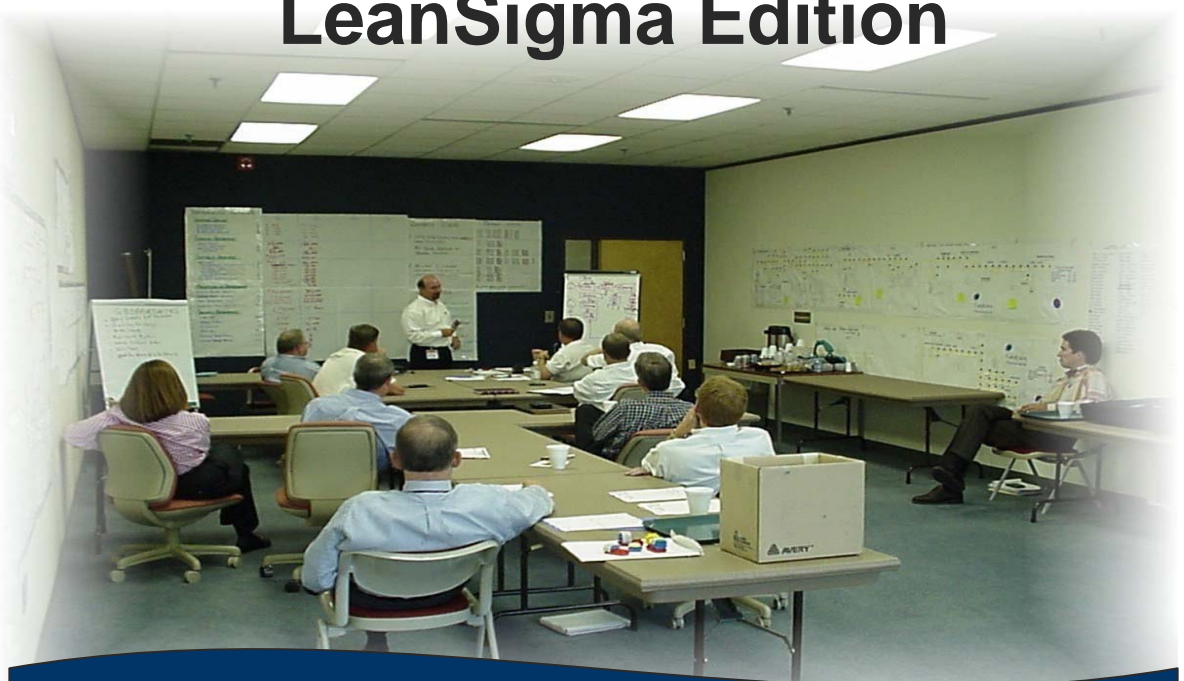


LeanSigma Business Simulationsm by The VIPGROUP

LeanSigma Edition



As featured in the April, 2003 issue of Industryweek Magazine

This whole day workshop demonstrates how to use Lean Manufacturing, Supply Chain and Six Sigma Basics...to deliver World Class Goals

Expectations

- ✓ Unparalleled, quality training session
- ✓ Safe, fun environment for learning
- ✓ Proven methodology for learning and applying Lean/World Class Techniques
- ✓ Over 4 quarters, navigate a business through the perils of change efforts
- ✓ Participants achieve the “AH HA” of Lean

DELIGHTING THE CUSTOMER

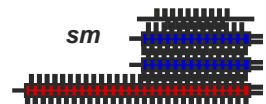
through

CONTINUOUS & RAPID IMPROVEMENT

in

QUALITY
COST
SERVICE/COMPLIANCE
LEADTIME
FLEXIBILITY
& INNOVATION

Learn the basic of Change Management, Cycle-Time Reduction, DMAIC, 5S, Kaizen, Kanban, One-Piece Flow, Parts Certification, Poka-Yoke, Problem-Solving Techniques, Process Improvement Standardization, Supplier Certification, SMED, Structured Management System, Teamwork, and Vendor Management Inventory



Simulation in Action

Quarters 1 & 2

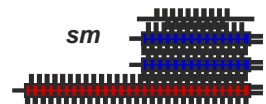
QUARTER 1

During Quarter 1, participants were given assigned roles in the 'mock' company with traditional processes for completing the tasks required. The group quickly realized how inefficient processes, poor communication, duplication of effort, lack of training and traditional thought affect customer satisfaction and profitability. With little information and direction, individuals worked in functional silos focusing solely on the task at hand, which came at the expense of the customer.



