

## Scott Morrison Consulting - 4th Quarter 2016 Newsletter

### Eliminating the Loss of Creativity



Just about everyone who works with me knows that my definition of lean is, ***the systematic reduction or elimination of waste from all of your business processes***. There are eight categories/types of waste, but the one that may impact your organization the most is the waste generated by the “loss of creativity”. What are examples of lost creativity, how severely can those losses affect your organization, and how can you successfully combat it?

Lost creativity occurs whenever a person in your organization is not asked how his/her job conditions can be improved. Anyone in a position of authority (either his/her supervisor, another manager, or, perhaps most of all, company ownership) should routinely approach everyone in the organization and ask the question, “How can we make your job better?”

***Why ask them?*** Because they perform that same job day after day, during busy, regular, and slow seasons, year after year, and they are a lot smarter than you may think. They see and hear plenty, know where problems happen, and have ideas on how improvements can be made. But, if no one asks them, unless they are not bashful, you won't get their input.

***It's not going to be a perfect system...*** whether you ask them or not, many of them won't volunteer what they know. Not every suggestion they make will be a good one, and many won't be feasible. However, ask anyway!

***What will they say?*** Here are three strong possibilities. First, the people “on the ground floor” of your organization could see opportunities for improvement in your software. They are the ultimate end-users of your software's processes for order entry, picking stock, producing, staging/delivering, invoicing, and handling returns. Second, they'll see friction anytime two or more groups/departments are involved in

the continuance of the same process (such as purchasing and inventory control). Many times, information between groups/departments doesn't flow as freely as managers/owners assume. Third, communication errors occur between levels of management, especially if there are no methods of feedback within communication loops (such as the confirmation of receipt and proper interpretation of manager instructions).

The impact of ownership not getting feedback on problems can be huge. For example, let's consider a delivery error, such as an incorrect stock SKU recorded on an order. If that error is detected by the picker, it can be corrected within the shipping department before loading the truck, and the cost may be ten or fifteen minutes of lost labor. If the incorrect stock SKU is not detected until the truck is loaded and the driver or the quality checker finds it, the truck may need to be unloaded plus at least one stager has to be involved in substituting the correct item. The error, although more expensive in terms of lost labor, is still minimal.

If that error gets all the way to the job site, the error has become a lot more expensive: a dissatisfied customer asking for a return, a delivery truck making a second or maybe even a third trip to the job site instead of only one trip for this order, and, depending on the severity of the error, perhaps sales and/or ownership getting involved to repair damaged customer relations. And repeat customer issues/returns multiply the costs even further.

***What can be done to counteract the loss of creativity?*** In the delivery error example, adequate training/education of product features and purposes for the pickers, staggers, loaders, and drivers could give them enough knowledge to at least ask a question if something on an order doesn't make sense. Encouraging them to speak up and giving them the environment to provide that feedback without making them feel uncomfortable also helps.

***How else can you reduce/eliminate lost creativity?***

- Take a daily walk somewhere in your store, yard, and/or production area(s), a different destination each day, and talk to whomever is working in that area; ask them what they're doing, what works well, and what isn't working well. Act on what they tell you, and ask them to be involved as much as possible.
- Have a short daily department meeting, standing only, five to ten minutes' maximum, covering any issues everyone needs to know about, such as watching for a certain delivery, or a salesperson bringing a new customer on a tour; if you don't want to plunge into daily meetings, start with a weekly meeting (such as Mondays to kick off the week or Fridays for a recap of the week and awareness of what's happening next week).
- Solicit and give private positive feedback immediately upon hearing of or seeing a "good deed" such as turning around a complicated special order with an on time and in full delivery – it promotes and reinforces what happened and encourages

repeat performances; follow up occasionally with public acknowledgement of good work that occurs “behind the scenes”.

■ When you hear of or see a negative event, something that adversely impacts customer relations, safety, or discourages teamwork – privately interview the person(s) involved to find out the circumstances, ask how the situation could have been handled better, and then mutually determine a corrective action in behavior, procedures, software, etc. to minimize or eliminate recurrence.

In all instances, an active/engaged ownership and management team has the power to effectively combat lost creativity and encourage improvement. What is your action plan to foster this process in your organization?

## Website Re-launch Is Coming!

In the first quarter of 2017 I’ll be relaunching my 5S/Lean consulting website to more closely align it with the LBM industry. There will be references to articles and general information on 5S/Lean. Stay tuned!



## Upcoming Events in 2017

I’ll be attending several industry events as a presenter of 5S/Lean applications in the LBM industry in 2017. Here’s the unofficial list, specific details will be issued in future newsletters as we get closer to the dates:

- LMC annual meeting (New Orleans, LA) - presentation on 5S/Lean - Thu, Mar 9, 2017
- BMSA webinar (web-based) - yard layout optimization - Wed, Mar 15, 2017
- BMSA workshop (Charlotte, NC) - hands-on exercise in optimizing a yard layout - Wed, Apr 12, 2017
- DMSi annual users conference (Omaha, NE) - applications of Lean w/Agility software - Tue, Sep 20, 2017

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