

Fit for Growth *lighthouse*: A four-week framework for change



It's the scourge of the factory floor. Maybe it's that one machine that's always breaking down, with an accompanying pile of gears and gizmos waiting to be assembled at its side. Or maybe it's the clock-in process, creating long lines at shift changes. It is a morale killer, a source of frustration, and the butt of break-room jokes.

But what if your narrow but highly visible manufacturing headache could not only be rectified, but serve as an obvious example to the rest of the organization of how your company is able to deftly handle change? And what if your employees, at every level, had a completed project that they could look to — a lighthouse of sorts — that would inspire bigger and more complex changes?

Of course, the real challenges facing the manufacturing industry are deep and manifold: the commoditization of products, technology disruptors, rising costs, and the need to keep pace with demand, to name a few. Solving these problems through a *Fit for Growth** model — a strategy for cutting costs and making the changes necessary for growth — requires a reliable framework and an organization-wide appetite for lean and continuous improvement.

But what if you lack that sturdy framework or don't have organization-wide buy-in? Build a lighthouse.

The *Fit for Growth* lighthouse approach is a four-week project that brings fast improvements to an urgent and visible problem, building the needed capabilities for solving problems and creating a culture that is inspired to enact positive change.

The format can be used to address a variety of issues (increase productivity, free up production space, shorten lead times, increase capacity, improve quality) and in a variety of areas (warehousing, replenishing, assembling, packaging, shipping).

It allows you to accompany top-down *Fit for Growth* efforts in production with a bottom-up change engine. Simply put, *Fit for Growth* initiatives are typically driven from top management down and throughout the organization. But in the lighthouse approach, change is driven by employees themselves. New behaviors, such as building the ability to solve problems and applying a culture of change, are learned during the lighthouse process and even made attractive to other parts of the



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organization. A *Fit for Growth* lighthouse effectively solves immediate problems, creates ownership of change initiatives, and sets the ground for continuous improvement.

All industries with discrete production and low automation (e.g., medtech, luxury goods, aerospace and defense) or customer-facing industries (e.g., retail, public administration), as well as those that cover supporting processes (e.g., maintenance, quality control, packaging), are able to benefit from this approach.

Here is what your four weeks of transformation should look like:

Week 1: Kick-off. Compile a cross-functional project team and kick off the project with training in the basics of lean methodology. This will sharpen the project team's understanding of which activities add value in a process and which don't. Gain an overview of key processes where the *Fit for Growth* lighthouse project will be conducted. Build improvement hypotheses based on interviews with stakeholders. Develop a problem statement and project objectives.

Week 2: Analysis. Conduct a detailed analysis of two or three selected processes with the project team. For example, this can include a time study, possibly with the analyses of employee walking distances and workstation ergonomics. Set up a brainstorming session to generate improvement ideas that eliminate activities that don't add value. Prioritize all improvement ideas based on an impact/effort matrix.

Week 3: Concept. Conduct one or two concept workshops with an extended project team. The focus of the workshop is improvement ideas with high impact and low implementation effort. Examples are shop floor layout redesign, work balancing, and workstation design. In principle, all lean tools and methods can be applied.

Week 4: Implementation. Trigger implementation of the desired concept as soon as possible. Use weekend and night shifts to keep interruptions at a minimum. Get the whole project team involved. Conduct a second round of process analysis to measure improvements against the baseline from week 2. Establish a continuous improvement procedure in which problems are exposed systematically and process improvements are initiated on an ongoing basis.

Key success factors

Make the right stakeholders own the project. We recommend that all stakeholders of the process in scope be represented in the lighthouse. For example, for a lighthouse with production context, the group should include the area supervisor as a project leader, supported by a core team of operators, including a quality engineer, process engineer, production scheduler, and maintenance representative, fully dedicated during weeks 2 through 4. The project team should get the opportunity to make regular reports to the site leadership team and the affected operators.

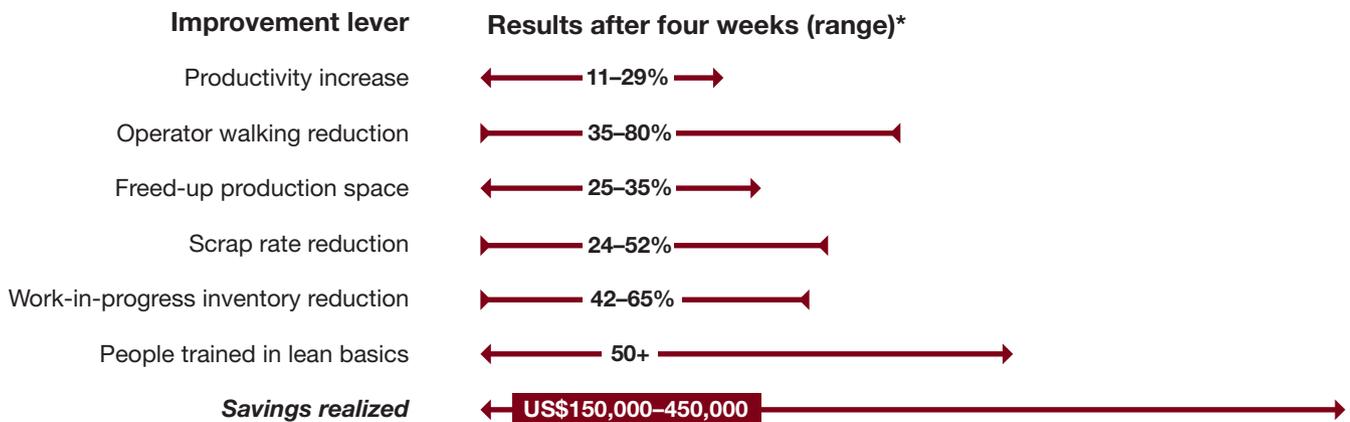
Visualize your thinking. Use simple but effective visualizations to represent the results of your analysis. They can be a handwritten process time line, a shop-floor layout, and a large impact/effort matrix. Display any visuals as close as possible to the lighthouse production area.

Be pragmatic. When developing solutions, consistently apply the 80/20 rule, with roughly 80 percent of the effects coming from 20 percent of the causes. To identify best solutions, use process trials rather than abstract and lengthy data analysis. Implement simple solutions first to gain momentum.

Expected results

The results of *Fit for Growth* lighthouse projects vary, depending on the situation in the selected production area. Our experience shows that productivity increases of 10 to 30 percent are possible. Most important, potential savings in production floor space can reach 30 percent and reduction in operator walking can exceed 70 percent. Quality and safety levels should be maintained in any project and could even be improved — for example, by eliminating the risk of human error.

Exhibit Reaping results



* Results depend on individual project scope

Source: Strategy& analysis

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