25 July 2018

WINERY RESOURCES – FUTURE CHALLENGES

WINEENG 2018

The Importance of Effective Daily Management

in achieving Operational Excellence

Ross Kennedy
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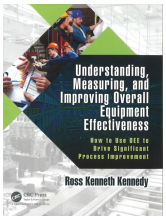
CTPM – The Centre for Australasian TPM & Lean / CI



International Author:
Understanding, Measuring, and Improving Overall Equipment Effectiveness

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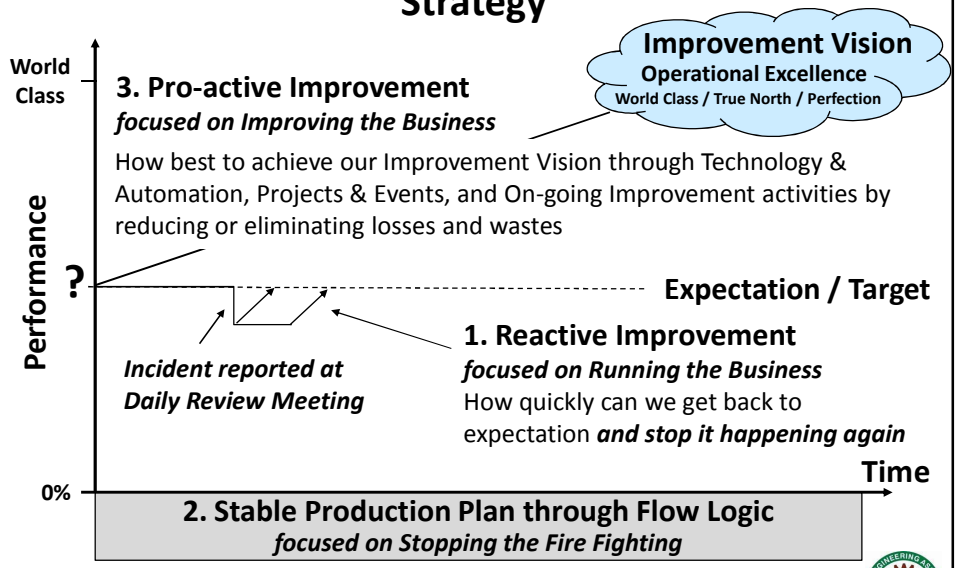
The 3 Critical Parts of a Continuous Improvement Strategy



