

Contents

Foreword xv

Acknowledgments xi

Chapter 1 Business Results in Process Industries 1

 Introduction 1

 How This Book Is Organized: Shingo Prize Criteria 2

 Business Results: Improve Performance with Lean 3

 Beat the Competition with Very Flexible Manufacturing..... 4

 Improve Performance with Lean and an Engaged
 Workforce 7

 Gain First Mover Advantage..... 10

 Achieve Prompt Improvement 13

 All Companies Can Benefit from Lean, but Not All Do..... 14

 Disruptive Changes 15

 Why the Process Industry Needs Its Own Version
 of Lean..... 16

 Transforming the Raw Material 17

 Indirect Material Transformations 18

 Time as an Independent Element of Production 19

 Special Case: Continuous Processing 21

 Notes..... 22

Chapter 2 Lean Enterprise Thinking 23

 Introduction 23

 Developing a Western Lean-Enabling Culture 25

 Historical Perspective 27

 Early View of Lean: Just-in-Time Manufacturing 27

 Early View of Engaged Employees: Quality Circles..... 30

 The Eight Sources of Waste 32

 The Relationship between Inventory and Operating
 Problems 34

 Value Streams and Support Processes..... 36

 Lean Values: Inventory Reductions Can Sustain
 Improvements 39

Contents

Lean Values: Culture of Engagement.....	40
Notes.....	42
Chapter 3 Policy Deployment	43
Introduction	43
Large Events and Small Events	44
A Strategic View of Manufacturing.....	45
Strategic Alignment and Necessary Boundaries	48
Prerequisites for Structured Autonomous Improvement.....	50
Strategic Direction	52
The Role of Communication in Achieving Strategic Alignment.....	54
Limiting Opportunities for Improvement	59
Deploying Strategic Intent	60
Simple Statement of the Goal.....	60
Prose Statement of Intended Future State	61
Prose Statement of Current Reality.....	61
Objective Measures of Progress.....	61
Interim Performance Targets.....	62
Formatting Goal Statement.....	62
Translating Strategic Intent throughout the Organization	63
Framework for Action	69
How Quality Stations Work	70
Display the Team Goals	71
Display What the Team Has Completed	73
Show the Work in Progress	74
Provide Interactive Space.....	74
Policy Deployment in Action: Conversations at a Quality Station	75
Internal Team Conversations.....	76
External Team Conversations	79
Chapter 4 Improving Flexibility and Availability in Mechanical Equipment	81
Introduction	81

Single Minute Exchange of Dies System	82
What We Can Learn from NASCAR.....	84
Translating NASCAR Success to Our Plants.....	85
Preparation	85
Teamwork.....	88
Equipment.....	89
How to Use the SMED Concept.....	91
The Five Key Components of SMED Practice	92
Separation of Activities.....	94
Modification of Rate-Limiting Internal Activities.....	99
Modification of the Work Team	102
Modification of the Equipment	103
Modify Equipment to Maximize Efficiency.....	104
Preparing for Events and Sustaining the Improvements	109
Outcome of Improvements.....	110

Chapter 5 Operational Planning to Improve Chemical

Transitions.....	113
Introduction	113
The Causes of Chemical Inflexibility.....	114
Chemical Contamination	114
Unintended Conversions.....	114
Fixed Sequence Variable Volume Production	115
The Concept: A Comprehensive Approach to the Production Cycle	116
What We Can Learn from the New York Subway System.....	117
The Four Components of FSVV Practice.....	119
Typical Operating Problems	120
Changes in Process Conditions	120
Additives and Modifiers.....	120
Changes in Reactive Chemicals.....	121
The Fixed Sequence	121
Establishing a Fixed Sequence	122
FSVV Inventory Policy	126
Days of Demand in Inventory.....	126
ABC Inventories.....	127

