

” Creating & Building Sustainable Wealth-Creating Enterprises”

”Crisis: Productivity and permanent return to Customers' Values”

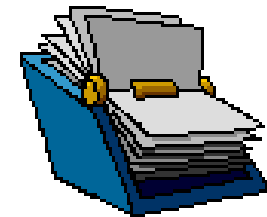
Romanian Company Case Study
ROMEXPO (Romanian Exhibition and Fair Centre)



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The Humber Seafood Institute, Grimsby, United Kingdom

- **The Crisis in General**
- **Title explanation**
- **Crisis: Frequently Asked Questions**
- **Research Questions**
- **About the ROMEXPO Project**
- **ROMEXPO: Process Mapping (real life)**
- **ROMEXPO: Project Methodology**
- **ROMEXPO: Project Methodology Improvement;**
Limitations of the Research Questions Tools
- **Methodology for Research Questions**
- **Conclusions**
- **Directions for Future Research**
- **Reference**



1) Crisis in General

(1+1=1) or (1+1=3)



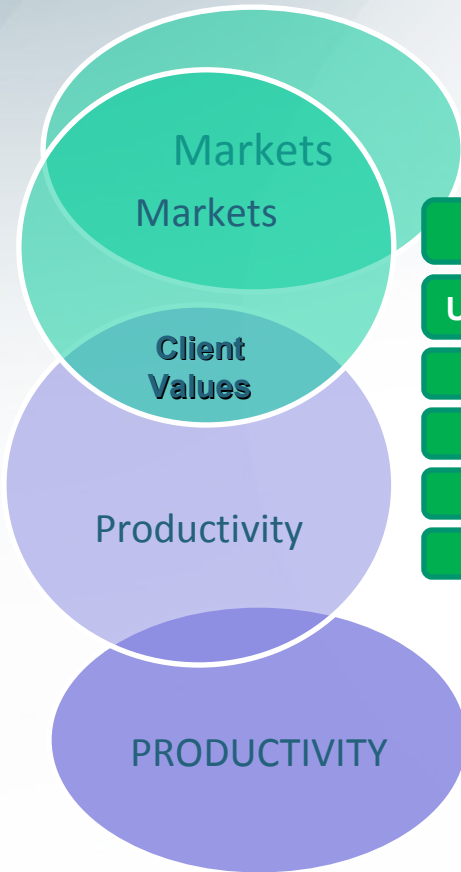
1) Crisis in General: When We Will Escape (1+1=2)



2) Title explanation: Crisis questions



2) Title explanation: Client Values



- Right CUSTOMER (s)
- Right PRODUCT (s)
- Right QUANTITY (s)
- Listen to Customers
- Right QUALITY (ies)
- Understand & Communicate
- Focus on Opportunities
- Right COSTS control
- Functions of products
- Sustain Improvement

ZERO WASTE: Lower costs, higher capacity
ZERO INJURIES: Improved safety

ZERO BREAKDOWNS: Better maintenance
ZERO CHANGEOVERS: Product Diversification

ZERO DELAYS: Better Reliability
ZERO COMPLAINTS: Greater confidence, Trust
PEOPLE ARE READY TO BUY (Secure customers)

THE RESULTS GAP



Products & Services

Information for/from Clients & Workers



3) Crisis: Frequently Asked Questions

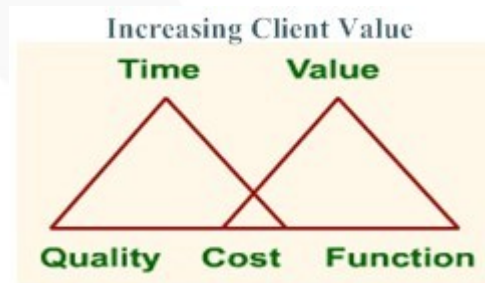
Crisis questions frequently asked by Romanian companies:



- 1) How do we understand the **stakeholders'** demands?
- 2) How do we develop relevant strategies based on Productivity **KPIs**?
- 3) How do we select the essentials strategic **metrics (especially non-financial metrics)**?
- 4) How do we handle **the most important metrics**?
- 5) How do we use strategic planning to select Leading with **Lean /Six Sigma projects**?
- 6) How do we use feedback to update and improve our **Crisis Strategy**?
- 7) How do we make **processes and product redesign strategy**?
- 8) How do we decide the exact time for **reengineering and the amplitude of it**?
- 9) How do we determine **process and product redesign actors and influencing factors**?

4) Research Questions

- 1) Who is in charge of successive process and activity redesign during the crisis?
- 2) What kind of factors underlay the metrics for monitoring the process capabilities in the services field?