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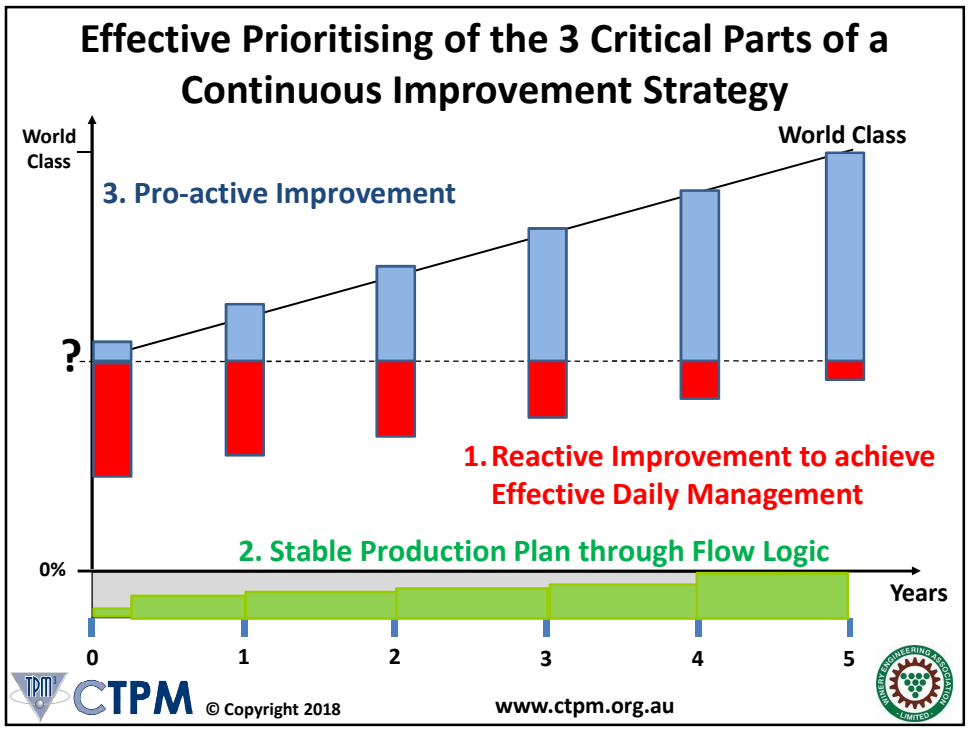
Effective Prioritising of the 3 Critical Parts of a Continuous Improvement Strategy
World Class
World Class
3. Pro-active Improvement
?
1. Reactive Improvement to achieve Effective Daily Management
2. Stable Production Plan through Flow Logic
0%
Years
0
1
2
3
4
5
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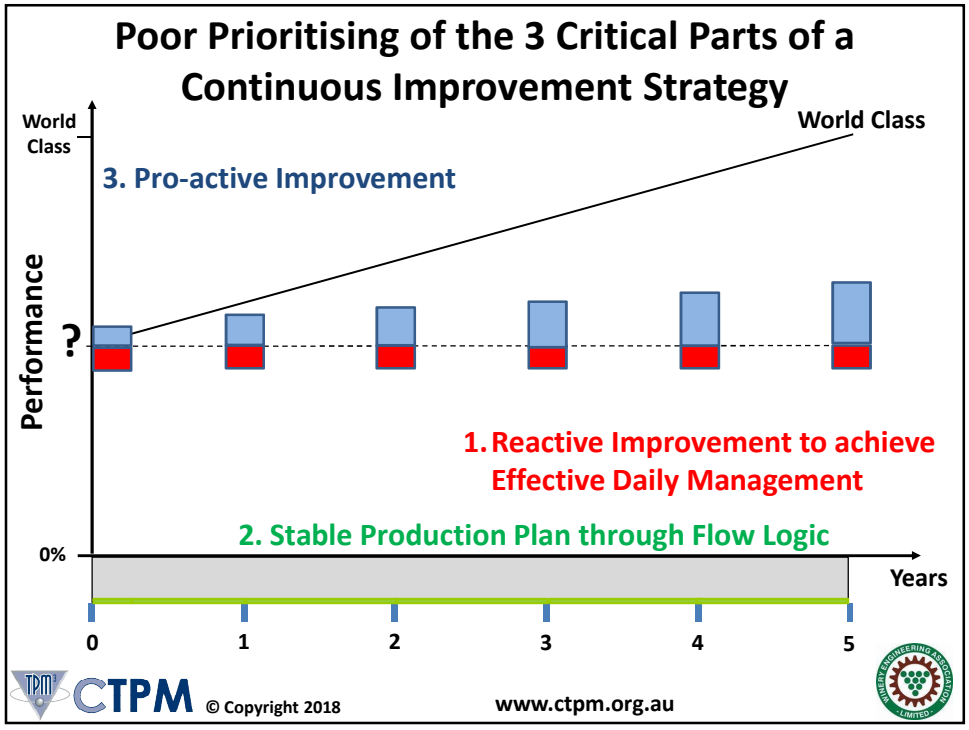
Poor Prioritising of the 3 Critical Parts of a Continuous Improvement Strategy
World Class
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2. Stable Production Plan through Flow Logic
0%
Years
0
1
2
3
4
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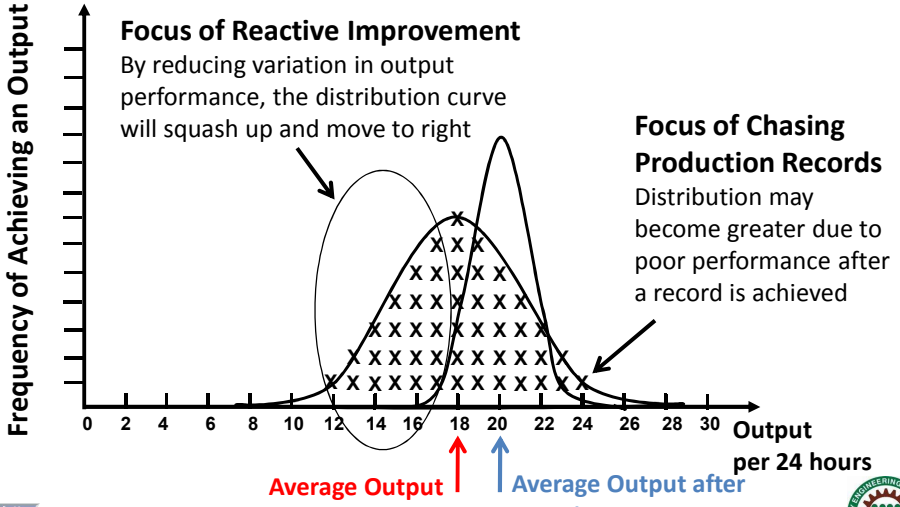
Key Benefit of Reactive Improvement

