

SUSTAINABLE PRODUCTIVITY NEWS

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

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Be In By 10pm To Avoid Becoming Crocodile Food

Over 10 years ago, I took an eco-tour of the Brazilian Amazon, and stayed at the Ariau Amazon Towers, located near Manaus and designed by Jacque Cousteau. This is the hotel visible in the opening scene of the movie *Anconda*.

While there I signed up for a trip to camp out overnight in the jungle. Of course, to do this, we had to have a guide. The guide very strongly expressed the opinion that we need to be at our campsite for the night by 10pm. I was curious about why 10pm?

It turns out that different size crocodiles come out to feed by the water's edge at different times. The smallest crocs came out around dusk, and as the evening wore on, bigger and bigger crocs came out. And the biggest, and most dangerous for humans, came out after 10pm.

This is only one of the many lessons one needs to know to survive in the Amazon jungle. Having a guide who knew the rules of the jungle helped keep us tourists safe so that we can have an enjoyable experience.

In a way, this concept of having a guide is useful in many other areas of our life. Often, I see people who experience Lean Thinking at one company, and, as a result, feel that they have the knowledge to design & develop a Lean Thinking culture at their new company. But being a tourist is not the same as being a guide. For example, even though I learned much on my Amazon trip, that does not qualify me to be your tour guide in the Amazon.

When applying Lean Thinking, some companies succeed and some fail. Often, the compa-

nies that fail were misled by how easy Lean tools are to understand, and think that changing their culture will be easy also.

In reality, changing culture is hard, precarious work and requires a higher level of Lean expertise than is needed to use Lean tools. For example, to build a Lean Thinking culture, you need to identify leadership behavior that must be changed. Significant culture changing skills are needed to: identify the changes needed in leadership behavior, engage the leadership team in a conversation about how they need to change their behavior, and coach them through this behavior change.

Just like it makes sense to use a guide for a tour of the Amazon jungle, it makes sense to have a guide when building a Lean Thinking culture.

Khaled Mabrouk



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Smoothing Forecasting Principles

A significant challenge with forecasting is that there are no accurate forecasts. On the other hand, the process of forecasting improves our planning and preparation for managing the business. Below we share some key principles that should improve your forecasting approach.

1) **Forecasts are inaccurate.** It is very difficult to predict future events. When we accept this, and learn not to use forecast accuracy as an excuse for stock-outs, excess inventory, and late shipments, we are better able to see & fix problems within our processes.

5) **Longer period forecasts are more accurate.** Total demand for a product over a period of time can be more accurately predicted than its demand for a specific day.

6) **Exponential smoothing is better starting point than Regres-**

next week's. Similarly, using current demand to forecast a product's future demand increases the likelihood of accuracy. From a short-term perspective, most outside influences on our results are known, and their effect can be accounted for.

EVENTS CALENDAR

Santa Cruz County Farm Bureau National Agriculture Day Spring Luncheon
March 14, 2018
Watsonville, CA

CropManage Workshop UC Cooperative Extension
March 22, 2018
Watsonville, CA

Central Coast Greenhouse Growers Association Open House
April 21, 2018
Arroyo Grande, CA

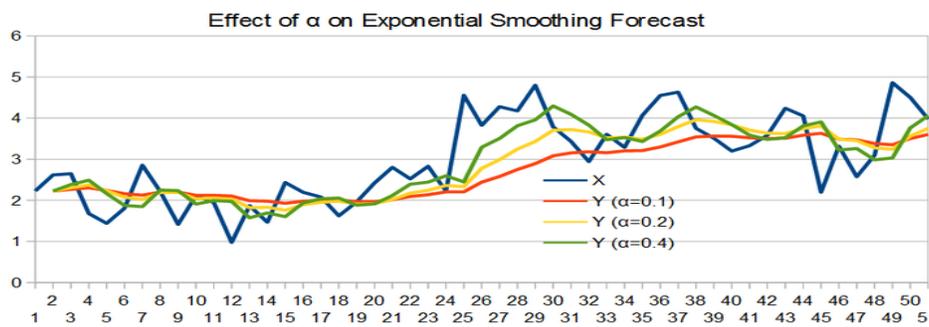
Santa Cruz County AgTech Meetup - Planting
April 25, 2018
Watsonville, CA

Santa Cruz County Farm Bureau 11th Annual Down to Earth Women Luncheon
May 10, 2018
Watsonville, CA

Institute of Industrial and Systems Engineering Annual Conference
May 19-22, 2018
Orlando, FL

Central Valley Almond Day
June 20, 2018
Fresno, CA

Santa Cruz County AgTech Meetup - Production
June 20, 2018
Watsonville, CA



2) **Forecast error must be measured.** By afterwards comparing actuals with our forecasts, we can identify forecasters' bias & limitations, and work to compensate for them.

3) **Forecasts are more accurate at an aggregate level.** The site-specific demand for individual products is random even if our business is stable. Products should be aggregated based on the process (i.e. bagged vs. clam-shell), or resources utilized (i.e. specific DC/region).

4) **Forecasts are more accurate in the near term.** It is much easier to predict today's weather vs.

sion models. Exponential smoothing takes into account swings in demand. Regression models are more popular due to their level of sophistication. On the other hand, Regression models take significant work to develop, and most aren't as accurate as Exponential Smoothing.

7) **Work towards a Regression model that fits you.** If your business is large enough, it will make sense for you to develop a regression model eventually. It is preferable that it is a model you develop uniquely for your business, versus an off-the-shelf model that was developed for another business.

