

Welcome...

Rocky Mountain Bottling Company

Creating New Intentions for the Future:  
Stretching Our Sense of Possibility

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*March 27, 2001*

# *Purpose and Products*

## **Purpose:**

To use the visit to Pratt & Whitney North Berwick as a thought and possibility stimulator

In a way that creates a broader perspective about change and improvement

So that at an individual and group level there will be greater clarity about direction and intention for improvement of RMBC

## **Products:**

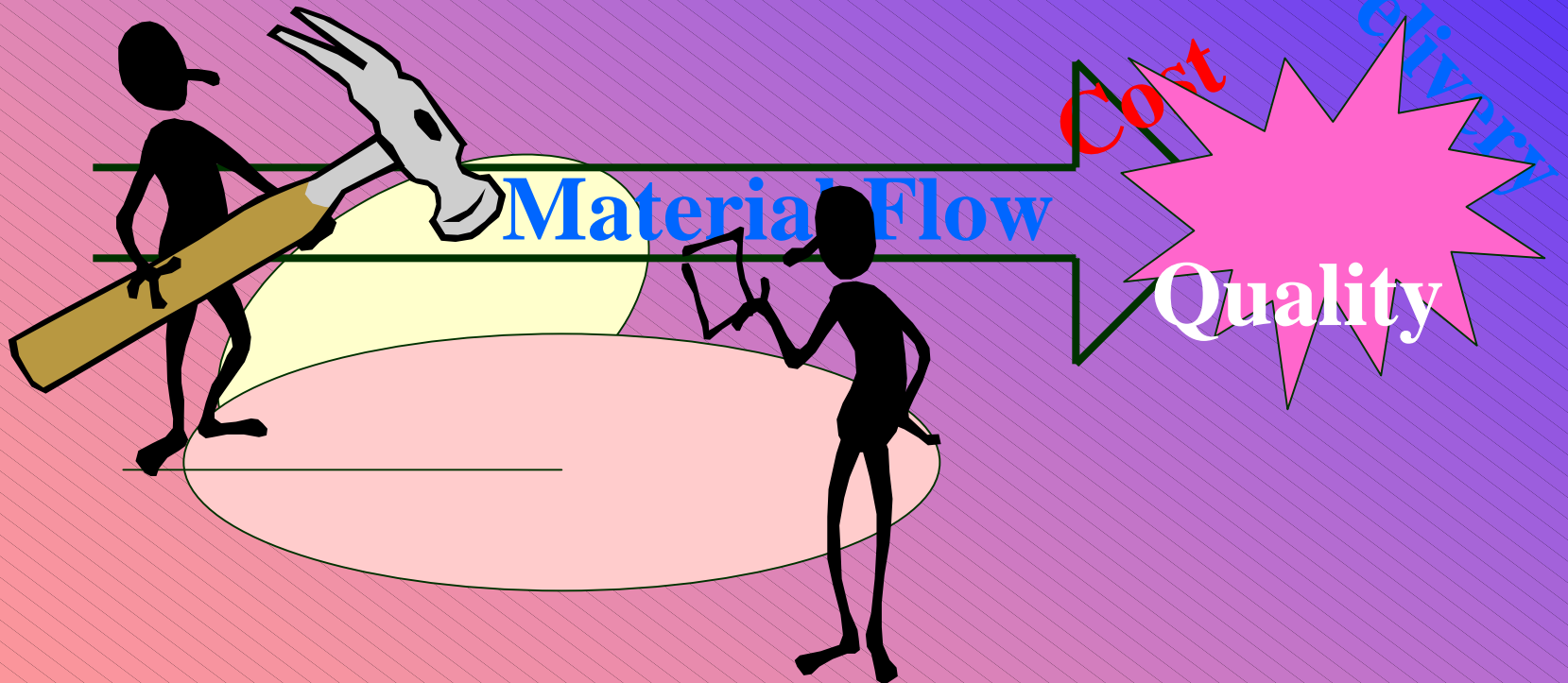
- Expanded perspective on change approaches
- Greater sense of possibility for process and outcomes
- Increased unity to act
- Appreciation for the question that the day is intended to answer

# *Topics covered*

- World Class Manufacturing...concepts and factory application
- Self-initiated work systems
- Compensation structure
- Maintaining healthy workforce relations
- Centrality of IR
- Financial implications of World Class Manufacturing and work design

# *Why IR is Important*

**Outcomes**



# *Today's Process:*

- Appreciating the unanswered question that brings us to North Berwick
- About what would you like to learn? What beliefs do you want to challenge in your own thinking or in the approach that is being taken by RMBC today?
- Understanding the business imperative and demand
- Creating a set of eyes for the walk through
- The walk through
- What is this thinking and what are the beliefs underlying the approach at NB and more broadly? (Alden and Stacy)
- What is the thinking and what are the beliefs that are currently behind the desired change approach within RMBC? What beliefs need to be renounced for increased success to occur? (group work)
- What is the potential that we believe we have as a business (site and overall) relative to individual and organization improvement? What are the factors that separate us from the potential that we have?
- What is the understanding, knowledge, capability that we need to create closure around to be confident about moving forward?
- What do we need to think and what do we need to do to insure that we create harmony and alignment with the current flow of activity and projects?
- How do we need to be thinking and working together to assure that we create the critical mass necessary to achieve the potential that we know is possible?

# *Agenda*

- Opening Comments
- Shop walk
  - Standard Cell layout
  - Gold Cell visit
  - Maintenance
- Philosophy
- ACE
- Work Design
- ValueTree
- Possibilities
- Employee Relations
- Personal 5-S
- Lessons Learned

## *What is the Unanswered Question that Brings Us Together?*

- Some thinking, belief, issue, challenge has brought us together here in North Berwick. This is not a random event.
- What is the question that we are trying to answer?

## *Business Imperative*

- What are the business challenges/imperatives facing you?



# Philosophy

# *Overriding Governing Beliefs*

ALL EFFORT SHOULD BE DEVOTED TO

- IMPROVING THE RELATIVE COMPETITIVE POSITION OF THE ORGANIZATION
- ASSURING THAT EMPLOYEES ARE TRULY IN A POSITION TO MAKE A PERSONAL CHOICE ABOUT WHETHER THEY STAY WITH OR LEAVE THE ORGANIZATION... Really being employers of choice.

## Belief

- Pursuing best in class concepts increases the values of the business and helps people have more choice because the skills are highly marketable.
- All that a person carries out of the organization is in their heads--this is where true personal value resides.
- Being an employer of choice implies creating conditions for employees in which they have true choice.
- We employ people in our organizations to improve the way work is done, not to do the work itself.

## *High Performance Engine<sup>sm</sup>*



## **Warp Engine**



# *Reflections*

- Let's stop here and ask a few questions.
- How do the mantras stack up against what is espoused by RMBC?
- How do the mantras stack up against what we actually do within RMBC?
- Am I any different?
- Are we faced with a high performance engine challenge or a warp engine challenge?

## *Our Mantras*

- 1) Develop a process that is as big as the organization can tolerate without **breaking** and as fast as it can go without **braking**.
- 2) Be principle based and have the process model the end state we want to create.

