

# DELIVERING PERFORMANCE IMPROVEMENTS IN 2018

## MOST MANUFACTURERS ARE INVESTING RESOURCES, TIME, AND EFFORT INTO IMPROVING THEIR OPERATIONS — YET FEW EXECUTIVES ARE SATISFIED WITH THE RESULTS

Why? Often it's because improvement initiatives aren't aligned with overall organizational objectives and management practices. For improvements to stick, an organization needs a well-targeted performance management system — one that drives goals and improvement by area, line, and function. A performance management system should include:

- **Strategic clarity and alignment** with what matters most to the company.
- **Standardized processes** and practices that improve performance.
- **An educated, engaged, and empowered (3E) workforce**, in which every employee becomes a problem-solver.
- **Managers who are coaches, teachers, and mentors**, encouraging innovative ways of thinking.
- **A culture of problem-solving and continuous improvement**, in which initial successes — and the concepts and tools used to achieve them — are shared throughout the organization.

Any performance management system by any name should, of course, drive an organization toward its few, critical performance objectives. Most manufacturers believe they have such targets in place, but these are typically incremental improvements from the previous year, at best, and rarely stretch goals that challenge an organization and everyone in it. Few companies dare to actually pursue perfection and eliminate all losses across the range of activities that truly determine manufacturing success. Performance Solutions by

Milliken, the consulting division of Milliken & Company, has helped manufacturers understand what optimum performance really looks like:

## SAFETY

No metric is more important than safety. A safe working environment allows employees to focus on their jobs and performance improvement, rather than physical survival. Performance Solutions practitioners perform a safety walkthrough (e.g., looking for hazards and unsafe behaviors), conduct safety education, begin employee-managed safety projects, and establish an overall safety program and “safety immutables” (e.g., measurements and reviews, reporting, and time and monetary commitment). Initial safety targets for all Performance Solutions engagements typically include a **50 percent reduction in OSHA recordable injuries in one year**, and complete elimination of safety incidents in year two. One consumer packaged-goods plant achieved 5 million safe work hours after an engagement.

## EMPLOYEE INVOLVEMENT

Frontline employees are rarely ready for critical new roles in a performance management system, due to lack of training and empowerment. To improve, it's imperative that manufacturers establish goals for both process performance **and** the level of workforce engagement. Our practitioners help manufacturers establish targets for both by teaching associates new ways of working in a “model area” of improvement, and by coaching managers to become mentors and guides. Using this step-by-step approach, Performance Solutions helped a consumer products plant in Europe engage 80 workers in an initial model area; 600 more workers during replication of model practices in other areas; and finally all 1,200 workers in the facility — creating an environment of trust, respect, and problem-solving.

## QUALITY

Many manufacturers still manage quality control with inspections at the end of the production process, just before a product leaves the plant. Yet a quality-at-the-source approach can lead to millions of dollars in savings by reducing product rejects and rework. Performance Solutions helped a packaging company **reduce rework by 50 percent** and waste by 80 percent in two years; a consumer-products company reduced defects by 90 percent in a similar timeframe.

## RELIABILITY

Performance Solutions brings a total productive maintenance approach to all continuous improvement engagements. We helped a pulp and paperboard manufacturer **reduce equipment breakdowns by 70 percent** and minor stops by 60 percent within two years, and assisted a chemical plant in eliminating costly liquid leaks on 50 machines.

## AGILITY

Every manufacturer confronts capacity issues, especially those with “monument” machines that dictate scheduling and production runs. Performance Solutions helps managers and associates to manage their equipment in new ways, increasing the speed of changeovers, reducing downtime, and boosting production capacity without additional footprint. One food and beverage client **reduced equipment changeover times by 64 percent**.

## CUSTOMER SATISFACTION

Customers want high-quality goods delivered on-time and at lower prices. That’s impossible unless manufacturers increase the pace of production, instill a mindset of zero losses (for quality, uptime, safety, etc.), and reduce operating costs. Performance Solutions helped a discrete product manufacturer reduce operational losses by 50 percent, leading to **\$1 million annually in cost savings** — which was shared with the customer. A chemical plant increased on-time delivery from 88.8 percent to 95.7 percent while increasing first-quality yield 95.7 percent to 98.8 percent — reducing customer complaints by 80 percent.

## RETURN ON INVESTMENT (ROI)

Performance improvements mean little if they don’t impact the bottom line. It’s not unusual for Performance Solutions clients to **generate more than \$1 million in annual savings per year** from a modest-sized plant, achieving a ROI rates as high as 37-1.

For more than a decade, Performance Solutions has helped manufacturers — in a variety of industries (chemical, food and beverage, consumer products, automotive, plastics and rubber, textiles), with a variety of production processes (discrete, process, and hybrid operations), in union and non-union environments, and in companies big and small around the world — change how they approach improvement. And, in doing so, achieve performances that previously seemed impossible. These performance improvements are the norm for Performance Solutions clients; we invite you to learn more by participating in our AED Program: **Accommodate** (visit Milliken and Performance Solutions headquarters); **Educate** (learn about the Milliken Performance System); and **Demonstrate** (tour our high-performance Milliken facilities).

## WHAT MIGHT YOUR COMPANY GAIN?