Leadership
And Corporate Accountability

Lecture 11

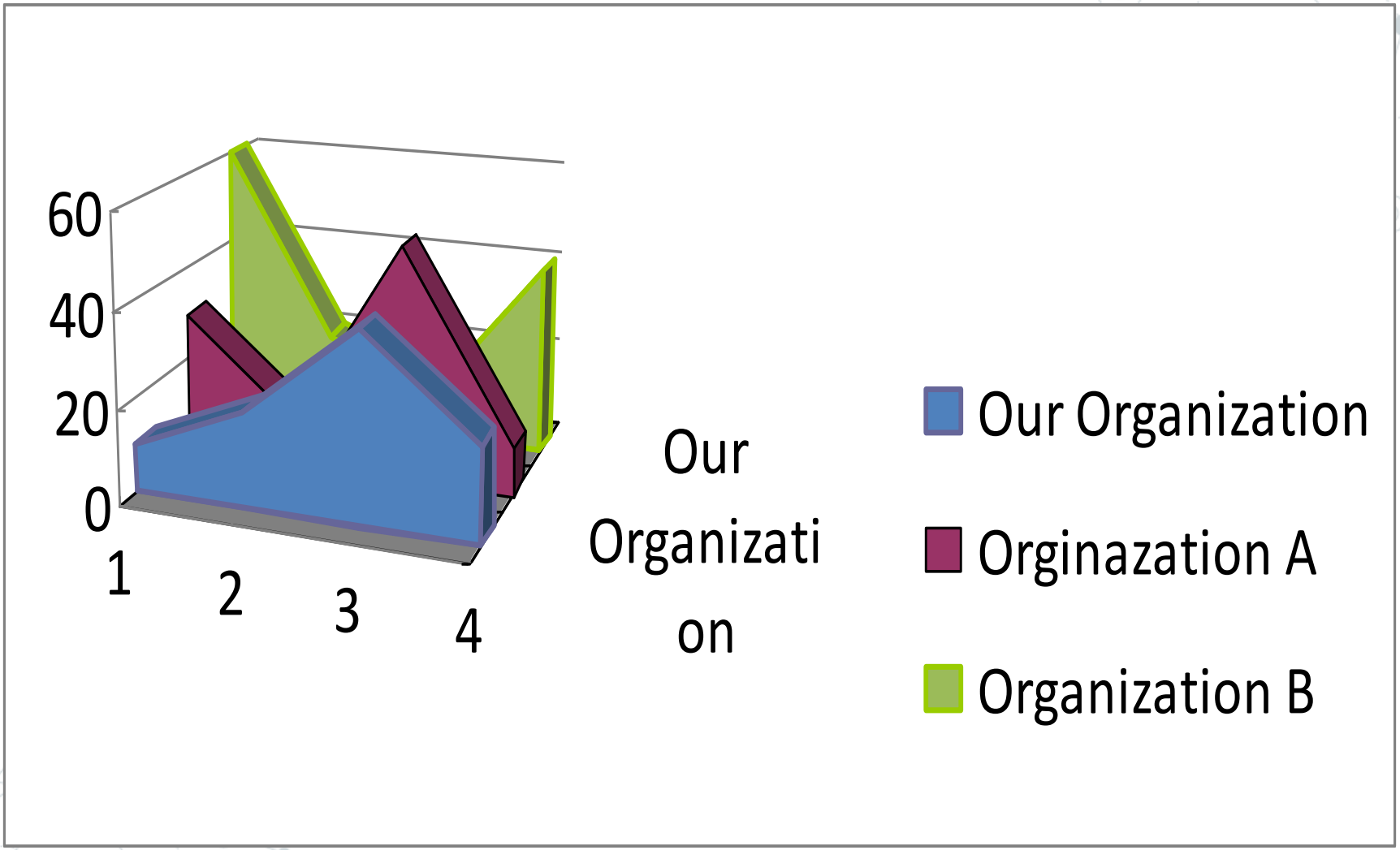
Step-4

- Seth’s team have the results

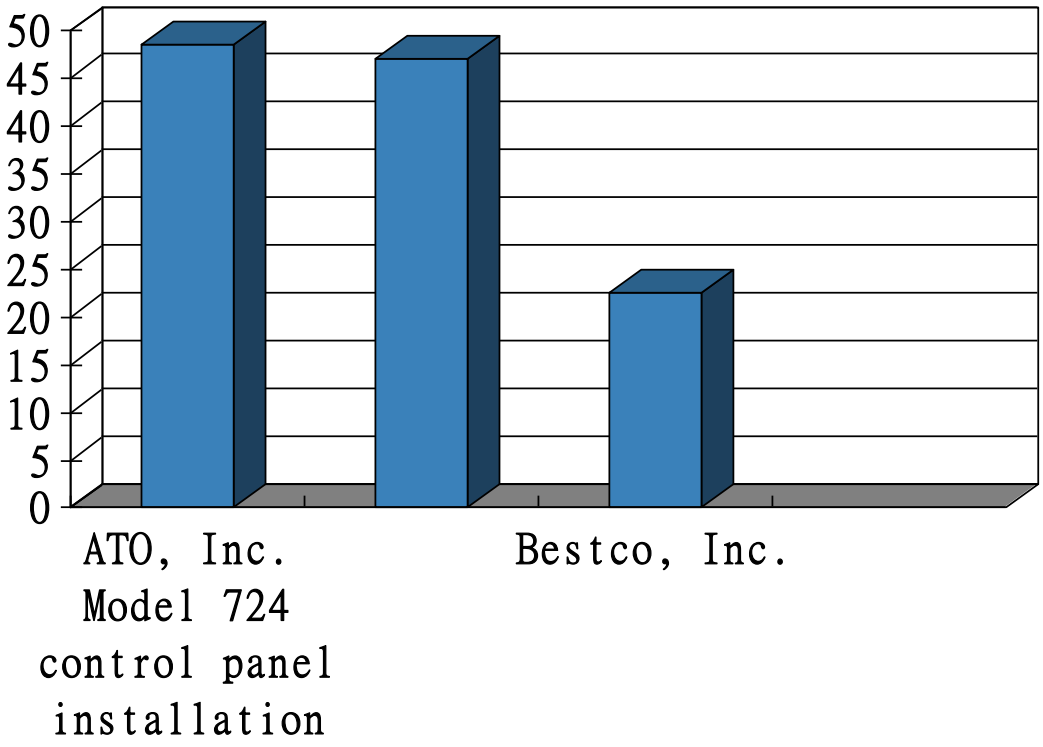
Measurement data – (findings, comparison)

Key measures	ATO, Inc. Model 724	ATO, Inc. Northwest Region Plant	Bestco, Inc.
