WHITE PAPER

How to Achieve Operational Excellence

3 METHODS TO IMPLEMENT NOW

PROACTION INTERNATIONAL creator of UTrakk Digital Management ecoSystem

Continuous improvement is better than delayed perfection.

Mark Twain,
American writer

Table of contents

This whitepaper is presented to you
By Yves LeBrasseur
Senior Expert, Technical Processes at Proaction International.

01

Chapter 1
Sustainable Continuous Improvement

Establishing a Sustainable Continuous Improvement Culture: Is It Possible?

For the past four decades, Toyota has been recognized worldwide for the quality of its products and for coming out as the big winner in satisfaction surveys among car drivers. This multinational company's management philosophy can explain its success as it provides employees with the tools they need to improve their work continuously.

Implementing such a system must encourage employees' commitment and creativity and allow for problems to be resolved as they arise.

The goal: to achieve optimal quality and operational excellence.

Let's break down this process for implementing a sustainable continuous improvement culture within your company.

What Is Continuous Improvement (Kaizen)?

The English translation of Kaizen, a Japanese term originating from the fusion of the words kai (“change”) and zen (“ better”), is the continuous improvement process that relies on small changes - concrete actions and initiatives that are simple and inexpensive.

Also considered a philosophy, the Kaizen improvement process requires a commitment, an ongoing effort from all parties. Regardless of their job, each employee is invited to reflect on their work environment and come up with constructive suggestions relating to productivity to make small, incremental improvements.

The color-coded systems used for managing paper files are an excellent example of continuous improvement that is well established in most organizations. This efficient, zero-cost filing method does minimize wasted time.

Key success factors

To ensure this effort is successful, all stakeholders must be open-minded and adopt a positive attitude toward the improvement process.

→ **Challenge current practices** instead of searching for excuses or culprits for problems.

→ **Consider all suggestions for improvement,** making sure that they are feasible.

→ **Focus on results** and don’t get hung up on possible obstacles.

→ **Find solutions** without looking for perfection.

→ **Involve at least one participant** from each team connected to the problem.

Lean and 5S: Two Tried-And-True Methods for Continuous Improvement

Lean management, or lean manufacturing, refers to a work organization and management system that focuses on improving performance via training for everyone.

The two main objectives of the Lean method are customer satisfaction (revenue) and the success of each employee (engagement and commitment). In a nutshell: Lean management eliminates unnecessary waste such as bottlenecks and inefficiencies.

The 5S methodology is an excellent complement to Lean because it aims to better structure the company's operations to gain efficiency. Material losses and accident risk significantly decline by reducing waste and workplace disorganization.

By waste, we are referring to:

→ Overproduction;

→ Waiting;