3) Research Questions, The Big Question: Can we imagine a very good productivity strategy without a continuous return to costumers needs?

**Economic
 Crisis**



**Decrease the
 Business
 volume
 level**

**Business
 implication**

Cash Flows
 ↓
 Income /
 Expense
 = Profit

Cash Implications
 ↑
 Stocks
 levels
 ↑
 Employee
 levels
 ↑
 Equipments
 levels
 ↑
 Liabilities
 levels

**Q: Profit or
 Productivity?
 A: Productivity
 with profit.**

Productivity



Outputs



**quality is never an
 accident**

**inputs/outputs
 efficiency vs. efficacy
 outputs vs. environment**

**Customers
 values**

**Actual Process Capability vs.
 Actual outputs**

**Products
 functions/
 Costs**



**Business
 Restructuring
 (Productivity vs.
 Customers values)**

**Business process redesign and
 products redesign**

**Costumers Values vs.
 Actual Process Capability**

5) ROMEXPO: Introduction

(Romanian Exhibition and Fair Centre)

WHAT is ROMEXPO: Romanian Exhibition and Fair Centre

WHAT kind of project: Increase Productivity and Reorganization

WHEN (date): 18 Months – 10th of June 2009 – 10th of September 2009 (pilot) and 01th of September 2009 – 31th of December 2010.

WHERE (location): Bucharest, Romania

HOW: Lean Six Sigma instruments

WHO (participants): ROMEXPO Team and EXEGENS Consultants

PURPOSE: Company Redesign with Productivity principles

Project Milestones: 28th of July 2009 – Interim report; 10th of September 2009 - Pilot Report; 20th of November 2009 - Interim report; 30th of March 2010 - Interim report; 25th of May 2010 - Interim report; 30th of September 2010 - Interim report; 22nd of December 2010 - Final Report.



5) ROMEXPO: Master Plans

(Romanian Exhibition and Fair Centre)

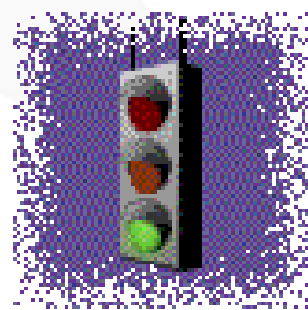


PROCESS MAPPING

- 1) Training for Top Management : 5S, Kaizen/Gemba Kaizen, Flowchart, Ishikawa Diagram, VSM.
- 2) Process mapping for one process in the production area (process mapping and VSM – current state);
- 3) Process mapping for Office (process mapping and VSM – current state);
- 4) 5S+S and Visual Control;
- 5) Wastes from process and 5 Deep Kaizen Events (including Offices).
- 6) Conceiving the Kaizen Teian system.
- 7) Re-design of company organization chart .

BUSINESS REDESIGN

- 1) Recruiting for new jobs: Kaizen Manager, Controlling and Balanced Scorecard Manager, Quality Manager, Maintenance Manager, Benckmarking Specialist, Value Analysis Specialist, etc.
- 2) New Job Descriptions;
- 3) 360 degree feedback
- 4) Master Budget for 2010.

