

SUSTAINABLE PRODUCTIVITY NEWS

*“for improving operating margin with **Continuous Process Improvement** tools”*

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Strategy for Building CPI Culture

A Continuous Process Improvement (CPI) culture is when an organization proactively engages their frontline workforce in the operational improvement process, while significantly improving the problem solving skills of the organization.

At Sustainable Productivity Solutions, we have developed a unique and practical approach to building the infrastructure for a CPI culture.

We are sharing it here so that we can influence more organizations to improve their approach for building a CPI culture.

The following are the key principles of our approach:

- 1) From day one, we focus on both tools propagation and culture change. Most organizations only focus on the tools.
- 2) Mostly utilize LEAN tools, and only

teach the tools that fit the organizations' culture and needs.

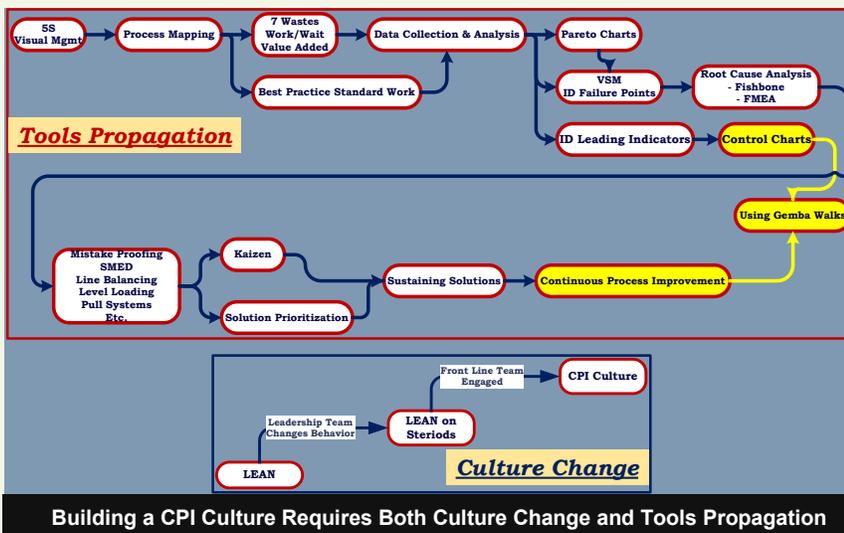
- 3) Build leadership team focus on improving engagement level of frontline managers; with the goal of having them better engage their direct reports.
- 4) Coach the front line managers in developing and maintaining Gemba Boards.
- 5) Use Gemba Boards to drive CPI efforts and engage front line teams.
- 6) For organizations new to CPI, start with projects to fix challenging operational issues, before starting to work on building a CPI culture.
- 7) Use control charts to track leading indicators, to drive proactive operational problem solving.

If you are building a CPI culture on your own, we hope you find these guidelines useful. If you have any questions about these guidelines, please email us at CPI.Support@ReduceOR.com

Wishing you success with CPI, Khaled

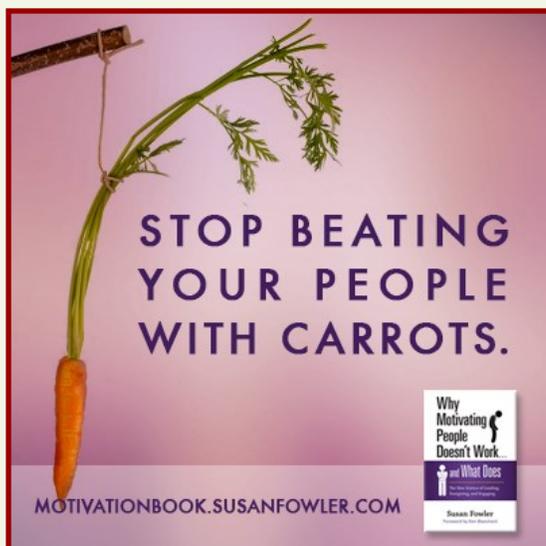
“... used a structured and disciplined approach ... to inspire individuals up and down the organization to embrace the philosophy of Continuous Improvement ...”

- John Hogarth



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Why Motivating People Doesn't Work ... and What Does" by Susan Fowler

Book Review: "Why Motivating People Doesn't Work... and What Does" by Susan Fowler, 2014

This book discusses how as a leader, you can't motivate people, since they are already motivated. It is just that their base motivation might be different than you desire. The book suggests that we work to understand people's motivational position, before we work with them to change their motivational position.

Six Motivational Positions

The six motivational positions discussed in the book are split into 3 suboptimal and 3 optimal positions. The suboptimal positions are:

- Disinterested - Finds no value in activity they are participating in
- External - Activity allows us to exert position or power, or gain a reward
- Imposed - You feel pressured to participate

The optimal positions are:

- Aligned - Able to link activity to a value that is important to you
- Integrated - Able to link activity to a life or work purpose important to you
- Inherent - You simply enjoy the activity

Five Eroding Business Beliefs

In addition, Ms. Fowler discusses common business beliefs that erode motivation, and what to do about them:

- It's not personal, it's just business - What happens at work is personal
- The purpose of business is to make money - People need a greater purpose
- Leaders are in a position of power - Perception can create negative energy
- The only thing that matters is results - We need to reframe what our goal is
- If you can not measure it, it does not matter - Make metrics meaningful

Ms. Fowler takes us step by step through the process of how to change the motivational position of somebody we work with. Very interesting and useful info.