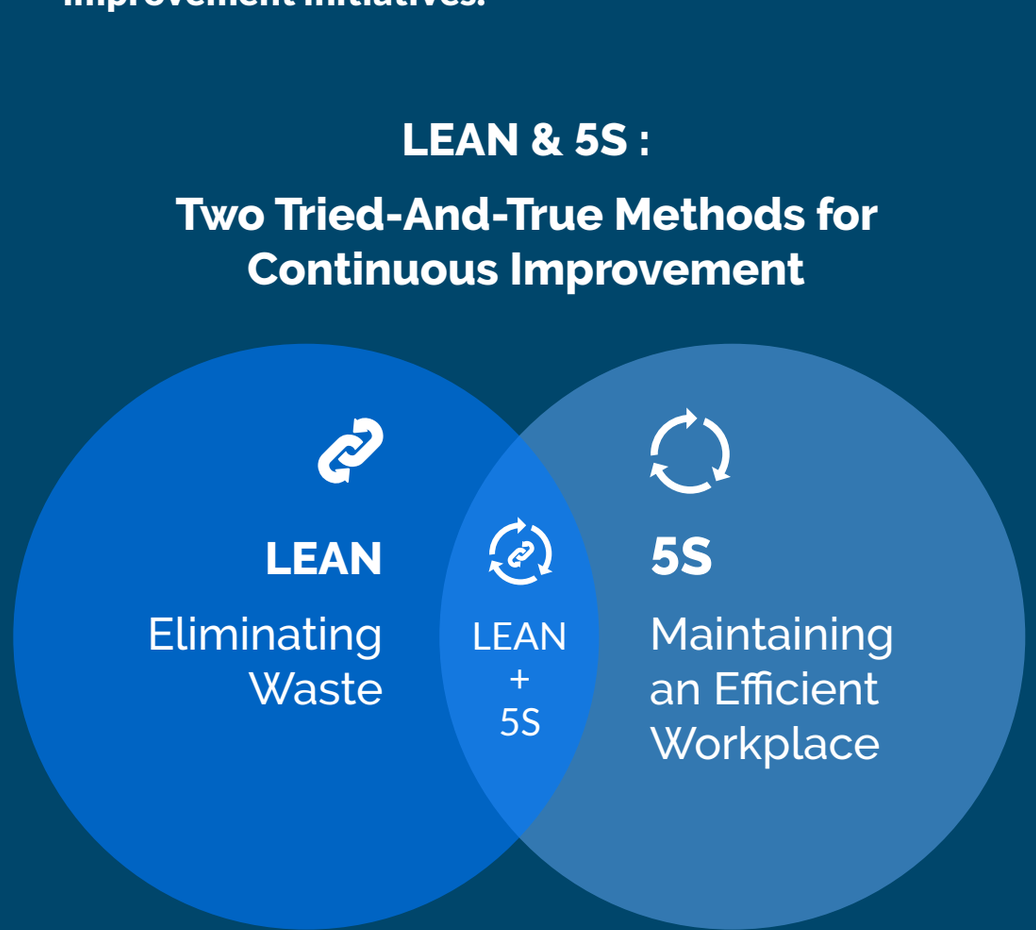
→ Unnecessary transport and motion;

→ Excessive or improper processing;

→ Surplus inventory;

→ Defects.

The idea behind 5S involves maintaining an efficient workspace that regulates itself through procedures and visual instructions. The 5S implementation allows employees to identify unnecessary elements and regular executive decision-making on continuous improvement initiatives.



Why Invest in Continuous Improvement?

In management, encountering a problem is not considered a failure. On the contrary! It is, instead, an opportunity to improve.

With this in mind, becoming aware of an issue and finding a solution becomes a learning experience that creates value for the entire company and its bottom line.

With continuous improvement, everyone's responsibility, regardless of status or hierarchy, is to spot progress opportunities. At its core, this is what makes Toyota the powerhouse it is! Each team member contributes to the business's success by identifying or recognizing improvement opportunities. In some cases, employees do the problem-solving themselves. Otherwise, they turn to their manager to implement the solution.

Continuous improvement means getting suggestions and finding solutions to get better results. It's also about improving production quality, increasing productivity, and optimizing health and safety.

Important point: The company must create a structure capable of responding quickly to employee suggestions to avoid losing motivation and commitment. Continuous improvement also requires a good understanding of the issues on the part of employees so that the solutions remain realistic.

Each team member contributes to the business's success by identifying or recognizing improvement opportunities.

How to Establish a Continuous Improvement Culture

Creating a culture of continuous improvement requires a well-structured corporate culture for governance and leadership. It's also crucial to encourage employees and involve them in the process through training. As a result, they become better at recognizing opportunities for improvement within the scope of their work.

Reinforcing this discipline is one of the managers' priorities in a continuous improvement culture. By communicating common and individual goals, everyone works towards a shared objective.

Management Leadership

By establishing a suggestion program within the company, employees are encouraged to share their ideas and suggestions for improvement. Staff members are key players in the continuous improvement process' success because they can quickly identify opportunities for improvement associated with their job and the related business processes.

The frontline manager's role remains vital. They have to encourage suggestions and be proactive in implementing them. An actual follow-up of the ideas received becomes necessary to foster employee involvement and motivation. For example, if someone proposes a revolutionary solution costing millions of dollars, chances are it will not be retained. However, it's still important to explain why the proposed solution was refused and to engage in a discussion exploring less costly options.