Output over 50 weeks: Average daily performance is 18 units with the record being 24 units which has been achieved once



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The 7 Elements of Reactive Improvement

that need to work in concert for effective Daily Management

1. **Supportive Organisation Structure** to support development of your people so they have ownership and accountability for the performance of their area of responsibility;
2. **Effective Frontline Leaders** to ensure salary staff are not working down a level
3. **Appropriate Measures with Expected Targets** that are linked to the site's Key Success Factors for Operations to ensure Goal Alignment, and are relevant for the area being focused on;
4. **Structured Daily Review Meetings** to identify opportunities (problems / incidents) and monitor progress of their solution so they don't happen again;
5. **Visual Information Centres** that visually display daily and trending performance along with monitoring of actions to address issues / problems raised;
6. **Frontline Problem Solving Root Cause Analysis Capability** across the site;
7. **Rapid Sharing of Learning Capability** across shifts and site.

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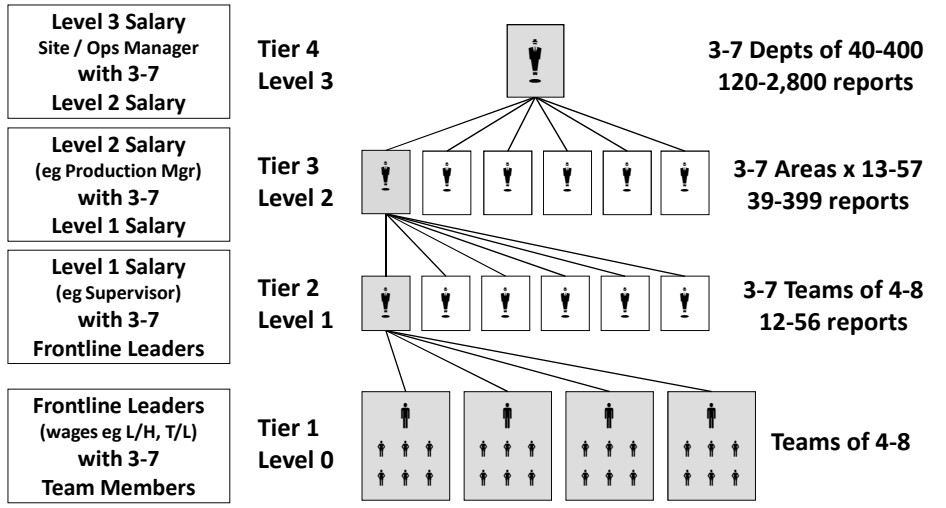
1. Supportive Organisation Structure
to support the development of your people



Note: At small sites one or two levels could be eliminated

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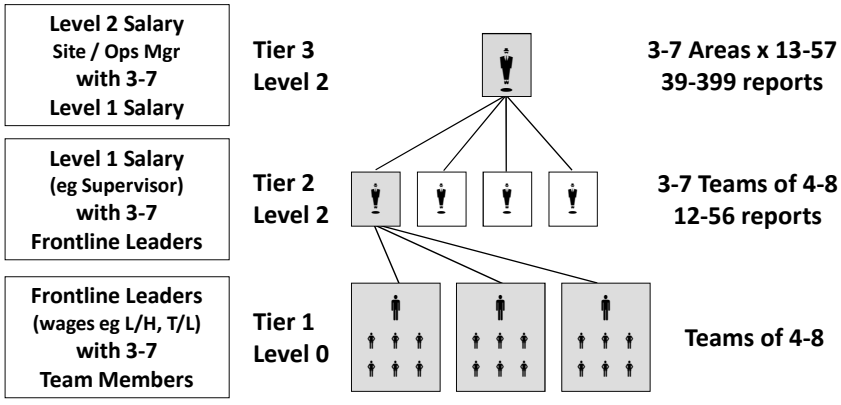
1. Supportive Organisation Structure
to support the development of your people