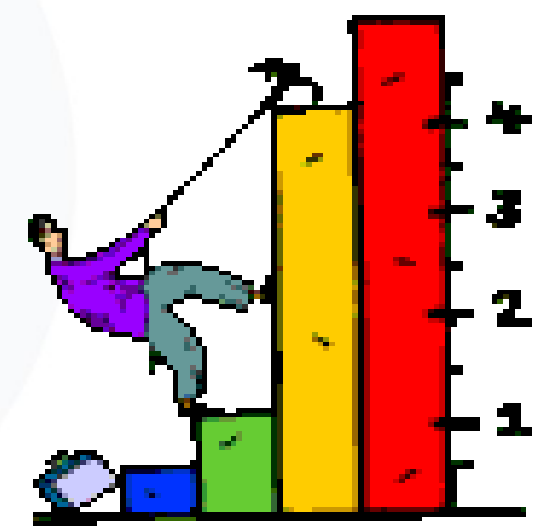


IMPLEMENTATION OF THE PRODUCTIVITY MASTER PLAN

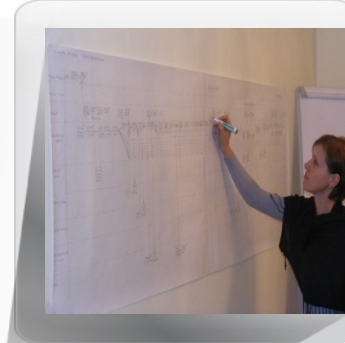
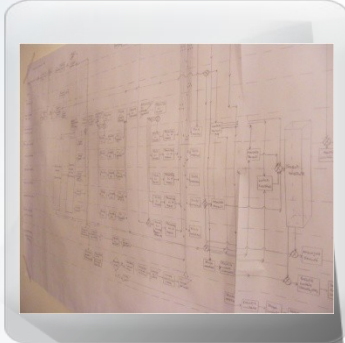
- 1) Training for all employees: 5S, Kaizen, Kaizen Teian , VSM, TPM , P-FMEA, A3, 7 Wastes , PDCA, Six Sigma, Value analysis , Benchmarking, Brain Stroming.
 Training for managers: Controlling, ABC - ABM, VSC, Balanced Scorecard, Quality Function Deployment, Hoshin Kanri , Visual management, Theory of Constraints , 8D, NPd, Target Costing, .
- 2) Process mapping for both production and non-productive areas.
- 3) Process interrogation – time management ;
- 4) KPIs development: company, projects, processes, employees.
- 5) 5S+S implementation;
- 6) Kaizen implementation – 75 Kaizen Events;
- 7) Master Plan for Change management;
- 8) Suppliers management Strategy;
- 9) Benchmarking Strategy – Benchmarking manual;
- 10) Business Plan for 2010-2012.

5) Romexpo: Project targets

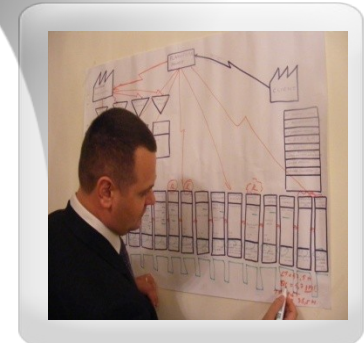
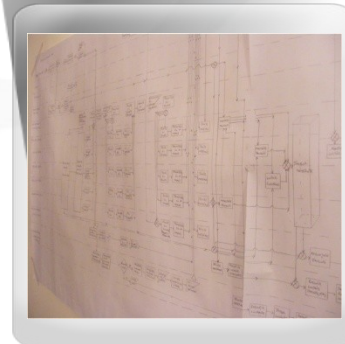
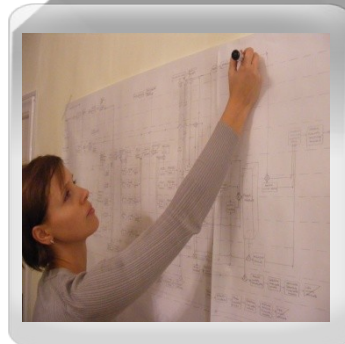
Productivity	30% - 150%
Lead Time	20% - 40%
Product Costs	20% - 35%
Inventory	40% - 60%
Floor Space	30% - 40%
New Product Time to Market	30% - 40%
Quality Costs	35% - 50%
Breakdown	1 - 100
Scraps and Defects	1%≤
Cost of Maintenance	15% - 20%
WIP	30% - 45%
Client Complaint	35% - 70%
Cost of Utilities	15% - 30%
Accidents	"zero"
Pollution	"zero"
Suggestions from Employees	40% - 55%



6) ROMEXPO: Process Mapping (real life)



Process mapping (current state)



7) ROMEXPO: Project Methodology

General Methodology for project

- Lean Assessment
- Lean Symptoms Report
- Interview technique
- PDCA/DMAIC
- Process Flow Diagram
- Continuous Flow
- Value Stream Mapping
- Activity based Costing
- Value Stream Costing
- 7 Wastes/8Wastes;
- Balanced Scorecard;
- Intelligence Capital
- Ishikawa Diagram
- Pareto Chart
- Benchmarking
- Hazard Analysis
- Cost Benefit Analysis
- SWOT Analysis
- 5S+S
- SMED
- 360-degree feedback
- Visual management
- Theory of Constraints
- Value analysis
- Deep Kaizen Events
- Gemba Kaizen
- Kaizen Teian
- A3 and X matrix
- Maintenance –TPM
- Checklists



8) ROMEXPO: Project Methodology improvement and limits of Tools for Research Questions

