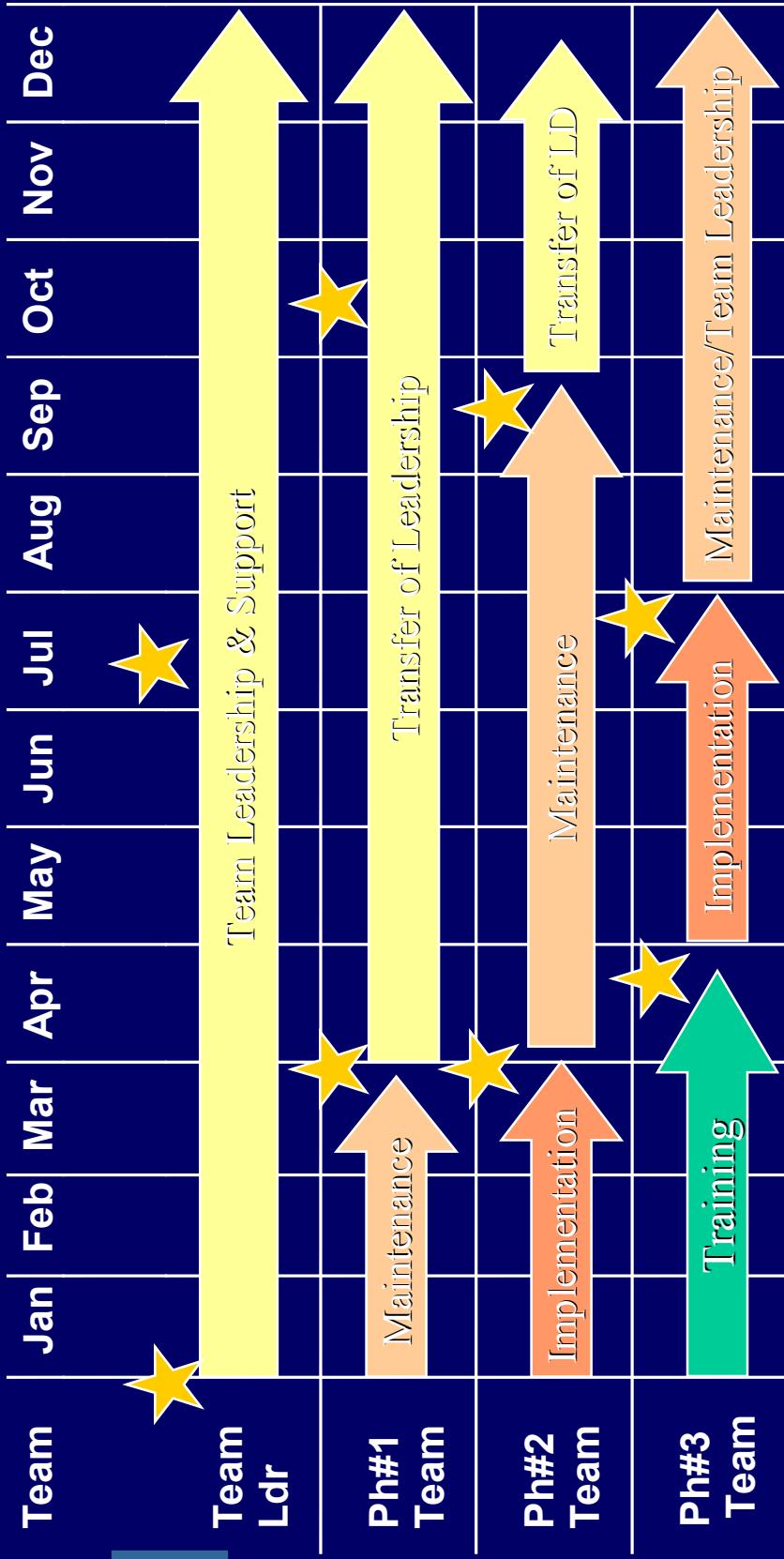
30 hours/six months

Training Plan - Sample (Year #1)



★ = Update/evaluation opportunities

Training Plan - Sample (Year #2)



★ = Update/evaluation opportunities

Show me the Numbers!

Averages for an organization with 120 employees:

- 80 hours/employee over two years
- 1st year = 5,100 man hours
- 2nd year = 4,400 man hours
- Total Hours over 2 years = 9,500 hours
- Initial Employee Development Investment = 6,700 hours/16 months
- Maintenance Investment (after 16 months) = 360hrs/month, 4,320hrs/year