No Leader has any more than 7 direct reports

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2. Effective Frontline Leaders

If your Frontline Leaders aren't effective (properly developed), everyone else in the leadership structure tend to work down a level

0. Understand and Reinforce Company Policies and Procedures
1. Frontline Safety & Environment
2. Frontline Quality
3. Achieve the Production Plan
4. Reactive Improvement through effective Daily Review Meetings
5. Pro-active Improvement through Cross-functional and Area Based Improvement Teams
6. Frontline Work Area Management / 5S
7. Frontline Equipment Management / Clean for Inspections etc
8. Frontline Energy / Resource Management

Supported with Leader Standardised Work

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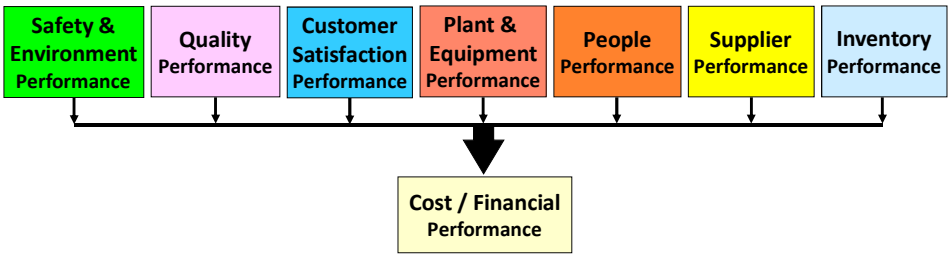
3. Appropriate Measures with Expected Targets

Example Key Success Factors for Operations

'Cause' Key Success Factors



'Effect' Key Success Factor

Performance measures should be grouped under the appropriate Key Success Factor

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3. Appropriate Measures with Expected Targets

Level 1 Daily Review Meeting

Performance Scoreboard

Scoreboard to be updated before the meeting by persons responsible

Date: **Date being Reviewed:**

Key Success Factors	Measures	Targets	Area 1	Area 2	Area 3	Area 4	Reasons for Misses (Red)
Safety & Environment	# Injuries (harm)	0					
	# Incidents (damage)	0					
Quality	Rework Units	0					
	Scrap Units	0					
Customer Satisfaction	# Orders missed Due Date	0					
	Internal Complaints	0					
	# Customer Complaints (Ext)	0					
Plant & Equipment	Number of Set-ups	5					
	Set-up Downtime (mins)	48					
	Unplanned Downtime (mins)	15					
People	Unplanned Absentees	0					
	Unplanned Absentees Today	0					
Supplier Performance	# Shortages by Order	0					
	# Supplier Quality Issues	0					
Inventory	Shortages in Stock	0					

Black – Targets, Green – Achieved, Red – Missed

Target: Achieved: Missed

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4. Structured Daily Review Meetings

Are your daily review meetings held just to comply with policy and gather data to feed up the line

or

are they really focused on ensuring your Frontline Leaders are getting the support they need

to

safely achieve the production plan each day to the required standard?

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4. Structured Daily Review Meetings

L1 Daily Review Meeting Agenda

Purpose of Meeting: **Review previous day – Learning & Actions**
Review what will impact today and the next day
Brief Communication Update

Attendees: Production Planner, Frontline Leader from the 4 Production Areas - Screen Printing, Heat Press, Embroidery, QA & Pack plus 2 Support Areas – Planning and Purchasing

Time: 15 minutes at a Fixed Time: 9.45am

Production Area				Support Area	
1. Screen Printing	2. Heat Press	3. Embroidery	4. QA & Pack	Planning	Purchasing
Emma	Jasmine	Kaye	Paul	Nicole	Nicole

For the previous day of Operations:

Item	Activity	Who				Time
1.	**Safety & Environment** • Any near misses that we can learn from • Any accidents (injuries) or incidents (damage) • Any issues for next 24 hours					
2.	**Quality (Internal)** • Is our quality performance within targets - any issues • Any quality issues or concerns for next 24 hours					
3.	**Customer Satisfaction** • Any Internal Customer complaints • Any external Customer complaints • Did we make the output we planned to do • Are we on track to make the output we have planned for today	1 E	2 J	3 K	4 P	2 min x 4 = 8 min
4.	**Plant & Equipment** • Any issues with plant & equipment (breakdowns, extended changeovers, delays) • Any issues with plant & equipment which will impact today					
5.	**People** • Did we have enough people to achieve the plan • Do we have enough people today to achieve the plan					
6.	**Inventory** • Any shortages • Any quality issues					
7.	**Supplier** • Any shortages • Any quality issues	Purchasing Nicole				1 min
8.	Planning & Scheduling – and changes	Prod Planning Nicole				2 min
9.	Review Action List	Chair				2 min
10.	Communications Update eg visitors to site	All Areas				1 min
11.	Issues of concern not covered	All Areas				1 min
		Total Time:				**15 min**

Note: Information Boards to be updated before the meeting by the responsible persons.
Action List Board to be updated during the meeting.

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4. Structured Daily Review Meetings

For the previous day of Operations:

Item	Activity	Who				Time
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4.	**Plant & Equipment** • Any issues with plant & equipment (breakdowns, extended changeovers, delays) • Any issues with plant & equipment which will impact today					
5.	**People** • Did we have enough people to achieve the plan • Do we have enough people today to achieve the plan					
6.	**Inventory** • Any shortages • Any quality issues					

Daily Review Meetings are focused on developing your Frontline Leaders by making them responsible for the total performance of their Area of Responsibility

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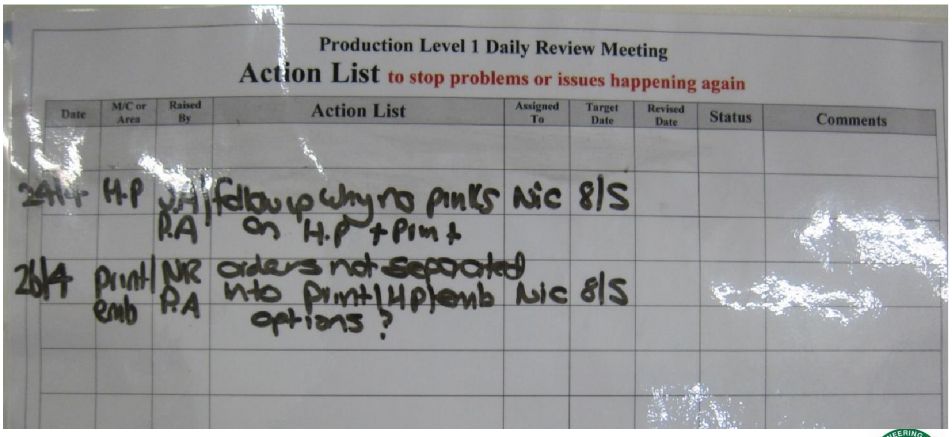
4. Structured Daily Review Meetings

Production Level 1 Daily Review Meeting

Action List to stop problems or issues happening again

Date	M/C or Area	Raised By	Action List	Assigned To	Target Date	Revised Date	Status



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5. Visual Information Centres

Are information boards used to allow everyone to see at a glance where the problems are, and what is being done about them

or

do people have to search through screens of information to get an understanding of the real situation?

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5. Visual Information Centres