Before committing to a suggestion program, existing processes and workflows must be controlled and stable. For example, an assembly plant experiencing production shutdowns due to supply issues or customer return problems due to quality control deficiencies must, first and foremost, resolve these issues to ensure operational stability.

> *In Lean lingo, the first step is to remove the boulders blocking productivity, and then tackle continuous improvement.*

Yves LeBrasseur, Senior Expert
Technical Processes at Proaction International.

How Do You Sustain a Culture of Continuous Improvement?

True, major, and lasting improvements will lead to a positive change in culture. At Toyota, it's no longer a matter of having a suggestion program. All employees know they must contribute improvement ideas to ensure continuous optimal productivity. In short, continuous improvement must be a part of the business's DNA.

This happens, notably, through constant training and using technological tools such as UTrakk, which help to perpetuate good practices and to manage opportunities for improvement.

Would you like to establish a culture of continuous improvement within a department or even your entire organization?

Contact our operational excellence specialists. They have the tools and knowledge necessary to coach your teams to make your business more efficient and productive daily while increasing employee engagement.

Talk to an expert

I am not a vision specialist, but in my experiences consulting with businesses, I've learned that the difficulty with the Lean approach often has to do with operational farsightedness.

Yves LeBrasseur, Senior Expert,
Technical Processes at Proaction International.

02

Chapter 2
Lean

Lean Manufacturing: For Waste-Free Management

Identifying waste is one of the key steps of Lean Manufacturing.

It is my role to help managers develop this particular approach to increase the efficiency, productivity, and, ultimately, the performance of their business.

The best image I have to illustrate the lean approach is a pair of glasses. Basically, it's about giving people - managers - the tools they need to have a better view of the operational reality that surrounds them.

Being able to spot elements that do not add value is a good habit for the health of the business, but it is not always easy or pleasant. Just like wearing glasses for the first time, it's uncomfortable at first, but you get used to it. And above all, once it becomes a matter of habit, we cannot do without them anymore.

7 Lean Management's Types of Waste

OVERPRODUCTION

Producing earlier, faster or in larger volumes than required.

INVENTORY

Raw materials, work in progress or finished products that have no added value.

WAITING

People are waiting: lack of material, equipment failure during a work cycle, etc.

UNNECESSARY MOVEMENTS

Any unnecessary movement or gesture that does not add value.

TRANSPORTATION

Unnecessary movement of people or parts between processes.

OVERTREATMENT

Non value-added operation. Treatment beyond the standard required by the customer.

REWORKING

Not right the first time. Repetition or correction of a process.

Examining a Lean Initiative

The approach always stems from a great interest of the operations manager, vice president or director, to identify opportunities for improvement. Who doesn't want to improve?

To do this, we must first know what we are looking for, and then learn to look at it from a distance, but especially from up close as well.

1 Step 1: Waste Theory

We start with a workshop with the front-line managers, i.e. team leaders and supervisors.

During this first workshop, we take a look at the different types of waste, with examples suggested by the participants:

- → Transportation and travel
- → Movement and gestures
- → Waiting time
- → Overproduction
- → Inventory management
- → Extra-processing
- → Defects and errors

This is followed by a fun exercise where, as a team, everyone must identify waste in photos and/or videos taken in their workplace. People love this game – the competitive spirit does its work and participation is at its peak.

Participants excel in this exercise, and the glasses work.

STEP 1 :
Waste Theory

STEP 2 :
Attempting It in the Real World

STEP 3 :
Focus on Long-Term Correction

Examining a Lean Initiative

2 Step 2: Attempting It in the Real World

Once the theory is mastered, I go to each manager's workplace and let them identify the waste in "their own backyard". This is where it often gets complicated. The manager who had 20/20 vision in the workshop, now experiences a sudden drop in visual acuity. He is no longer quick to recognize waste.

Classic example: an employee waiting for instructions before starting with a task.

The wait time is obvious. During the group activity, all participants easily recognized this kind of waste, but on the site, the manager does not see it. When I question them or point it out to them, the answer is: "yes, well, no, umm... It's because..."

