



**The Lean Turnaround  
ILC Webinar Week  
Nick Novotny  
January 17<sup>th</sup>, 2020**

## Introduction

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Nick Novotny – proud ILC member and advocate since 2015!

- 18 years of professional CI experience
- Six Sigma Green Belt 2002 (3M)
- Six Sigma Black Belt 2005 (American Society for Quality)
- Lean Master 2007 (Rockwell Collins)
- Master Black Belt 2016 (American Society for Quality)
- Half of my career spent as CI professional, other half in a direct leadership role

# Introduction

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- Previous role: Amcor Flexibles North America Plant Manager – Des Moines, IA
- Present: Amcor Flexibles North America Plant Manager – Terre Haute, IN
  - 1,000,000 sq ft
  - 625 problem solvers
  - 6 train car rails, 27 extruders, 19 printing presses, 32 bag machines
  - 100% on-site recycling



# Product Examples



# Amcor Environmental Pledge

The ENVIRONMENT is better off because of Amcor's leadership and products



First global packaging company pledging to develop **all our packaging to be recyclable or reusable by 2025**

Committed to:

- Helping **keep waste** out of the environment
- **Recycling** more packaging
- Increasing use of **recycled materials**
- Operating with **environmental efficiency**

## Webinar Objective

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- Review Key Elements of a Lean Turnaround
  - Leadership core values and behaviors
  - Employee safety (physical and psychological)
  - Customer quality and service
  - Engagement of all employees
- Share Learnings

## Leading a Lean Turnaround

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- “Lead as if you have no authority. If you resort to authority, you have failed.”

-Dr. Jeffrey Liker, 2016 ILC Fall Conference, Cedar Rapids, IA

## Key Element #1: Core Values & Behaviors

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- A lean turnaround begins with core values of company
  - Integrity & ethics in all we do
  - Respect for all people at all times
- Toyota Production System
  - Respect for Humanity is one of 3 guiding principles
- How do we as leaders behave when things get difficult?



## Key Element #2: Safety

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- Two components of safety
  - Physical safety
  - Psychological safety
- Safety must be a value

## Key Element #2: Physical Safety

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- The Environment, Health and Safety system must engage everyone and ultimately be owned by the employees
- System should form a safety leadership committee and safety teams
- Litmus test: Would you allow a family member to perform the process?

## Key Element #2: Psychological Safety

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- Are you fostering an open, comfortable environment where the team challenges one another?
- Do you let your team challenge you in front of others?
- I guarantee I am right 50% of the time, but...
- Odds of making great decisions increase to 90%+ when team is included
- “The Emperor’s New Clothes”

## Key Element #2: Psychological Safety

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- “It is okay to be red, not okay to stay red.”
  - Jim Morgan quoting Alan Mullaly, 2019 ILC Fall Conference
- Examples
  - \$100k order entry error
  - Asset restoration
  - Communication meetings

## Key Element #3: Customer Quality

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- Are quality and customer service the top priority?
- Are you visiting the customer to learn about performance?
- Are employees accountable for quality?
- Are you driving to true root cause?
- Are employees leading problem solving?

## Key Element #4: Employee Engagement

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- Behavior: Do all employees understand the goals of the organization?
  - Tool: Hoshin Planning & Value Stream Mapping
- Behavior: Are those impacted by change included in problem solving?
  - Tool: Kaizen Event
- Behavior: Are employees communicating opportunities regularly?
  - Tool: Daily Lean Management Meetings
- Behavior: Do employees feel valued?
  - Tool: Leading by Asking Questions
- Behavior: Are you building a team of problem escalators or problem solvers?
  - Tool: Root Cause Analysis Tools

## Key Element #4: Employee Engagement (cont.)

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- What is the Toyota Production System (TPS): “TPS is the accumulation of small ideas of everybody.”
  - Ritsuo Shingo – former president of Toyota China
  - Video shared by Paul Akers during 2015 ILC Fall Conference

# David Marquet - Greatness

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- [https://www.youtube.com/watch?v=OqmdLcyES\\_Q](https://www.youtube.com/watch?v=OqmdLcyES_Q)



# Amcor Des Moines Leadership Team



## Case Study Results

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- Business Transformation from 2017 to 2019
  - Safety performance improved by 64%
  - Quality performance improved by 56%
    - Plant ranking improved from 13<sup>th</sup> to 5<sup>th</sup> best out of 24 plants
  - Bottom line improvements

## Breakout Session Information Sharing 10.30.19

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- Employee engagement – ensure employees are part of the change implementation
- Failing is not failing – fail fast, committing to try
- Accountability – participation is not optional
- Buy in from leadership and staff that do the work – CI becomes part of what we do
- Clear leadership direction and let teams participate in goal setting
- Visual management to always understand if we are succeeding
- Retention of key employees
- Sustainability of lean program – need to be consistently persistent
- Start small – quick wins are key

## Breakout Session Information Sharing 10.30.19

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- Common language for all levels
- Giving team tools and resources to succeed
- Stabilize through problem solving
- Defining internal and external customers
- Employees bring solutions and root cause analysis to problems
- Valuing a standard
- Transparency of business objectives to allow employees to operate with intent and self motivation
- Scaling of projects, don't try and solve everything at once
- Psychological safety – culture of trust to drive authentic communication

## Breakout Session Information Sharing 10.30.19

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- Establish a mentoring program
- Bottom up approach that gives employees real, actual time to solve problems
- Culture where everyone feels part of team / CI program
- Engage executive leadership to define the vision and what great looks like
- Back to basics – don't overcomplicate it

## Key Takeaway

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- Tools are important and have their place, but...
- Focus on values and behaviors, safety, quality/customer, engaging employees
- Business results will naturally follow as teams learn how to positively work together

## Special Challenge

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- Are CI Professionals in the room experiencing any of the following?
  - “Things are just not advancing with CI”
  - “We have pockets of engaged teams out there”
  - “We have a few wins out there”
  - “I have initiated several projects, but no one is showing up”
  - “Execs show support, but missing buy in from mid level leaders”
- Challenge: Become the manager and start leading lean with your team. Find your element!
- *The Element is the meeting point between natural aptitude and personal passion – Sir Ken Robinson*