



Developing Your Daily Shopfloor Management System for Any Business!

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In the past few weeks, several very reputable and talented professionals have inquired how they might engage their business/operations differently to be more effective as a leader. As “*Leadership Coaches*”, that question is a common challenge we encounter in our diagnostics/analysis prior to engaging our clients. Since our unique business experiences both in government, industry (19 different ones) and with consulting spanning a combined 80+ years, we felt it would be best to collaborate on sharing our thoughts within a series of articles.

Our first article will focus on the “*Accountability of Leaders*” to develop the skills and attributes that best support Daily Shopfloor Management (DSM) practices, specifically three critical activities that enable your teams. Were as the second article (due out in August) will focus more on the “*Discipline of Leaders*” and how to organize and engage differently allowing the leader to inspire changes to the business. Combined both will provide a time-tested roadmap that will change how you view your business. So, let’s dive right in.

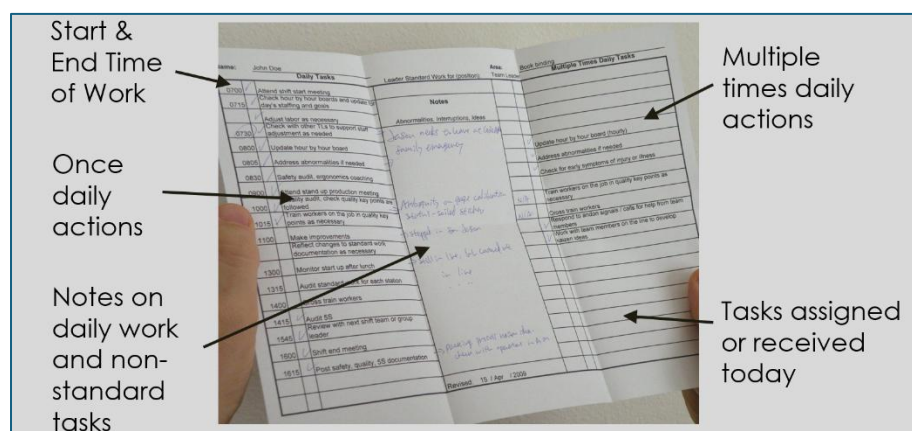
Developing the best DSM capabilities requires fully understanding the “why’s behind the how’s”. Our basic model, as depicted here on the right, demonstrates the 6 Core Engagement Activities to be effective with DSM.



The “**Application of Leader Standard Work or LSW**” is one of the first three activities that leaders need to adopt. The purpose of creating your own LSW is to become more effective with the “utilization of your time”. However, this does require two basic traits, that of **Focus & Discipline**.

- **Focus** – Your ability and knowledge around the value of your time and tasks needing to be accomplished allows oneself to focus on “what matters most”. In doing so, your awareness and perception is heightened opening up your perception to aid in more learning, productivity, reasoning, problem solving and decision making.
- **Discipline** – The ability to control one’s actions and impulses and adhere to following the rules or standards set. This kind of self-discipline enables leaders to learn, grow and become more effective at achieving their goals. Holding oneself accountable for your own actions and being persistent in the face of difficulties or setbacks, helps the leader avoid distractions and follow through on their commitments.

What is the basic premise behind adopting LSW and how do we implement it? Leader Standard Work (LSW) is a framework to establish a set of routines, processes, and tasks that guide managers and leaders towards consistent and efficient performance on a daily, weekly, and monthly basis. Designed specifically to incorporate structured actions, activities and tools into a leader’s daily practice of solving problems faster, collaborating smarter, and keeping everyone on the same page. How LSW is implemented both in terms of design & utilization is also very important, as it involves everyone from the shopfloor all the way up to the executive level. The basic and most impactful design is best started on a regular sheet of A4 paper as shown below.



We suggest paper first before digitalization to create the right sustaining “*mental model*” that is effective for each individual at their respective levels in the organization. Focusing on the available time, activities and issues for each leader visualizes their actions and efforts. This in turn will eliminate variability and create more consistency in the day-to-day operations. At each level, leaders need to organize different percentages of their time and where it should be focused.

