

Lean Visibility

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Process and the Value Stream

“Brilliant Process Management is our Strategy”

“We get brilliant results from average people managing brilliant processes”

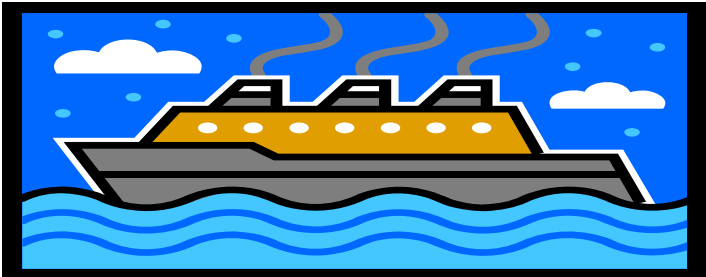
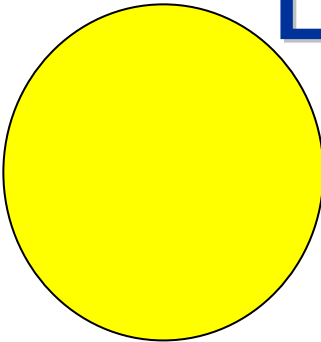
“We observe that our competitors often get average (or worse) results from brilliant people managing broken processes”

Toyota Motor Manufacturing

The Business Landscape – Axioms

1. The core purpose of a business is to develop and deliver products and services that will provide value to the customer, therefore creating demand in the marketplace.
2. Pricing of products and services is no longer in our control. The global market, in the form of the “invisible hand” will dictate price. Consequently, profit is now a function of our ability to manage costs.
3. Businesses are driven by “people and process”. All other dynamics, including finances, technology and time - subordinate themselves to people and process.
4. Business survival today requires a relentless, all inclusive commitment to waste elimination.
5. Sustainable Corporate growth is created only by organizational learning, which is accomplished only through solving problems together.

Lean & The River of Waste



Space

People

Transportation

Knowledge

Inventory

Cost of Money

Damages

Energy

Obsolescence

Overproduction

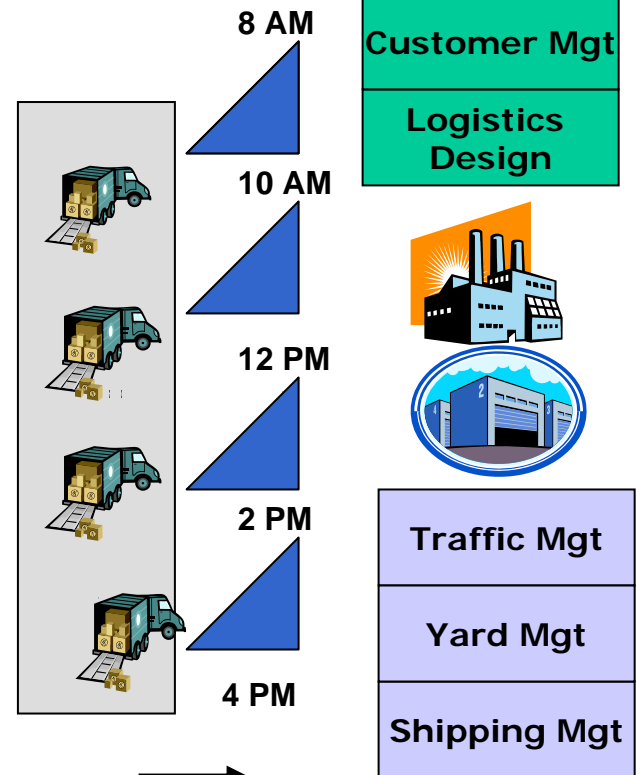
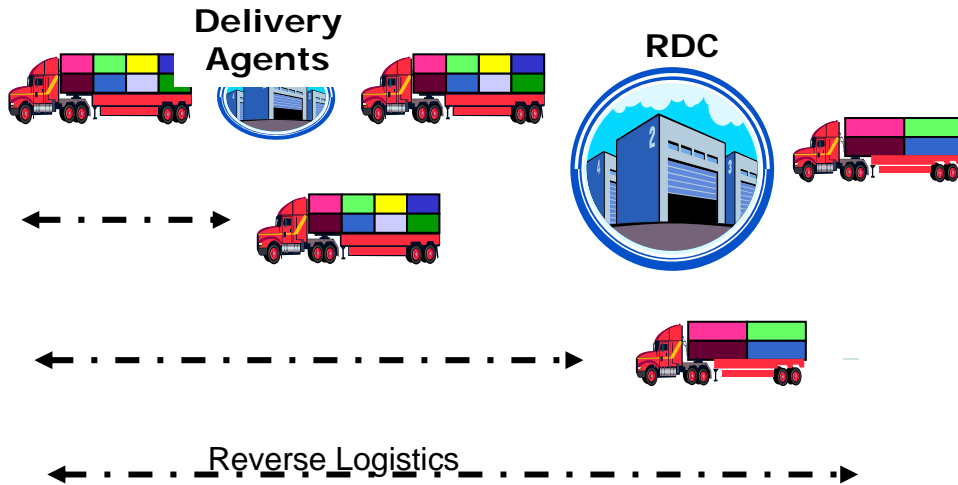
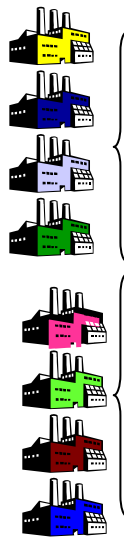
Packaging

