

## The Vermeer Podcast – Episode 15

### Lean Learnings

Mary Andringa:

In the more than 20-year journey of continuous improvement at Vermeer, we've learned many lessons. From our early days within our own factories, or working with suppliers, or at dealerships, or at customer job sites. I'm Mary Andringa, here today again, with Gary Coppock and Louis Norton, just to share some of those learnings with you, whether you're looking to get started on the continuous improvement journey or well on your way. Both Gary and Louis have spent time facilitating continuous improvement events with a variety of groups outside of Vermeer Corporation. Again, an event is a three- to five-day, very focused event, working with a cross-functional team. First of all, looking at what the present situation is, and then determining how to eliminate waste or reduce waste in the non-value-added times in those events. And then they're looking to find ways to reduce that waste and improve productivity, quality and safety.

So Louis, early on, you did some work with suppliers. In fact, I think we started some of our first work with suppliers back in 2001. Would you just maybe share an example of working with a supplier and/or with a customer or dealer?

Louis Norton:

Yeah. Thanks, Mary. One that I remember quite clearly with a supplier, was we were out on the shop floor trying to identify waste, and one of the team members asked, "Why are we stamping the Vermeer logo on the side of each of these chain links?" And nobody there really understood. So we went back to our product management team and asked if that was an important requirement. And it turns out that they'd been doing that for years and nobody really saw the value in it or the time and the effort that it was taking. And it was, in fact, a bottleneck in the operation. So, just understanding something that had been done for years that wasn't adding value was an opportunity to eliminate.

Mary Andringa:

Great. And I remember very well, one of our first teachings was all about asking five why's and that's a pretty good example of asking five why's. Do you have any other stories you'd like to share from a dealer or customer event?

Louis Norton:

One that I remember early on with a dealer, we were at the dealership watching the pre-delivery inspection of a unit. And on this particular unit, it was a little low on antifreeze, so the technician went to get a funnel to put the antifreeze into the machine and the funnel wasn't where the technician thought it was. So that technician walked over to the next bay and asked if that technician knew, and that person did not know. And they started to look and within just a minute, the entire shop was shut down as we looked for this funnel. So a very simple, low-cost device brought the entire shop to its knees for probably 15 minutes, and just a huge waste for something so simple.

Mary Andringa:

Yeah, excellent example of making sure you've got the tools that you need at the place where the operator needs to use them. Yeah. Excellent example.

Gary, how about you? Do you have any memories of either with a supplier and/or a customer or dealer?

Gary Coppock:

Yeah. A couple of examples come to mind, the first one with a supplier. As we'd been doing work in our plants and trying to reduce inventory and improve flow, we learned that it was pretty natural that at some

point you're going to have to develop a relationship with your suppliers so that they can help you become lean, but then you can also remain a good customer to them. And so we had a situation where instead of receiving deliveries of batches of parts and stocking those on the line and taking up a lot of space and having to sort through those, we wanted to have kits by individual machine delivered right to the line. And we could have done that work internally, but we worked with the supplier to figure out how can they just bring those kits into our facility and deliver them to the line for us so that we could essentially set up a vendor-managed inventory.

They were helping us manage the inventory levels, but we were able to reduce our floor space that was consumed by those parts and also create better flow of the parts. And that relationship has lasted a number of years. We continue to evolve the process, and in the near future we'll be going through another iteration of that process with that supplier.

An example that comes to mind with a customer. We had been doing some work on jobsites where we'd go out and evaluate their operation, their setup, the work that the construction crews were doing. But this particular customer had a unique request. He was concerned about how long it was taking the crews to leave the yard when they showed up in the morning. His mindset was, and he was very lean-minded, was the sooner I could get on the jobsite, the sooner I can start making money. And he saw that it was taking a long time to do that. So he set a goal of trying to reduce that time by 25%. So we went to his facility, did a little lean training, involved their team members in the process, just like we would here at Vermeer, and had them help us identify where the opportunities for improvement are, what waste we would eliminate.

In addition, though, he was getting ready to move to a new location and he wanted to improve the overall flow of his operation, including time in and out of the yard. So, we really looked at the whole organization similar to what we would do here, and we had a vision for improving flow and reducing waste. And within months after that event, he did actually implement the new layout in his new facility. And rather than seeing 25% reduction in the time on the yard, he quickly saw 50% and he was ready to look for more. So, he was bought into it once we involved his team members in learning the principles and applying them in his business.

