



# 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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### Removing Waste:

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

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

**HON Co., Cedartown Plant, Georgia** produces office furniture using 750+ employees in this 533,000 sq. ft. facility. HON's effort begins at the top, with a parent company (HNI Corp. of Iowa) dedicated to meeting its customer's increasingly stringent needs through operational excellence and lean manufacturing. Plenty of corporations have great vision & some even have great plans for executing it, but at HNI the plans are turned into results, thanks to Rapid Continuous Improvement (RCI) Teams.

**RCI is an on-going training and implementation** program that is the centerpiece for transforming the corporation's policy and strategy into specific plans and actions. RCI focuses heavily on cutting out the wasted time, inventory, floor space and other resources within every process. By immersing all members into RCI, HON has been successful at instilling in their members the three elements needed to sustain a vibrant lean manufacturing effort: **a)** the sensitivity/ability to see processes that need to be improved; **b)** the passion/desire to improve them; and **c)** the will/tenacity to do the hard work necessary to improve them.

**In 2001, HON's Cedartown plant began a RCI rotation** – taking all production members a little at a time into intense RCI training. Since then, the plant has seen a huge jump in the number of member suggestions provided on ways to improve product quality or safety. In 2000, the plant got 755 suggestions. For 2005, members are on pace to offer about 4,800 suggestions. The company encourages suggestions by setting up stations in each factory where members can compare HON's products to those of its competitors. Members are also rewarded with a half hour of vacation time for each suggestion implemented by the company. In addition, HON shares the financial rewards of RCI. Employee's share of the profits are paid out semi-annually, weekly and monthly bonuses are also paid out for exceeding quality & prod'n goals.

**Some of the key results from their Lean efforts include:**

- Lead time on an average product order fell to 10 days from 56 days;
- Complete and on-time deliveries improved to 96.2% from 70%;
- Per-member productivity has risen to \$191,733 from \$108,539;
- Significant cost reductions (exceeding \$7M in one year);
- Increased plant profitability;
- Reduced warranty costs by 32% (...and it was already at a low level);
- Companywide, sales are up 2.85 times while manufacturing floor space has only increased by about 25 percent.

**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](http://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 (PIPEDA)

**\*\*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](http://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](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:** Here they are...

- They use Plan-Do-Check-Act to move from the corporate 3 year plan to a unit level policy develop't focused on 1 year plans which is then measured, progress reviewed against targets, and all fed back to corp.
- They treat their Operators like "surgeons", with all processes designed to allow the Operator to focus on the "patient" (the product being made).
- HON members have developed an attitude of never being satisfied with the way things are, and they use RCI to implement change.
- One major way this plant saved time and floor space was by keeping everything in a particular place (...aka 5S).
- The plant is organized into focused factories, each with its own manager who has full responsibility for operations, efficiency, profits and losses.
- The essential factor to a successful lean conversion is getting everyone involved, from the chief executive of the company right to the Operator.
- This company has shown that it can compete against offshore suppliers.

**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).