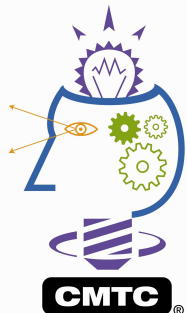


Characterizing the Nature of the Supplier Transformation

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MEP | Affiliate





It's All About the Customer

- What does today's Aerospace customer expect from their suppliers?
 - Fast, on-time delivery
 - Low cost
 - Perfect quality
- What does today's Aerospace supplier expect from their customers?
 - Reasonable delivery schedules
 - Profitable business
 - Clear orders with no changes





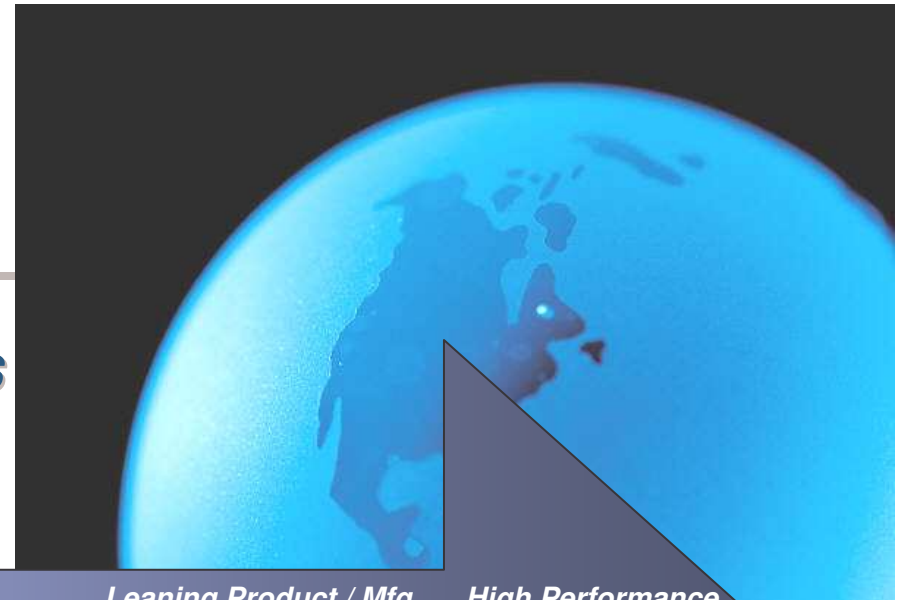
Avoiding the Failures of the Past

- Transforming the organization
 - Develop a clear understanding of where the organization is with regard to:
 - Process maturity and capability
 - Personnel capability
 - Understanding of the industry, technology, competitive forces
 - Vision of the future
 - Begin the journey



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Lean Transformation Process Road Map to World Class™



*Creating the Vision
Discovering Lean
Lean Pilot - Shop
Floor*

*Leaning the Shop
Defining the Long
Range Plan
Operational Strategic
Planning*

*Leaning the Supply
Chain / Materiel
Lean & ERP
Leaning the Office
Shop Floor Six Sigma*

*Leaning Product / Mfg
System
Development
DFM / DFSS /
Knowledge Mgmt
Lean Accounting*

*High Performance
Work Teams
Performance
Reward
Systems
Business Growth
Strategy*





Create the Vision

- Establish
 - 1 yr and 5 yr Visions
 - Key goals / targets:
 - lead time,
 - schedule to delivery performance,
 - quality levels,
 - inventory levels,
 - cost of goods sold
 - The 1 yr Lean plan
 - Budget,
 - Schedule,
 - Resource commitment.
 - A metric reporting plan



Communicate the Vision

- Management Team Training
 - Lean Principles,
 - Lean Leadership,
 - Hoshin Planning (Lean Strategic Planning)
- Lean Communication
 - Plan
 - Budget
 - WIIFM?
- Enterprise-wide Lean Principles Training
 - Principles of Lean
 - Lean as a System
 - Lean Tools
 - How to Identify Waste



