

Competitive Business Solutions

Q&A

WITH EDWARD HOFFMAN

In March 2019, Competitive Business Solutions (CBS) will attend the American Manufacturing Summit to present a Breakfast Brief titled, "How to Execute a Successful Transformation—Start at the Bottom!" CBS Founder and President Ed Hoffman will offer a fresh look on what it takes to elevate business performance to "best in class" levels. Drawing from his 30 years of work experience creating change and driving improvements across diverse industries and organizations, Ed will highlight his list of ten "must-dos" to create successful, sustainable turnarounds and improvements and provide insight to leaders who truly want to create a long-term competitive advantage for their businesses.

Ahead of the American Manufacturing Summit 2019, Generis Group spoke with Ed to discuss the secret to successful transformations. In this Q&A, we focus on how businesses can prepare for, evaluate and implement a successful lean transformation. Ed discusses core principles which are essential to assure long term success.

WHY SHOULD MANUFACTURERS CONSIDER A "BOTTOM-UP" APPROACH TO LEAN TRANSFORMATION?

The bottom-up approach is a methodology that identifies and prioritizes the issues at the grass roots that are preventing a successful lean transformation. More often than not, critical issues or obstacles exist that a top-down approach ignores or dismisses. A bottom-up approach does not imply that there is not a top-down strategy. The top-down strategy in this discussion is a given. The bottom-up approach means that at the point of impact — or put another way, the point where value is being created for the customer — the real root causes creating waste and barriers to lean transformation are understood, defined and integrated into the overall plan.

WHAT DO MANUFACTURERS NEED IN ORDER TO START A LEAN TRANSFORMATION? WHAT STEPS SHOULD THEY TAKE ONCE THEY HAVE COMMITTED?

Manufacturers need to understand where waste is being created within the business and the underlying root causes of such waste. They also need to wrestle with the idea that once they start, there is no going back. In 30 years of doing lean transformations, I have never visited a facility where the business improved to a point and then just leveled off. Either the business continues to improve or backslides, but for the most part, it tends to backslide. Lean as a production system is a “system,” meaning it is an integrated set of processes. If you unplug pieces of it, the system breaks down and in this context, the system includes People, Processes and Tools. The number one driver of backsliding is lack of real knowledge of how the “lean system” is working in a particular business. Circumstances such as natural attrition, management changeover etc., unfortunately introduce people who do not fully grasp the concepts and consequently, piece by piece unknowingly make decisions which breakdown the lean system. These decisions might include how you measure the operations, for example, or the types of equipment purchased. The breakdown comes from all directions.

LEARN BY DOING AND LEAD BY EXAMPLE

What steps — I don’t believe there is a prescriptive approach, but rather a set of principles that need to be adopted to be successful. First, there needs to be commitment throughout the organization. This means truly knowing and understanding the concepts and the implications to deploying them. There is a training element, but more important, a passion to truly understand how to make a difference. Commitment isn’t paying for your staff to go to a training. Commitment is going to the training yourself, learning by doing and leading by example. Once commitment is achieved, the organization can accomplish amazing things.

OVER 70% OF LEAN TRANSFORMATIONS FAIL. WHAT IS THE KEY INGREDIENT COMPANIES NEED TO BE SUCCESSFUL?

A company needs a few elements:

- 1) Perseverance. You cannot take your foot off the pedal. Too many companies believe that Lean becomes part of the DNA of the company, or they think about it as “tools”. Although well intentioned, Lean as a system quickly begins to break down. Lean needs to be thought of as an ongoing pursuit towards perfection. It is one of the Tenants that James Womack wrote about but is not quite understood. If there isn’t an unwavering pursuit for the elimination of all waste, then the culture will be one of tolerance, which will create the backslide.
- 2) Problem-solving. It sounds simple, but overwhelmingly, companies that maintain the lean journey are great problem-solvers. You can teach problem-solving, but there is also a cultural element to it. Is your team constantly asking probing questions to get to the root causes of key issues? Are they taking effective corrective measures to resolve the problems permanently? Too often the answer is no.
- 3) Good Listening. Companies that listen to their customers and their employees have a much better chance of being successful. Too often a communications plan is a downward messaging campaign and not a 2-way dialogue.
- 4) Engaged and empowered workforce. It sounds cliché and simple, yet most companies struggle with how to accomplish this. For instance, once I was working with a client doing Kaizen events and it took 2 months to finally get shop floor operators on the event. That in itself seems sufficient, but it is not. During that event, the operator designed, built and implemented new fixturing to improve quality and increase output to meet customer demand. The operator’s feedback was: “After 30 years, this was the best week of my career.” Because she was empowered to do the improvement, she found a new passion for the work. If all she did during that event was identify the need and someone else took the action to resolve it, she would not have been empowered and it would not have been nearly as rewarding. In the end, she drove the changes in the shop because she was both passionate and intimately knowledgeable on why and what to do to achieve production targets — she became a leader.