# *The Formula in N. Berwick*

$$\begin{array}{ccccccc} \text{Management} & & \text{Sound} & & \text{Accelerated} & & \text{Sustainable,} \\ \text{Stability} & + & \text{Business} & + & \text{Change} & + & \text{High} \\ & & \text{Case} & & \text{Process} & & \text{Performance} \\ & & & & \text{(aka kaizen)} & & \text{Results} \\ & & & & & = & \end{array}$$

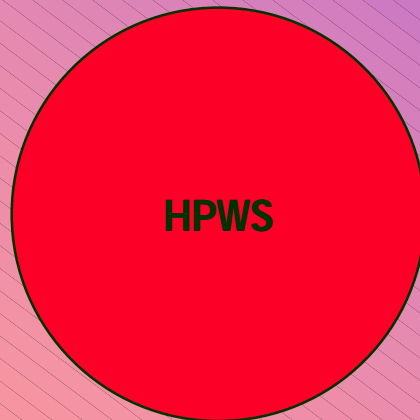
ACF

With Stace



# *Linking HPWS and Best-in-Class Concepts and Processes*

TO ACHIEVE THE GREATEST SYNERGY IN ANY CHANGE EFFORT IT IS ESSENTIAL THAT HIGH POTENTIAL ORGANIZATION PROCESSES AND THINKING ARE LINKED TO THE PURSUIT OF BEST-IN-CLASS OPERATING AND BUSINESS CONCEPTS



**HPWS**



**Best-in-Class**



**Marriage of  
Best-in-Class  
and HPWS**

**Separate and different**

**Each needs the other**

## *A Few Key HPWS and Best-in-Class Operating Concepts*

### *world class operating concepts*

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- jit (takt, pull, flow)
- one piece flow,
- cellular production,
- set-up reduction,
- worker flexibility,
- kanban
- automation
- poka-yoke
- 5S
- standard work
- visual control

### *HPWS/technician system*

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- thinking drives behavior drives results
- hierarchical processes--focused accountability
- teaming
- pay for work and demonstrated performance
- disciplined thinking
- continuous development

continuous improvement

# *The Parallel Streams of Work*

- Development of Strategic Intentions, Direction, and Agreement
- Development of Shared End-State
- Instill Concepts of HPWS and Best-in-Class Operations
- Develop Pay and Progression System
- Development of Organization and Team Working Structures and Roles
- Development of Normal and Accelerated Improvement Process Thinking and Capability

# Material Flow & Work Design

*Tutorial: Best-in-Class Operating Concepts*

*Takt*

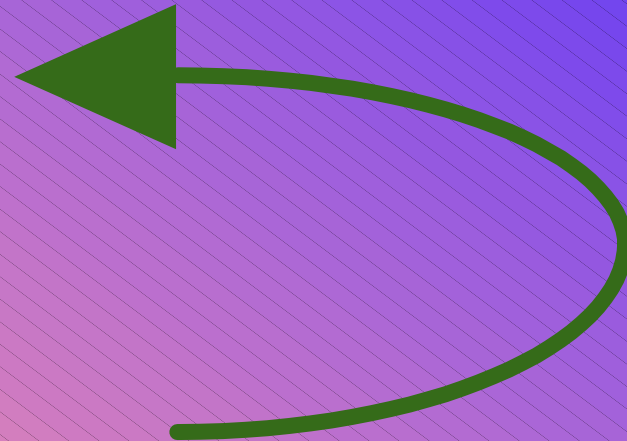
*Flow*

*Pull*

## *A Brief History*

- Flow was contained in one area and called “cellular flow”
- We assigned “start to finish” responsibility of product to “flow cells”  
-- *operate* to “standard work”

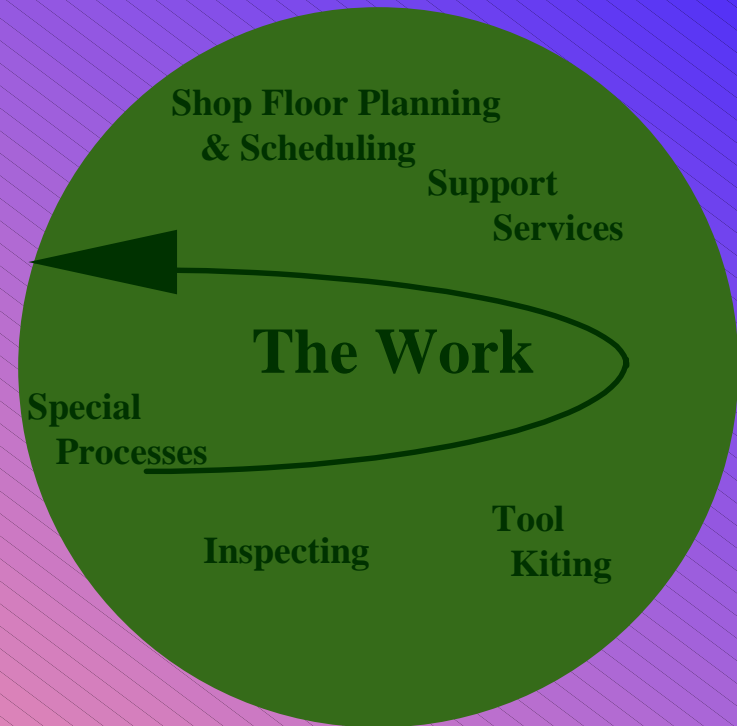
## **An Early Flow-Cell**



# *A Brief History*

- Now we are adding supporting tasks required to *maintain* "daily flow of material"
- And also beginning to produce with attention given to continuous *improvement*

