

Quit Sabotaging Your Company

by Carrie Van Daele

My phone wasn't working, so I had to call my phone line provider. Two phone technicians came to my house expecting to fix my phone line. They worked for more than an hour until they admitted they had no idea on how to fix the problem. These technicians were maybe twenty-five years old.

I heard one of them say, "Let's call Joe."

"Who's Joe", I asked.

"Joe knows everything about phone lines because he's worked here for over thirty-five years, and he's gonna retire this year," said one of the technician's.

My phone line was repaired immediately after Joe described the problem and the solution to both technicians. "We're kinda nervous about our job when Joe retires because we don't know as much as he does," commented both technicians. This happened in 2009.

Where was your lean/quality focus in 2009 during the economic downturn? Did you witness your organization doing little to retain its tribal-knowledge from people like Joe only to end up with a skills gap in 2015?

Where is your lean focus now? It's not enough for you to focus on correction, overproduction, motion, material handling, waiting, inventory, and processing without also addressing the skills gap. To grow market share, production, revenue and income stream in 2015, you will need to stop sabotaging your organization by being fashionably lean and ignoring ways to maximize and capitalize on your workforce, especially people like Joe.

Your inability to fill the skills gap is a missing link in your supply chain; it's a bottleneck choking off your pace for process improvements, defect prevention, reduction of variation and waste. In your supply chain at your company, there is a shortage of skills like Joe. Today, there is more of a demand for you to recognize the need to develop your workforce talent.

The Plastics Industry, for example, is scrambling to cultivate new talent by mining their existing workforce. Many of the skills you need already exist in employees like Joe. Your supply chain includes people, time, equipment, space and money to move a product or service from supplier to customer. Identify the Joe's in your workforce.

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At Berry Plastics, Joe Genc is a tool engineer with 56 years of shop experience and 25 as an educator. At age 70, Genc is working to close the skills gap at Berry Plastics and in his industry as a moldmaking instructor for the Technology & Manufacturing Association (TMA).

Go back to the basics. Contact your human resource group today to learn more about your workforce's competencies, expertise, education and experience so you can align your 2015 lean initiatives to maximize and capitalize the knowledge from your workforce like Joe Genc.

Perhaps 80 percent of your workforce skills are owned by 20 percent of your workforce. Do you know who those 20-percent are and how to maximize and capitalize their knowledge? This is called Pareto's Law of 80/20 applied to the workforce.

To fill the skills gap, you must *first* consider your workforce an off-balance-sheet asset, not a liability. Calculate the valuation of your workforce in earnings and financial asset returns, instead of labeling your workforce an expense, a liability, a cost. Whereby, you ask two questions about each employee: "What future earnings can Joe bring to my organization? "How can I better utilize Mary?" Your answers will help you to achieve marginal benefit from your workforce, which means your organization will net a greater return-on-investment from each employee. Here's how it works.

Marginal Benefit is about leveraging the 20 percent of your workforce; training them, upgrading their skills, utilizing their knowledge to the fullest to benefit your organization. Joe Genc is a perfect example of how Berry Plastics leveraged Joe Genc's tribal-knowledge on-the-job and in-the-classroom to build and strengthen the talent pipeline for more growth at the company.

Marginal Benefit is a micro-economic term used to describe how to increase people, time, equipment, space and money in a company without adding any cost to their bottom-line.

Has your gap analysis identified areas where your workforce is performing below the standards expected by your customers, industry metrics and management that could be compromising the competitiveness of your organization? Wasting the 80 percent tribal-knowledge is most damaging to your organization's success. Successful lean/quality professionals will find the best ways to leverage the 20 percent more effectively in their organizations in 2015.

For example, instead of waiting for schools to fill the skills gap, many companies are creating their own training programs utilizing their in-house Trainers and/or Subject-Matter-Experts [SMEs] as instructors, to include job shadowing, apprenticeships, internships, mentoring and more.

In the business world, financial statements reflect tangible value for the organization. Yet, an organization's balance sheet does not reflect workforce as an asset. I once read about Lebron

James making \$45 million a year because of his superior athletic talent. A basketball team does not win Championships by wearing the most expensive uniforms or tennis shoes. The team wins because the players possess the greatest ability over their opponents.

You will need to champion marginal benefit in your 2015 lean metrics by learning more about your 80/20 workforce. Here's how it works.

Identify your Trainers and/or Subject-Matter-Experts [SMEs], people like Joe, and capitalize their tribal-knowledge to determine where they can make the greatest impact at your organization.

If your organization is running at a 70-percent capacity utilization rate, it has room to increase production up to 100 percent without increasing costs. In other words, your production is under-utilized. Correct? You can also under-utilize the tribal-knowledge capacity of your workforce, people like Joe.

Answer these capacity utilization questions about your Trainers and/or Subject-Matter-Experts [SMEs] like Joe to be able to determine how you are achieving 100-percent output levels from your workforce:

1. Who are my Trainers/SMEs? *Joe, the phone technician; and Joe, the tool engineer.*
2. How are my Trainers/SMEs capitalized and utilized? *Both Joe's, an instructor.*
3. How are my Trainers/SMEs integrated in lean and other training? *On-the-job*
4. How are my Trainers/SMEs improving operating performance? *By developing people.*
5. How are my Trainers/SMEs trained? *By following a Train-the-Trainer System.*

Here's how it works.

Give your Trainers and/or Subject-Matter-Experts [SMEs] like Joe a training system to follow for consistent standard work. Richard White, Manager, Honda New Model and Quality Planning said: "experience alone does not make a good Trainer/SME. Individuals must be trained and qualified to achieve standard work from their learners."

White also identified some common pitfalls with experienced Trainers/SMEs who have no formal training system:

- Forgot what it was like to learn the job
- Too many assumptions
- Gloss over details
- Poor communication skills
- Teach from memory and not the standard
- Lack the desire to teach or train

Too many Trainers and/ or SMEs like Joe randomly train on-the-job without training objectives and a document that outlines the standard work to follow. Without a formal training system for people like Joe to follow, the safest, highest quality and most efficient way to perform a standard task or process is compromised.

1. Do your Trainers/SMEs use a formal training system?
2. Do your Trainers/SMEs know how to prepare, present, practice, and follow-up?
3. Do your Trainers/SMEs know the best training methods to use?
4. Do your Trainers/SMEs know how to train on-the-job?
5. Do your Trainers/SMEs know how to train in-the-classroom?
6. Do your Trainers/SMEs know how to explain a concept and teach skill for lean practices?
7. Do your Trainers/SMEs know how to handle frustrated learners?

A formal training system for your Trainers and/or SMEs should include a 4-step training methodology:

preparation step, *identify the gaps in current standard work and improvements for standard work*

presentation step, *explain and demonstrate the standard work required*

practice step, *use a variety of training methods for employees to meet standard work required*

evaluation step. *determine improvements of standard work from employees*

Identify your Trainers and Subject-Matter-Experts [SMEs], people like Joe, and certify them to follow a formal training system.

In summary, you cannot achieve your 2015 lean metrics alone anymore. You must forge a partnership with human resources and your workforce to fill the skills gap. It is no longer simply the human resource department's responsibility. You must now formulate lean/quality strategies that capitalize and maximize the 20 percent of your workforce to build products and services that customers demand.

Take a final moment to answer the questions below to determine where your focus is, and then make a commitment to filling the skills gap in 2015.

- “Do you know the 20-percent tribal-knowledge workforce?”
- “Are you utilizing the 80-percent tribal-knowledge at 100-percent capacity?”
- “Are your Trainers and/or Subject-Matter-Experts certified to a training system?”

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