QUARTER 2

Slight improvements were realized in Quarter 2 as a result of the participants fixing some issues. However, the desired step change did not occur, and therefore, the customer still suffered.



Simulation in Action

Quarters 3 & 4



QUARTER 3

During Quarter 3 of the workshop, participants were led through a structured approach to process analysis and redesign and a demonstration of the application of Lean techniques. Customer satisfaction skyrocketed as did company profitability. Many remarked, “the interesting thing was, we were working smarter, not harder”. The participants began to match production to demand, reduce inventory levels, co-located vital resources and have fun doing it.

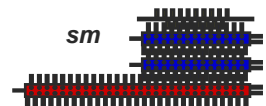
QUARTER 4

Since no change effort can achieve 100% change the first go-round. Quarter 4 stressed the need for continuous improvement through fine-tuning and looking for waste in other functional areas. Again, the team easily met their customer demand and even was awarded additional orders. Individuals began to work together as a collaborative team and were aggressively looking for improvement themselves.



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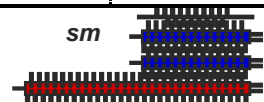


The Day's Scorecard from the Simulation Workshop

Performance Measures				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
TEAM 1	Pat Lucansky Facilitator			
Orders shipped per Round	1 of 6	2 of 6	6 of 6	12 of 12
Customer Service				
% Complete- Quantity	100%	50%	100%	100%
% Complete On time	0%	0%	100%	100%
% Defect Free Rate	100%	50%	100%	100%
% Error Free Paperwork	0%	100%	100%	100%
Financial Performance				
Gross Sales in Dollars	\$ 83,000	\$ 172,000	\$ 586,000	\$ 1,157,000
(Less Credit Notes) in Dollars	\$ -	\$ (24,000)	\$ -	\$ -
Net Sales Dollars	\$ 83,000	\$ 148,000	\$ 586,000	\$ 1,157,000
Lost Sales in Dollars (total sales-gross sales)	\$ 486,000	\$ 415,000	\$ -	\$ -
Manufacturing Performance				
Raw Inventory Dollars	\$ 108,000	\$ 239,000	\$ 81,000	\$ 24,000
WIP Inventory Dollars	\$ 231,000	\$ 149,000	\$ 142,000	\$ 42,000
FG Inventory Dollars	\$ 90,000	\$ 169,000	\$ 170,000	\$ 98,000
Total Inventory Dollars	\$ 429,000	\$ 557,000	\$ 393,000	\$ 164,000
Stock Turns (Gross Sales x 4 / Total Inventory)	0.77	1.24	5.96	28.22
Business Measures	Best Lead-Time (41 seconds)			
Lead Time (minutes)	21 minutes	10.5 minutes	1.5 minutes	55 seconds
Internal Defects in Dollars	\$ 48,000	\$ 214,000	\$ 16,000	\$ 61,000
% Defects (Internal Defects/Gross Sales)	58%	124%	3%	5%
Space Used (# of Tables)	10	7	3	3
Internal Process Rating (1-10)	2	1	8	9
Customer Rating (1-10)	1	1	10	10
Lean Sigma Measures				
DPU	0.21	0.35	0.009	0.020
Yield	79.00%	65.00%	99.10%	98.00%
DPMO	150,000	308,000	6,210	30,000
Sigma Value	2.5	2.0	4.0	3.7

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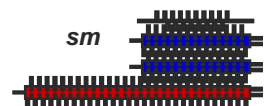


Lessons Learned

1. Lean Enterprise
2. Six Sigma
3. DMAIC / Structured Problem Solving
4. Voice of the Customer
5. Quality Improvements
6. Visible Metrics
7. Teamwork
8. Project Selection & Prioritization
9. Shared Experience
10. Change Management

Call to learn how you can bring this exciting educational tool to start, jumpstart or further your lean journey at your organization

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Testimonials

"Business Simulation is a great session for anyone who is planning to go from a random batch way of manufacturing a product to a more streamlined process. When you get the chance to brainstorm with your fellow employees and you really see how these changes benefit all parties – the employees, the shareholders (lower costs, quicker turnover in your product & quality improvement) and your very satisfied customer – it's great! What is important to keep in mind when you go back to your "real world work" these chances take time, input from employees is important and in the end, everyone is happier with the way things work."