- **Team & Group Leaders** focus on standardizing 80% to 90% of their tasks to ensure smooth operations like morning meetings, shift handovers, problem-solving methods, and daily “gemba walk” routines. This affords the leader time to analyze work, understand the process and develop their people via training and coaching.
- **Area & Middle Managers** focus on standardizing 50% to 65% of their tasks like establishing structured meetings, visualizing process impact & capabilities, engaging a reporting mechanism that ensures adherence to established standards & procedures. With more area or coverage, comes more need for structured flexibility.
- **C-Level Executive & Directors** focus on standardizing 10% to 30% of their strategic tasks like insistence of clear goal-setting processes, visualizing the company’s strategic initiatives / projects to impact the business, monitoring key financial triggers, coaching other leaders and of course, site visits to learn and inspire. By applying LSW executives ensure compliance with established standards and help to keep the focus on long & short term organizational objectives.

The “***Application of Going to See or Genchi Genbutsu***” initiative is the second of three activities that leaders need to adopt. Understanding what is happening at the place where real value (aka work) is being created is the meaning the Japanese term “gemba”. So, naturally “gemba walks” mean we are visiting different parts of the business to consistently grasp the situation around *Purpose, People and Process*. From a leaders perspective, we must ask ourselves what we are doing to align the People and our Processes to impact our organizations Purpose?

- **Purpose** – What is the purpose of this gemba? Does it align with the broader organization? Why are we here at this gemba today? How are we identifying issues in performance? What are the challenges we can help to overcome?
- **Process** – How well is its performance in consistently achieving the purpose or outcome? Are we a head, behind or on target? What problems have we identified? How were they resolved?
- **People** – How are we engaging the hearts & minds of our people? How do we consistently maintain our capabilities to achieve our purpose? What are we doing to support them on a daily basis? What activities do we put in place to inspire creativity?

When we go to the gemba, we must learn to see and do different things if we want to avoid the “traditional visit to the gemba”. Many of us have experienced these kind of situations like smiling, waving and saying hello to the operators, or being frustrated or overwhelmed with problems that are brought about, or highlighting issues that require immediate actions by others, or better yet, bringing along all the leaders to impress upon the importance of working harder, faster or better

without impacting quality, delivery of cost. Our goal is to avoid these kinds of situations and to achieve that we've structured the "going to see" approach.

To impact any business, the leaders need to be **Consistent, Insistent and Persistent** in their actions to have true presence at influencing change. Going to the Gemba means three basic things:

- Knowing and Learning How to Ask Powerful Questions without asking Why or blaming others! This is truly a topic by itself and something most leaders need to learn.
- Always Showing the Highest Respect for People and the Work they Perform through your Daily Interactions with them as well as the Processes performance. Eliminating "waste" from their day to day action is a form of showing respect.
- Learning to See What is Working Well or Not and Why. The system we work with was created by us and therefore, we have the right to change it to minimize overburdening of the people or process and limiting the fluctuation or variation in delivering to our customers.

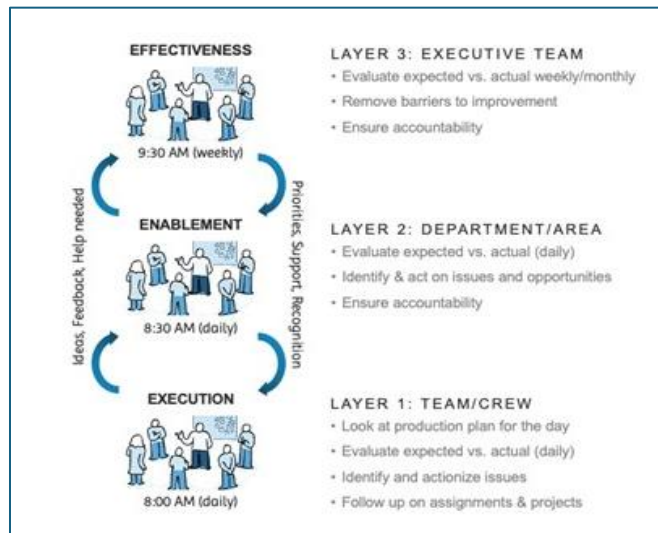
Therefore, when we go to the gemba, our goal is to understand the situation first. Naturally, we are there to learn something so we can influence it. For this reason, we suggest that you have four major reasons for visiting the gemba. Think of them as "lenses".