3 Step 3: Focus on a Long-Term Correction

To help managers detect this waste in their own environment, I work individually with each of them in order to help them see with a sharper focus.

This is where the real work begins: **change management.**

To do this, I accompany managers in their daily routines. I let them try to see the waste and I provide corrections in real-time. We then repeat the exercise. They have to get used to wearing these glasses.

Their vision must be sharpened to "see" the waste.

Transformed Vision and Management

Seeing the waste or wearing the Lean glasses to adopt a more proactive management style, is therefore not so easy. This change in behavior requires professional support.

Another strong item will be a 4.0 management tool, which will facilitate the mechanics, the opportunity identification tour ritual, checklists, etc.

It isn't easy getting used to wearing glasses for the first time, I know! They might pinch your nose, they might be a little uncomfortable. But, once we're aware of the benefits, and feel well supported with the right tools, we don't just get used to them – we can't do without them. That is until we happen to need laser eye surgery, which is another story altogether!

Proaction International's experts can support you in your efforts to achieve operational excellence, such as the implementation of a Lean methodology.

Talk to an expert

Everything You Need to Know About 5S

It's a known fact of life: no one can ever thrive in a disorganized, messy, and otherwise jumbled space. It's just not possible. The same applies to the modern workplace.

Enter Lean manufacturing and the "5S methodology".

Originally from Japan, the 5S methodology enables businesses to create safer, more organized, and ultimately more productive workplaces through the implementation of five key steps—hence the name "5S".

Commonly used in the manufacturing industry, the 5S methodology applies to many other sectors and services.

Just think about administrative processes: how much time can you waste every week looking for information or files in a cluttered structure?

Let's cut through the noise. Here's an overview of everything you need to know about 5S.

The Origin of the 5S Methodology

5S began as part of the Toyota Production System—a "Just-In-Time" manufacturing system focused on achieving the complete elimination of all waste in the pursuit of the most efficient methods. At its core, this type of manufacturing intends to only produce the amount of product needed, when it is needed.

Initially, theToyota Production System (TPS) was a closely-guarded secret, but the massive economic boom experienced in the 1980s drew massive interest from foreign corporations, wondering how Toyota, the leading manufacturer in Japan, was able to produce so many products, so quickly, and at such a high level.

However, it was not until a few years later that the five pillars of the visual workplace were devised by one Hiroyuki Hirano, a concept that would gradually transform into the 5S methodology we know today.

Saying that the 5S system has gained massive traction over the years would be an understatement. Today, 5S is widely considered one of the foundational elements of lean manufacturing and has inevitably found its way to the modern workplace.

Lean manufacturing involves the use of many tools, including:

5S
to organize the work environment

KAIZEN
to create a continuous improvement culture

KANBAN
to manage work flow

HEIJUNKA
to eliminate production variations

POKA-YOKE
to prevent errors

What is 5S, Exactly?

Simply put, 5S is a systematic approach to workplace organization.

Existing under the Lean Manufacturing umbrella, 5S is designed to improve workplace efficiency, eliminate waste, and maximize productivity through visual management, which is also known as visual control.

As you must have guessed, there are five major steps in the 5S system. Each “s” stands for a Japanese word, which has been translated into English to make it easier to understand.

SORT
Eliminating all unnecessary items

SET IN ORDER
Organizing the items

SHINE
Tidying up the workplace

STANDARDIZE
Making rules and standards

SUSTAIN
Sustaining new practices

SORT | *Seiri*

The process of sorting what is needed and not needed in the workplace.
If something is not important to your operating procedures, don't let it take space or create confusion.

SET IN ORDER | *Seiton*

The process of organizing whatever remains by neatly arranging and identifying parts and tools for ease of use. Here's a sentence that summarizes this step: a place for everything and everything in its place.

SHINE | *Seiso*

This process involves tidying up the workplace. Seiso means cleaning and inspecting the work environment regularly, including all the tools, products, and machinery.