Recommendation: A Must Read for today's leaders

Improving Employee Engagement seminar to be delivered at 2015 IIE Annual Conference (Nashville)

Institute of Industrial Engineers (IIE) is the global association of productivity and efficiency professionals. IIE is where these professionals come together to advance the industrial engineering profession through networking, training, and knowledge sharing.

The Annual conference program showcases proven solutions and applications from industry. It is an excellent learning experience.

For those going to the 2015 IIE Annual Conference in Nashville, please note that our popular Improving Employee Engagement seminar is offered as one of the two Pre-Conference workshops.

This seminar is for individuals who want to more effectively engage their direct reports, coworkers, etc.

Pre-conference workshop link:
<http://www.iienet2.org/Annual2/details.aspx?id=6792>

"We tell our executives that the key to their success is to rely on their first-level managers (the company's counterparts to Non-Commissioned Officers), to set an example themselves, and to praise in public when someone has done a good job.

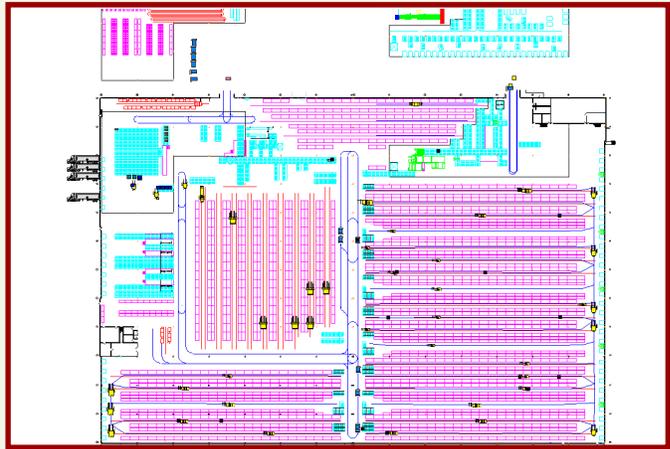
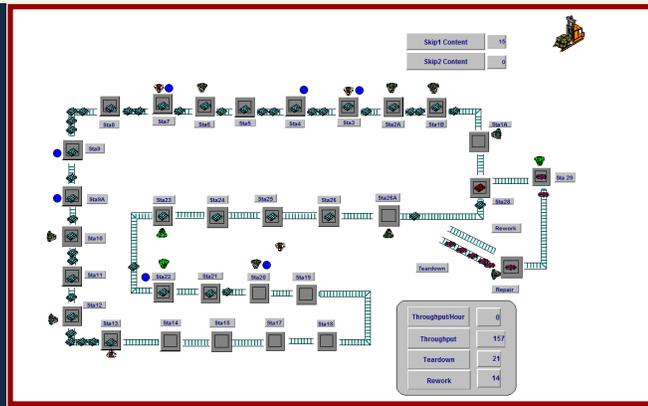
All those are standard operating procedure in the Marines"

**Fred Smith
 Founder Fedex and Marine Captain**

2D vs. 3D Animation

With video game proliferation, expectations for the animation quality of our simulation models has become unrealistic.

Simulation models are composed of detailed process and statistical data. To animate them to the quality of a video game would require millions of dollars for each simulation. Not a wise move.



Sample Simulation Model Animations (top: process, bottom: distribution center)

Q&A - Simulation vs. Optimization

Q – What does simulation provide that other tools don't?

A – Simulation can provide a replica of the actual operation that can be experimented with off-line. Not only can simulation reflect all the dynamic interactions within the operation, it can also reflect the randomness (chaos) inherent in day-to-day operations.

Q – What skills are necessary to use simulation?

A – The skills required to use simulation are different from the skills required to build simulation models. Any person who is familiar with the operation and who has good analytical skills can use simulation. But to develop a simulation model requires a significantly more developed and specialized combination of skills; such as operational engineering, statistics, and programming.

Q – How do simulation tools differ from optimization tools?

A – Optimization tools provide a solution to an equation. They provide a prediction of what can be expected. They are not capable of quantifying the effectiveness of the optimal solution they provide. Simulation, on the other hand, does not provide recommendations on how to optimize. It provides feedback on how effective a specific flow/layout is.

Q – What's wrong with optimization tools that claim a simulation capability?

A – It is too much to ask that an optimization tool simulate or that a simulation tool optimize (vendors claim differently). Each tool has its strength and realm. An optimization tool that claims to provide simulation capability is reminiscent of my neighbor who claims to be a basketball player. I can't disagree with the accuracy of his statement. But not only is he no LeBron James, it would be a stretch to say that he is competitive with the local high school players. In other words, if you want simulation, get a pure simulation tool.

Improving Productivity Seminars to be held at Grower Shipper Association of Salinas, CA (similar schedule in September)

May 6 – Building a Continuous Process Improvement Culture

For operations, supply chain, and finance leaders and managers. Learn the benefits of building a Continuous Process Improvement (CPI) culture, the steps needed to build a CPI culture, and how to use LEAN tools to improve operational performance.

May 13 – Simulating Processes and Distribution Centers

For operational and supply chain leaders, and designers of processes or facilities. Learn to use simulation models to significantly reduce the risks associated with “new” processes, facilities, or flow, and what questions to ask to make sure your investment in simulation modeling and analysis produces needed results.

May 20 – Improve Efficiency and Effectiveness of Equipment Maintenance

For maintenance department managers mostly, some attendees from finance or operations. Learn operational improvement tools you can use to improve maintenance processes’ efficiency and effectiveness.

May 27 – Improve Employee Engagement

For managers and leaders from all departments. Learn to more effectively motivate people through intrinsic motivation skills.

“Processes + People DRIVE Performance”

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