Total time	45 – 52 min.	44- 46 min.	22.5 min.
Downtime (per unit)	3 – 5 min.	3 – 5 min.	1 – 2 min.
Percentage of reworks	4%	3.5%	0.25%

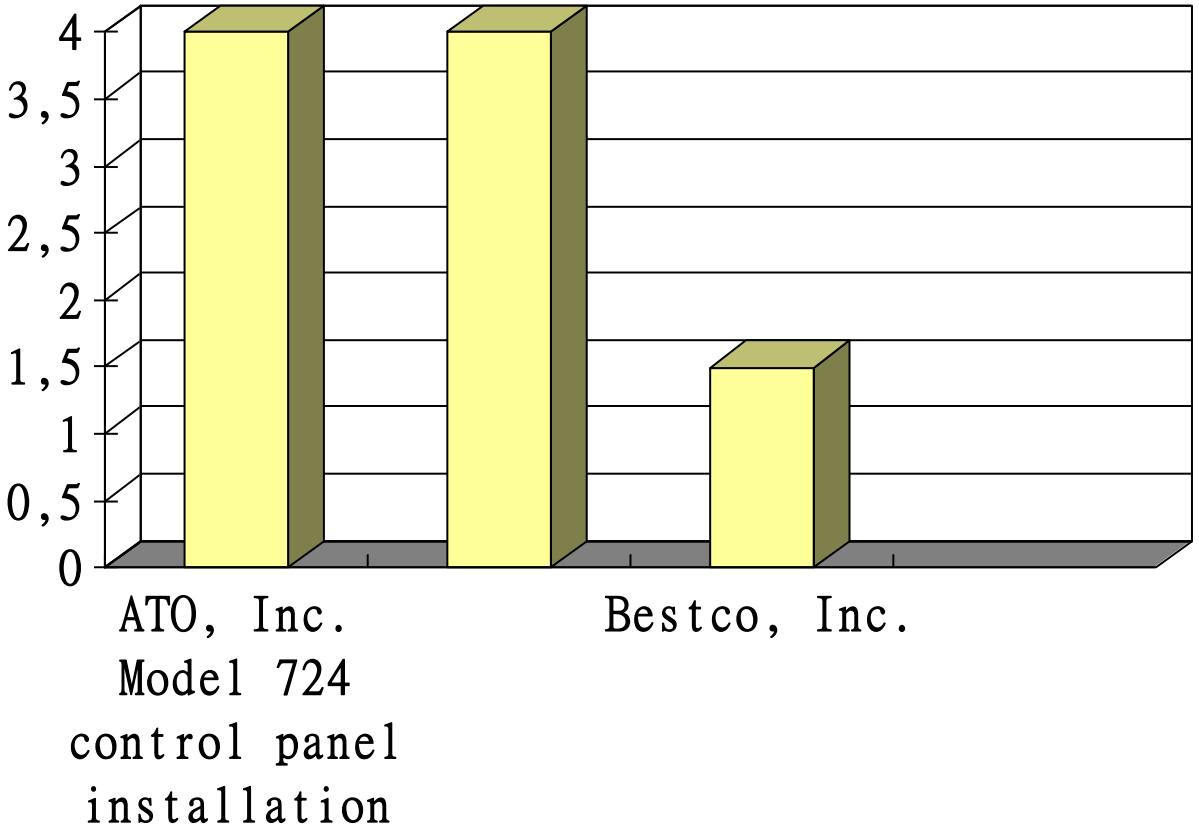
Step-5: Analyze data and determining gap