Contents

	FSVV Inventory Policy	128
	Wheels within Wheels	130
	Variable Volume Scheduling	131
	Continuous Improvement	134
	Sustainability over Time	136
	The “Exception” Problem	136
Chapter 6	Assessment and Improvement of Other Accumulations.....	139
	Introduction	139
	Structural Differences between Process Industries and Mechanical Manufacturing	140
	Small Accumulations in Process Industries	141
Chapter 7	Statistical Quality Improvement	153
	Introduction	153
	The Power of Statistical Quality Combined with Lean Manufacturing.....	153
	Statistical Methods in the Process Industries.....	154
	Basic Statistical Concepts	156
	Six Sigma.....	157
	Process Improvement before Statistical Analysis	159
	Process Improvement Using Statistical Analysis	160
	Operational Improvement with Statistical Analysis	161
	Statistical Models of Process Performance	162
	Using Statistical Analysis: The Process Capability Index.....	163
	Capable Processes	164
	Incapable Processes	165
	Using SPC at the Frontline in a Process Plant.....	168
	Using a Run Chart.....	169
	When the Run Chart Says the Process Is Operating Normally	169
	When the Run Chart Says the Process Is Producing an Unexpected Result	171
	When the Run Chart Says the Process Is “Nearly Normal,” but Results Are Drifting	172

Avoid the Waste of Excess Quality	174
Notes.....	175
Chapter 8 Mistake Proofing or <i>Poka-Yoke</i>	177
Introduction	177
Mistakes Come in Two Parts.....	178
The Consequences of Mistakes.....	179
Mistake Proofing: Preventing Consequences	180
Mistake Proofing Is Common Knowledge.....	180
Warning Systems.....	181
Four Types of Warning Systems.....	182
<i>Poka-Yoke</i> Practice 1: Physical Separation	182
<i>Poka-Yoke</i> Practice 2: Visual Signals.....	185
<i>Poka-Yoke</i> Practice 3: Pattern Recognition	189
<i>Poka-Yoke</i> Practice 4: Simple Physical Devices and Other Minor Changes	191
Approaching Perfect Production	192
Chapter 9 Equipment Reliability and Operator Care.....	195
Introduction	195
Finding the Cause: Separating the Processes from the Equipment	195
The Role of Equipment Reliability in Lean Practice.....	196
Operator Care	197
The Fundamentals of Operator Care	199
Phase I: Basic Care.....	199
Keep the Equipment Clean.....	201
Keep the Equipment Cool.....	216
Keep the Equipment Lubricated	220
Phase II: Advanced Techniques.....	221
Define Your Goals.....	221
Change the Oil and the Filters	222
Pay Attention.....	223
Autonomous Maintenance as an Element in Improvement	225
Autonomous Actions	229

Contents

Chapter 10	Lean Leadership and Ethics: Creating an Engaged Workforce	235
	Introduction	235
	Improvement Experiences at the Frontline	237
	The Structure of Employee Engagement	238
	The Elements of Engagement.....	238
	Clear Goals	239
	Skills Necessary to Achieve the Goals.....	240
	Time to Make Improvements.....	243
	Access to the Resources That Cause Change	244
	Framework for Action.....	246
	Engage Frontline Teams	247
	What to Do When Teams Do Not Engage.....	248
	Refresh the Understanding of Small Event Improvement	249
	The Subjective Elements of Engagement	250
	Lack of Trust in Management.....	251
	Disruption by Team Members.....	253
	Intentional Disruption	254
	Unintentional Disruption	256
	Industrial Culture.....	257
	Notes.....	258
 Chapter 11	 People Development.....	 259
	Introduction	259
	Impact of Competent People on Organizational Performance	260
	Competence Defined.....	261
	Basic Competence.....	262
	Basic Competence Development	264
	Superior Performance	264
	Critical Positions.....	266
	Finding the Right Management Tool	267
	A Quick Description of Our Analysis	267
	The Influence of Critical Positions on Improvement	267
	Individual Contributors.....	268

Contents

Subject Matter Experts or Mentors	269
Leaders.....	271
Identifying Critical Roles in Your Organization.....	271
Common Misconceptions	272
Developing Highly Competent People	274
Beginning the Process.....	275
Prompt Improvement.....	277
Sustaining the Improvement	278
 Chapter 12 Leadership: Initiating and Sustaining Lean	
Operations	281
Introduction	281
Transforming an Organization and Sustaining the	
Change	281
Sustaining Improvement	284
Process Documentation.....	285
The Role of Transformational Leadership	286
Sustaining Leadership.....	289
When the Leader Is Not the CEO	290
Getting Started	292
The Value of 6-Month Intervals.....	292
Three Attributes of a Successful Beginning.....	293
The Value of Shared Vision	294
The Value of Immediate Pilot Projects	294
The Value of New Tools.....	298
Notes.....	307
 Index.....	309
About the Author.....	325