## **Production Work Cell**

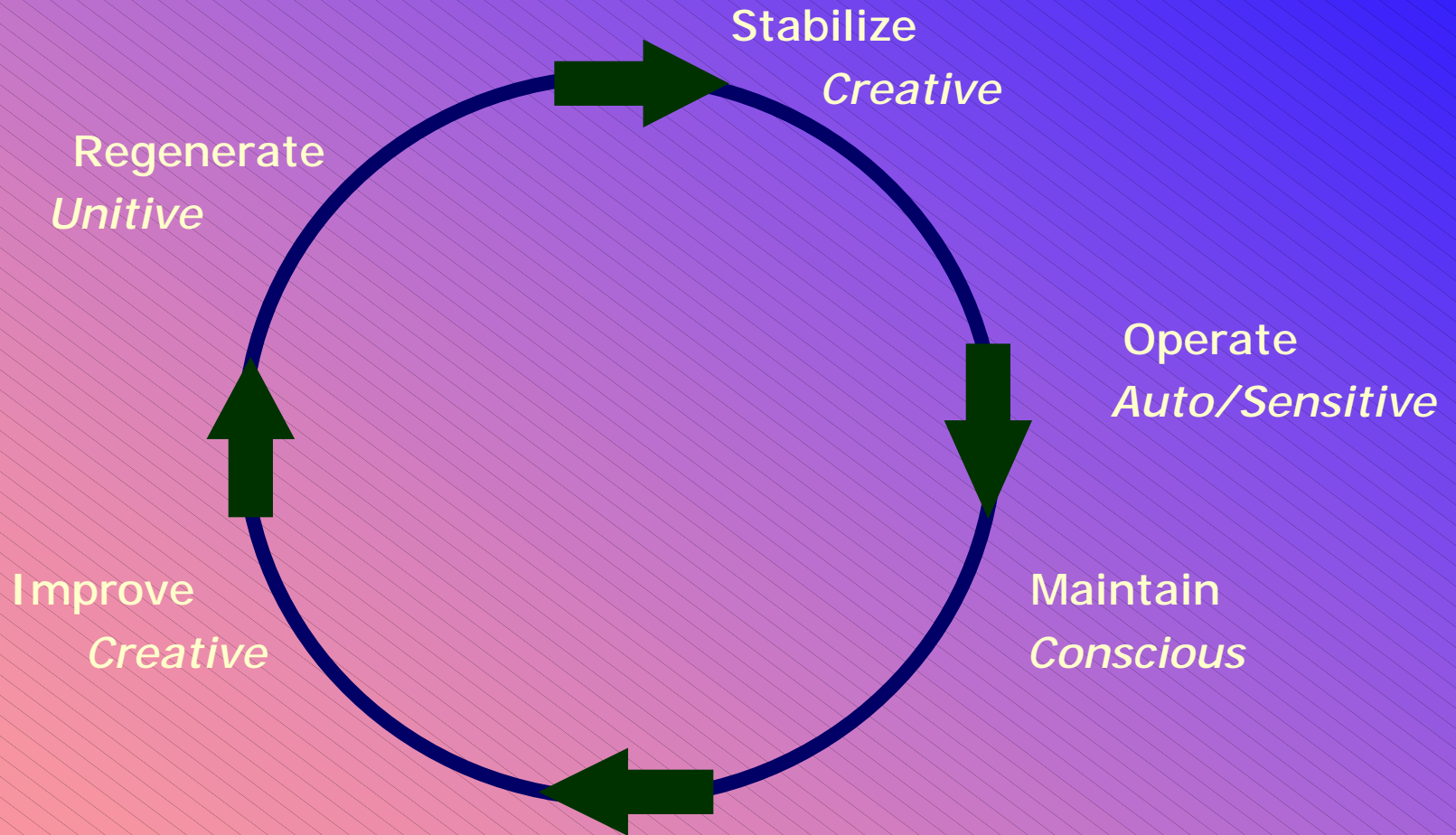


## *Concept of “Mental Energy”*

- *Automatic/Sensitive - action without conscious thought; recognizes change by sight , sound, smell, etc; operate standard work*
- *Conscious - understand cause & effect; take corrective action; deal with variation; maintain day-to-day flow*
- *Creative - eliminate variation; capable of independent thought; improve processes*
- *Unitive - bring “systems” together*



