



Transform into a Process Based Business



Use process improvement to rapidly grow
your business & deliver customer delight.

ASA 2022 Conference



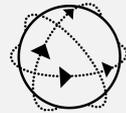
Process Based Business



Document the Process

Analyze Process Performance

Implement Improvements



3 Core Themes

Data Collection

*Performance, Waste,
Bottlenecks*



Process Improvement

*Continuous
Improvement*



**CONTINUOUS
IMPROVEMENT**

Customer Delight

*Value Added
Processes*





Applying the 3 Core Themes



Align With Core Processes

Add the core themes within
the core procedures



01

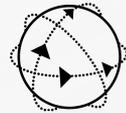
Every core process should
include **data collection**
within it's work instructions

02

Every core process should
have a **process
improvement champion**
(can rotate)

03

Customer delight training
is everyone's responsibility
(not just sales)

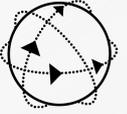


1) Identify and define your product

- What is it that you are providing your customers? Your product includes more than the part itself: service, quality, lead time, price, convenience
- Define the Critical to Quality Attributes

What is value added in the eyes of your customers?



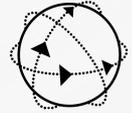
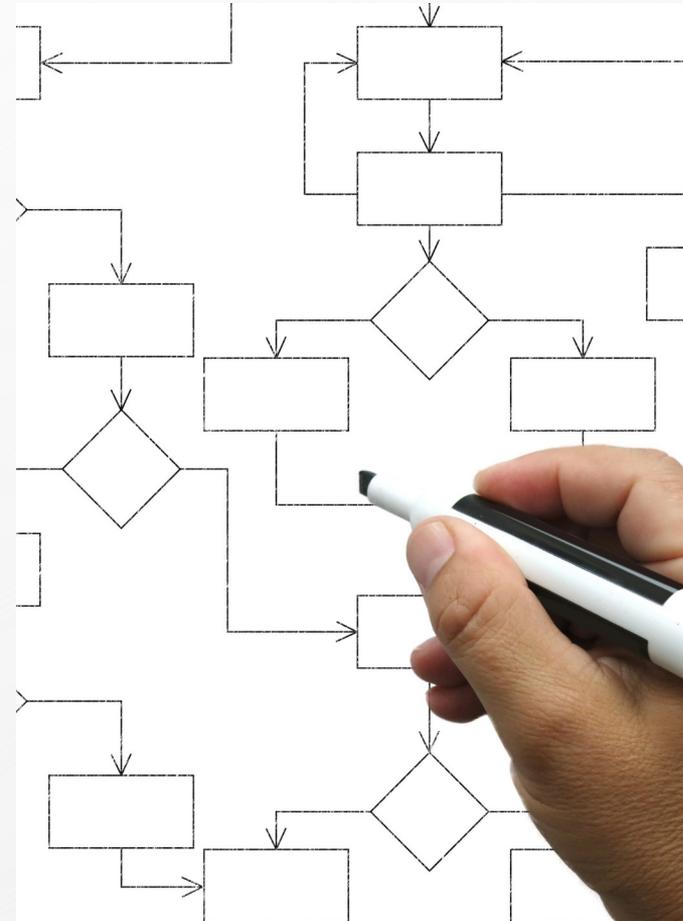


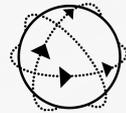
ACTIVITY

**ON A STICKY NOTE, WRITE DOWN
WHAT IS VALUE ADDED IN THE EYES
OF YOUR CUSTOMERS**

2) Document how information flows through your business

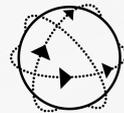
- Information flow: Exchange of information between people, processes, and systems
- Distinguish the processing stages within the process, describes how information flows through that system, characterizes the kinds of data items that flow through the process, and captures the type or method of data access.