STANDARDIZE | *Seiketsu*

This section standardizes the processes above (sort, set in order, and shine).
In essence, this is where you take the first three S's and make rules for how and when these tasks will be performed.

SUSTAIN | *Shitsuke*

This involves sustaining new practices and conducting audits to maintain discipline throughout the cycle. The aim here is to improve continuously, so form a habit of always following the first four S's.

It's quite clear that these steps feed into each other, so the sequence must be followed to the letter.

Eliminating all unnecessary items in Step 1 (Sort) will provide the space needed to organize the items in Step 2 (Set in Order). Then, once the workplace is visually organized, grime, dirt, and other stains can be removed in Step 3 (Shine).

These changes to employees' job duties and workstations should be adequately documented and standardized through Step 4 (Standardization). This ensures everyone is reading from the same script.

Lastly, those changes will not amount to much unless discipline is installed and progress is tracked consistently—as dictated by Step 5 (Sustain).
And with discipline, a sense of purpose, and a clear mindmap of the entire work environment, employees will continue to apply all the steps, returning to step 1.

Note: Structured follow-up through Active Supervision Tours is an effective way to create the conditions for a successful continuous improvement process.

Is There a 6th "S" in the 5S Methodology?

In recent years, there's been some debate on whether or not a 6th "s" should be introduced—safety.

Some argue that safety is an integral part of the lean 5S. Others are skeptical about it and suggest that it warrants a much more concise focus.

OUR TAKE ON THE MATTER:

Regardless of whether you implement the 5S or the 6S, safety remains one of the main performance axes of today's businesses and should be part of every operational excellence program, lean or not.

What Are the Benefits of 5S?

Over time, the 5S methodology leads to a string of benefits, including:

- → Improved quality performance
- → Fewer accidents/heightened safety
- → Improved morale and staff involvement
- → Better waste management
- → Increased productivity
- → Higher efficiency and fewer machine downturns

Improved Quality Performance

With the implementation of 5S, there is a designated place for everything that is needed in the workplace. All the items fit in their own space and are clearly identified.

This minimizes errors in the use and handling of materials, as well as wastage due to waiting, unnecessary movements and transportation according to the Lean “muda” principle.

With the right material easy to find, the quality of work is improved.

Fewer Accidents/Heightened Safety

With the alleviation of clutter, it is obvious that any and all kinds of dangerous and hazardous conditions will become visible.

In the end, what you get is an ergonomic layout that prevents stressful and “dangerous” movements that often lead to slip and fall accidents, improving safety and healthcare in the workplace.

Improved Morale and Staff Involvement

Making it a routine to implement proper procedures and discipline in the workplace to avoid backsliding is one of the main goals of the lean 5S.

This practice improves the chances of avoiding dark, dirty, and disorganized workspaces, all of which can lead to low morale and decreased participation among employees.

Better Waste Management

A clear and organized workplace with proper labeling provides workers with the flexibility to replace damaged items in the designated places.

This goes a long way in minimizing the total number of lost tools, products, and equipment.

NOTE: The appropriate management of equipment also minimizes damages that are likely to occur to various parts of the products during the production process.

Increased Productivity

As we mentioned, 5S helps in eliminating waste in terms of tools, items, machinery, and equipment; and, in turn, processes, systems, time, and efforts.

All of this subsequently leads to improved productivity, increased uptime, and enhanced overall profitability.

Higher Efficiency and Fewer Machine Downturns

Thanks to the effective organization of the workplace, employees and managers have a clear view of what equipment they use, when, and how often.

Therefore, they can seamlessly store most-used items closer to the floor, order missing equipment in advance and integrate predictive maintenance to prevent machine breakdown.

Implementing 5S: What to Do and What Not to

In this section, we're going to dig through the exact steps needed to implement lean 5S. We'll base them around the 5S's, so they are easy to grasp and remember.

1 *Seiri* — Sort

In the seiri stage, you're going to use the red tags campaign—a tried-and-tested strategy used to identify potentially unnecessary items in the workplace, evaluate their viability, and treat them appropriately.