PROJECT METHODOLOGY IMPROVMENT

Measurements of problem-solving skills in the Office Area

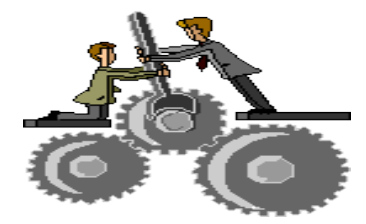
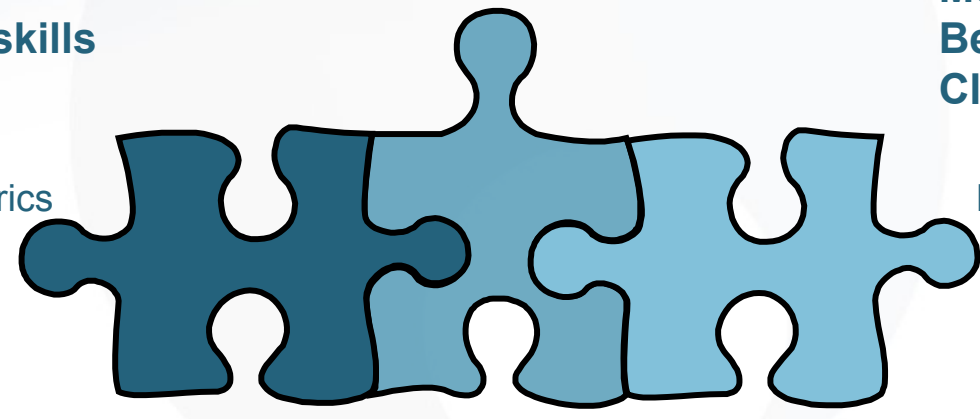
1 Assessment Metrics

Checklist for Top management during the crisis

- Monthly tactical approach
- HR maintenance

Measurements of Benchmarking and Client Values Dep.

hecklists



LIMITS OF PROJECT METHODOLOGY:

- New kind of targets in crisis developed by Human Resource Departments;
- Tools for stressed/fluctuating work groups.

9) Methodology for Research Questions at ROMEXPO

Customers Satisfaction Analysis – ongoing project				
	Tools or Instruments Used	Project steps	Six Sigma	Project Activities
1	Data collection strategy	Data collecting	Define	Customer Segmentation Matrix
2	Customer needs table /VOC	Data collecting	Define	VOC Plan
3	House of quality /QFD	Evaluating/Selecting	Define	Plan of Critical Customer Requirement
4	Customer-First-Questions/Kano	Data collecting	Define	Develop Kano Analysis Chart
5	Interview technique	Data collecting	Measure	Benchmark Analysis
6	Multiple rating matrix	Data collecting	Measure	Business Impact
7	Demographic analysis	Analyzing/Trending	Analyze	Multi-Generational Project Plan
8	Cause & Effect Diagram	Analyzing/Trending	Analyze	Process Bottleneck Identification
9	Comparison Matrix	Evaluating/Selecting	Analyze	Identify Key Input, Process and Output Metrics
10	Consensual decision making	Decision making	Analyze	Validate Business Opportunity
11	Nominal group technique (NGT)	Analyzing/Trending	Analyze	Key Buying Factor Analysis
11	Different point of view	Idea generating	Improve	Sources of Waste Analysis
13	Customers Satisfaction Analysis	Planning/Presenting	Improve	Technical political cultural Analysis
14		Analyzing/Trending	Control	Sources of Variation
15				Systems & Structures Assessment
16				Develop Potential Solutions
17				Develop Full Scale Implementation Plan



10) Conclusions: first Research Question

Remember the first Research Question:

Q: Who is in charge of successive process and activity redesign during the crisis?

A: Especially the market: **Clients**, Competitors and Suppliers.

Q: Are clients the most important factor in a company this size?

A: Yes, but costs of the products and services is very important.

Q: What kind of costs are involved?

A: Especially the labour costs (variable and fix).