EVENTS CALENDAR

Martninelli's 150 Years Celebration

June, 2018
Watsonville, CA

Grower-Shipper Association 80th Annual Gala

June 23, 2018
Salinas, CA

Santa Cruz County Farm Bureaus 101st Annual Meeting

June 28, 2018
Watsonville, CA

Santa Cruz County Farm Bureau 10th Annual Testicle Festival

August 25, 2018
Watsonville, CA

Santa Cruz County AgTech Meetup - Harvesting

August 29, 2018
Watsonville, CA

Santa Cruz County AgTech Meetup - Processing & Shippnig

October 24, 2018
Watsonville, CA

South Valley Nut Conference

October 26, 2018
Tulare, CA

Mid-Valley Nut Confearnce

November 2, 2018
Modesto, CA

93rd Annual Western Growers Association

Palm Desert, CA
November 4-7

That Praise Sandwich Sure Tastes Like Crap

Praise can be an extremely effective intrinsic motivation tool. Praise supports the effort to increase all three tenets of intrinsic motivation techniques; Autonomy, Mastery, and Purpose.

Often, leaders confuse rewards with praise. This happens even though Praise and Rewards are different types of motivational tools. Praise is a tool leaders need to use frequently on a daily basis. Rewards, on the other hand, are an extrinsic motivation technique that is delivered to employees on an intermittent basis.

The use of Rewards includes some type of gift (such as money, plaques, or some type of trinket), and is reserved for use when an individual/team achieves a certain goal. As a result, even though Rewards are much easier for a leader to deliver than Praise, the use of Rewards does not have anywhere near the lasting impact that Praise does.

On the other hand, Praise is a tool that is utilized to reinforce desired behavior and to emphasize that the leader recognizes and appreciates individuals' effort. Regular use of Praise allows team members to see what type of behavior is desired as well as feel that their effort is appreciated.

A focus on praise also forces the leader to notice the effort that goes into achieving the organization's goal. This reinforces the "feeling" on the part of the team members that their leader truly cares about what they do, a crucial aspect of intrinsic motivation techniques.

Now, we are not saying that all effort should be praised. But a leader should praise the following:

1) significant additional effort to-

wards the organization's goals

- 2) consistent improvement of an individual's skill/effort level
- 3) when an individual sees and does an important task before they are asked to do it
- 4) other behavior that the leader wants to reinforce and get additional team members to exhibit

How Praise is delivered is critical to ensuing that the Praise is impactful. This is the number one reason many leaders avoid using praise. It requires more effort to make sure that the praise a leader delivers has all the ingredients necessary to be sincere and impactful.

For example, when a leader says "Good Job", most employees find that to be meaningless. On the other hand, effective Praise includes the following five ingredients:

- 1) What did the person specifically do?
- 2) Why was it beneficial to the team?
- 3) How did it impact others/operation?
- 4) How did it make you feel as a leader?
- 5) Express gratitude

Lastly, when giving praise, a leader needs to be careful not to sandwich the praise with constructive (or non-constructive) criticism. Praise and criticism need to be delivered at different times. When Praise and criticism are delivered at the same time, the result is that the team member feels like crap; and the intended positive impact of Praise is lost.

"Praise Effort, Reward Results"

Contribute to Santa Cruz County's AgTech Conversation

The Santa Cruz County AgTech Meetup was formed in March, 2015, to facilitate the conversation between produce growers-shippers, and technologists in Santa Cruz county. We meet every other month with an agenda that rotates to reflect the "process" growers-shippers go through.

December - Planning and Resource Allocation

February - Land Preparation

April - Planting

June - Production

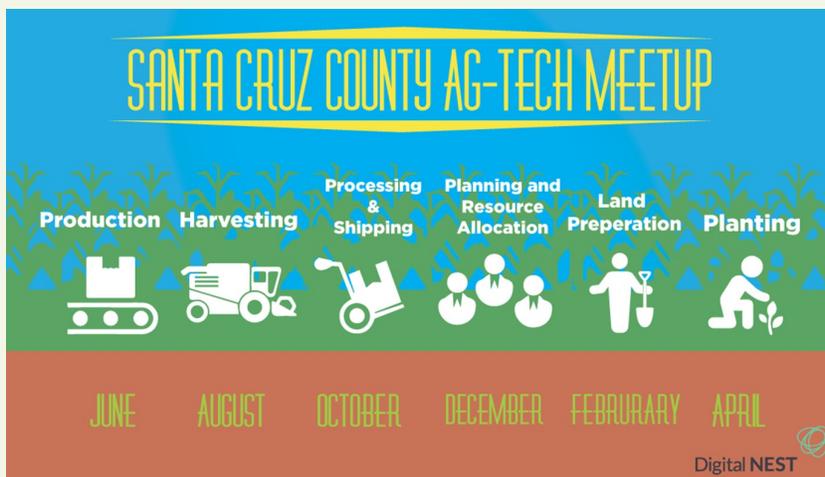
August - Harvesting

October - Processing & Shipping

The Meetups are organized by Jacob Martinez of Digital Nest and Khaled Mabrouk of Sustainable Productivity Solutions. The meetups are held in Watsonville on the last Wednesday of the month from 5:30pm to 7:30pm. Food & Refreshments are provided and the speakers start at 6pm.

Driscoll's & Digital Nest have been the hosts for these meetups in the past. In 2018, we will be rotating the meetup host between Driscoll's, Martinelli's, and a grower to be determined. The food sponsors have been local Intellectual Property lawyers Patrick Reilly and Michael Mount. Thanks to all these hosts & sponsors for their support. We currently need sponsors to pay for meetup signage (\$150-\$200 each). If you would like to help, please contact Jacob at jacob@DigitalNest.org

We have had many excellent speakers in the past, and expect to continue recruiting informative speakers. If you are interested in supporting this AgTech conversation, and have an interesting perspective to share, please contact Khaled at kmabrouk@ReduceOR.com.



Contact Us

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**Optimizing
Food
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Efficiency**