Time

Inventory = Water Level

Shipment Visibility

Customers



Plan

- ✓ Network Design
- ✓ Order Visibility
- ✓ Milk Run Design
- ✓ LTL Consolidation
- ✓ Returnable Packaging

Do

- ✓ Route Management
- ✓ Del Verification
- ✓ Contingency Mgt
- ✓ Yard Control
- ✓ Shipping Schedule

Check

- ✓ Window Time Comp.
- ✓ Fill Rate
- ✓ Carrier Performance
- ✓ Cube Utilization
- ✓ Time & Quality & Cost

Act

- ✓ Regular Ops Review
- ✓ Failure Mode Analysis
- ✓ Root Cause Analysis
- ✓ Action List
- ✓ Project Management

What is Supply Chain Visibility ?

Inventory



Waste

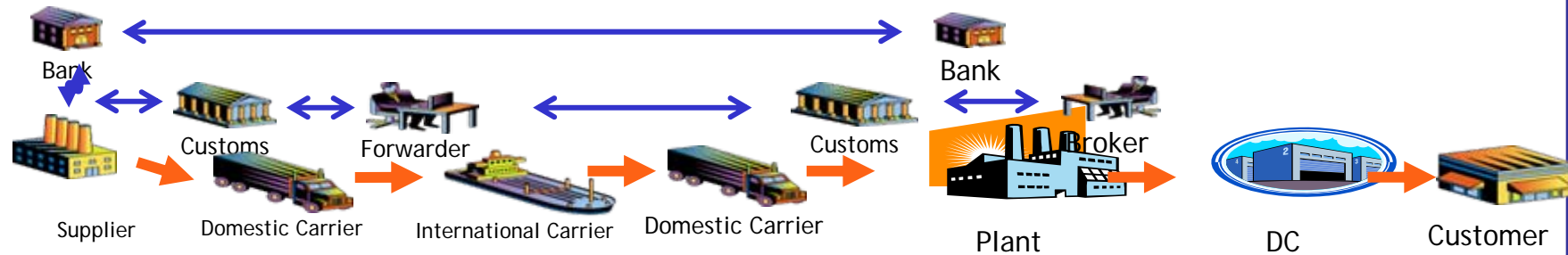
Technology

1. GPS
2. Cell
3. Real Time Track/Trace
4. On Line Tools
5. EDI : ASNs

Process

1. Standard Work
2. Visual Mgt
3. Quality at Root
4. PDCA
5. Continuous Improvement

Visualizing the Network – Where to Start

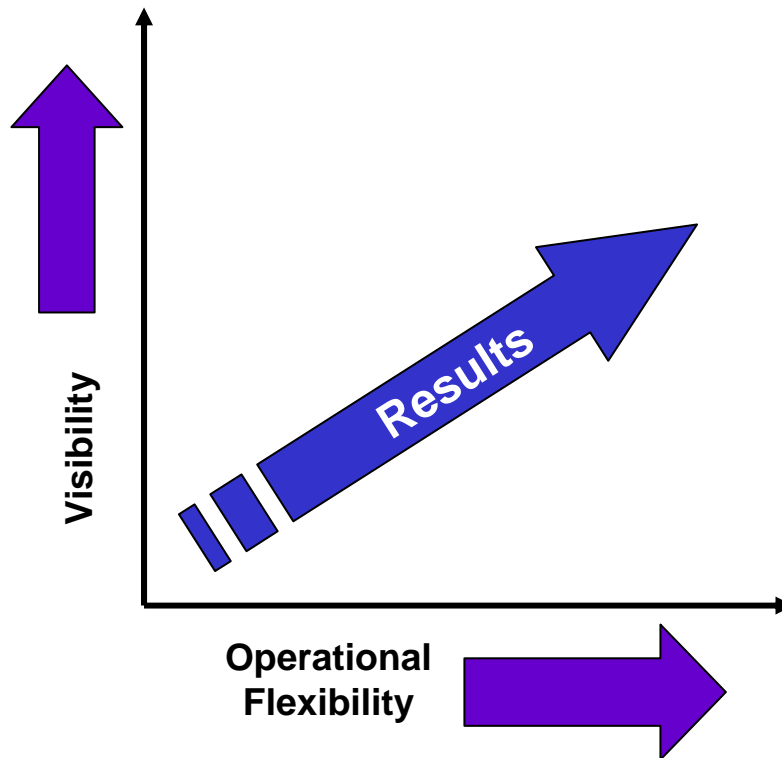


1. *Right Materials*
2. *Right Quantity*
3. *Right Time*
4. *Right Place*
5. *Right Source*
6. *Right Price*
7. *Right Quality*
8. *Right Service*

1. Can we answer these questions ?
2. What explicit processes are in place ?
3. What are the moments of truth ?
4. What are the failure modes ?

