

# Developing a LEAN culture at your workplace: fueling your bottom line<sup>©</sup>

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## INTRODUCTION

In honor of the passing of Yogi Berra this week I thought I would begin my talk by quoting a few “Yogism’s” that are appropriate for this talk.

“It’s tough to make predictions, especially about the future”

“You can observe a lot just by watching”

“If you don't know where you are going, you might end up somewhere else”

All of the above quotes are relevant to understanding and embracing business in general, but can especially be applied to LEAN culture. My favorite is: “You can observe a lot just by watching.” LEAN is a process that begins with observation.

I want to remind everyone that I was here last year and discussed how North Creek is using the Working Smarter Training Challenge™ to teach LEAN culture in our workplace. Similar to LEAN, the Working Smarter program teaches easy ways to take action that drive waste out of our processes. This enables our business to score a series of wins while we as individuals get to be rewarded like champions. Eventually everyone in the company develops the culture of seeking continuous “wins” or continuous improvement. These actions resulted in the reduction of lost time, decreasing unnecessary costs, and ultimately allowing us to find better ways to service our customers.

## REVIEW

As a review, there are seven types of waste we recognize in a LEAN environment:

- 1) Transport: Unnecessary movement of materials, equipment or people.
- 2) Inventory: Too many materials delivered to a site; wasted materials or resources; overstocked parts and supplies.
- 3) Motion: Unnecessary steps taken by employees or equipment because of inadequate planning, poor communication, using the wrong equipment or tool.
- 4) Waiting: People standing because there is a lack of information, insufficient organization, unprepared foreman, or problematic site conditions.
- 5) Overproduction: Too many people on the job, providing more quantity or overproduction than needed, doing work that is not on the work order.
- 6) Over-processing: Reworking due to faulty information, materials, equipment, or not having standard work or following standard procedures.
- 7) Defects: Machine breakdowns, poor quality of materials, and ultimately service calls and replacements.

We like to add one more waste – Lost opportunity: A company cannot capitalize on the prospect of new opportunities if they can’t manage their efficiency.

Shigeo Shingo, who is considered as the world’s leading expert on manufacturing practices and the Toyota Production System states: “The most dangerous kind of waste is the waste we do not recognize.”

## GOAL SETTING

Goal setting: know what you expect to achieve. Goals should be: Specific, Measurable, Attainable, Relevant, Time based, or also known as S.M.A.R.T. goals. The following are the five basic concepts that your team needs to be aware of and use to develop and monitor their progress.

- 1) Specific: Create a specific goal. It has a much greater chance of being attained than a

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general goal. Know what you wish to accomplish, who will be involved, identify the location, establish a timeframe, and specify the purpose and benefit of accomplishing the goal.

- 2) Measurable: Establish criteria to measure progress of each goal you set. When you measure your progress, you stay on track, reach your target dates, and experience the exhilaration of achievement that spurs you on to continue the effort required to reach your goal.
- 3) Attainable: Identify and prioritize the goals that are the most important. Begin by figuring out ways to accomplish them so they become reality. Make sure you develop the attitudes, abilities, skills, and financial capacity to reach them.
- 4) Realistic: A goal must represent an objective that you are both willing and able to work toward. Be sure that every goal will realize substantial progress.
- 5) Timely: A goal should have a timeframe associated with it. Without this timeframe there is no sense of urgency.

It's important to remember not to take on too much at once. Continuous, smaller wins are better than big disruptive changes.

The LEAN and Working Smarter programs propose that change and implementation is: "Soft on the people and hard on the process." Companies should direct their frustration towards processes rather than the individuals doing the processes.

We use a visual tool that was developed by the Working Smarter folks. It's based on a couple facial cartoons that are known as "Builders" versus "Destroyers." We have all seen these folks at our workplace. Builders are those that are wide eyed and engaged, always interested and asking questions. They are eager to learn and do a good job. They are respectful and polite.