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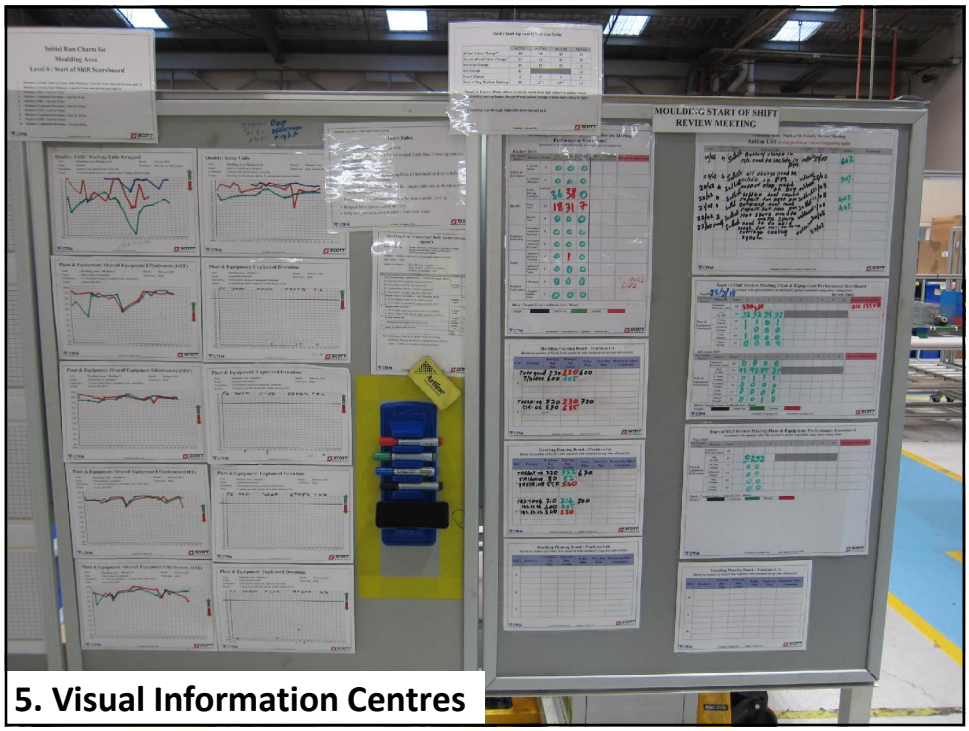

5. Visual Information Centres

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6. Frontline Problem Solving Root Cause Analysis Capability

Have you developed the problem solving skills of all your frontline people

so that

if there is an incident that triggers a root cause analysis they commence the root cause analysis before the daily review meeting

rather than

wait for someone to tell them to do it?