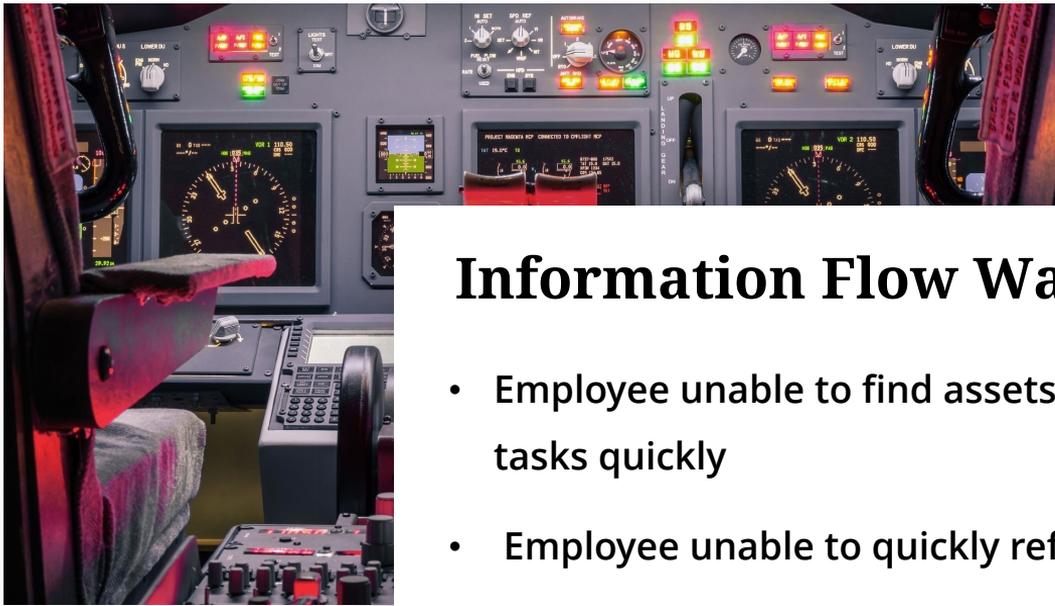
Information Flow Classes

- **Supply**, representing external data suppliers provide
- **Acquisition**, representing the point at which existing data instances are acquired
- **Transformation**, representing the point where a data instance is modified to conform to another processing stage's expected representative format
- **Creation**, the point at which new data instances are created
- **Process**, representing points at which system state is modified as a result of input data



Information Flow Classes Continued

- **Store**, in which a data instance is stored in a persistent system
- **Packaging**, in which data is collated, aggregated, and/or summarized
- **Switch/route**, where a set of rules is used to determine where and how to route data instances
- **Decision point**, which is a point at which a data consumer (real or automated) is solicited for a decision
- **Deliver**, the delivery point for data that is meant to be consumed
- **Consume**, the presentation point for information presented by the system



Information Flow Warning Signs



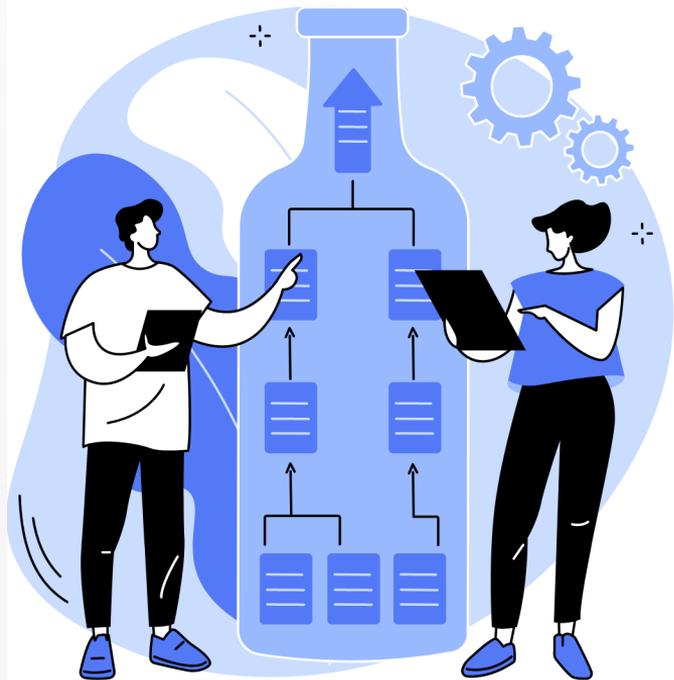
- Employee unable to find assets or info needed to complete their job tasks quickly
- Employee unable to quickly refer to past records to track progress
- Employee unable to provide info to right people in the right departments
- Employees unaware of company policies and updated procedures

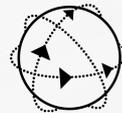


3) Is there a smooth flow? What are the bottlenecks?

