



R&R Newsletter

Reducing Risk/Removing Waste

ISO Support Group

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An ISO 9001:2000
Registered Company

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LEAN JOURNEY...

Strategy 1:

- Isolate the Value Stream

Strategy 2:

- Specifying Value

Strategy 3:

- Mapping the Value Stream

Strategy 4:

- Making the Stream Flow

Strategy 5:

- Letting Customers Pull Value

Strategy 6:

- Seeking Perfection

CAN LEAN HELP?

Want to know if Lean applies to your business? Read about our Lean Assessment Service

[HERE](#)



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accepted!

Removing Waste:

In this Issue under the heading *Removing Waste* I'll be covering the topic of **Lean Operations – Example: Medtronic Xomed**

The following is a brief overview of a Lean implementation story:

Medtronic Xomed's Jacksonville, FL, facility... This company is a high-mix, low-volume medical device manufacturer of microsurgical products to ear, nose, and throat (ENT) specialists.

Behind the plant, a meadow was graded level for the foundation of a planned warehouse addition, a project that ultimately was shelved after a lean transformation of the domestic shipping department freed up thousands of square feet in the warehouse. On the existing warehouse floor, in an area once crammed with conveyors and storage racks, operators in a production cell turn out products to meet burgeoning sales. The cell used to be located in Xomed's assembly plant next door. Raw materials were delivered to the warehouse then moved to the cell. Finished products were transported back to the warehouse for shipping. Lean improvements freed so much floor space in the warehouse that the assembly cell was moved there from the factory. Now, raw materials come right into the cell, saving time and all the back-and-forth movements.

Shop-floor improvements began when outside trainers taught value-stream mapping to 22 managers. Using the mapping process, Xomed managers identified 40-plus product-family value streams and pinpointed key areas of the value streams where kaizen events would deliver the greatest overall improvement, rather than isolated benefits.

Some of the key manufacturing results from 2000 to 2003 included:

- Total production lead time (includes lead time from suppliers) cut from 253 days to 129 days;
- Standard order-to-shipment lead time reduced 54%;
- Cost of a shipped product reduced 38%;
- Labor cost per unit reduced 47%;
- Overall distribution costs reduced 42%;
- Productivity (annual sales per employee) improved 40%;
- On-time delivery (measured as orders shipped within 24 hours of receiving) improved from mid 80% to consistently high 90%;
- Manufacturing cycle time reduced 97%;
- Scrap reduced 85%; Rework reduced 57%;
- Defective parts per million (PPM) received by customers reduced 40%;
- Inventory net turns doubled;
- Work in process (WIP) improved by more than 20 turns;
- Plant floor space used reduced by 50%.

To view more information on this example (and others)... you can visit our Newsletter page at our website to view the complete article:

www.isosupport.com/newsletters/newsletters.htm

PS: Don't forget to look at the Q&A section of this Newsletter for some final thoughts on this Lean implementation example.

PUBLICATIONS

Click [HERE](#) to learn more about the manuals & books that we've recently published:

- ISO 14001:2004 Environmental Manuals
- "The 3 Biggest Mistakes People Make with ISO 9001"
- "ISO 14001: Learn what's driving its double digit growth!"

TRAINING:

- Process/Value Stream Mapping
- Lean Essentials/Kaizen
- Business Modeling and Performance Measure'ts
- Root Cause Analysis and Corrective Action
- Mistake Proofing
- Continual Process Improvement
- Strategic/Business Planning
- Malcolm Baldrige Training
- Privacy Program Training

View [agendas](#) at our website

Email Tim.. [HERE](#)

For more information on training provided by ISG on Process Improvement/Lean (Manufacturing/Office), please visit our website at www.isosupport.com. Once there, you will also find information about the following:

"Process Improvement/Lean Assessment: Can Lean help you?"

If you want to find out if Lean applies to your business, visit our website and read about our Lean Assessment Service by going to:

http://www.isosupport.com/services/lean/srvcs_pi_lean.htm

"The 3 Biggest Mistakes People Make with ISO 9001"; ISO

9001:2000 Tips, Tools and Techniques

Click here: <http://www.isosupport.com/books/books.htm>

If you enjoyed reading our previous ISO Newsletters you'll find that this book contains many of the practical approaches and advice that I've discussed in these Newsletters over the past 5 years.

Q: What are the "lessons learned" from this example?

A: The first lesson is that even high-mix, low volume operations can benefit from using Lean concepts, which can be successfully applied to improve the bottom line. Second, using the mapping process, Xomed managers identified 40-plus product-family value streams and pinpointed key areas of the value streams where kaizen events would deliver the greatest overall improvement, rather than just getting isolated benefits. Third, they re-organized by value stream. Leading the effort to continuously improve results is the job of five full-time value-stream managers who are responsible for their products from raw materials to shipping. They guide the improvement process in their respective value streams by drawing current-state value-stream maps to identify waste. Then they plan the elimination of the waste in future-state maps. After the improvements are implemented, the cycle begins again with the future-state map becoming the new current-state map. Each manager has P&L responsibility for several value streams and reports to the Director of Mfg.

Until next time...

Tim Renaud

Helping Business Professionals Reduce Risk and Remove Waste!

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Tim Renaud, P.Eng., B.A.Sc., is a senior trainer and consultant with the ISO Support Group. His business experience covers over twenty-two years with both small and large organizations within various industries. He began consulting in 1992 and achieved ISO 9001 Registration for ISO Support Group in Oct/1998. Specific areas of expertise include training and consulting on installing ISO Management Systems, as well as implementing Process Improvement Strategies, always with a focus on reducing risk and removing waste (becoming Lean). Association memberships include the American Society for Quality (ASQ) and the Professional Engineers Ontario (PEO).