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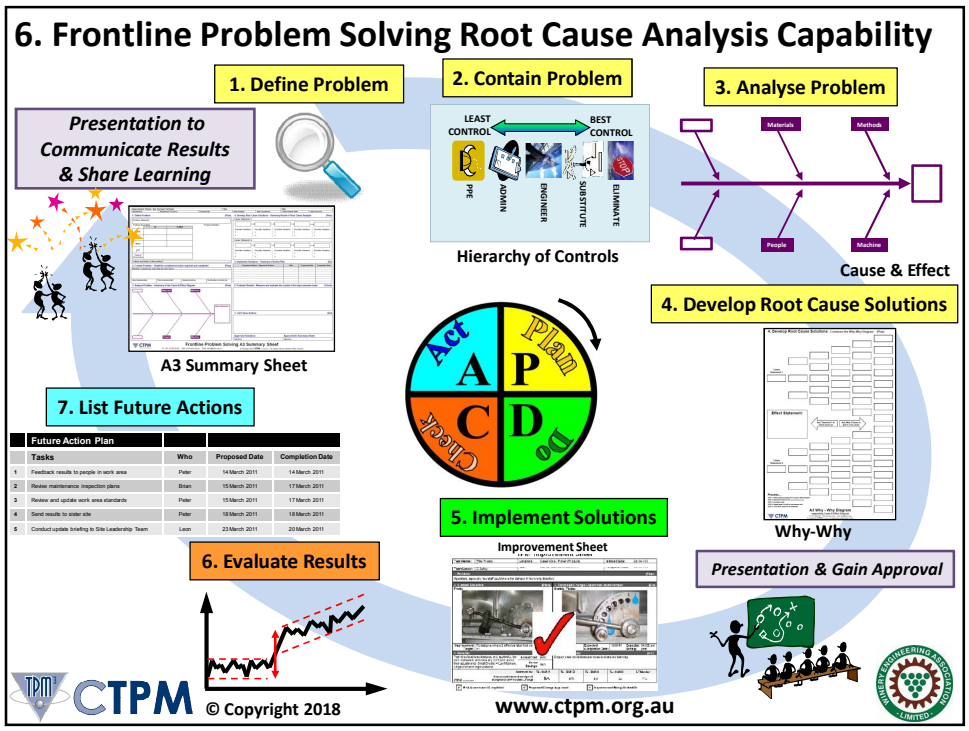
6. Frontline Problem Solving Root Cause Analysis Capability
1. Define Problem
2. Contain Problem
3. Analyse Problem
Presentation to Communicate Results & Share Learning
LEAST CONTROL
BEST CONTROL
PPE
ADMIN
ENGINEER
SUBSTITUTE
ELIMINATE
Hierarchy of Controls
Materials
Methods
People
Machine
Cause & Effect
4. Develop Root Cause Solutions
A3 Summary Sheet
Act
Plan
Check
Do
7. List Future Actions
Future Action Plan
Tasks
Who
Proposed Date
Completion Date
Why-Why
5. Implement Solutions
Improvement Sheet
Presentation & Gain Approval
6. Evaluate Results
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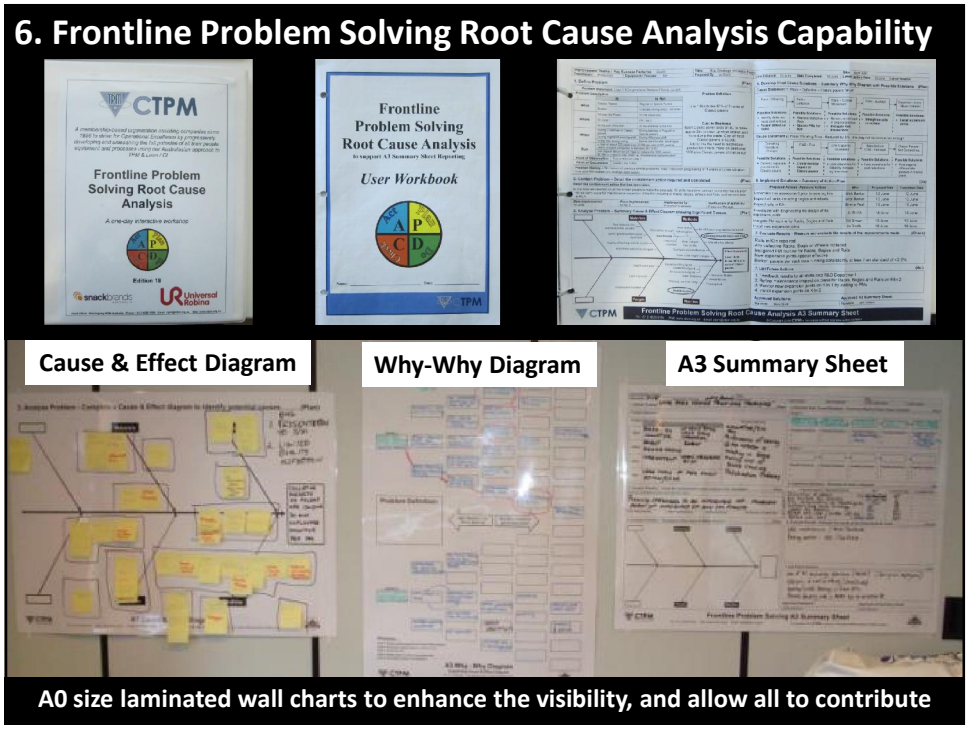
6. Frontline Problem Solving Root Cause Analysis Capability
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Frontline Problem Solving Root Cause Analysis
Frontline Problem Solving Root Cause Analysis
User Workbook
Cause & Effect Diagram
Why-Why Diagram
A3 Summary Sheet
A0 size laminated wall charts to enhance the visibility, and allow all to contribute

6. Frontline Problem Solving Root Cause Analysis Capability

9 Week Frontline Problem Solving Root Cause Analysis Program
based on 1.5-2 hour meetings each week for each team on the same day

Weeks: 1	2	3	4	5	6	7	8	9
One-day Frontline Problem Solving RCA Workshop focused on P1 and involving 3 Teams of 5	P1-a	P1-a	P2-a	P2-a	P2-a	P3-a	P3-a	FP
	P1-b	P1-b	P2-b	P2-b	P2-b	P3-b	P3-b	FP
	P1-c	P1-c	P2-c	P2-c	P2-c	P3-c	P3-c	FP

9 Problems Solved
15 Frontline Problem Solvers able to support your site and teach other personnel

P1 = Problem 1; P2 = Problem 2; P3 = Problem 3; FP = 30 min Final Presentation

Learn in a Team, then conduct as an Individual engaging appropriate people as required

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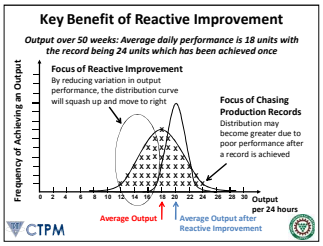
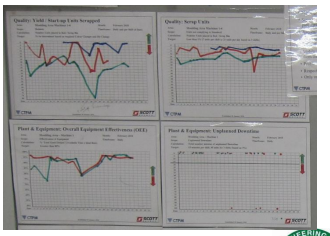
6. Frontline Problem Solving Root Cause Analysis Capability

