

# Turbo Leadership Systems™

# The **TURBO** **Charger**

Phone: (503) 625-1867 • Fax: (503) 625-2699 • email: [admin@turbols.com](mailto:admin@turbols.com)

Issue 354



To our clients and friends

November 1, 2011

## Skippy



Larry W. Dennis, Sr.  
President,  
Turbo Leadership  
Systems©

**Process  
improvements  
that do not  
contribute to  
progress are  
not  
improvements**

Recently I met with the president of a manufacturer in south central Oregon. They have over 2500 product SKUs in their offerings. Everything they manufacturer is made-to-order. They promise their customers a 10-day turnaround. I asked him how many SKUs are on a typical pallet. He told me when a truck pulls out of the yard it is loaded with 250 SKUs. To manufacturer this variety of products requires over fifty different raw materials from almost as many suppliers. He said, "The trick in our business is to do \$100 million a year in sales without keeping \$100 million tied up in inventory."

This is a reminder for us all that one of the key result areas for senior executives in every business is minimizing inventories while maximizing sales and shortening lead times. We must do this without customer service suffering. In other words, delivering on time, every time, to all customers. In our "just-intime" world where our suppliers are managing their inventories for maximum turns, this becomes increasingly challenging.

The part of the interview that was most provocative for me was learning how enamored the former owner of the company had become with Lean manufacturing. The new president told me that they had had numerous Kaizen events. Everyone was trained, retrained and cross trained in the principles of Lean. The problem, as he put it, was that "when the water got low and the rocks were exposed" and it became quite clear that it was time to make changes in processes, roles or personnel, the owner would say, "Let's go to lunch and talk about that next week." Nothing was ever done. When business was good (up to the fall of 2008), that worked. "A good economy covers a multitude of sins." When the economy slowed and sales dramatically dropped, all of the Kaizen events stopped. After 40 years, the company filed for bankruptcy. The owner sold what assets were remaining to investors. The new owner promoted him to president.

As president, he has restructured the company; the former supervisors are now working on process improvements; all of the crews are orga-

nized into self-directed work teams. He expects the crews to be sufficiently empowered, so that when they encounter a problem, they solve it. They understand that they are sufficiently empowered to solve the problems they experience.

I said, "I wish you could come with me to companies who are planning to implement Lean. This becomes the excuse for dismissing me." Often they say, "We don't need Turbo; we are trained in Lean."

I inquired, "How did you get along with the former owner? It seems from your story that you were incompatible." His response; "We had a love-hate relationship. She needed me, I needed her." He went on to say, "What turns me on is creating breakthroughs, creating improvements, maximizing performance, genuinely seeing continuous improvements in the processes that create value for our owners and customers."

What turns you on – the process or progress?

### Introducing Turbo's New *Strategic Execution Summit (SES)*




Your executive team executes at record high levels.

A dynamic, aligning process to blend your manager's energies and leverage your collective strengths.

- Craft a compelling "Vision of Victory" to blast past the "stories" that block the forward thrust of your team.
- Create a galvanizing mission "slogan" that motivates, builds pride, and pulls your entire organization together.
- Define excellence for every role.
- Develop individual, specific 3-step action plans to ensure performance matches agreed-to measures of excellence.

**SES creates aligned energy to ensure the highest levels of execution.**

### Get Involved!

-  Become a fan on Facebook
-  Connect with me on LinkedIn
-  Tweet with Larry on Twitter

Please forward this to friends, co-workers, customers or relatives who you feel might enjoy it.

To unsubscribe, please e-mail us at [admin@turbols.com](mailto:admin@turbols.com)