

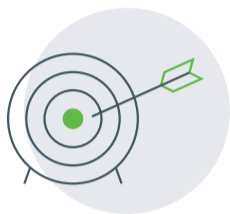
You would use this approach to stabilise and improve the performance of your business, process by process.

Projected performance gains

Almost any process will tend to improve when a team's efforts are focussed through the use of Key Performance Indicators.

What investment is needed to understand the concept?

DIFFICULTY



Simple

Start simple, establish a few key measures and ensure that you use them to drive action.

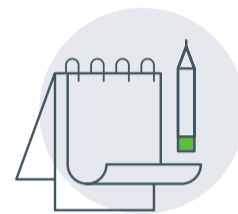
ACTIVITY



Individual and Team

The measures are designed and shared with the whole team, although gathering the data may be an individual activity.

EQUIPMENT



Data

You will need a means of communicating this, it can be a paper based system or online.

Explanation of the concept

For most operations and processes, there are a few key measures which can be used to get control of and improve performance. Operating without these measures could be compared to trying to drive a car at the correct speed without a speedometer.

Typically the operational measures relate to:

- Quality
- Cost
- Delivery

This list is often expanded to include Safety and People metrics.

The crucial step is to identify a few key measures, which are relevant to the process, and can be used by the team to drive improvements. You will then link this to a daily, weekly and monthly system of quick, review meetings, to identify any issues and take action.

Typical measures could include:

- Quality
 - % Right First Time
 - Defect rate
- Cost
 - Productivity per person per hour
 - Efficiency measures, including Overall Equipment Effectiveness (OEE)
 - Measures of Scrap
 - Measures of Down time losses
- Delivery
 - % On Time in Full (OTIF)
 - % Adherence to Production Schedule

For any measure, it should be clear for the team what the performance vs target looks like, and what actions are to be taken:

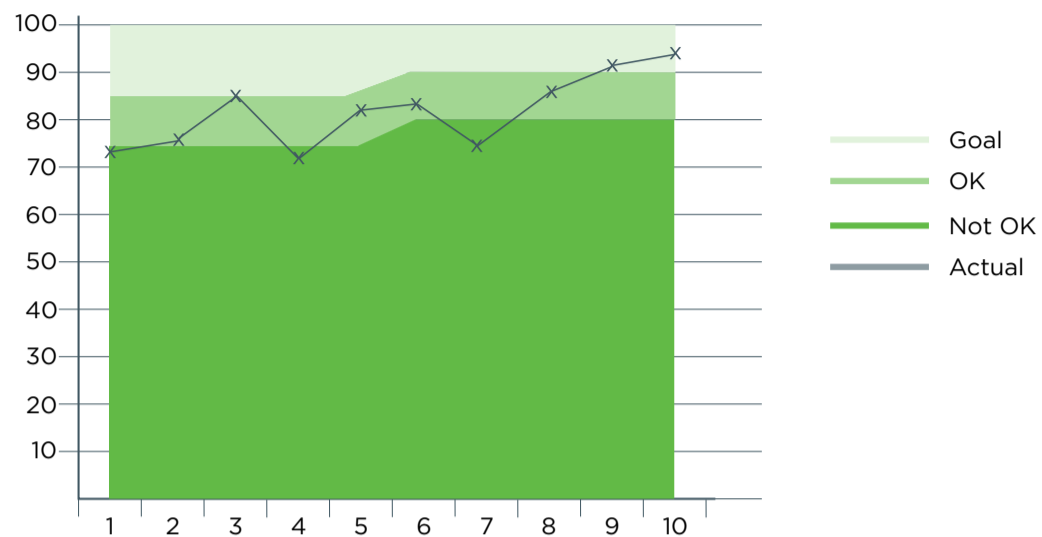
Key ingredients for any measure:

Any board shows

- Relevant measure
- Team controls
- Target
- Actual

Actions taken

- Containment
- Improvement



SAFETY ACTION								
Date	Type	Concern	Location	Countermeasure	Raised by	Target date	Accident report number	Status

The daily, weekly and monthly review process for any metrics should follow a standard agenda in order to practise these new disciplines:

Example:

- Review shift start
- Review last 24 hours
 - Prioritise exceptions
 - Challenge
- Agree issues & specifics
- "Today's weekly topic' (Mon-Fri)
- Next 24 hours
- AOB / "Go Look See"

Daily

- Key items from yesterday
- Key issues from today
 - staffing
 - processes
- Daily trend data
 - SQCDPE wid/mtd
 - Relevent items
 - Assess
- Assign actions
- Accountability for previous actions

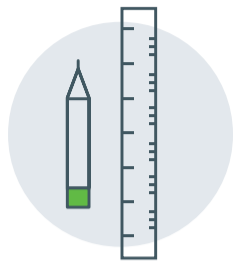
Weekly

- Key items from last week
- Key issues for coming week
- Weekly trend data
 - SQCDPE wid/mtd
 - Relevent items
 - Assess "top 3"
- Assign actions
- Accountability for previous actions
 - Rolling review of A3 plans

Monthly

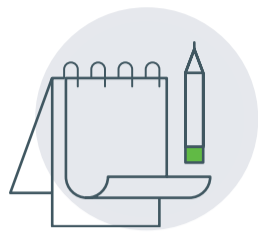
- Key items from last month
- Key issues for coming month
- Monthly trend data
 - SQCDPE wid/mtd
 - Relevent items
 - Assess
- Assign actions
- Accountability for previous actions
 - Rolling review of A3 plans

What action should I take?



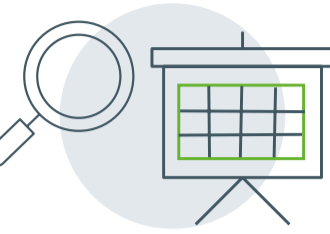
1

Select a few key relevant measures with the team



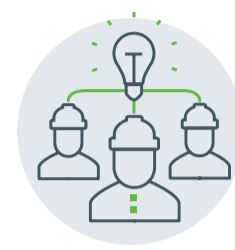
2

Start to measure



3

Develop a daily review system



4

Ensure that the measures can be used by the team to identify gaps and take action



5

Reflect and learn from your efforts; be willing to adjust the measures that you are using to drive improvement more effectively.

Recommended resources



Daily Performance Meetings:

<https://www.youtube.com/watch?v=yZvsqm4Jok8>



Visual Management:

<http://www.lean.org/Events/Registered/Webinars/IntegratingVisualManagement>

DTI Publication – Quality Cost Delivery:

<http://webarchive.nationalarchives.gov.uk/20050302023119/http://www.dti.gov.uk/bestpractice/assets/qcd.pdf>



Mann, D. (2010). *Creating a Lean Culture – Tools to Sustain Lean Conversions*. 2nd Edition. CRC Press, ISBN 978-1-4398-1141-2 [especially Chapter 1,4,5]



Factsheet 7: Value add and 8 wastes

https://www.businessgrowthhub.com/media/1061711/3457bgh_factsheet_7_value_add_8_wastes_final.pdf

Factsheet 13: Visual management

<https://www.businessgrowthhub.com/manufacturing/exclusive-resources-for-network-members>

Glossary

Overall Equipment Effectiveness (OEE) – a calculation which shows the rate of what a machine actually produced, over what it could theoretically could have produced in the same time period.

On Time In Full (OTIF) – a measurement which demonstrates how often the customer gets what they ordered at the time they ordered it full

Right first time – A measurement of how many of the activities in a process were correct the first time

Defects – One of the 8 lean wastes

For more advice, case studies and additional factsheets visit:
www.businessgrowthhub.com/manufacturing