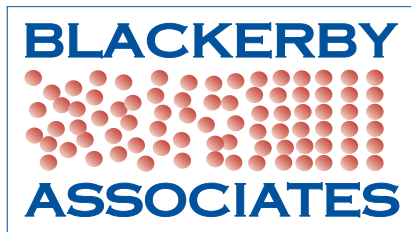


Enterprise Transformation to High Performance



Transforming Organizations

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Phillip Blackerby helps organizations transform into high-performance enterprises. He coaches executives to set “big picture” goals and take action to achieve them. He helps CEOs see a more successful future and develop strategies to accomplish it. He helps the organization plan its transformation, and then organizes resources to make it happen.

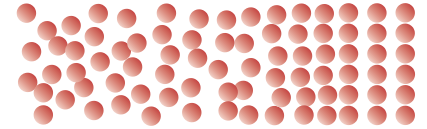
Mr. Blackerby was lead project manager in Arizona, and managed the *Lean Enterprise* and *Professional Business Advisor* product lines at the Manufacturing Extension Partnership, National Institute of Standards and Technology. His team won the coveted Uriano Award for writing manufacturing enterprise transformation standards. He developed the *FastTrac Manufacturing* business planning training program, published four volumes of manufacturing transformation and improvement case studies and evaluated enterprise assessment systems and advanced technology grant applications.



Mr. Blackerby co-owned a management consultancy specializing in assessment and strategic planning. He trained hundreds of managers in strategic planning and related topics, facilitated dozens of strategic planning processes and published several articles. His wide-ranging experiences include negotiating banking relationships, managing an e-business, legislative lobbying, analyzing financial markets, improving cost-accounting and managing a \$96 million budget.

Mr. Blackerby was Associate Deputy Treasurer of Texas, budget director for the Texas Comptroller and management auditor for the U.S. General Accounting Office. He is a certified executive coach and trainer (CCUI) and *FastTrac* business plan instructor. Mr. Blackerby earned a master’s degree from The University of Texas at Austin, and a bachelor’s degree (honors) from Brown University, Providence. He has three daughters and dotes on his two grandchildren.

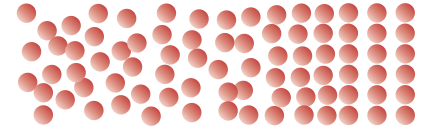
4 Key Outcome Measures



A high-performance enterprise is...

- Profitable (Π)
- Growing (Γ)
- Productive (VA/FTE)
- Improving ($\Delta VA/FTE$)

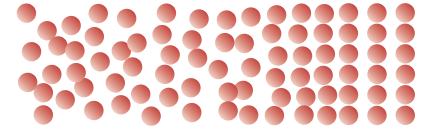
Cycle and Lead Time



*“One of the most noteworthy accomplishments in keeping the price of Ford products low is the gradual **shortening** of the **production cycle**. The **longer** an article is in the **process of manufacture** and the **more** it is **moved about**, the **greater** is its ultimate **cost**.”*

– Henry Ford, 1926

What is Lean?

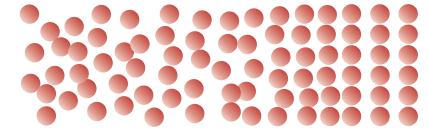


- A systematic approach to **identifying and eliminating waste** (non-value-added activities) through **continuous improvement** by **flowing** the product at the **pull** of the customer in pursuit of **perfection**. (NIST Lean Network)
- The **relentless** pursuit of the elimination of waste! (Alabama Technology Network)
- Lean means adding value by eliminating waste, being responsive to change, focusing on quality, and enhancing the effectiveness of the workforce. (Lean Aerospace Initiative)