- Bottlenecks are setbacks or obstacles that slow or delay a process
- Process bottlenecks can restrict the flow of information, materials, products, and employee hours.

**Long wait times, backlogged work,
high stress levels**

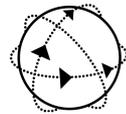




Unblocking Bottlenecks

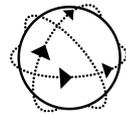


- Increase efficiency of the bottleneck step
 - Adding capacity, assigning skilled team members to tackle the bottleneck, automating the step, prevent defects
- Decrease input into the Bottleneck Step
 - Cross training, reallocating tasks



ACTIVITY

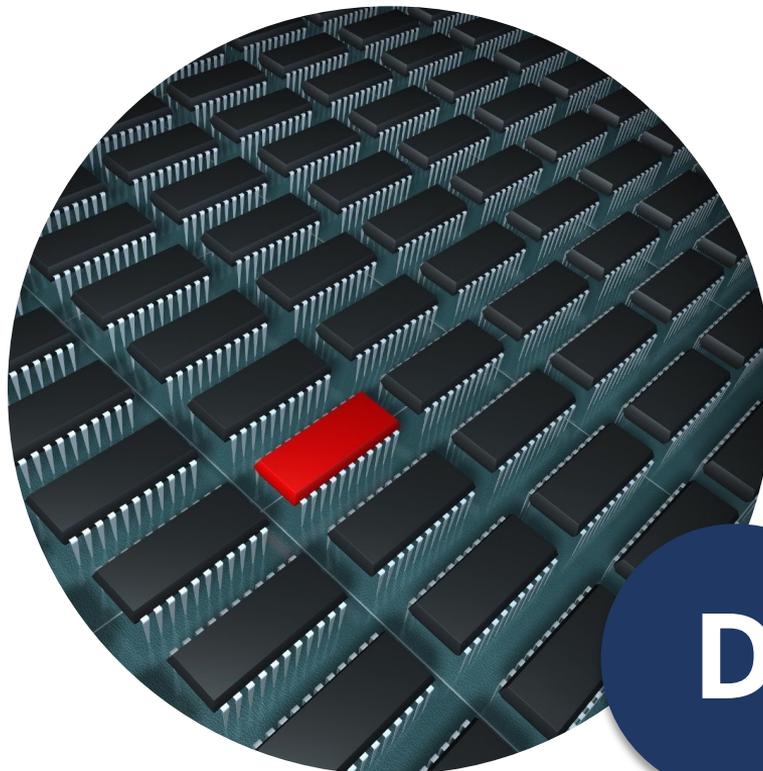
**ON A STICKY NOTE, WRITE DOWN
SOME BOTTLENECKS THAT OCCUR IN
YOUR BUSINESS**

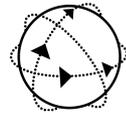


Defects



- Rework, scrap, incorrect info, non-conformances, product quality



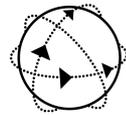


Overproduction



- Producing more than is needed or before it is needed



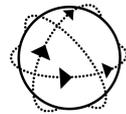


Waiting



- Wasted time waiting for the next step in the a process



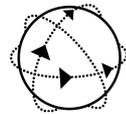


Non-Utilized Talent



- Underutilizing people's talents, skills, & tribal knowledge





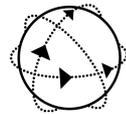
Transportation



- Unnecessary movements of products & materials



T

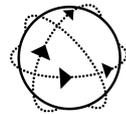


Inventory



- Excess products and materials not being processed



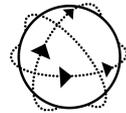


Motion Waste



- Unnecessary movements by people (extra walking, clicking, etc.)





Extra Processing

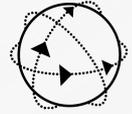


- More work or processing than is required by the customer



4) Build in process controls

- Ensure each step has controls in place which will assist in a streamlined flow to the customer as well as gather business intelligence





5) Build out objectives & key results for each process

- Each core process should be measured for effectiveness
- You can do this using the powerful OKR goal setting technique

Objectives & Key Results



OKRs: Objectives & Key Results

- It is a collaborative goal-setting tool used by teams and individuals to set challenging, ambitious goals with measurable results.
- OKRs are how you track progress, create alignment, and encourage engagement around measurable goals.
- There is an easy formula to best explain the structure of an OKR:
 - *I will (Objective) as measured by (this set of Key Results).*

OBJECTIVES

Memorable qualitative descriptions of what you want to achieve. Objectives should be short, inspirational and engaging. An Objective should motivate and challenge the team.