For starters, ask yourself these three questions about any item in the work area:

→ Is this item really necessary?

→ If necessary, do you need this amount?

→ If necessary, must it be located here?

Once you've gotten solid answers to these questions, take action by:

→ Keeping them in a red tags area for a particular timeframe to see if they're necessary

→ Throwing away or discarding them

→ Changing their location

→ Leaving them in the same place

2 *Seiton* — Set in Order

Here, you have to go out of your way to ensure everything is in its place and readily available to any user.

"Set in order" is about finding the best place for each item you keep in the workplace, considering frequency of use and space requirements.

For example: for a small item that you will use very frequently, you want to have it within easy reach.

3 *Seiso* — Shine

The third S means keeping the workplace safe and devoid of health issues (think: spilled chemicals, dust, etc.).

Here's how you can implement this step:

- → Figure out what you're going to clean up.
- → Designate your work area into "cleaning areas," and then assign people to be in charge of those specific cleaning segments.
- → Drill down on the cleaning methods: who, where, when, how, and what.
- → Properly store the cleaning tools, keeping them in areas where they are easy to access, use, and return.
- → The final step is incorporating a concise, repeatable, and well-thought-out cleaning inspection.

4 *Seiketsu* — Standardize

To establish clear visual standards when implementing the " Standardize" step:

- → Identify the exact locations for each item, using floor markings, shadow boards, and labels.
- → Identify all items and their needed quantity.

5 *Shitsuke* — Sustain

You already know what this step entails: making a habit of maintaining the correct work, safety, and health procedures.

To do this, you must:

- → Assign a specific person to maintain the needed conditions to keep the initial 3S's at a constant.
- → Integrate a daily maintenance schedule to avoid obvious setbacks.
- → Make it a routine to check the level of maintenance happening at the premise.

Feel free to use 5S slogans, newsletters, posters, or visual panels. Even better, consider going on a benchmarking exercise to other companies (or departments).

This allows you to know what you're doing right, where you're going wrong, and what can be done to make 5S implementation a lasting success.

The Key Takeaways

Final Tips for a Sustainable 5S Program in the Workplace:

Commitment to Operational Excellence

Every effort must be made to sustain the initial improvements and to avoid slipping of standards. The team leaders and first-line managers have a role to play to institutionalize 5S so that it becomes an accepted new way of life.

They can achieve this through frequent active supervision rounds, supported by a **good daily management system (DMS) like UTrakk**.

Top Management Support

Commitment will remain an illusion if the top management fails to support the program in its entirety. As such, senior management needs to have a clear understanding of the benefits of 5S and align them to the underlying business strategy.

That's the only way to achieve consistent success with the 5S lean manufacturing tool.

Performance Measurement and Recognition

The third and final tip is to independently measure 5S performance in each work area. Ideally, this should entail setting up an honest and fair system to reward teams that nail down a successful 5S strategy.

Measuring the performance of Lean manufacturing tools such as 5S is not exactly a cakewalk, but it can be done using checklists, active supervision tours, and score sheets.

Once you have the audit results, post them up in public areas to create an atmosphere of self-belief and confidence amongst workers.

What you get in the end is a team that's ready and willing to improve continuously, all while eclipsing the set S5 standards and procedures.

Ready to Implement the 5S Concept in Your Organization?

Who said 5S implementation has to be a time-consuming, strenuous, and energy-sapping endeavor? At Proaction International, we think otherwise, and we're willing to help you craft a 5S strategy firmly geared toward operational excellence.

Our lean manufacturing experts are cut out for this—and nothing makes us happier than seeing you soar above the competition with a clear action plan backed by highly-efficient tools, cutting-edge management processes, robust communication procedures, and continuous improvement culture.

Helping business leaders to build a 5S implementation plan that helps them attain a sustainable performance improvement is our forte.

Ready to become an industry leader through operational excellence?

Talk to an expert

How to Implement and Perpetuate Lean Manufacturing

Article by Yves LeBrasseur, Senior Expert,
Technical Processes at Proaction International.

