

Turbo Leadership Systems™

The **TURBO** **Charger**

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To our clients and friends

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Mold for Shift Production



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Beyond doubling production

Christy, the clay production manager of a ceramic and clay manufacturing company, told the Performance Team Lab (PTL):

“We were at full capacity and had been for almost a year. We were turning away orders for all of our 32 ‘stock’ clays. We had done everything we could think of to meet and satisfy our customer demands by improving capacity and production without sacrificing quality. Through our process improvement efforts, we literally doubled our production. We went from 7500 pounds a day to 15,000 pounds a day, and we reduced our crew size from four members down to only two. We had made what appeared to be all the process improvements possible.

“Then at Session 7 of the PTL, Larry suggested having a second shift. In our 7 years of manufacturing clay, we never had two shifts. I don’t think the idea had ever occurred to us. It now seems so obvious.

“As we began studying the possibility, we knew the only way it would work would be if both shifts were self-directed with a high degree of motivation. Although we tried bonus programs in the past, they were never really successful. We discovered that rewarding one-time achievements didn’t provide the focus required to continually stretch production capabilities. What we needed was a constant, stretching, attainable goal. Before implementing our second shift, we included both new team shift leaders in our discussion of how to make a bonus program really pay off. Our ultimate decision was to split all of our new work commitments and production requirements into two shifts. We wanted a consensus decision on measures and performance standards. We needed a genuine commitment to our goals for the bonus incentive program to work. Our new program expanded the job duties of our clay making team and made them more accountable for quantity and quality. We agreed every batch of clay would require a supervisor check to ensure quality.




“Before we kicked off the bonus program and production goals, we did a base measurement to establish a benchmark. We also increased the base wage of everyone on the team. Although our pay period is every two weeks, we agreed our new bonuses would be based on weekly production. The bonus is based on meeting a goal of 700 pounds of quality clay per man hour. Each week we achieved this target, all team members received a \$40 bonus, and for every pound over 700 averaged per man hour, we paid an additional 50 cents. Daily production reports monitor: 1) pounds of clay production, 2) waste, and 3) machine downtime. These measures serve as a sounding board for problems in any of our product lines where there could be a production or quality concern. This expanded responsibility and authority, combined with a meaningful incentive program, has increased motivation and morale.

“Our early shift leader is averaging \$125 bonus per paycheck. The added ownership has resulted in planning ahead and keeping up a constant pace. There is a greater openness to feedback of every kind and an eagerness to work for the benefit of the whole team.

“We now have ‘stock’ clay. For the first time in a year, we can ship orders the same day they are received. As we return to one shift, we will rethink our bonus program for maximum benefit to both the production team and our customers.”

Where is the bottleneck in your operation? How could you use incentives, measurement and bonuses to create breakthrough performance improvements?

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