# *New Work Design*

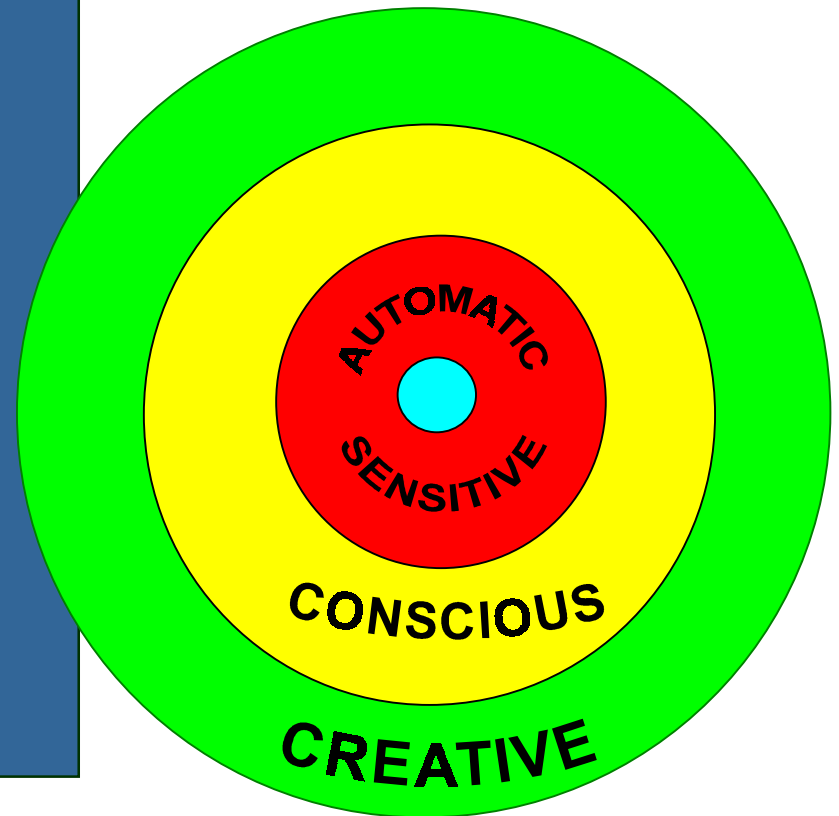


# *Multi-skill/360° Capability*

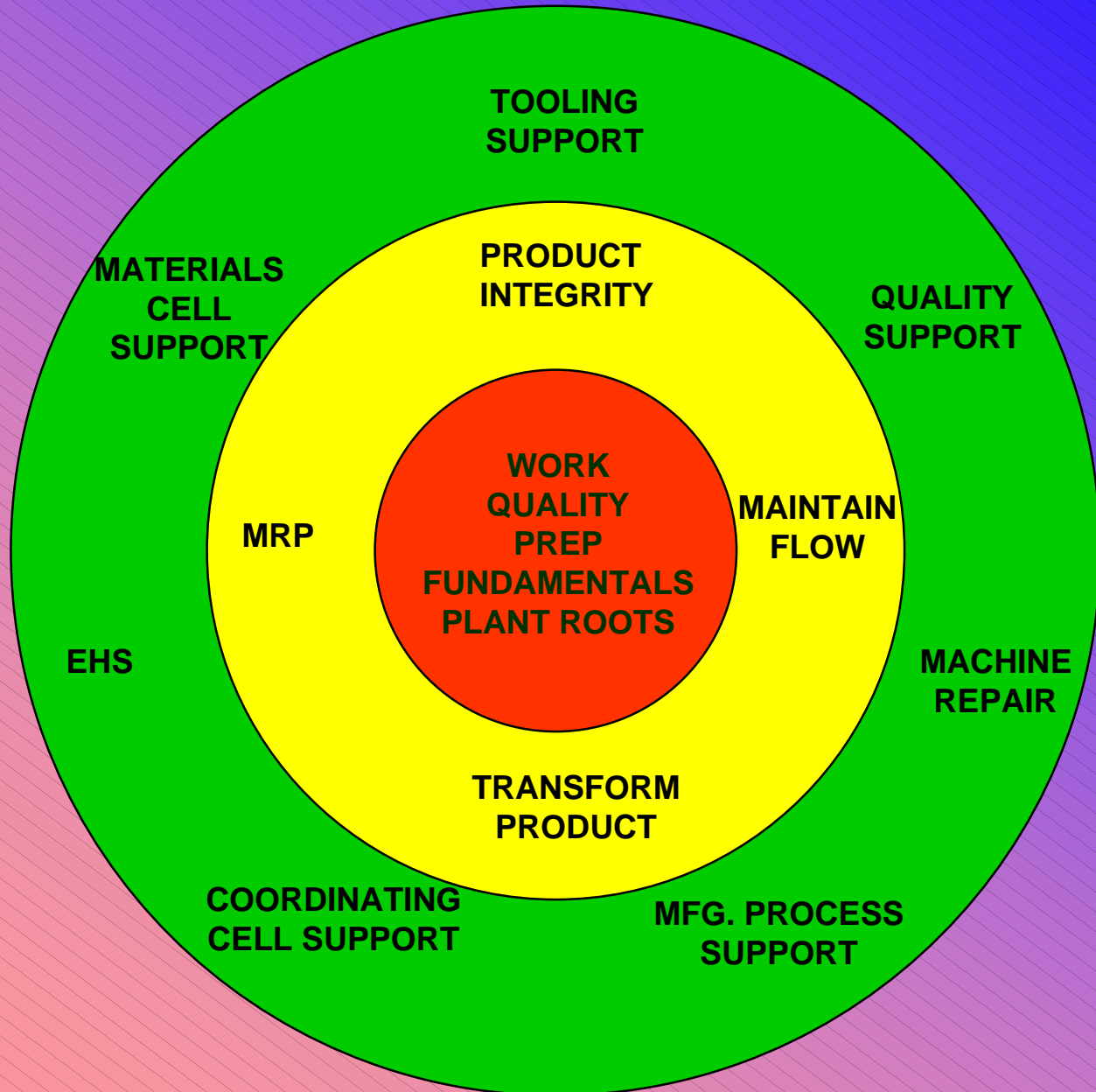
**AUTOMATIC/SENSITIVE (Stable)--**  
TPM/5S's, Gather Material & Tools,  
Operate Machines, Gage Parts

**CONSCIOUS (Variation)--**Maintain Material  
Flow, Set-up, Root Cause ID, Trouble  
Shoot/Problem Solve, Plan & Schedule,  
Rework/Repair

**CREATIVE (Eliminate Variation)--**Project-  
Based Activities, Financial Analysis,  
Work-Place Studies, Value Engineering  
Tasks, Mfg. Engr. Tasks



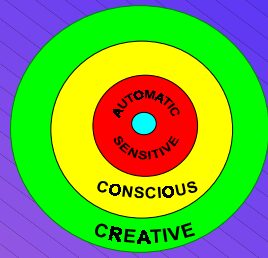
# Grinding Work System



## *Progression Based On Demonstration*

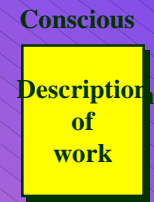
- Criteria Based Objectives - generic for each “work system”
- Checklists, portfolios and projects - cell/work community specific
- Multi-Purpose Tools
  - \* Training
  - \* Demonstrating skills
  - \* Evaluating performance

# North Berwick Work System



① All work required to flow material on a daily basis is contained in the work system.

Automatic/Sensitive

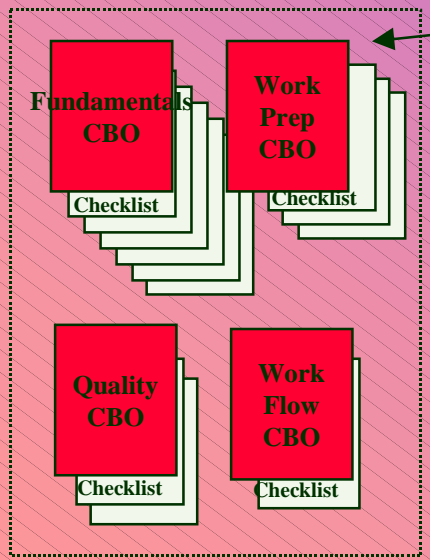
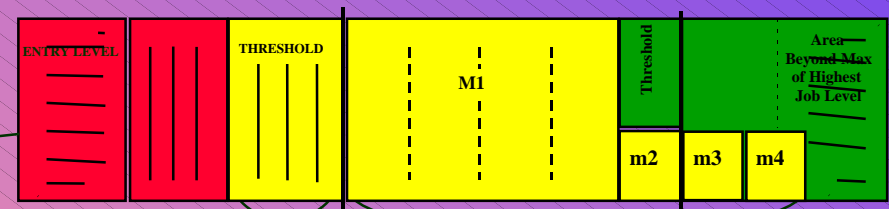


Creative



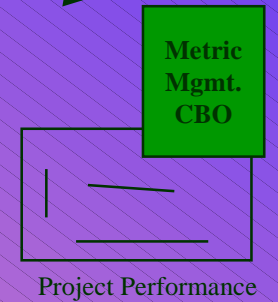
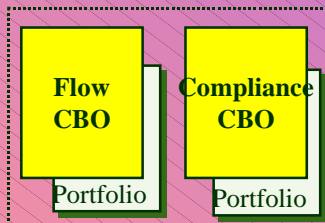
② Work is grouped by the level of mental energy required by the job.

③ A person takes on increasing responsibilities for flowing material and progresses within the system.



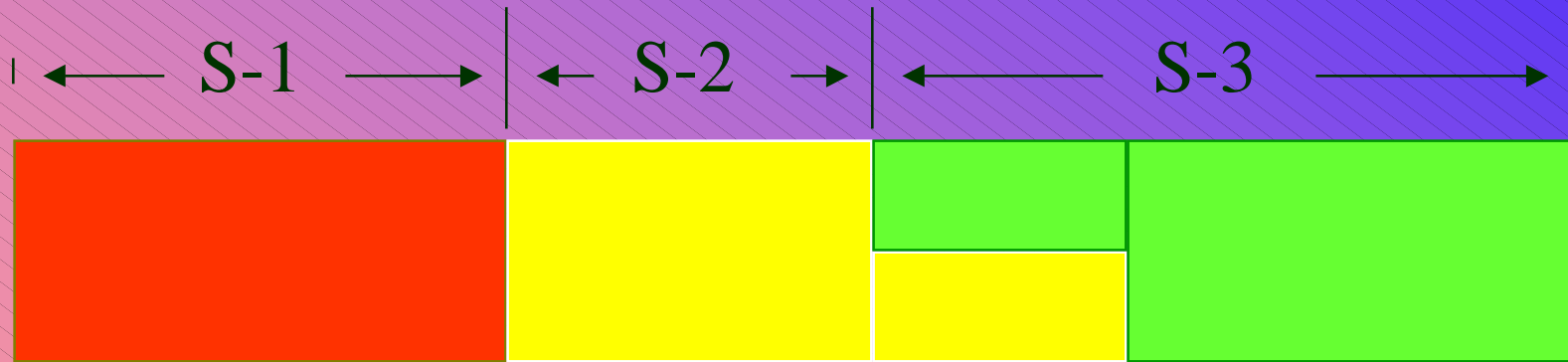
Threshold

Majors



④ Criteria Based Objectives (CBO) describe the demonstrations which signify a person's readiness to accept more responsibility.