- *Anna Koltonuk, HR Manager, Huhtamaki*

"Over the last 2 years, I have utilized the Business Simulation as a training and development tool in two divisions to dozens of employees. It is an interactive, dynamic method for working with employees who may not have the benefit of external exposure to world class practices, benchmarking other businesses and processes, or simply reading what's new in our global and competitive world. The exciting thing about the workshop is every employee at any level can be involved and the messages become clear to all, everyone can fulfill a critical role in the order-to-delivery cycle and it becomes "real life" before their eyes; how much we are capable of improving, how customer expectations are ever increasing, and our role in keeping them satisfied. This simulation is a powerful tool that demonstrates commitment to the customer, continuous improvement as a "given", and can support other business objectives by increasing employee involvement".

- *Ellen Andre, Plant, Manager, Specialty Products, Avery Dennison*

"Personally, I think the Business Simulation Training is one of the most effective methods I have participated in that makes a difficult concept easy to understand, and fun to learn. The whole process to team-based continuous improvement and learning is constantly reinforced in the day-long exercise. Sometimes it is difficult for office and floor associates to see how their work impacts meeting customer needs, but this training really brings to light the issues and the "ahas" in our process. Most people can relate to value-adding and non-value adding, but have a difficult time seeing their role in fixing the issues. Our experience has been that it is a very successful way to kick-off a major change initiative and getting folks thinking differently about their roles and their work. A powerful, yet simple tool that works well."

- *David W. Scheible, CEO, Graphic Packaging Corporation*

I found the Business simulation Training session to be an excellent way to get the concepts of world class manufacturing across to a wide audience. The sessions blended fun with some real competition to be the team with best results. The hands-on training clearly pointed out how driving out complexity and non-value added work from your processes makes you a more competitive, customer-focused, and cost-effective organization.'

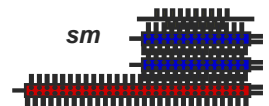
- *Bruce McGill, Director of Operations, Fastener Division
Avery Dennison*

"When teaching any idea to a group of individuals, it is always a challenge to combine the concepts of the material with the desire to learn effectively. The Business Simulation exercise does an outstanding job of effectively presenting the concepts, ideas, and metrics with a learning medium of active participation. The groups learn quickly what changes are needed to evolve from a Push system to a Pull system and how these improvements translate into bottom –line savings for the organization. I have used this session with both Suppliers and employees and the most important outcome is that we are now better aligned with ourselves and our suppliers. We all have a common vision of what is needed and this workshop is a good tool in telling us how to reach our goals".

- *Scott Haase, Group Manager, Procurement,
Advanced Sterilization Products (A J&J Company)*

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Facilitator Bios



Patrick Lucansky

Mr. Lucansky has held a variety of positions from Production Manager to Director of Operations to Small Business Ownership. He has spent 10 years in private industry and 12 years in consulting. Pat's strengths are in LeanSigma (Pull systems, SMED, 5S, VMI, Poka Yoke, TPM, Kanban, Kaizen Blitz events, RBS, Supply Chain, Demand Flow, MRP, JIT, FMS, BPR and SDWT's) Out-Sourcing, Business Analysis, Process Mapping & Pharmacovigilance. Industries worked in include discrete parts manufacturing, distributorships, biotech's, and pharmaceuticals. He holds a BBA from the University of Iowa, an MBA from Illinois Institute of Technology, a CMC from Institute of Management Consultants and Teaches at the BA/MBA level in the Chicago area. Pat can be reached at plucansky@vipgroup.us or at 847-395-7076



Robert Burke

Mr. Burke has over 25 years experience in many manufacturing environments, which include defense, automotive, pharmaceuticals, packaging goods, electronics, medical device, printed circuit boards, metal converting, railroad, and equipment manufacturers. Bob holds a B.S. in Business Administration, is certified CPIM from the American Production and Inventory Control Society (APICS), and holds an ISO 9000 Assessor certificate. He has held positions ranging from Materials Director, Production and Inventory Control Manager, Master Planner and Machinist. Bob provides training and implementation methods in areas of Lean Manufacturing, Pharmacovigilance, Supply Chain Management, Kanban, MRPII, Work Cell Development, Synchronous Manufacturing, Flow Manufacturing, Kaizen, Vendor Managed Inventory, Logistics Planning, Supplier Certification, Theory of Constraints, and Quick Changeover (SMED). Bob can be reached at rburke@vipgroup.us or at 617-803-1325

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