

Robert Baird

The Four Components of a Fast-Paced Organization

**Going Beyond Lean
Sigma Tools**



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A PRODUCTIVITY PRESS BOOK

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Foreword

In my role as vice-president of North American operations for a global manufacturer, I would frequently be asked if we were a world-class manufacturing organization. I would answer yes, as we had a dynamic market share, state-of-the-art product offerings, and a seasoned management team. I really did not understand exactly what *world class* meant in detail, but assumed we were. From interfacing with other senior managers outside of my organization, I learned what world-class manufacturing really was and realized we were far from it.

We then embarked on a transformation to world-class, Lean, Six Sigma—many names are used, but the essence is developing a fast-paced organization that goes beyond Lean Sigma tools and emphasizes leadership, organizational structure, process design, and knowledge sharing.

Robert Baird was our quality manager at the time we started this transformation. He had recently joined us, and he embraced our evolution to a world-class organization, leading the way. Robert is a Six Sigma Black Belt and has detailed knowledge of both the hard, technical Six Sigma skills and the soft, people and organizational development skills.

Robert was instrumental in developing our self-directed, high-performance teams throughout the plant that enabled 100% of our workforce to be engaged and committed to executing our manufacturing strategies.

Robert led our Management Steering Team, where he enabled a horizontal flow of knowledge and collaboration between departments, eliminating the departmental silos that tend to develop in an organization, leading to fast-paced communications and problem solving within and between departments.

This book demonstrates the ability to simplify the organizational structure with leaders as supporters, teachers, and promoters improving the speed of transformation to a Lean environment.

My experiences as a senior manufacturing manager who participated in this transformation to Lean exceeded my most optimistic expectations. Our yields steadily increased to 99%+ in key product lines, our productivity improved by 50%, indirect labor costs were cut in half, and we unleashed the potential of our workforce. I encourage organizational

leaders interested in transforming to world class to read Robert's book detailing how your manufacturing operations can become an elite, value-adding part of your overall business.

Louis Bisasky

Vice President of North American Operations

Acknowledgments

There are certain people in business and life you have the good fortune of knowing. My understanding is that there are very few people who have the inherent passion and ability to motivate, whatever the situation. They are passionate people who are able to see the best in people, where job position plays no role and company politics are a negative input.

To my wife: It is crazy that I have such a loving and smart person and am always asking more from her. She always helps and her love is endless.

To the employees of the Owings Mills, Maryland Advanced Card Center: The inspiration for this book came from your ability to achieve such a high level of performance. A once-in-a-lifetime experience and rewarding journey—thank you so very much!

To my friend and mentor Lou Bisasky: The Lean journey we traveled in Owings Mills was led by Lou. He is a true leader who valued the people who worked with him. To this day I have never met another leader with his many leadership qualities. Lou ensured it was fun.

To my friend Jim Jamieson, who is one of the rare people who realizes the importance of empathy and having 100% commitment: He is passionate, caring, and motivated to accomplish world-class business results. He always globally promoted Owings Mills as a world-class operation.

Finally, to Pat Callahan, my brother-in-law, who was recently diagnosed with the terrible disease of amyotrophic lateral sclerosis (ALS): He maintains a wonderful outlook on life.

About the Author

Robert Baird has practiced successful applications of Lean Sigma globally for the past 20 years, including three complete Lean Sigma transformations. Each transformation achieved world-class business results.

Baird worked for Schlumberger Oilfield Services for 20 years, holding various management positions. He then transferred to Gemalto and worked there for 14 years, holding top management positions including vice president of operations and global world-class enterprise manager. Baird is currently founder and president of Lean Teams USA consulting firm.

He has introduced and supported a global Lean Sigma strategy for business results with his work in countries including Brazil, Canada, China, Finland, France, Mexico, Poland, Singapore, the United Kingdom, and the United States.

Introduction

The greatest enemy of the best is the acceptance of good.

Paraphrased from Voltaire

If you look at the characteristics of a successful organization, you will find speed as one of them. Staying ahead and achieving business results at a pace faster than the competitors are a distinct advantage. Within Lean we have some focus on just-in-time, lead time, and on time delivery—it is the nature of what Tom Peters (1992) called “Nanosecond Nineties”—but what are we doing about it? Are organizations focused on improving their organizational speed? We found that when there is a focus on speed, industry-leading improvements come with it and people are motivated to keep going; momentum is created, and all employees are engaged to execute the strategy. These are the outputs or effects on an organization when implementing all four of the components of a fast pace. Implementing one, two, or three of the components will certainly achieve results but not the sustained world-class results we are looking for. We all want a culture of continuous improvement, learning, and customer orientation; and this is what the four components were designed for. Following the implementation steps will inherently develop all of these organizational characteristics. It starts with the Leadership and Mentoring component. The leaders must be on board first, and then each of the other three components are to follow. The Leadership and Mentoring component provides the base that sustains the momentum and starts the culture. Leaders take responsibility for developing people who are trained, motivated, and supported to identify, solve, and fix problems. Leaders must empower people to be capable of process ownership. Leaders must guide and support a production system of continuous flow and quality products and service. Finally, leaders must build a learning organization. They are responsible for operational excellence.