# *Layoff Security Zone*



Seniority within a *security zone*.

# *Team & Work System Values*

- Dependability
- Honesty
- Trust
- Sensitivity
- Equity
- Initiative
- Respect
- Consistency
- Accountability
- Responsibility
- Helpful to people
- Rewarding

# *New Work System Conceptual Summary*

- 20 Work Systems--from 129 job descriptions & 54 occupational groups
- 3 rate ranges--from 15 hourly labor grades
- Progression based on demonstrated capability-- not automatic wage progression
- Instituted "Result\$haring"
- Security based on capability as well as seniority



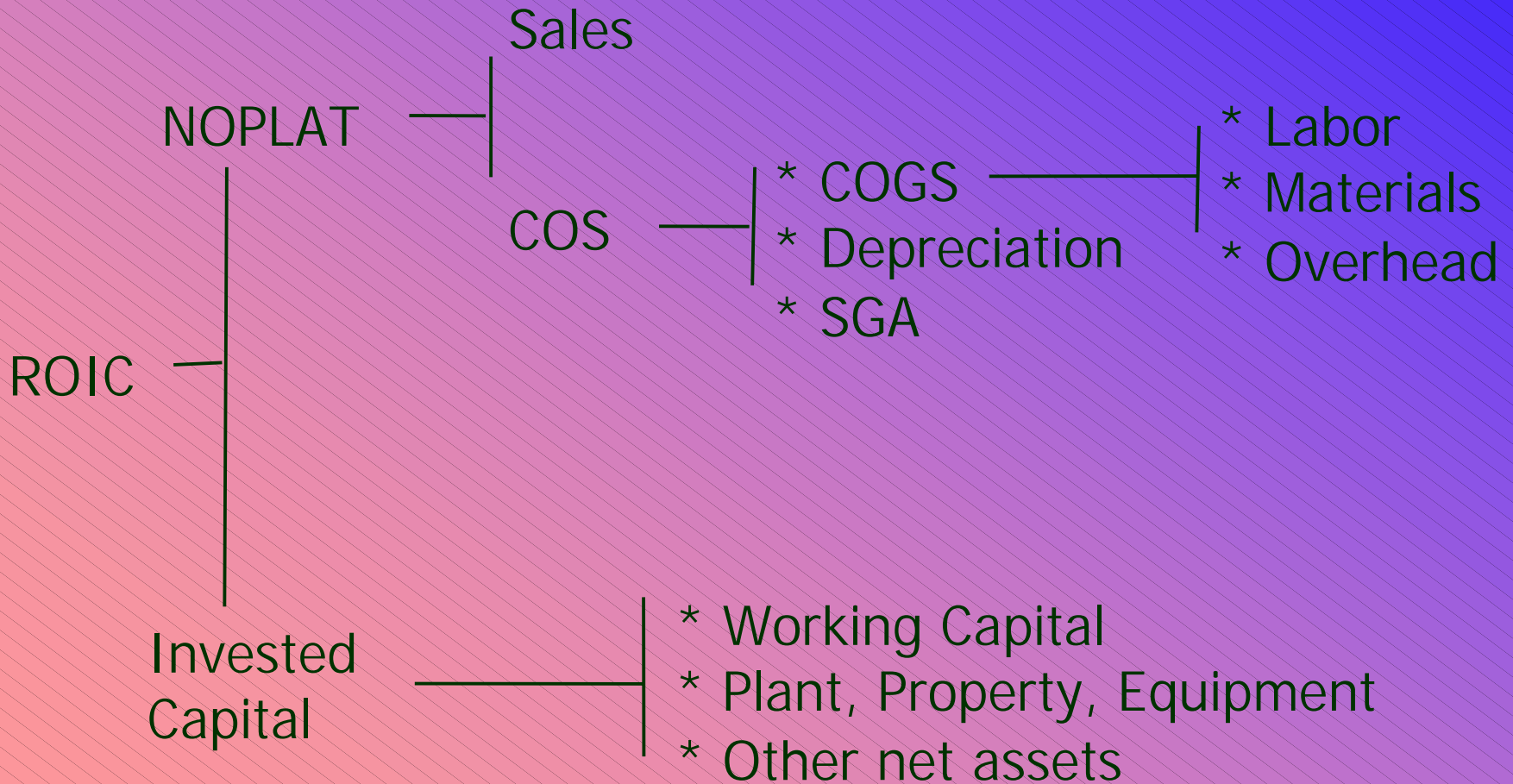
# Financial Impact

## *Value Tree*

### Beliefs:

- Ultimately our efforts must impact margin and / or cash flow.
- Making direct connections between change efforts and the value tree gives the work a sustainable context.
- Greater the understanding and focus on value tree at all organization levels, the greater the potential for positive change.

