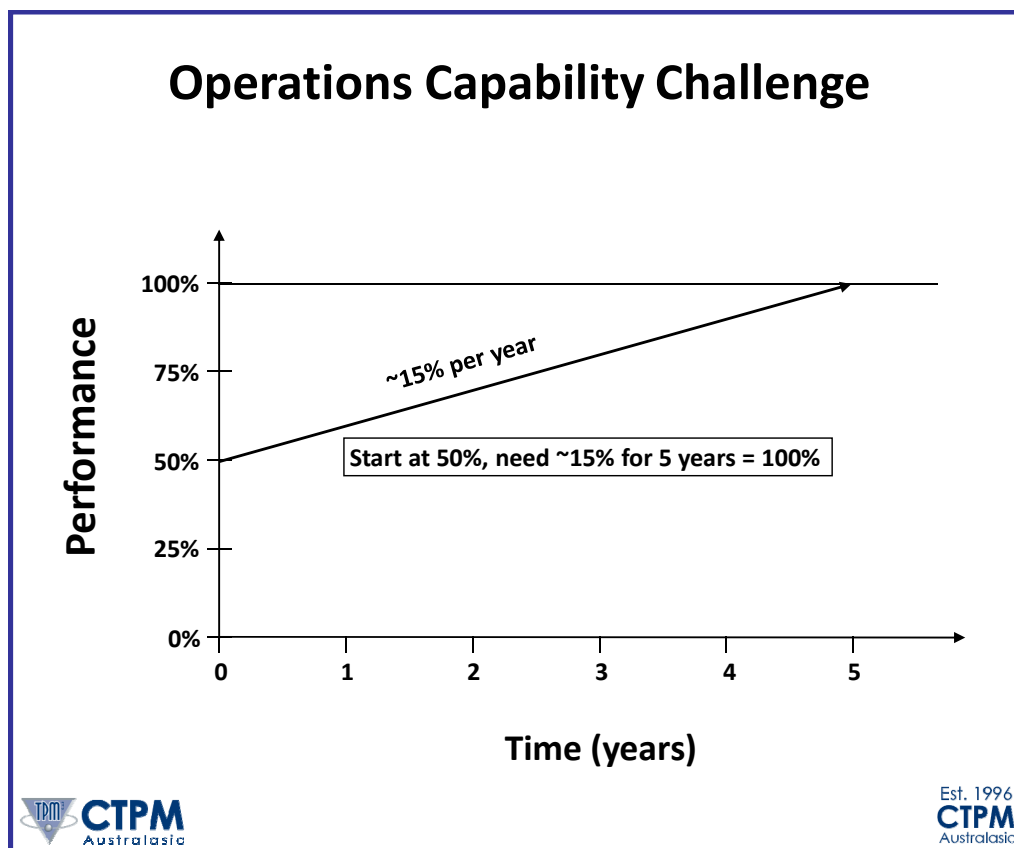


## ***The Need to Balance our approach to Improvement***

In our previous E-Tech Article – “Update on our 2010 Operations Capability Innocence to Excellence Rating results from Australian Sites” (dated 14 October 2011), we noted that the average score is still around the 50% level.

During our 2-day Getting TPM & Lean to Work workshop we use a slide that shows if there is a desire to lift this 50% Operations Rating to 100% in 5 years, a site would be required to improve its performance by at least 15% each year for 5 years.



We also wrote about the 3 most common ways to improve performance in a Pro-active Way are:

- Technology & Automation;
- Improvement Projects (eg Six Sigma) or Events (eg Kaizen); and
- On-going Improvement Activities that ultimately involve all employees.



We have found that best practice sites use:

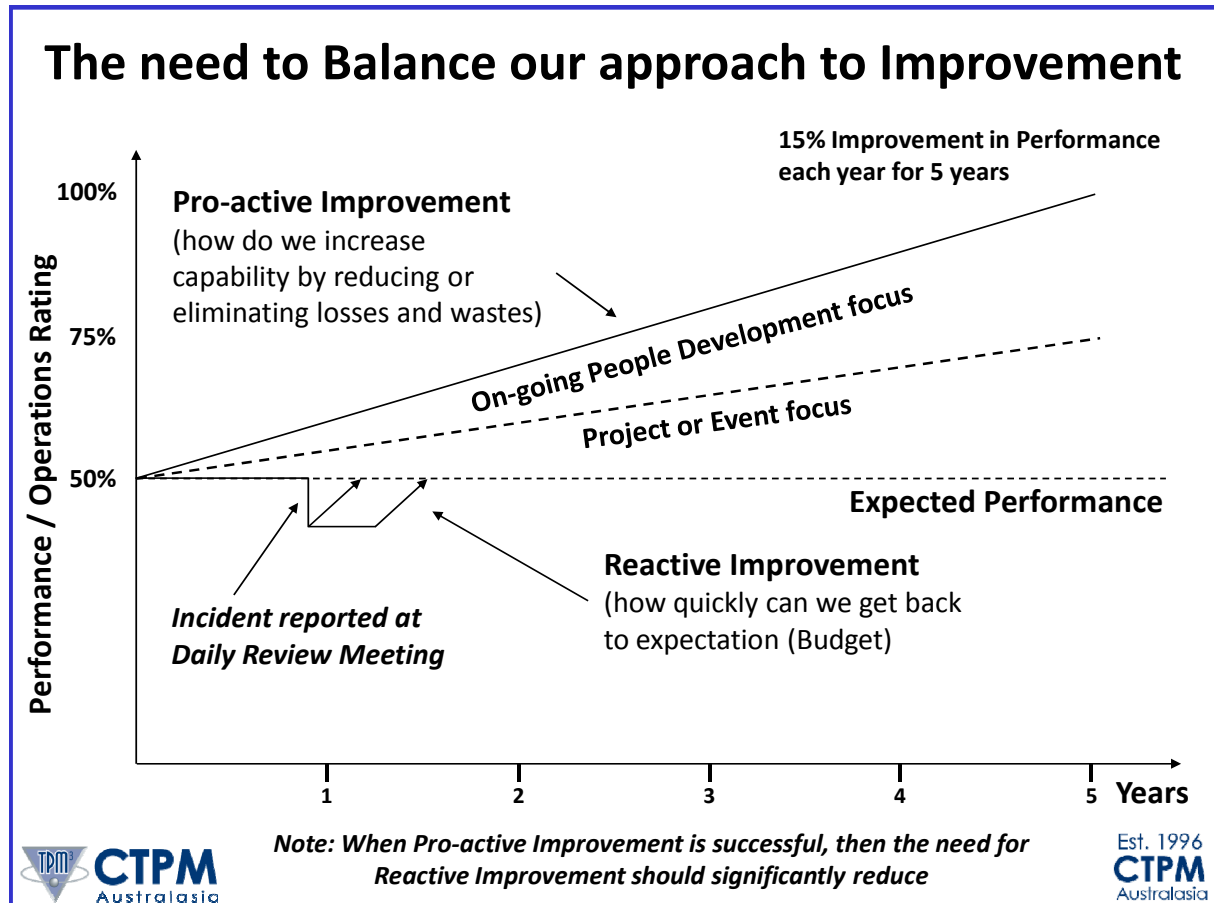
**Technology & Automation** wisely and engage New Equipment Management teams to ensure maximum return on their investments (refer previous E-Tech – Update: New Equipment Management Learnings dated 16 September 2011).

**Improvement Projects or Events** to address specific urgent business needs as a short term solution.

**On-going Improvement Activities** through both Cross-functional Teams and Area Based Teams that ultimately involve all employees as the most effective means to achieve sustainable top performance (100% Rating).

To complement the above, we have also found best practice sites use an effective Reactive Frontline Problem Solving approach to address incidents or problems identified at Daily Review Meetings when expectations have not been achieved.

**The challenge for most sites is how best to allocate limited resources to the required amount of Pro-active Improvement and Reactive Improvement to ensure the minimum of 15% of pro-active improvement is achieved each year.**





An effective way to manage limited resources is to establish improvement policies that limit the amount of time allocated for both Pro-active and Reactive improvement. Examples of such policies are:

**Frontline Problem Solving:** Problem or Incident needs to have caused an agreed significant impact. For example, triggers are set and when exceeded a person will be allocated to initiate the Frontline Problem Solving process and report back within an agreed number of working days with proposed Root Cause Solutions and an Action Plan for approval. The typical policy for regulating the workload would be that a person can only be allocated 1 Frontline Problem at a time.

Note: The triggers would be progressively refined as fewer problems or incidents occur. For example, Toyota initiate a Frontline Problem Solving activity if they have a breakdown on their assembly line of '*greater than 2 minutes*', whereas most sites not advanced on their improvement journey may make their starting trigger as '*greater than 2 hours*'.

**Pro-active Problem Solving:** The typical policy for regulating and sharing the workload is that a person (other than your Improvement Co-ordinator) can only be on 1 Cross-functional Team and 1 Area Based Team at a time where each team is limited to 5% of team member's normal work time which is typically 2 hours per week.

## Key Learnings

Project or Event focus activities may rapidly lift performance however this performance often does not sustain over the long term and typically plateaus out around the 75% level. This was first brought to our attention back in 1996 by Proctor & Gamble at their site in Wyong NSW. Since then we have seen this scenario repeated many times.

***Unless the focus of your sites improvement is the on-going development of your people, long term sustainability will become a significant issue!!!***

The best way to create an environment for the on-going development of your people is to have them involved in improvement activity on a weekly basis. Looking back over history, we have found the most effective and proven way to develop new skills in people (eg learning to play a musical instrument) is to have a half-hour lesson each week with time to practice and encouragement to progress.

The new skills we have found critical for achieving Operations Excellence are Problem Solving, Visual Workplace and Prevention at Source Skills which we call Mastery Skills supported by the necessary Team Skills to be an effective team member.

***For more information about CTPM's learnings regarding the need to balance improvement activities please contact your CTPM Navigator or CTPM Head Office on +61 4226 6184 or email to [ctpm@ctpm.org.au](mailto:ctpm@ctpm.org.au).***