

Building and Revitalizing a Sustainable Lean Capability in an Already Successful Organization

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Talking points for today's session

- Our Lean Journey – what was 'trigger'
- First steps and challenges
- Re-energizing the Journey to 'stay the course'
- Integrate external experts to bolster deployment
- Journey is only started – what's on the horizon?



What is QLogic like ...

- Global presence with ~1,100 employees
- Leader in key market sectors
- Sustained profitability – 66 quarters in a row
- Public company, significant treasury, no debt
- Leaders in our technology –
 - Adapters: Fiber Channel, Ethernet, CNA
 - Switches: Fiber Channel, CAN
 - Routers: Intelligent Storage
- EMS are value-chain partners



Our Lean Journey – what triggered it?

- Good operational performance, but –
 - Improvements were generally ‘break/fix’
 - Process opportunities (>90% waste)
 - Lagged in comparison with benchmarks & BIC
- Mature company laboring with ‘legacy’ processes not precisely defined
- Execution escapes – some visible to customer
- Executive leadership created a vision, and expectation of improvement



A Journey starts with first steps

- Formalized Lean within Operations
- Internally trained new Lean practitioners
- Created tools, methods and infrastructures
- Challenges
 - ‘Tyranny of the Urgent’ - expecting practitioners to use tools while laboring with ‘legacy’ actions
 - Moving from ‘break/fix’ to pro-active improvement tough in technical company (we love to fix broken ‘things’)



Tattletales >> When to re-energize

- Pockets of excellence evident, but
 - Early adopters growing too slowly
- ‘Ad hoc’ Lean projects – not systemic
- People not engaged in optimizing the whole value stream vs. just their work
- Process improvement (re-engineering) vs. waste elimination/error-proofing actions
- Lean methods not ‘the routine’ – more of a force fit
- ‘One Size Fits All’ – wrong model



Lean Leadership – where are we?

Eight Lean Leadership Behaviors**

Passion for Lean
Disciplined adherence to process accountability
Project management orientation
Lean thinking
Ownership
Tension between applied and technical details
Balanced commitment to production and management systems
Effective relations with support groups

** Eight Lean Leadership Behaviors to Learn (*Creating A Lean Culture – Tools to Sustain Lean Conversions, David Mann*)



Partnered with external experts

- Tailored approach, fast hitting, content rich
 - Give it a ‘shot in the arm’
- Senior Leader’s Workshop for Lean sponsors
 - Started at the top
- Practitioner’s Workshop (mid to expert level)
 - Built Lean muscle
- Follow-up coaching and consulting
 - Staying true to course



Change management for results

$$R = Q \times A$$

- **R**esults equal **A**cceptance ('buy-in') times **Q**uality of a change
- Organizations resist change until:
 - Executive leadership shares vision and purpose
 - Leaders have a 'system' (tools) to
 - Identify the right changes, and
 - Accomplish them effectively
 - Incentives reinforce change vs. status quo
 - Leaders and employees gain comfort and confidence by actively using the tools



Actions accelerate the pace

- Infrastructure: resource selection
 - Focused practitioners
 - Engaged champions
- Communication – actions, successes, and failures
- Readiness and culture alignment
- Process maturity/deployment assessments
- Upstream and downstream integration
 - Suppliers and Customers



Short term actions

- Started in Operations (100% trained)
- Created team of Lean Leaders (~16)
 - Additional training in project management
 - Additional Lean tools and methods
 - Responsible for ‘teaching others’
- Finance witnessed results, joined Journey
- Kaizen = no new money, people, space
- ‘Foot in the door’ with design team’s projects
 - Eliminating schedule wastes, and
 - Optimizing ‘designed in’ product costs



Tangible evidence

- Significant changes in product fulfillment planning process and its execution – sustained BIC results
- Changes in product test processes –
 - Reduced capital investment,
 - Faster production test, and
 - Lower resource consumption
- Moved crucial part of supply chain between China locations at $\frac{1}{3}$ cost and $\frac{1}{2}$ the time with zero customer interruptions



Accelerating action upstream

- EMS partners are integral to our value chain
- Dedicated effort moving Lean program, tools and expectations into EMS
- Lean EMS shop-floor audits conducted quarterly
- Incentive plan rewards zero-defects in supply chain all the way to the customer



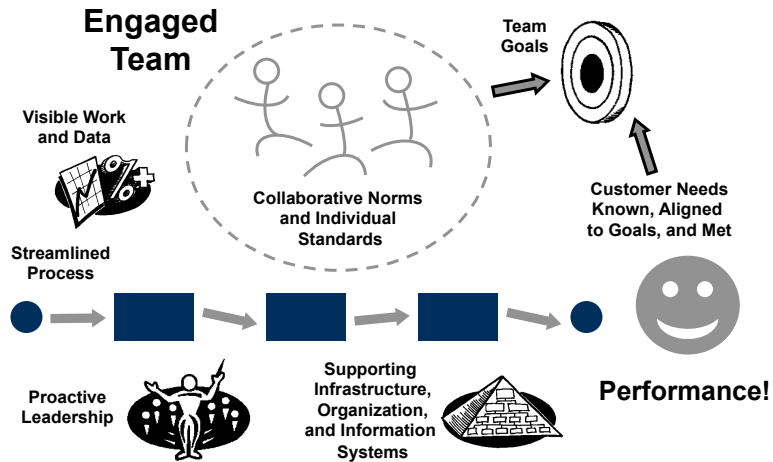
What's on the horizon

- Moving faster upstream into new product design, development and release (NPI)
 - Lean Design (development process focus)
 - Design for Lean (product content focus)
- Advance from Lean actions to 8 Behaviors of Lean Leadership
- System-centric organization
 - System thinking vs. process thinking
- Engaged Team Performance (ETP)



Key concepts of ETP

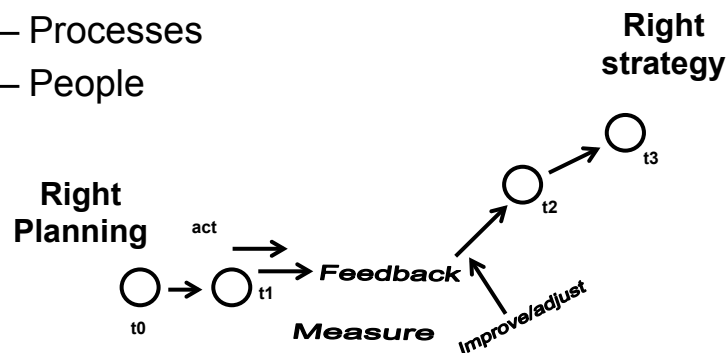
ETP aligns processes, measures, goals, norms, standards, and organization with customer needs.



Continuous alignment

An Iterative Process

- Customers
- Goals
- Processes
- People



What we talked about today...

- Started Lean Journey to move beyond 'break/fix'
- Put training, tools and infrastructures in place, but tattletales said it wasn't sticking
- External experts used to improve deployment – fresh approach
- Moving into design processes, Lean Leadership & process centric thinking

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Closing thoughts

- Journey is tough – especially in a strong profitable company
- Expanding deployment means –
 - Laser focus on results, improving the system (not just a process) and using a lot of finesse
- Win through results – don't force fit
- Use external experts to challenge and keep you true to course
- Dispel fear – Lean is not about HC reduction – its about smarter use of today's resources



Q&A



Contact Us!

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