# The Value Tree Summary

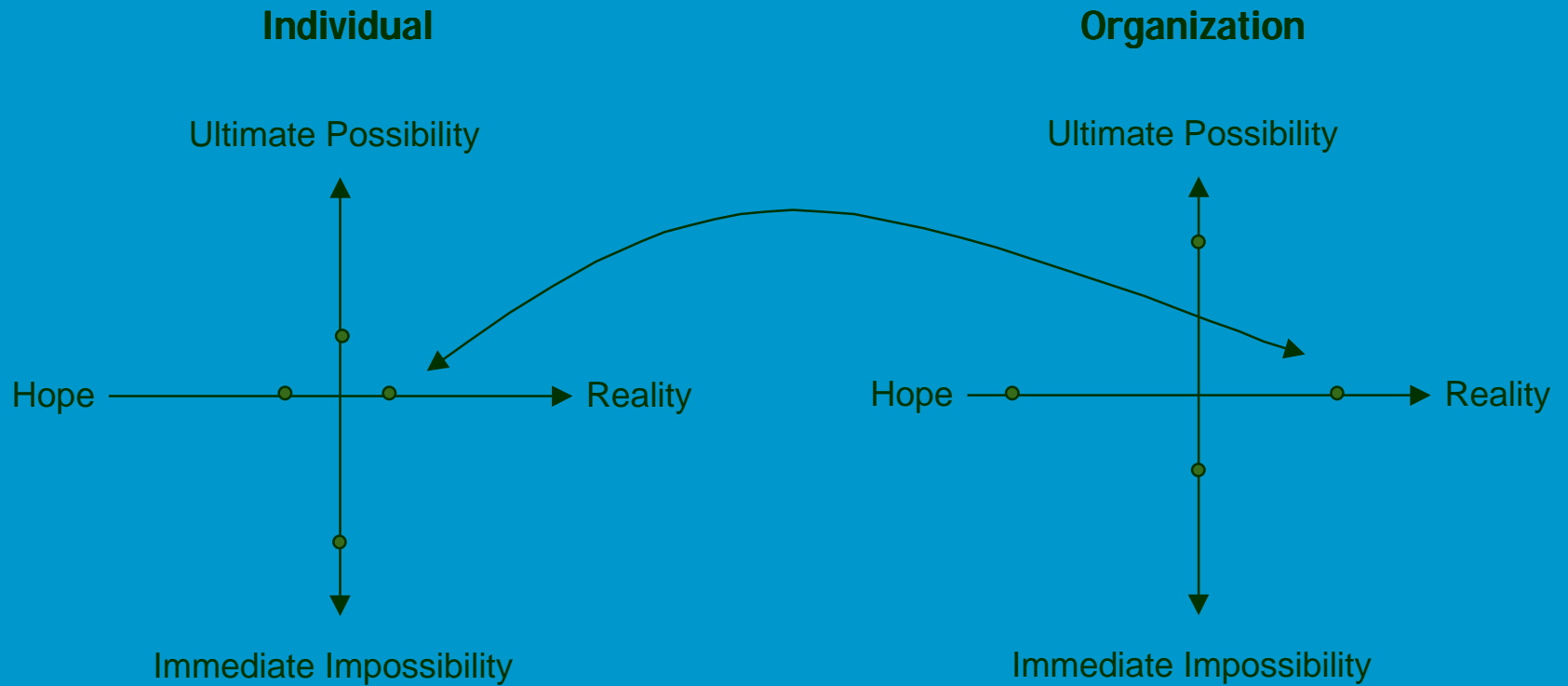


## *Value Tree / Capability Topics*

- Floor space reduction
- Headcount reduction / Surplus people
- 5S
- Part Travel
- Team Building
- Kanban
- New Pay Systems

In small groups develop where in the value tree this activity has impact and the magnitude of that impact.

# *Merging Personal and Organizational Realities*

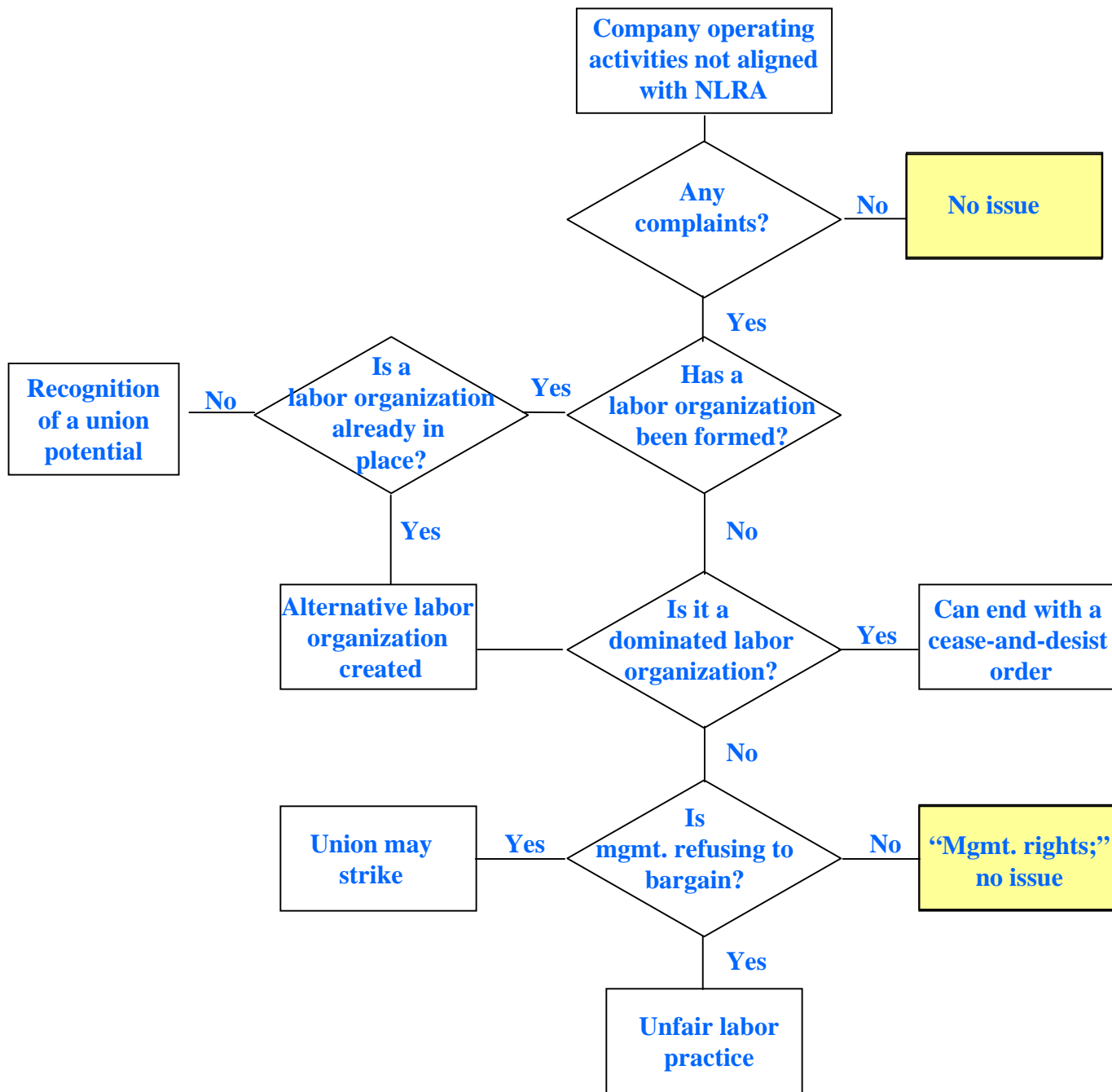


# *Survey of Team Activity*

	We have work teams in our unionized plant on the shop floor with unionized labor.	Which of the following has occurred in these teams?
1.	These teams have voted on their leaders or representatives.	
2.	These teams have voted on various topics of interest to the teams.	
3.	These teams have addressed issues of wages, hours, and terms & conditions of employment (i.e., productivity levels that an employee is required to achieve to maintain good standing in the team or discussed whether the team should be paid extra if it performs well.)	
4.	These teams have addressed issues that are in the contract because certain team members have an opinion about contract provisions.	
5.	Sometimes the team has discussed issues other than quality, workflow, and productivity improvement.	
6.	Members of management are not always present at team meetings.	
7.	Supervisors or technical staffs have asked employees their views about how the team might view certain issues or topics.	
8.	Team meetings have turned into gripe sessions about supervision, management, policies, and/or rules.	
9.	Individuals, whether management or hourly, have made anti-union statements or implications.	
10.	Individuals, whether management or hourly, have made or implied that the decisions of the team are final.	
11.	Charters, bylaws, or team rules or policies have been developed.	

# *Topics that Require Legal Sensitivity*

- Teams
- Delegation of “management” responsibilities
- Management support of union activities
- Elections of leaders and representatives
- Topics Discussed





# *The Process Must Mirror the Desired Outcome*

- Fundamental Belief about Process Design and Execution:
- We should use the same thinking, frameworks, processes, and content that we desire in the end-state to get to the end-state.
- Use 5S to get 5S -- orderly process to get orderly thinking
- Flow to get Flow -- keep the process moving--eliminate extraneous distractions
- Total Quality to get Total Quality--the process used must have quality concepts inherent in it
- Discipline to get Discipline -- disciplined thinking will support disciplined behavior
- High involvement to get high involvement -- demand compliance to principles not specific acts themselves
  
- In other words, the designers and leaders of the process have to be “mentally” at the end-state to get to the end-state. Having “leaders” who talk “about” the desired end-state is a recipe not to achieve it.
  