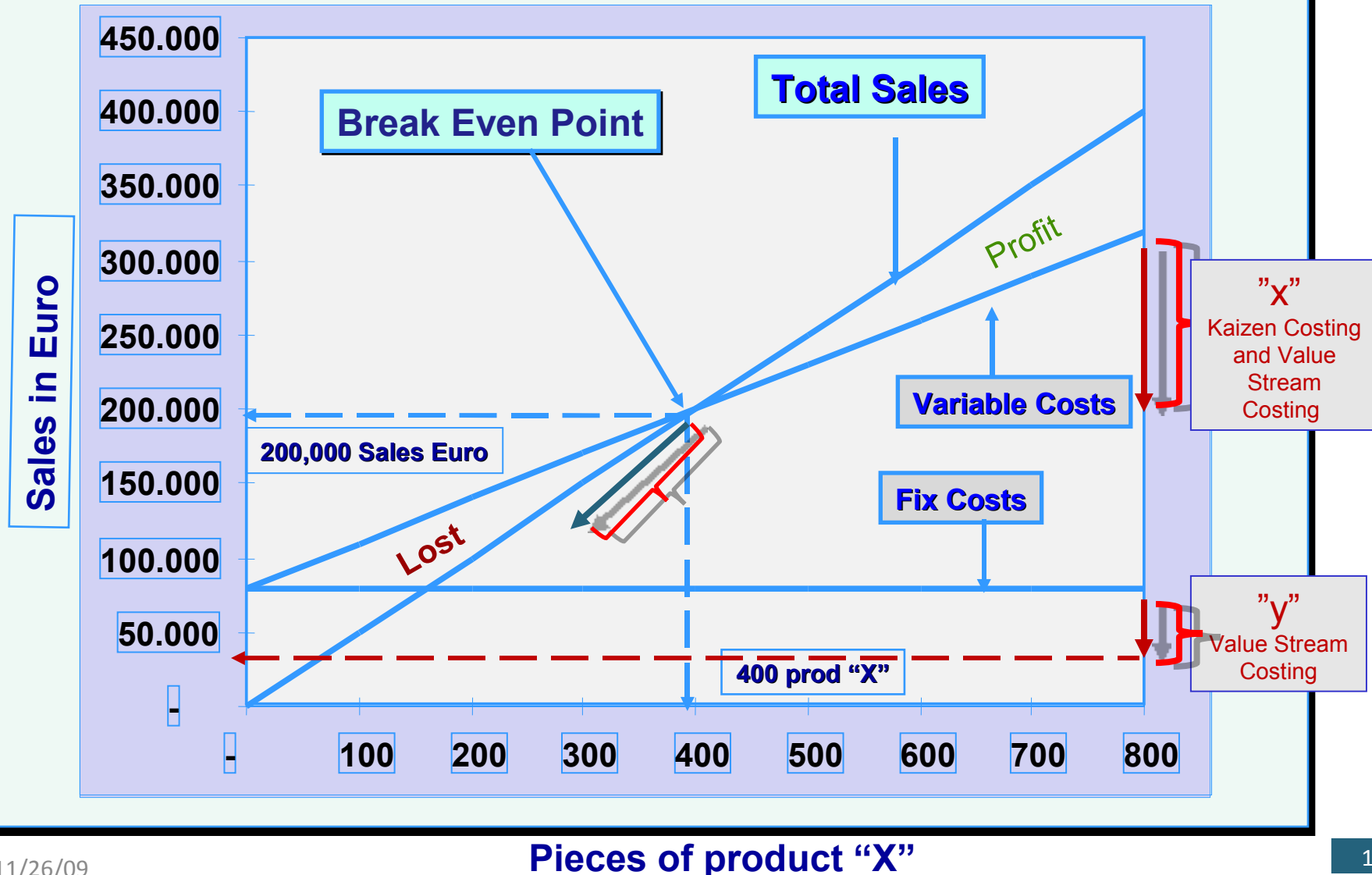
Q: What kind of strategy is necessary?

A: Keeping the most valuable employees (polyvalent) for after the crisis. The fix labour cost (especially support) has become more variable and variable labour cost (production area) has become fix ("bottoms up" production specialist – experience capitalization).

Q: Cost Volume Profit?

10) Conclusions: first Research Question

A:



10) Conclusions: second Research Question

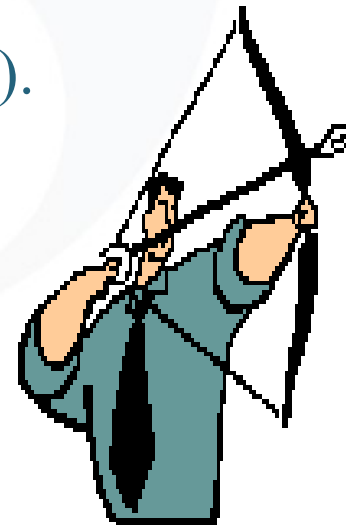
2) What kind of factors underlay the metrics for monitoring the process capabilities in the services field?



11) Directions for Future Research

Future Directions:

- Lean for stressed/fluctuating work groups.
- Lean leadership and continuous improvement in crisis.
- Continuous Learning and benchmarking in the services field.
- Benchmarking manual in services (for different industry).
- New kind of targets in crisis developed by Human Resource Departments.
- New right metrics in crisis (non-financiar).



12) Reference



- **Productivity Press:** <http://www.productivitypress.com>;
- **Asian Productivity Organization:** <http://www.apo-tokyo.org>;
- **The European Association of National Productivity Centres — EANPC:** <http://www.eanpc.org>;
- **Society of Manufacturing Engineers:** <http://www.sme.org>;

Thank you for your attention!

**Questions
&
Answers!**

The presentation was made by:

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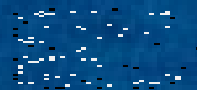
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