WHAT ARE THE QUANTIFIABLE OUTCOMES YOUR CUSTOMERS HAVE SEEN AFTER IMPLEMENTING CBS' SOLUTIONS?

Our customers typically experience 5-7 times savings to the bottom line. It is very common to experience a 25%+ increase in output without additional labor and a 75% reduction in working capital tied to inventories. Another quantifiable outcome is on-time deliveries and predictable output. Some examples from the past couple of years include a commercial industrial product produced in upper Michigan. The plant size of 1M sq ft or so began the lean journey and within a year reduced labor for producing the product by 50%. There was no automation added to the lines, just basic lean deployments working with operator teams. Additionally, those lines produced a repeatable quantity each day; in fact, one of the biggest advocates for the lean transformation was the sales team who were able to commit product to the sales channels, and as they stated, “meet the deliveries for the first time in 20 years.”

WHY DO COMPANIES CHOOSE TO WORK WITH COMPETITIVE BUSINESS SOLUTIONS? WHAT MAKES COMPETITIVE BUSINESS SOLUTIONS UNIQUE?

At CBS, we pride ourselves as not being traditional consultants but rather hands-on practitioners who roll up our sleeves and work with the customer. If the customer needs to put out a fire, we don't advise the firemen as to what to do, we are the firemen. We follow a credo of "build it", "operate it", "transfer it" -- or BOT. We do not prescribe to a cookie-cutter approach; instead, we leverage the customers' successes and failures into a comprehensive transformation.

**IF THE CUSTOMER NEEDS TO PUT OUT A FIRE, WE DON'T ADVISE THE
FIREMAN AS TO WHAT TO DO, WE ARE THE FIREMAN**

We recently ran a focus group with CEO's for whom we had done work in the past and their feedback was very positive. Some of their comments can be summarized as follows:

"CBS works seamlessly with our teams. Hard to tell the difference between our teams and the CBS folks. Very humble group."

"They do what is necessary and teach as they go. CBS closed the gaps within my team so that we can be successful."

"Very capable – they knew our industry and knew where to focus to get the most benefit."

**WE DO NOT PRESCRIBE TO A COOKIE CUTTER APPROACH BUT
RATHER LEVERAGE THE CUSTOMER'S SUCCESSES AND FAILURES
INTO A COMPREHENSIVE TRANSFORMATION**



Founder and President of Competitive Business Solutions (CBS), Ed Hoffman exercises his broad operations experience in both functional and executive/managerial roles as well as his extensive background in implementing continuous improvement initiatives across entire business units. Beginning at GE, Ed was at the forefront of 6-Sigma as an educator of statistical thinking and an implementer of Motorola 6-Sigma in high technology. Later, he broke new ground for Lockheed Martin's space business by introducing lean production and kaizen techniques as part of a "greenfield" business start-up. His additional past roles include Director of Operations, Supply Chain Manager, IT Manager and Manufacturing/Process Engineer.

After nearly two decades of cultivating his operations management experience alongside industry leaders, Ed created CBS to provide unique strategic solutions to help companies achieve world-class operational performance, profitability and long-term growth. Ed and his team have been providing solutions to hundreds of businesses over the past 20 years.

Ed Hoffman will speak at the **American Manufacturing Summit** on his topic "How to Execute a Successful Transformation -- Start at the Bottom!". His discussion will focus on what it takes to elevate business performance to "best in class" levels.

Join Ed at the American Manufacturing Summit. **View the program** for more details.

WORK WITH COMPETITIVE BUSINESS SOLUTIONS

We are expert operational problem-solvers, bringing unmatched industry experience, creative thinking and a collaborative approach to every company we engage with. To learn how we can help you with your continuous improvement efforts, go to www.cbsteam.com or call us at 973-509-0110 x147 for a complimentary consultation.