Initial Root Cause Analysis Triggers

to be reviewed and tightened every month based on previous month's average

Key Success Factors for Ops	Possible Triggers for a Shift
Safety & Environment	
Quality	
Customer Satisfaction	
Plant & Equipment	
People	
Supplier	
Inventory	





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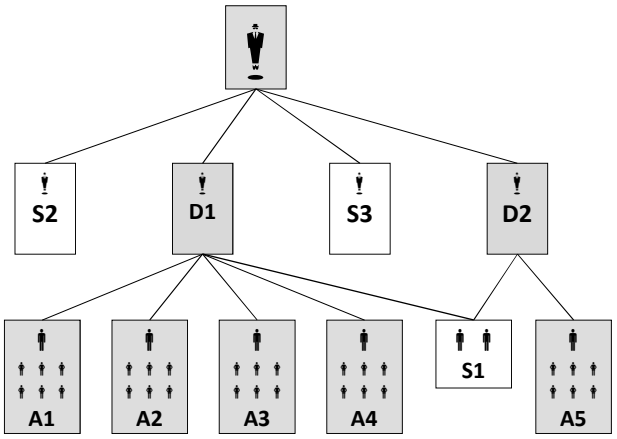
7. Rapid Sharing of Learning Capability

Developing an effective Daily Management Plan so as to support Rapid Sharing of Learning

Site / Ops Mgr
Level 2 Salary
Level 2
9.30am – 15 min

Dept Heads
Level 1 Salary
Level 1
D: 8.15am – 15 min
S: 8.45am – 15 min

Frontline Leader
Wages
Start of Shift / L0
7.00am - 10 min



Example Plan for Dayshift at a Small Site of about 100

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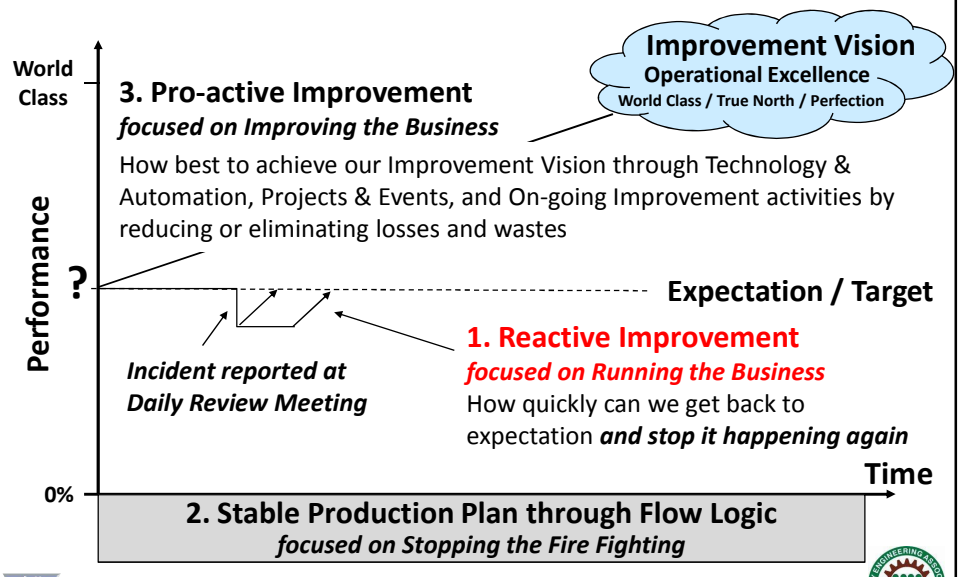
Final Words

The 3 Critical Parts of a CI Strategy



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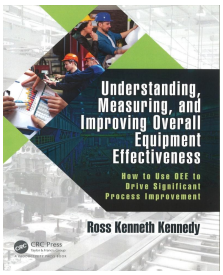
Question Time



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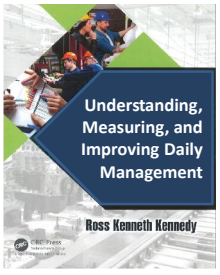

15 February 2019

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