Have you ever heard comments like: "a consultant came to implement a Lean improvement, but three months later the benefits had all but disappeared"? Rest assured, you are not alone.

In my work as a consultant as well as in my corporate life, I have seen this scenario over and over again. It is a major problem that needs to be addressed in order for organizations to evolve.

I will discuss solutions shortly, but first I'd like to describe why history repeats itself.

The Case of Lean 5S Implementation

Take the example of the 5S methodology. The 5S system, based on the Toyota Production System, has been implemented for decades in companies around the world. It is a Lean tool that relies on visual management to organize the workspace in order to improve productivity and worker engagement.

There are many benefits to the 5S methodology:

- → Productivity gains through quick and guaranteed access to tools—note that this refers to both physical and virtual tools, e.g., computer files
- → Improved employee satisfaction through an ergonomic and organized workspace, with shadow boards for examples
- → Reduction of workplace accidents by using visual communication such as floor markings

Although the benefits are significant and much appreciated, they rarely last long.

Why the Benefits of 5S Programs Don't Stand the Test of Time

In practice, companies often hire consultants to implement a 5S program. Their role is to:

→ Train teams

→ Coordinate workshops to organize the space according to the 5S principles

→ Conduct on-site activities to achieve the change

The classic approach looks something like this: a pilot area is selected in the plant, and then the change process takes place over about two weeks. It consists in reorganizing the space and determining new organizational practices. This part of the process usually works very well.

It is only once the consultants have left the premises that the problems begin.

I've seen it as an in-house Lean Manufacturing specialist, I've seen it as a consultant; it's always the same old story: organizations are able to implement 5S, but not to sustain it. However, the principle of the approach is very clear on this: Shitsuke means discipline!

Being disciplined implies that a manager is accountable for maintaining and improving the practices and principles implemented through 5S. In reality, however, front-line managers underestimate this responsibility and therefore neglect it.

Result – teams fall back into their old habits:

→ The signs marking work tools are no longer used, and the tools become scattered around.

→ The markings on the floor are no longer respected.

→ Workers go back to experiencing the same frustrations about the state of their workspace.

Rigor Is Everything in Lean Manufacturing

A number of factors can explain this behavioral problem, but I have observed several trends:

- Managers are often interrupted by emergencies (last-minute orders, machine breakage, or replacement).
- The manager's job description focuses too much on administrative tasks that prevent the manager from fulfilling his duties in the field.
- Managers don't always have the best management skills. As a result, they find it difficult to effectively pilot all the variables for which they are responsible.
- Executives do not follow up with managers.

The Solution to Achieve Continuous Improvement

Employee discipline and maintaining best practices depend largely on on-site management. No project will last if the manager's role is misunderstood, especially if they value the resolution of emergencies and administrative work, or even manual work, at the expense of maintaining the improvement practices that have been implemented.

Managers are the cornerstone of organizational performance and actions can be taken to improve the situation:

- → Choose the right managers.
- → Review roles and responsibilities.
- → Set up regular and fixed frequency site tours, with clear objectives that include follow-up on 5S.
- → Ensure management involvement and follow-up so that managers and their teams are truly held accountable for the success of 5S.

Try taking a different approach by focusing on management behaviors, and you'll get much better results than in your previous attempts.

Optimize the operational performance of your organization through coaching focused on adopting better management behavior to sustain the benefits of approaches such as Lean Management.

Contact our experts

Achieve Operational Excellence with UTrakk

Give your teams the means to achieve your ambitions by providing them with the tools they need to reach all your performance goals.

With all its tracking features, UTrakk helps you to:

→ Build standardized active supervision rounds

→ Track daily issues and solutions

→ Increase accountability of all team members

→ Sustain gains from continuous improvement initiatives

→ Provide management coaching based on observable behaviors

Book your private demo

UTrakk
Digital Management ecoSystem

A Human Approach
TO PERFORMANCE IMPROVEMENT

proactioninternational.com

info@proactioninternational.com

Montreal | Paris | Toronto | Miami

PROACTION INTERNATIONAL

creator of

UTrakk
Digital Management ecoSystem