Lean Logistics Success

Visibility + Flexibility = Logistics Optimization



1. People
2. Process
3. Tools
4. Discipline
5. Commitment

Continuous Improvement Case Study

Step 1:

- Communicate Pick Up Day
- Communicate Delivery Day

Step 2:

- Communicate Pick Up Day & Time
- Communicate Delivery Day & Time

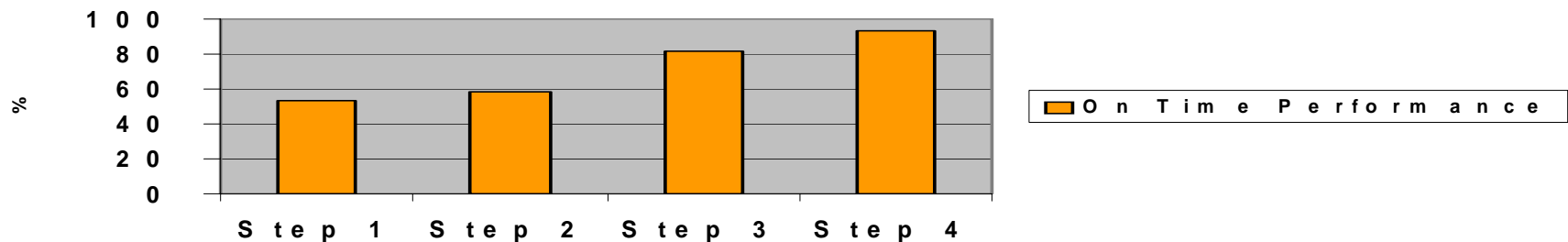
Step 3:

- Verify** Pick Up Day & Time
- Verify** Delivery Day & Time

Step 4:

- Verify Pick Up Day & Time
- Verify **Milestone 1**
- Verify **Milestone 2**
- Verify Delivery Day & Time

O n T i m e P e r f o r m a n c e



Continuous Improvement PDCA

Key

LeanCor	Blue
Customer	Red
Supplier	Yellow
Carrier	Green

Northbound Shipments

Input From

Output to

Input From				Action	Output to				21-Nov Completed??			
LeanCor	Customer	Supplier	Carrier		LeanCor	Customer	Supplier	Carrier	Communication Tool	Timing	2365	2373
Blue				1. LeanCor to provide instructions for next day's loads.	Blue	Red			Email	N-1	Yes	
	Red			2. Supplier to provide feedback regarding parts that will not ship per instructions.	Blue		Yellow		Email	N-1	No	
		Yellow		3. Customer to provide direction for Past Dues or UPO's. See (Past Due & UPO SOP's)	Blue	Red			Email	N-1	Yes	
		Yellow		4. Supplier to provide details of what physically shipped on trailer.	Blue	Red			Email	N	No	No
		Yellow		5. Supplier to provide trailer # for shipment.	Blue				Email	N	Yes	Yes
Blue				6. LeanCor to provide Route Summary.	Blue	Red			Document	N	No	No
		Yellow		7. Supplier to provide confirmation of delivery to Carrier Yard in McAllen.	Blue				Email	N	Yes	Yes
			Green	8. Carrier to confirm delivery of trailer to their yard.	Blue				Phone	N	Yes	Yes
Blue			Green	9. Carrier/LeanCor to confirm dispatch of trailer from Carrier Yard.		Red				N	Yes	Yes
Blue			Green	10. Carrier/LeanCor to confirm route has reached OK border per Route Specification.		Red			Phone	N+1	Yes	No
Blue			Green	11. Carrier/LeanCor to confirm route has reached MO border per Route Specification.		Red			Phone	N+1	Yes	No
Blue			Green	12. Carrier/LeanCor to confirm route delivered per Route Specification.		Red			Phone	N+2	Yes	No
									Route Leave On Time ?		No	No
									Route Deliver On Time ?		No	No

Root Cause Analysis

	Yes	No	N/A
1. Was ASN created and released?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Was trailer loaded at Supplier on time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Did trailer arrive to Carrier Yard per Route Specification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Did trailer leave Carrier Yard per Route Specification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Was trailer on time at each Milestone?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Did trailer deliver to Customer Yard per Route Specification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank You

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