Achieving excellence comes with a number of challenges. The first is to recognize the need for change. There have been many organizations with mediocre results from a Lean Sigma transformation, and I propose it is mainly from not providing a complete organizational change. Implementing Lean Sigma tools as the base will not provide world-class

results. It all starts with leadership understanding the scope of the required change. This does not mean it is a monumental and daunting change. With a leadership style of participation and learning, the change does not have to be daunting. It does involve the understanding and knowledge to develop and engage 100% of the workforce and ensuring 100% of the workforce clearly knows the strategy and how they can contribute to the strategy. Excellence also requires an efficiently designed process, a support organization, and systems to provide fast knowledge sharing.

In this book I describe, with implementation detail, four key components of an organization that must be in place to reach and sustain world-class business results at a fast pace. I also wrote the book in a style to provide only the needed details. How many people have read a 300+ page book and have only come away with one or two ideas they could use? My argument is for you to be able to get results from these proven components with, as you will see, reading as few pages as possible.

I was involved in a very special Lean Sigma transformation at an organization going through a market alteration. At the time there was discussion of outsourcing our production lines to low-cost countries; you could say it was our “burning platform.” The president of the organization knew the objectives were challenging and decided to take a very different approach. The main objective (later to be communicated as our single focus) was productivity above the proposed low-cost countries. The first step he took was to hold a meeting with all of the key managers, where he was very candid in presenting the daunting objective set by corporate. He also said that we had to meet this objective within a year. The next step was to brainstorm where we could possibly improve productivity—nothing was off the table. The next step was to determine where the “low-hanging fruit” was, and what we could do to provide the pace in achieving the results. At this time Lean Sigma was suggested as a methodology to support meeting our objectives. At the time only the human resources manager and I had experience with Lean Sigma. We agreed to hire a consultant to get us started. The management staff was then trained in 5S, Total Productive Maintenance (TPM), Kaizen, and manufacturing cells.

The president was not confident that these tools alone would meet our objectives, so he got us back together again and explained that we needed something else. The suggestion of self-directed teams came up. The president thought about it and agreed. At this same meeting we also decided on a single-focus strategy of productivity. The president also decided that we needed to have this group of managers meet every second day to create

the required pace for achieving the objectives on time. We then decided to call ourselves the Management Steering Team to provide some structure on how we would govern; we needed the input of everybody! From then on we always had an agenda item to discuss how we were creating pace toward our business results, and this is how the four components were developed. The result was that we doubled productivity, and along with these objectives, yield improved 75% and on-time delivery above 90%.

So here are the four key components:

1. Leadership and Mentoring
2. Process Design and Visual Value Streams
3. Organization Structure for Sustainment
4. Fast Knowledge Sharing

I also provide some explanation of some key Lean Sigma tools because they are critical in achieving the results you are looking for. However, Lean Sigma tool implementation by itself has been the mistake of many organizations. Too often the pattern is that someone in the organization decides Lean Sigma is something they would like to try. They start with some training, usually 5S, TPM, or even completing a value stream map. They see the early results and conclude: We were right—it did work. Then a few months later even the Lean tools are not part of the culture. This is a huge waste.

The approach I describe here with the four key components is more of a leadership and culture approach. I say leadership first because the correct culture cannot be established without talented leaders. There must be a strong leader, and this leader understands the power of teams, has empathy, is unpretentious, takes calculated risks, has fun, and is a strong communicator. The leader understands that Lean Sigma will be a complement to achieving business results; but he or she clearly knows that highly developed and motivated people, a self-directed team organization, and fast knowledge sharing and learning will bring sustained business results. It is also understood that this culture must be realized at a fast pace to maintain momentum. Leaders must understand that they must go to the Gemba; it is their responsibility to support, teach, and promote (what I call STP) the single focus strategy to achieve world-class results.

The single-focus strategy needs some explanation, as some people might think it is a limitation toward achieving world-class results. It is, as it states, a single focus; and the selection process for this measure is absolutely essential. We all receive what we need to improve from somewhere, from our