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# LEAN THOUGHTS

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## *Lean Consortium*

It was a bitter-sweet day on Thursday afternoon as we met with the Directors of the Lean Consortium to announce the collapse of our consortium. Since 2002 when the consortium was initially established members have benefited through collaboration which provided invaluable assistance along their respective journeys of Enterprise Excellence.

I personally have benefited from the Consortium. It allowed me access to resources that help define the Stackpole Production System which later won a CME award. By transitioning sanitation practices employed within the food industry to Kromet we were able to reduce our external PPM from 16,000 to under 600 in less than a year. Later, it was wonderful to bring the leaders of La-Z-Boy to visit member sites so they could touch, taste and feel many of the excellence attributes they were being asked to implement.

However, in order to provide more value to members we find it necessary to migrate to a fee based membership model. Kunst Solutions Corp. is finalizing partnership alliances that will significantly add value through membership, while at the same time preserving those attributes of the existing model that have contributed to the overall success of the consortium members.

It is ironic that as we announce the launch of a new networking model as we brace the uncertainty of our economic times. During a similar situation in the late 80's while working at Rockwell Automation – Allen-Bradley, Paul Deckert and I started the first consortium which revolved around our supplier community. The rules back then were pretty simple but still prevail;

- A common passion for excellence
- No topic is out of bounds except selling price
- Share profusely your best practices
- Each member has an equal voice no matter of your size
- Operate in a "Safe Harbour" environment with your peers
- No stealing of employees

This model was later written up by MIT [Sloan Management Review](#) and has been replicated across Canada and even in Australia. The primary focus was on leveraged learning.

There also come a point when you need to relook at the model and make the necessary course corrections and enhancements. Personally I am excited about the new model, it will allow me to become more engaged with consortium members and will expose our members to a huge new slate of thought leaders that will encompass a greater part of the organization. The new model will enhance local collaboration but simultaneously create a global impact.

We will announce it in an upcoming newsletter details of our new model. However, in the interim if you are interested in joining the consortium we can discuss if your organization will fit the new criteria.

Contact me at [rkunst@kunstartofsolutions.com](mailto:rkunst@kunstartofsolutions.com) or by dialling (519) 841-0150

### **LEAN CONSORTIUM MEMBERS:**

- ACE Bakery
- Alumicor
- CGL
- CTS Canada
- EATON Cutler Hammer
- KRAFT
- LA-Z-BOY- Residential
- MESSIER-DOWTY
- MORRISON LAMOTHE
- ORENDA
- NESTLE WATERS CANADA



Where “Lean Thoughts”  
Become Reality



### Are Your Supplier Partnerships to one-sided?

For the last 15 years, I've heard a lot of purchasing and supply management professionals express interest in establishing "supplier partnerships" as a way of achieving their organizations' goals. However, I've seen very few of them understand that true supplier partnerships involve the buying organization helping the supplier achieve its goals, too!

So let's look at four common supplier goals and how you can help your suppliers achieve them...

**Supplier Goal #1:** Reduce Payment Cycle - All suppliers want better cash flow (i.e., getting paid more quickly). So, in a supplier partnership, you should try to improve the speed at which your organization pays the supplier. Like any purchasing improvement initiative, understand your baseline, implement improvements, and measure the change against the baseline.

**Supplier Goal #2:** Increase Sales - To increase sales, suppliers need to have a marketing edge over their competition. You can help a supplier partner in this regard by offering a testimonial that they can use in their marketing material and/or serving as a reference.

**Supplier Goal #3:** Reduce Cost & Complexity - Many buying organizations request special treatment from their suppliers. Whether that special treatment comes in the form of customized reports, unique packaging requirements, or something else, "special treatment" has a cost associated with it. If you can eliminate unnecessary services that your supplier performs for you, you'll help your supplier achieve cost reductions that can be shared with your organization.

**Supplier Goal #4:** Increase Reliability of Sales Forecasts - One thing that scares executives is having long-term revenue targets without reliable data to support them. By committing to a multi-year deal, you can increase your supplier's confidence in its future revenue targets.

By knowing your suppliers' goals and helping them to achieve those goals, you will be in a great position to get your supplier partners' wholehearted commitment to helping your organization achieve its goals.

From Supplier Partnerships: Your End of the Deal

By Charles Dominick, SPSM  
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### 10 Steps To Lean Manufacturing

*Experts recommend a disciplined series of steps be taken on the road to lean manufacturing.*

1. Study and understand lean principles, their pros and cons
2. Glean best practices from other practitioners
3. Hire employees or consultants with a lean manufacturing track record
4. Map and review your current manufacturing operations to identify excesses and inefficiencies
5. Start small, with a single step or process and hold a "Kaizen" or "continuous improvement" event so employees can find and test lean techniques.
6. Involve all factory floor employees, as well as procurement, management and administrative staff. Expect resistance and the need for training.
7. Continue to hold Kaizen events regularly. Require employees to always look for ways to improve their own and other job functions.
8. IT systems should mirror the real-time communication and flows a lean manufacturing environment requires—batch-and-queue systems aren't typically a fit.
9. Once up and running, look to extend the initiative beyond your factory floor to other parts of the business and to your suppliers' and customers' operations.
10. Recognize lean manufacturing implementations take time, are evolutionary, and are never finished.