- If best-in-class concepts are truly “best-in-class,” then their application works for all processes: physical, information and mental; for all levels: operations, technical, and managerial.

## *Example of Using HPWS / Best-in-Class Concepts to Create a Process*

- **Teaming:** Create a multi-functional, multi-level teaming structure to guide and execute the process. Insure that the fundamentals of this structure have some or all elements of the long term vision.
- **Hierarchical processes:** In the hierarchy of teams, have roles defined in process terms, not power terms.
- **Progression of skill and knowledge:** Design the development and learning process to clearly demonstrate a progression of learning, skill, knowledge and application through time. Continue to raise the bar in terms of the number and depth of concepts and ideas to be mastered.
- **Disciplined thinking:** use models and frameworks for everything. Confront all variation to random thinking.
- **Flexibility:** Create conditions for individuals to be flexible in multiple skill areas especially in areas where individuals believe they have no capability or will have no capability.
- **Fluidity:** Create conditions through process and structure requirements for people to move freely across boundaries.
- **TAKT time:** Have individuals and groups convert work into t/t terms so they create a mental link to customers and to beat.
- **Pull:** Create conditions for the "customer" of individual and team work to demand c,q,d performance
- **Flow:** Map out flows either in "process" terms (no agendas and try to avoid lists of things to do)
- **Single minute exchange of dies (SMED):** drive logistics and wait times to zero

# *Personal Reflection*

## *“5S” My Head*

**Sort:** What do I need to recognize as the boundaries of me as an instrument of change?

(You may choose to reflect on the following 5 categories relative to you and the type of processes and changes we have been discussing.)

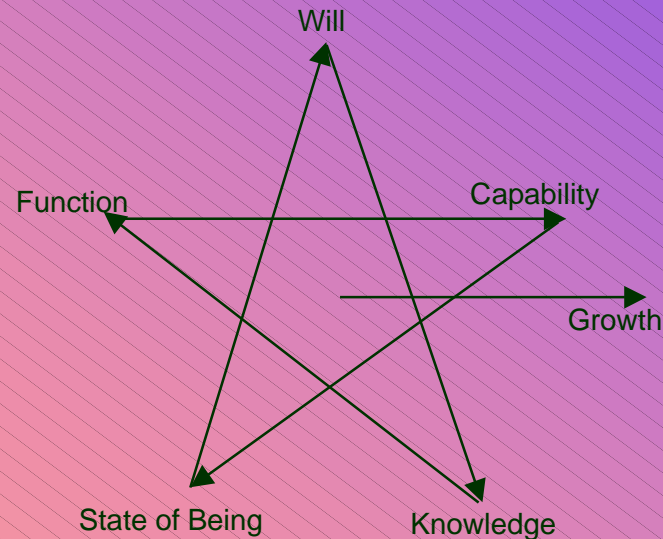
**Will:** What characterizes “can” for me and what characterizes “can’t” for me?

**Knowledge:** what do I know about and what do I not know about, but need to know more?

**Function:** what do I see myself as being able to do and unable to do?

**Capability:** what do I see as the capabilities I have (based on extrapolation of my past performance) and what do I not see as my capability but desire the capability?

**State of Being:** what about the way I think and feel is conducive to this direction and what is not conducive?



## *“5S” My Head (con’t)*

- Straighten: What do I need to direct myself to do; what is the end-state that I can visualize for my self relative to this work?
- Sweep/shine: What is the old baggage (thinking and beliefs) that I need to get rid of or “sweep” away? What do I need to polish and utilize more effectively?
- Standardize: What do I need to do to create a discipline in my thinking and behavior?
- Sustain: What will my perseverance need to look like?

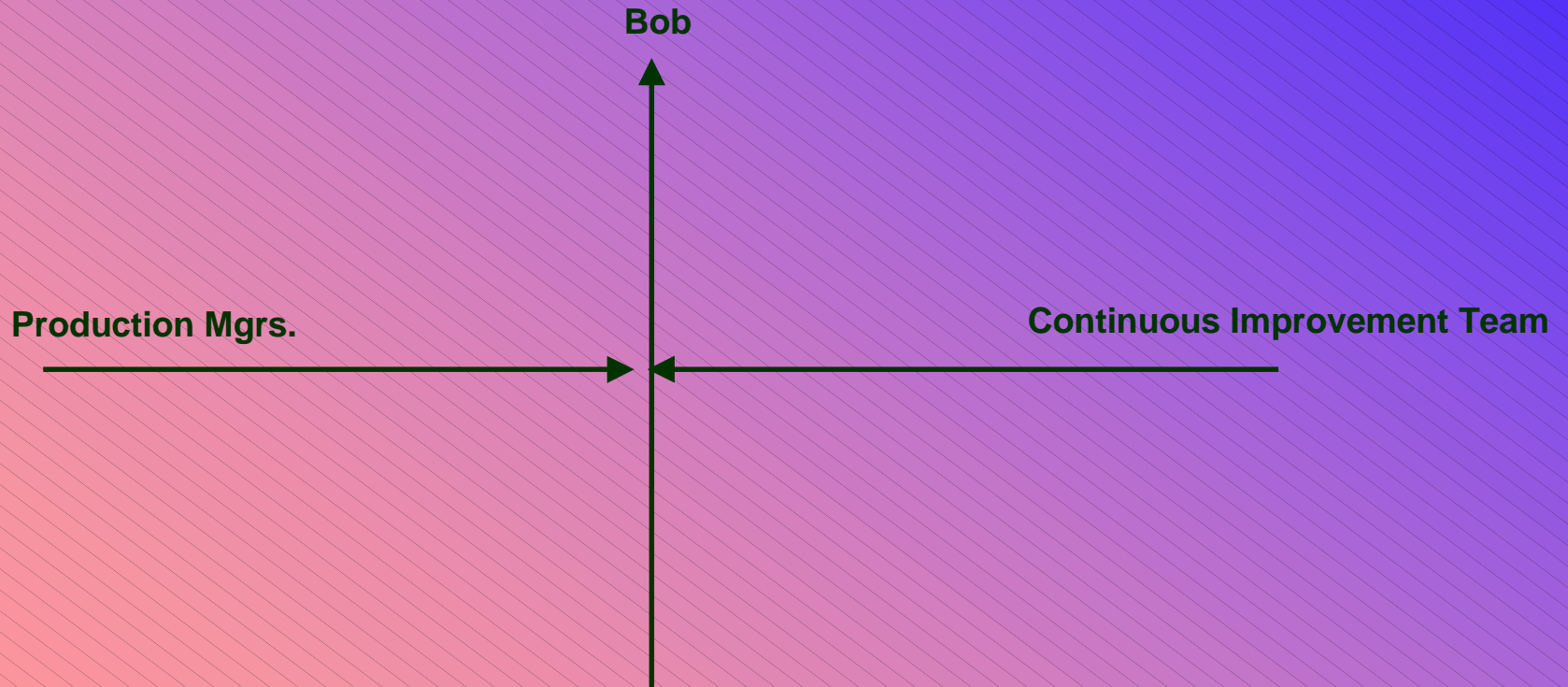
**In closing, lessons learned  
by the Plant Manager**

# Lesson 1

Adopt a “nothing to lose” attitude.  
The crisis is already  
there...whether you recognize it or  
not.

