

World Class Manufacturing is NOT just for the Big Guys!

By James Shearer

The term “world class manufacturing” (WCM) is frequently bantered about and is often used to describe a company that has achieved a perceived, but largely undefined, level of performance. If WCM is undefined, why even think about, discuss, or seek to become world class? By inference, the term means to be truly excellent at the operational aspects of manufacturing. In today’s highly competitive, global marketplace, few would argue that being truly excellent is not only a desirable trait but increasingly a requirement to survive and prosper, even for a small-to-midsized manufacturer.

Manufacturing has long been, and still remains, a major growth engine for our economy. For the sake of this article, a manufacturer is a company (or facility or department within a company) of any size, large or small, that, by using equipment and/or labor, transforms materials or components from one form into another.

Within the vast community of manufacturers, what makes some “world class” and others not? The answer is that since there is no universally agreed-upon definition or standard of world class manufacturing, there is also no clear agreement on who is, and who is not, world class.

To at least put some structure to WCM, consider the following premise: WCM is not a milestone or destination, it is not a certificate program, and there is no Board of Regents to confer membership in the club. It is, instead, an ongoing, never-ending journey toward total operational excellence. By looking at it this way, the very nature of what it takes to be world class begins to take on an entirely new and different meaning. World class becomes a structured philosophy of how to conduct business, and eventually it becomes a culture that is fully embedded into the fiber of the organization. This premise applies equally to manufacturing companies of all sizes.

Over the years, Dr. Richard Schonberger, a noted expert on manufacturing excellence, has offered several different definitions or explanations of world class manufacturing. Among them are these three:

- “Citius, altius, fortius.” (Faster, higher, stronger - the motto of the Olympic Games).
- “Ever better quality, ever quicker response, ever greater flexibility, and ever higher value.”
- “Customer-focused, employee-driven, data-based continuous improvement.”

In analyzing these definitions and other aspects of truly exceptional manufacturing performance, the following four building blocks begin to emerge as encompassing attributes that are a practical, workable interpretation of world class manufacturing:

1. Compete on the basis of time. Do whatever you do in the conduct of business not only very well but also very fast - faster, and therefore more responsively and with more flexibility, than your competitors!

2. Have very high levels of product and process quality. Anything less than excellent quality is no longer acceptable, even for inexpensive, everyday commodity products. One need only look at the automobile industry to see the impact good or bad quality can have on overall success (witness Yugo ® compared to Honda ®). Excellent quality, as defined by the customer, has increasingly become the ante to even be allowed to participate in the manufacturing game.
3. Involve all stakeholders in the conduct of business. Stakeholders are not only owners and / or executive management. They include employees at all levels, vendors, customers, and community. Their involvement, at appropriate times and for appropriate aspects of the business, can add new ideas, entirely new perspectives, and a rich, unique flavoring to the broth!
4. Practice continuous improvement in all aspects of the business. In business, there is no such thing as perfection but, as Lexus ® said in its original tagline, “the relentless pursuit of perfection,” manufacturing companies must adopt a culture that is never complacent, never satisfied, never rests on its laurels, and never, ever stops trying to improve in every area possible.

How does a small-to-midsized company embed this world class culture into its very fiber? There are four sequential steps that will drive the adoption of each of the above building blocks of world class manufacturing. They are:

1. Awareness. The organization and all of its employees must be fully aware of the goal to become “world class” and of the existence of each of the four building blocks or elements necessary to achieve that goal. (This is a leadership responsibility & a communications effort.)
2. Understanding. There must be clear understanding by the employees of *why* the organization needs to become world class and of the potential for each building block to positively impact the overall success of the business. The understanding should include *how* each building block can impact the business and the possible *magnitude* of the impact. (This is primarily a training effort.)
3. Acceptance. The organization and its employees must accept the premise that each of the four building blocks, individually (and as a collective whole), is inherently valuable and, in fact, critical to competitive success in the global marketplace. In other words, they must “buy in” to the concept of world class performance and a world class culture. (This is typically an “epiphany” event for individuals that occurs through extensive training and consistent, constant reinforcement by leadership and so-called champions or sponsors.)
4. Implementation. The organization and employees must put the elements into practice - into everyday use. If the three sequential steps immediately above (awareness, understanding, and acceptance) are not followed by the implementation step, they become nothing more than an interesting academic exercise or philosophical reflection.

Implementation typically takes the form of several significant initiatives, each initiative having numerous individual projects. The initiatives might address

major topics such as improved quality or faster cycle time. For the quality initiative, the projects might include improved quality acceptance criteria and documentation for all purchased materials, improved process tooling, increased operator training, improved data collection and analysis, and structured problem solving techniques. Each project is targeted to one or more specific areas where tasks or corrective actions can be applied to improve specific operational performance. (NOTE: There is nothing magical about implementation. Very good project management skills are certainly required, but using appropriate stakeholders to develop and manage the right initiatives and projects to improve performance and transform the culture is the key.)

SUMMARY

Culture change in an organization, especially a culture change of the magnitude necessary to become world class, is not an easy or quick task. To implement a major quality imperative alone can take several years, and in the approach to world class performance discussed above, the quality aspect is but one of four required elements. Therefore, becoming world class does not happen overnight!

However, given that world class manufacturing is a journey and not a destination; given that the four building blocks listed above arguably constitute one very workable, pragmatic approach to become world class; given that the four sequential steps of adoption, also listed above, are a straight-forward, effective way to begin; and given that a world class manufacturer will inherently have a significant, maybe even sustainable point-of-differentiation ensuring survival and prosperity; why wouldn't any manufacturing business, large or small, begin the journey today?