KEY RESULTS

A set of metrics that measure your progress towards the Objective. For each Objective, you should have a set of 2 to 5 Key Results. **All Key Results must be quantitative and measurable.**

OKR Example 1

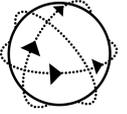
OBJECTIVE	Improve internal employee engagement and job satisfaction
KEY RESULTS	<ol style="list-style-type: none"><li data-bbox="768 471 1676 554">1. Conduct 3 monthly “Fun Friday” all-hands meetings with motivational speakers<li data-bbox="768 607 1688 690">2. Interview 48 employees on their needs for improving our work culture<li data-bbox="768 742 1684 825">3. Reach weekly employee satisfaction score of at least 4.7

OKR Example 2

OBJECTIVE	Become the premier fastener supplier for all of CA
KEY RESULTS	<ol style="list-style-type: none"><li data-bbox="768 448 1721 576">1. 13 teams to have an internal brainstorm meeting: "How can we improve? Why are we not the best yet?"<li data-bbox="768 628 1676 713">2. Benchmark XYZ Aerospace products to 10 key competitors<li data-bbox="768 765 1644 849">3. Survey 100 customers on their thoughts where we need to be better

NEED SOME INSPIRATION? LOOK AT MORE EXAMPLES

<https://okrexamples.co/>



ACTIVITY

**PICK ONE PROCESS FROM YOUR
BUSINESS AND CREATE AN
OBJECTIVE & KEY RESULTS (OKR)**



6) Implement, train, & hold people accountable

- Develop interactive training – go above and beyond a paperwork exercise / email training

Active Training & Learning



59%

Employees

Claim they had no workplace training and most skills were self-taught

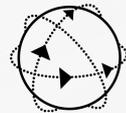


7) Identify risks & create action plans

- Most companies are not defining risks for each core process – mostly general company risks

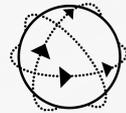
Utilize Likelihood & Severity Matrix





3x3 RISK MATRIX

		SEVERITY →		
		1	2	3
LIKELIHOOD ↓	1	LOW - 1 -	LOW - 2 -	MEDIUM - 3 -
	2	LOW - 2 -	MEDIUM - 4 -	HIGH - 6 -
	3	MEDIUM - 3 -	HIGH - 6 -	HIGH - 9 -



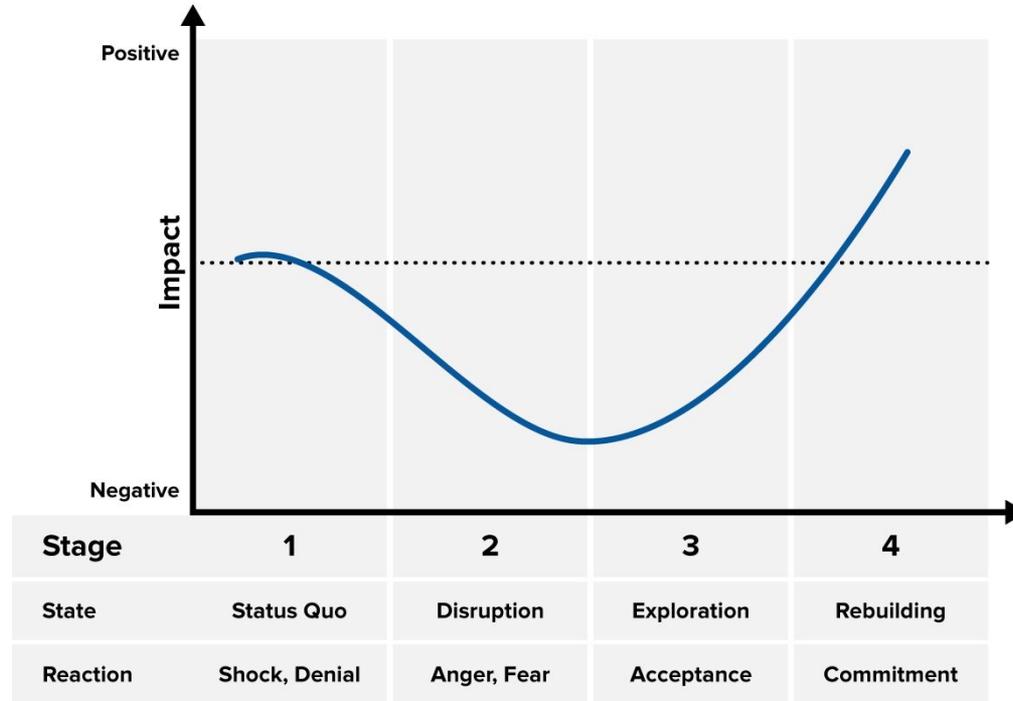
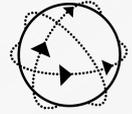
8) Change Management