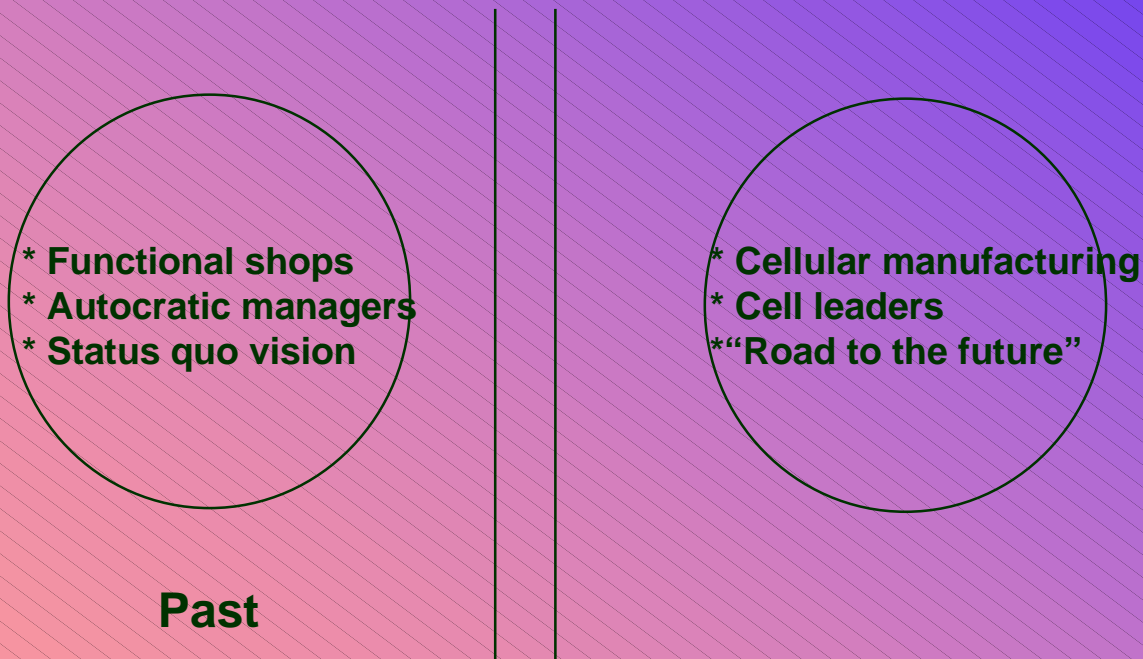
# Lesson 2

Design tension into your leadership team.



# Lesson 3

Clearly separate yourself from practices not suited for the future.



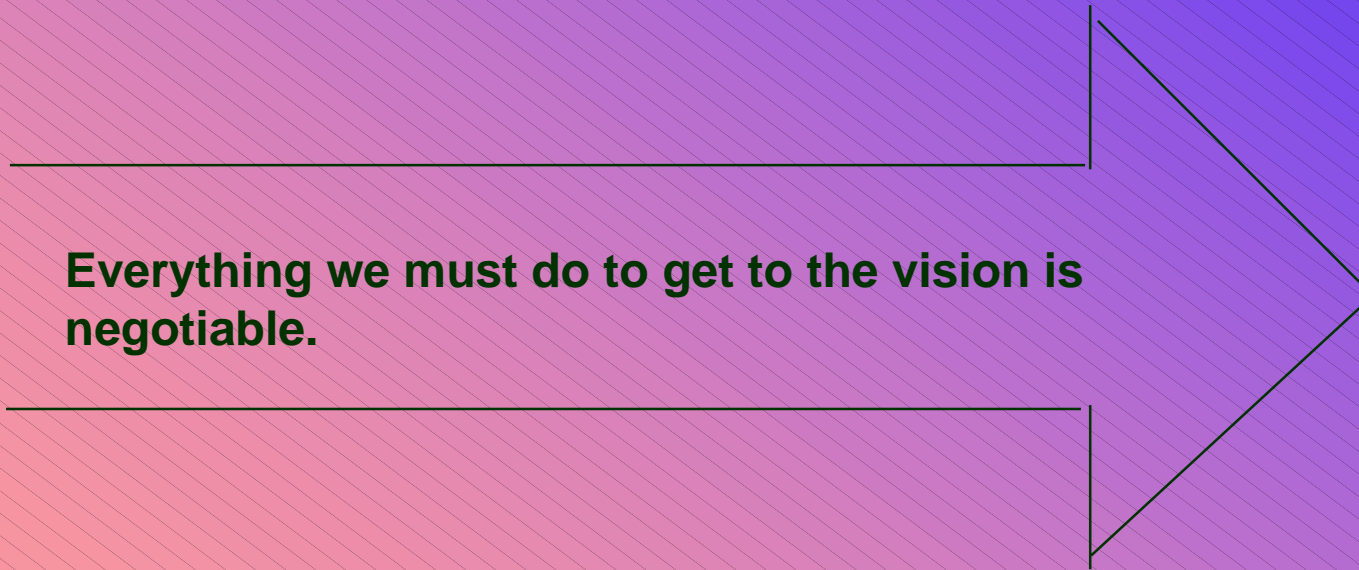


# Lesson 4

Use an “inclusive” process to make changes.

**Everything we must do to get to the vision is negotiable.**

**Vision or direction is non-negotiable.**



## Lesson 5

Learn from others and create  
“models” so people can see the  
vision.

# Lesson 6

Renounce the past. "The old way is gone." Create "one-way" gates.

- Flow is in
- Cells are in
- 5-s is in
- Visual is in
- TPM is in
- Flexibility is in
- Teaming is in
- Doing "white collar" tasks is in
- Self-funding your increase\$ is in
- Best-players play is in

## Lesson 7

Relentlessly pursue performance and deliver results.

# *North Berwick Highlights*

- Product Center of Excellence Award
  - 4th Quarter 1994
  - 1st Quarter 1995
  - 2nd Quarter 1995
  - 1st Quarter 1997
  - 2nd Quarter 1997
- 1996 Margaret Chase Smith Maine State Quality Award
- 1997 Margaret Chase Smith Maine State Quality Award
- Lowest Defect Rate in Division
- Lowest Escapes in Division
- 45% Reduction in Staff While Load Increased 30%
- Government Products Excellence Award (2nd Qtr. 1997)
- Bob Daniell Corporate EHS Award

What's happened since I left?

The plant continues to improve because of constancy of purpose embodied in the people, not just the leadership team.

And Now...??