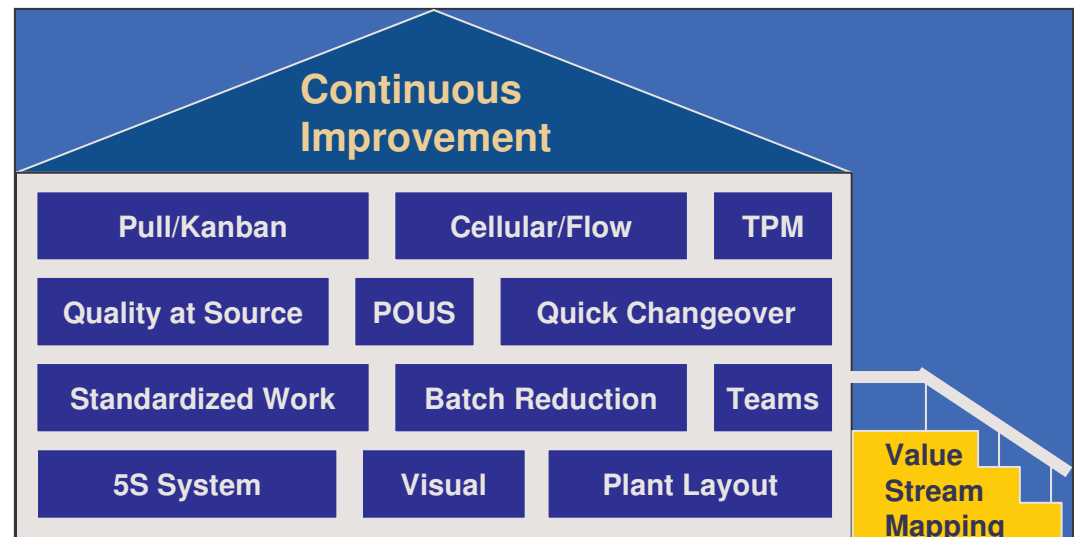
Focus on the Value Stream (Organization & Implementation)

- Lean Current State Value Stream Mapping (VSM) workshop (Train and Do)
 - Map Value Stream Process Flow
 - Identify the Value Added and Non-value Added Tasks.
- Lean Future State VSM workshop (Train and Do)
- Metrics Measurement Plan
- Lean Implementation Project Plan
- Hoshin Planning Training (Train and Do)



Getting the Knowledge

- Changing the culture
 - Leading Change
 - Team Building
 - Communication
 - Problem Solving
- Learning the tools





Pilot Project

- Develop Current State Value Stream Map (VSM)
- Create the Future State VSM
- Plan improvement Kaizens to address areas of identified waste
- Implement the improvements



The Vision For The Future

- Creation of new Future State (VSM 2)
 - VSM 1 Becomes New Current State VSM
 - Facilitation of Value Stream Mapping (VSM 2) Activity
 - New Project Implementation Plan
 - New Hoshin Plan
 - New Target Metrics



Going Forward – Strive for Perfection

- Extend to rest of manufacturing
- Continue to align metrics / strategies (Hoshin Plan)
- Continue to push for results
- Introduce Six Sigma
- Extend Lean / Six Sigma to the office (transactional Lean / Six Sigma)
- Introduce Lean Accounting
- Strategize / Develop Business Growth Strategies
- Organizational Development Issues (Reward Systems; High Performance Teams; Soft Skills; Green Belt, Black Belt, Lean Facilitator Assessments)



Apply Best Lean Practices to YOUR Supply Chain

- Define your Supply Chain
- Identify Target Commodities and Suppliers
- Apply and Manage the Elements of the Strategy
 - Products
 - Suppliers
 - Process
- Measure and Sustain Improvements



Commit the Organizations and Get Ownership

- Create Continuous Improvement partnership
 - Common Goals
 - Common Metrics
 - Win - Win Solutions
 - Focused on Process Improvements
- Create Maturity Path