- Rolling out your new process could be a project in itself, so plan and manage this carefully.
- Allocate time for dealing with teething troubles, and consider running a pilot first, to check for potential problems.

Understand Change Management



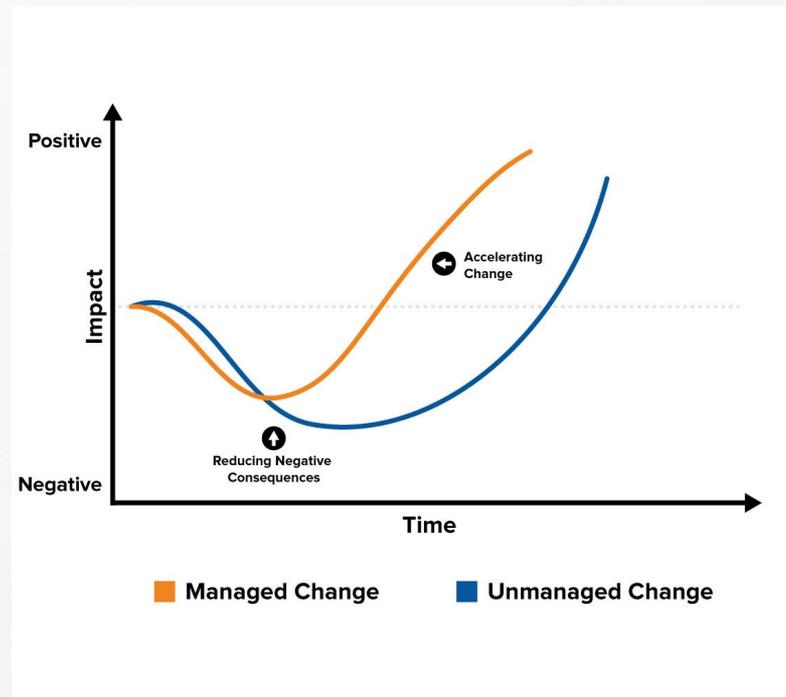
The Change Curve





Using the Change Curve

- With knowledge of the Change Curve, you can plan how you'll minimize the negative impact of the change and help people adapt to it more quickly. Your aim is to make the curve shallower and narrower



Actions at each stage:



Stage 1 – Communicate clearly & often

People's first responses are often shock and denial, so it's vital to keep them fully informed about what's going on.

Stage 2 – Listen and Observe

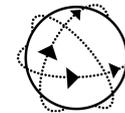
Anger and fear often come next. At this stage, handle all the emotions involved with sensitivity and care.

Stage 3 – Offer training & opportunities

People gradually accept their new situation, but they'll still need time to get used to it.

Stage 4 – Celebrate and share in success

Finally, when your people are fully committed to the changes, help them to celebrate their success!



Follow these 8 steps to become a process based business



- Identify & define your product
 - Document how information flows
 - Does it flow smoothly? Unblock bottlenecks
 - Build in process controls
 - Build out objectives and key results
 - Train and hold people accountable
 - Identify risks
- Change Management

Data Collection

Process Improvement

Customer Delight

LEAN AEROSPACE

Our Services

Contact: SHAWN@LEANAEROSPACE.COM

QMS Consulting

- **ASA 100 Implementation / Audit Support**
- **AS 9100D, AS 9120B, AS 9110C Implementation / Audit Support**
- **Internal Auditing**
- **CMMI**

Training & Coaching

- **Leadership & Managerial Skills**
- **Lean Six Sigma**
- **Internal Auditing**
- **Soft Skills**
- **Knowledge Management Software**

LEAN  AEROSPACE

WWW.LEANAEROSPACE.COM

THANK-YOU.