- **Problem Lense** – It's been brought to our attention either via normal metrics or reporting means, that this area has a problem and we are there to learn more about the situation. This also means that we need to spend more time observing the *Process* before we ever engage in questions or offering up solutions. The 8 Steps to Practical Problem Solving will be discussed in greater detail in our next article in August.
- **Waste Lense** – We all can agree that every process has "waste" or as we call it "joy killers" within the workplace. Waste is defined basically into seven different categories: Transportation, Inventory, Motion, Waiting, Over-Processing, Over-Production and Defects. We look for these "joy killers" because they are known as non-value added work practices and impact our effectiveness and efficiency. Eliminating waste via the 3 Mu's (Mura, Muri and Muda) will be discussion in greater detail in our next article in August as well.
- **Hazard Lense** – Having a safe workplace is one of the highest priorities of any leader. When we go to the gemba to feel the level of safety and security of the work site, we do so to visualize and then solve "near misses". A "near miss" is defined as a possible hazard before it becomes a problem, a mishap or causes an injury. This could be anything from height or weight standards for transporting or consuming materials, or equipment danger zones, or cords stretching across the floor, etc. This is why we "stand in a circle" for a set period of time and observe work practices (methods), processes (materials), equipment (machines) and people's performance (manpower). In doing so, we can identify "near misses". Once identified, we must select the one with the highest potential to cause a mishap or injury and resolve it that day.
- **Kaizen Lense** – When we go to the gemba for kaizen, we do so with two different perspectives. One is about understanding the impact of a recent kaizen improvement by

learning about how this idea came about and also to inspire more creativity. The second is to generate ideas that impact performance based on certain patterns that have been highlighted or due to the lack of material or information flow. Then through a systematic approach, we either use readily available resources to temporarily impact or we use our creativity over capital and inspire innovative changes to our standard work practices.

The **“Implementation of Communication Cells”** has a direct impact to the value of your visit to the gemba and the sustainability of your work practices. Every work center that has a team should have some kind of board that highlights their daily or weekly efforts. In the past, these boards have been referred to as “Team or Huddle Boards” in many cases and are structured to deliver information primarily around metrics (S,Q,D,C). Because we emphasize the use this board differently, it was important to changed the term to **“Communication Cell Boards”** due to its structure and purpose.

The structure consists of three clearly defined areas:



- **People Concerns:** The key attributes of information we seek daily in this section of the communication cell are about people and our capabilities. Yes, we track Safety (Safety Cross) as that is crucial to preventing lost work time. However, we also look at Absenteeism (Availability Plan), Roles & Responsibilities (Daily Work Plan), Development of Competency & Capability (Skills Matrix) and Sharing of Knowledge (Lessons Learned). Recently many businesses have added an Emotional Index to this section so they can gauge how people are feeling (safe, stretched or stressed).
- **Performance Concerns:** Here we emphasize the importance of tracking what matters most at the gemba. Typically, this would be based on things like Quality (First Past Yield or # of Defects), Delivery (Lead Time or On-Time Delivery) and Cost (Scrap or Lost Work Time). For us though, we want to see things that impact that area specifically like Performance or Productivity numbers (Volumes or Demand Targets) and number of Problems Identified & Resolved. The point here is we measure to motivate better, safer and easier performance.
- **Improvement Concerns:** We gain understanding when things don't work correctly (to standard) or when we out-perform expectations but generated some issues (waste or safety). Therefore, in this section we ensure to capture “Concerns related to Performance Stability & Safety” (near misses). Here we document what we are doing to help our People and the Performance of our Processes. Whether it's a “spot kaizen” that one or two people or just the leader, engaged in solving a problem or if it's a week-long “event kaizen” with a cross functional team to tactical long-term issues, the goal is to improve daily or weekly your entire work center and help those up and down stream from your

process. This kind of ideation allows for you as a leader to communicate the value and inspire people to have the mindset of “good products, good thinking” just like at Toyota.

Finally, when we combine our three core activities that of Leader Standard Work (LSW), Going To See (Genchi Genbutsu) and utilizing Communication Cells (Effective Sharing & Learning), we as leaders have developed a strong foundation for impacting and/or changing the business. With the structure, managing your time and visiting the gemba to understand/influence positive changes, then we are well organized to share information via those communication cells and use them as sounding board that demonstrates the impact we are having on the business.

In the next article, we will dive deeper into how these three crucial activities plus three additional ones and clearly share how they will help to evolve your culture and your leadership abilities to influence change. For now, I hope you gained some insight to driving better, easier and safer performance with the application of Daily Shopfloor Management (DSM) in any business.