Destroyers, on the other hand, do not look you in the eye, are not engaged. They are often talking rather than listening, hold a negative attitude, don't ask question, shirk responsibility, and are often disruptive. When asked about Builders vs. Destroyers, Jim Paluch, the founder of the Working Smarter stated: "My attitude can color any situation, and the great thing is I get to choose the color." Enlist the builders in your workplace and weed out the destroyers. Your better employees will thank you.

## **TRAINING AND IMPLEMENTATION**

Training is an investment in time. To get the results you expect a company must realize that they need to invest in training. This training is not a onetime event, but is an ongoing process. Recurring training sessions are how we forge our foundation lessons and facilitate continuous improvement. Along with the training lessons, we try to create enthusiasm in the workplace. This approach engages people and improves employee morale and retention. Enthusiasm fosters proper work habits and advances positive attitudes. It is important to prioritize project areas and procedures within the company that need improvement. Concentrate on these until positive changes take place. Care needs to be taken not to tackle too many improvements at one time. This dilutes the results, requiring a lot of rework because you are not able to spend the time necessary to see sustained results. An important lesson to understand is that success is built upon smaller, manageable goals. Try not to tackle too many ideas or improvement at once.

### **5-S pods – every place that has a thing and everything is in its place**

Applying 5-S pods to work and storage areas is simple and easy. It's were we start with a lot of our projects. These are often easily accomplished and provide for easy and early wins.

5-S improves organization and efficiency. The five steps in 5-S are as follows:

- 1) SORT: Reducing the number of items in a work area to just those things that we really need.
- 2) SHINE: Cleaning and "shining" your workplace, desk, office, truck, bay, or wherever you perform your work.
- 3) SET IN ORDER: Evaluating and taking actions to improve workflow, reduce motion,

- and increase efficiency in the setup of your workspace.
- 4) STANDARDIZE: Making sure the key steps are understood by everyone on how to keep the workspace looking like we used the first 3 S's.
  - 5) SUSTAIN: Making sure all employees are trained on the standard procedure to keep an area clean and clutter free while also using visuals like charts and graphs to measure and audit current conditions.

### **The standard pig**

I found a very good example of how a company sets out to make a product and how that product might be perceived by the workforce. It's known as the "Standard Pig."

The story goes like this: your customer asks for a drawing of a pig. You ask each member of your team to produce a drawing for your customer. You receive back a different looking pig from every team member you ask to draw one.

This story reinforces the need for standard work and standard training. You need to make certain everyone knows what type of pig the customers expects (communication with your customer is essential) and you need to train and make certain all pigs are produced to an acceptable standard. At North Creek this example flows through our processes. Offering a consistent reliable, high quality, fully rooted, propagated liner that meets our customer's expectation is what we strive for. We are developing examples of standard work for all processes. One example is our cutting standard. We have created a photo book of every crop we do from cuttings. A photo is taken of the ideal cutting. All employees refer to this standard when we go about producing that crop. We also just purchased a trimming machine. Now all flats have a standard trim height that eliminates guesswork. It also has increased production output while reducing worker fatigue.

### **4P training – creating the standard pig:**

- PREPARE – both parties prepare to be engaged in training
- PRESENT – trainer presents the training
- PRACTICE – trainee practices
- PERFECT – trainer follows up with trainee

It's very important to document the current conditions in every process you plan to evaluate and improve upon. Tasks need to be process mapped to understand the problem and identify waste. If you can name it, you can understand it, and waste can be eliminated. Make the changes that need to be made. This will allow you to set a new standard. Train those who need to be trained on the new process. Proper training will build trust in the system.

Track the results of your efforts; this helps sustain them. Find ways to celebrate your wins. Celebrate accomplishments, acknowledge everyone who contributed.

Every employer must be aware that some employees may not adhere to the new protocol and may revert to old ways. It might be appropriate for them to leave the company or to be reassigned to a new department or task.

It's also important to implement sustaining "audits" of 5S areas or walk-through observations to see if processes are being done in the improved ways.

Remember, none of this matters and it all becomes a waste if you don't SUSTAIN the improvements. The Working Smarter Training Program is about creating a culture of continuous wins, so you are always moving your company forward.