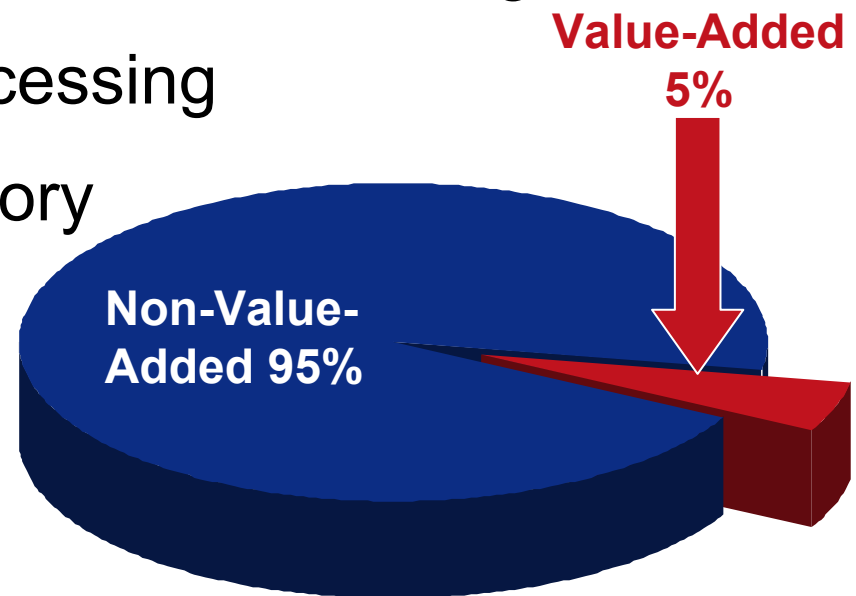
“It's simple: I take the block of marble and remove everything that's not the statue.” (Michelangelo)



Lean = Eliminating Waste

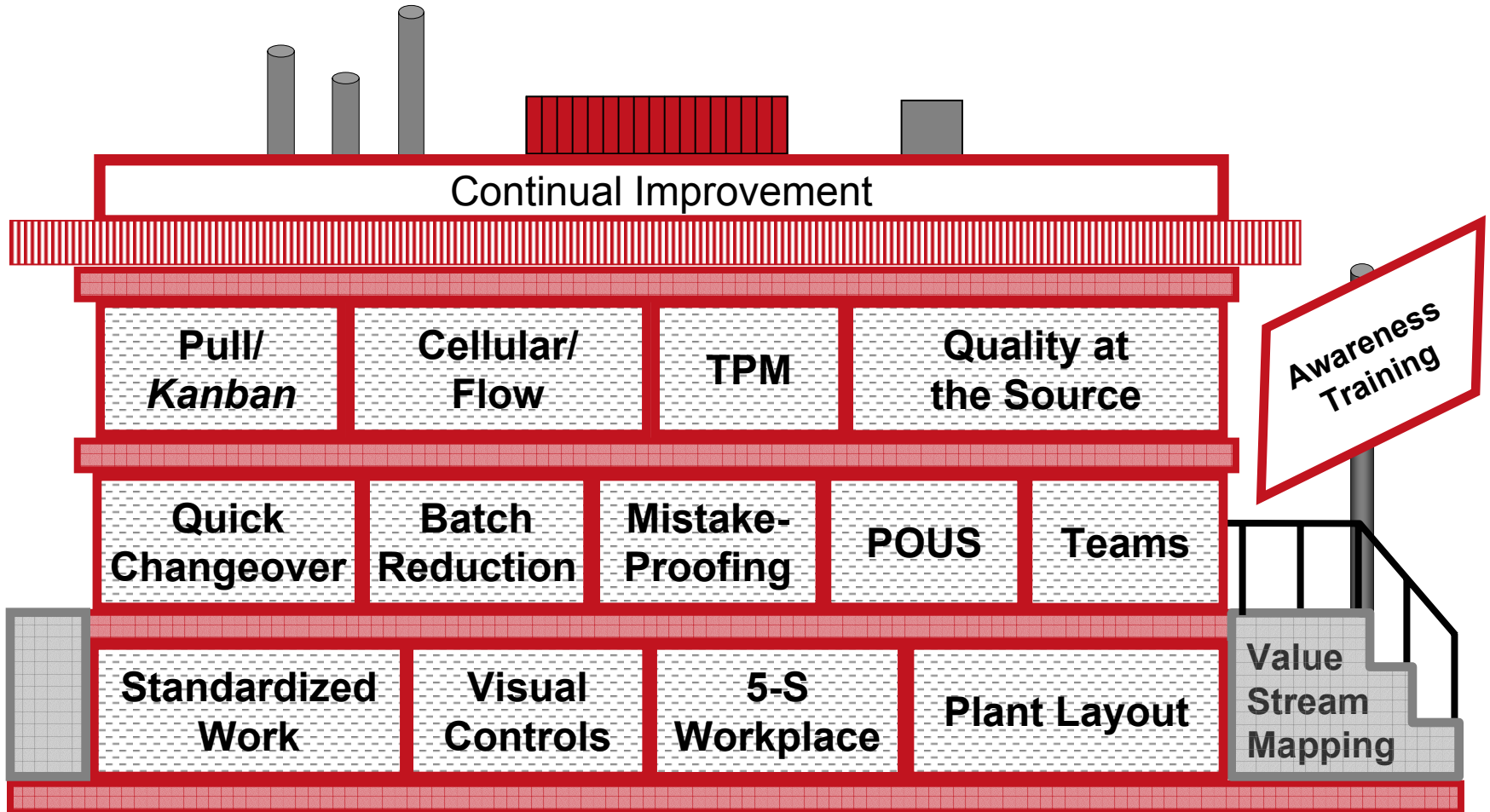
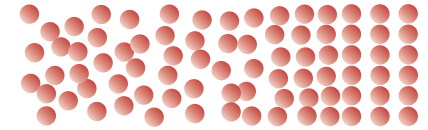