Mary Andringa:

Those are great examples. I also remember being on a couple of events, one with a water contractor and another with a telephone contractor. And similar to what you were saying, Gary, what we realized is that it was taking sometimes 30 to 60, maybe 90 minutes in the morning as operators would go through the shop and try to find the tools or the materials they needed. And by having someone else get those materials and tools ready the night before, and also making sure there were fuels in the truck for the next day, then the team would be able to get right to the job. And that makes a huge difference on how much productivity a crew can get done in a single day. So those are great examples.

And at Vermeer, we've also gone out and helped with some facilitations of entities that are outside, actually, of our industry, but because it's the right thing to do to help others also on this journey, I think it might be interesting for our listeners if you would each just remember one of the events or two of the events that you were on in areas like in education or in the medical areas. So Gary, you want to just kick this off?

Gary Coppock:

Sure. I've had an opportunity to do several activities outside of Vermeer. One that stands out in my mind is some work with the local public school system. And the superintendent had a vision for how continuous improvement could apply, but didn't really know how. So had the opportunity to go in, in a number of different areas. We've actually done some work in four different areas and, similar to here, again, teach the principles, figure out how they apply in that environment, set some goals and then actually implement some processes. And some of them were very simple, like establishing a recycling program. Some of them were more difficult, like implementing an entire change management process into the organization. But then we

worked on some specific things like transportation and registration. So it's really taken hold to the point where they have a resource that dedicates half their time to continuous improvement within the district. So it's really taken hold. That was a great experience and it's fun to see that still happening.

Louis and I both had the opportunity to do some work in healthcare, which was a real experience when you're trying to maintain confidentiality and not get in the way of the doctors and the nurses and the patients. But, I'm looking at what wastes looks like in an emergency room, defining value-added work in there, was a bit of a challenge. But we also saw that once resources in that facility were involved in the process and could experience it firsthand, they started to buy into it and were able to make some reductions. And in that particular example, in the time from a patient coming in the door, to the time they saw a provider, and made a significant reduction in that time, which just enhances the patient experience.

Mary Andringa:

Fantastic. And we all know that we do not care to spend a lot of time in medical offices. So those are very valuable opportunities to help with. Louis, any stories you remember?

Louis Norton:

Yeah. One to piggyback off Gary and the medical side, I was on an event at one point in a clinic. And again, we were trying to look at the time spent in the waiting room to get in to see the doctor. And in doing that, we spent a little time in the exam rooms and very quickly found that the exam rooms were set up differently. So a doctor, depending on which room was in, maybe have a preference for where certain supplies were stored. And then as they went from one exam room to the other, the materials were stored in different locations, it made it very difficult to move through the procedures as quickly as they could. So standardizing the layouts and the location of the supplies within the exam room, creating those standards, made it easier for the doctors and the nurses to provide their service.

Another one that I remember was in education. It happened to be at a state university, and it was in the department that applies for grants. And it had to do with the grant writing process. And if they were awarded a grant, how they distributed the funds once they received the grant. So as we mapped the process, we very quickly determined how complex and complicated it was and how many people were involved. And the thing that strikes me is at some point during the process, someone said, "They're just trying to give us money. How complicated could we make it?" So, it was fun to work through the process. And again, as Gary said, involving the people that are involved in it daily, in the process, just makes it visible. And the solutions that they bring to the table are then owned and make the sustainment of the changes later possible.

Mary Andringa:

Yeah, thanks for all of those stories. And as many of you know, we have had teachers that have come into Vermeer in the summer for three weeks to learn about manufacturing and what are the skills that are needed for manufacturing. And these are elementary through high school teachers. But we also engage them in a kaizen event for one week. And what has been interesting, is many of the teachers take what they've learned about continuous improvement to their classroom. Whether it's having a stand-up board with what needs to happen that day or doing workplace organization in their science labs. It's really great to see how many teachers can grab onto these concepts and take them into their classrooms.

So we are going to conclude this particular podcast, but encourage you to listen to our next one. When we are going to talk about some of the tips about how to get started, or how to restart a process. You've already heard about some of these things like standard work, workplace organization, asking five why's, managing change, but we'll look forward to sharing some more things with you in podcast three. Thanks for listening.