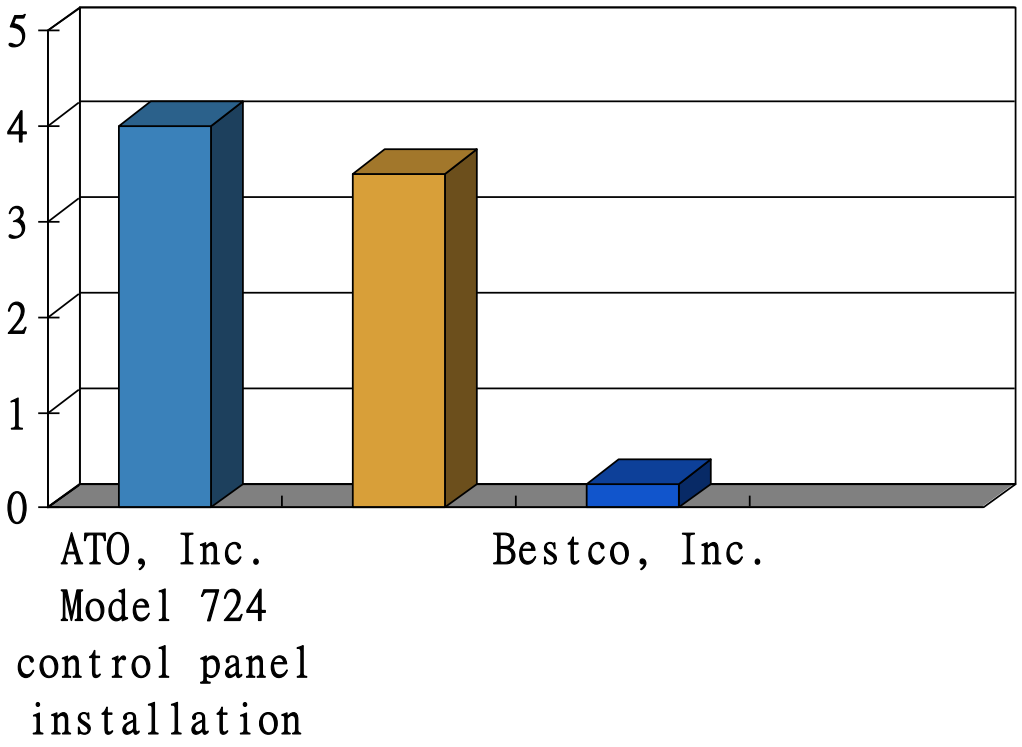
Average Process Time



Average Downtime Per Unit



Average Percent of Reworks



Step-5

- Seth’s team was surprised after looking at the gap between their processes and that of Bestco, Inc.
- Steve added “ You know, if someone have told me a month ago that you could get these kind of numbers, I wouldn’t have believed it,”
- Seth” we thought we have improved our process as much as we could.”

Step-6: Set goals and develop and action plan

- Set performance goal
- Goal should be achievable in increment(3*5=15 hrs)
- Goals should realistic (time, res, abilities, skills and budget)
- Goal should be measurable (reducing three hours)
- Goal should be finite (starting and ending pt)
- Goal should be supported

Step-6

- Seth’s team benchmarking goals
- Reduce total task time to 30 minutes (5m per Q)
- Reduce downtime from three to one minute per unit (end goals to be reached in 9 m)
- Reduce reworks from 4 percent to 2.5 percent (6m)

Step-6

- Developing action plan
- Step One-determine tasks, timelines, and responsibilities
- Points to consider-who will be affected and responsible for implementation?
- What resources will the person responsible for task need. How the information will be shared
- Step Two-develop contingency plan

Action Plan

Action Step	Responsible Person or Group	Begin – End Date	Estimated Duration	Estimated Cost
1. Feasibility study to install new technology in final processing area	Benchmark Team	10/1 – 10/30	One Month	$5,000

Action Plan

Action Step	Responsible Person or Group	Begin – End Date	Estimated Duration	Estimated Cost
2. Vendor selection for new technology	Final assembly	10/1 – 10/7	35 hours	$600
3. Design project plan for installation	Senior management	10/7 – 10/14	28 hours	$1,200

Action Plan

Action Step	Responsible Person or Group	Begin – End Date	Estimated Duration	Estimated Cost
4. Purchase and install new equipment	Vendors plus three staff members	11/1 – 3/2	1,280 hours	$44,800
5. Test	Vendor plus 2 staff members	1/30 – 2/15	40 hours	#1,200

Step-7: Monitor the process

- Track the change
- Make benchmarking a habit
- Benchmarking progress report
- Regular progress meeting
- Monitor customers (internal and external)
- Monitor suppliers (internal and customer)

Conclusion

- VS continuous improvement
- VS reengineering
- 7 Step benchmarking model