- ① Overproduction of work in process
- ② Waiting
- ③ Transportation of parts/materials/tooling
- ④ Non-Value-Added processing
- ⑤ Excess finished inventory
- ⑥ Defects
- ⑦ Excess people motion
- ⑧ Underused people

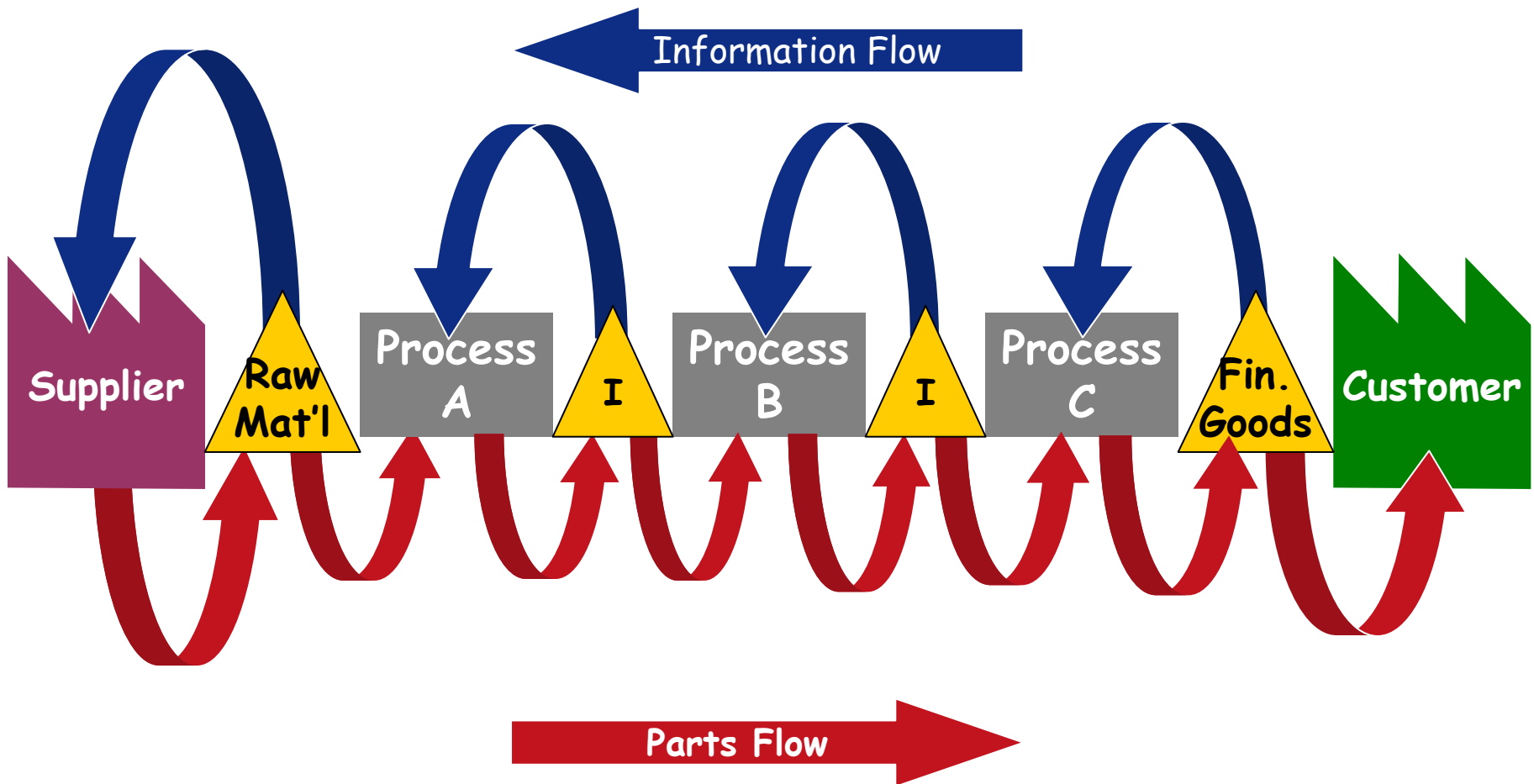
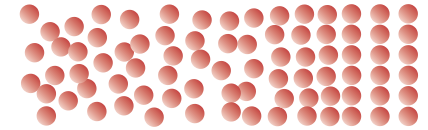


Typically, 95% of all lead time is non-value added

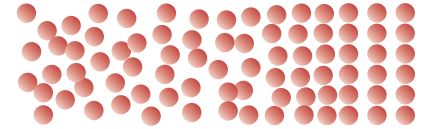
Lean Building Blocks



Pull System Flow Diagram



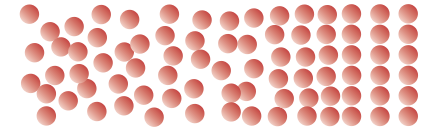
Lean Office Adaptations



Word substitutions:

- “Plant” → “Office”
- “Product” → “Decision”
- “Inventory” → “Backlog”
- “Raw Material” → “Documents”
- “Materials” → “Information”
- “Processes” → “Functions”

Transformation Process



1. Diagnostic Assessment

- Financial performance
- Industry environment
- Management team
- Operations



2. Commitment to Strategy

- Vision, purpose
- Core know-how
- Measurable objectives
- Communicate strategy



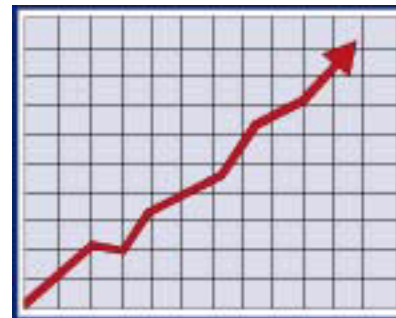
3. Improvement Plan

- Align solutions with strategy
- Path: current to future state
- Measurable benefits



4. Execute Improvement

- Kaizen events
- 5-S implementation
- Manufacturing cells
- Demand-pull



5. Follow-up Evaluation

- Measure performance
- Learn lessons
- Re-engage