

WONDERING WHERE YOUR TIME GOES... WE'VE FOUND IT! COME AND FIND OUT WHERE IT IS...

Presented by Sarah Watson¹ and Richard Kyte²
¹PeopleMAD, ²DairyNZ

Introduction

Most days some things happens to frustrate us...a tool you can't find, waiting for someone, information not up to date, running out of product, fixing something that's broken or fixing someone else's mistake...and the list goes on.

By the time we have dealt with these 'time wasters' you are lucky if you have done any REAL work!

How true is this? How often do we spend valuable time and energy on things that really don't add VALUE? Is this just the way things are? How do we escape this picture?

There are some key principals around raising productivity in your farm business that regardless of size or scale will help you to make your business sustainable and enjoyable for everyone involved for the long term. The challenge is how to get those systems in place, achieving quality results consistently... with the whole team on board, when we are already struggling to find enough time to do "normal" stuff. Applying LEAN thinking to the dairy farm business really can help you to find all that lost time. However it's not easy, it will require commitment and drive and an upfront investment of time and energy

How do we achieve the aim of long term, sustainable business productivity?

- Long term = over time
- Sustainable = repeatable consistently
- Productivity = value added activity

The answer includes a number of steps:

1. Leadership
2. Being prepared to change

Notes:

3. Empowering our team
4. Identifying waste
5. Working out the root cause of waste
6. Standardising our solutions

Most importantly though is the need to INVEST in ‘finding time’

We will look at steps 4 to 6 first...

Finding waste

The reality is there is a lot of waste in our lives – often both work and personal. Often we are so used to it happening that we don’t even recognise it for what it is. When was the last time you went looking for some information and could find it straight away because it hadn’t been filed? Or the correct spanner for the job hadn’t been put away in the right place so you had to go and look for it? Or you had to go and ask the boss what the next job was because he hadn’t written it up on the whiteboard?

Typically the definition of waste in business is “activity that doesn’t add value to the customer”. In a dairy situation that could be “activity that doesn’t add value to delivering as much high quality milk as we would expect from our system type, in a way that doesn’t compromise animal welfare, environment or people”. So reasonably complicated!

Waste can be categorised in to the following types:

- Motion (searching for information, tools, materials)
- Waiting (for people, products, animals, etc)
- Transport (transfer of information and materials)
- Storage (of information and materials)
- Defect (of information, product and materials)
- Over-producing (making too much product or doing it too soon)
- Excessive or inadequate processing (inefficient processes and procedures)
- Over-burden (A process taking too long because it is not adequately resourced)

So what are some real examples of waste?

- Motion – putting up an electric fence but not having enough standards so have to go back to the shed to get more to finish the job
- Waiting – the vat wash didn’t get done so can’t start milking until it is done
- Transport – my manager forgot to tell me what drug to use to treat the cow, so now I can’t treat her till he comes back from his meeting
- Storage – bulk buying calf meal and then not using it all
- Defect – holes in baleage not taped up so baleage spoils and can’t be fed to the cows
- Over-producing – made too much supplement and still storing some that is 3 years old

- Excessive or inadequate processing – using twice as much water and time to clean the yard as another person in the team
- Over-burden – too few people picking up sorting out cows and calves so cows get the better of the staff.

Can you think of some examples of each of these in your system?

- Motion –
- Waiting –
- Transport –
- Storage –
- Defect –
- Over-producing –
- Excessive or inadequate processing –
- Over-burden -

When we start to identify waste we raise our awareness (and that of our team), it also means we can look at why this waste is happening so we can reduce it.

Identify the cause vs effect

Often our natural tendency is to immediately FIX problems when we see them. That's our job as managers isn't it? The trouble is this is often just a 'Band-Aid' fix as we don't stop to figure out what is really **causing** the problem...we are just fixing the **effect**. For example; continuing to replace the fuse when it keeps blowing instead of calling the electrician to find out why it keeps blowing...

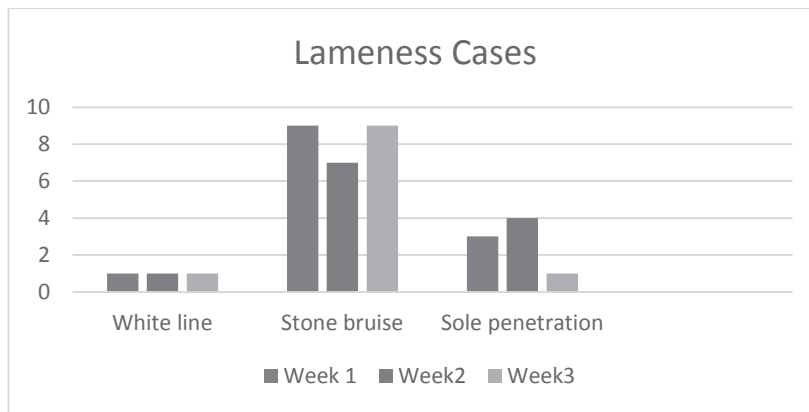
Understanding cause and effect is critical to successful problem or 'waste' solving.

There are some tools we can use to help us to find the root cause of a problem.

Let's look at the 'lameness' problem on TipTop Dairies Ltd

- Use a Pareto graph to clearly identify the problem.

Notes:



- Now use 4W1H to define the problem in more detail

WHAT? – What does it look like? What cows is the problem effecting, e.g. just herd 1 or herd 2 or both? Is the severity always the same?

WHEN? – When in the farming process does it happen? Does it occur every time or randomly? Does it occur at different times, e.g. different shifts, times of day, year? Does the weather impact on when it happens?

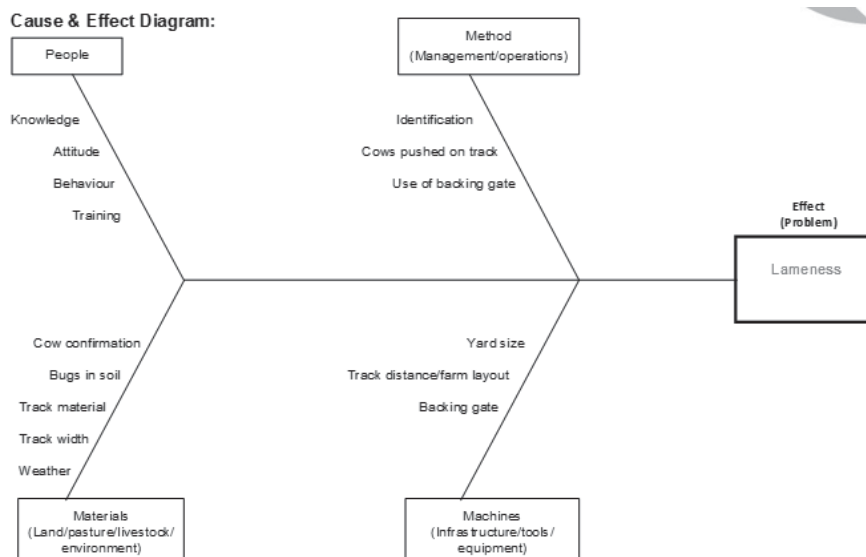
WHERE? – Does the problem occur on different parts of the farm and not others? Does it occur in the milking shed or outside?

WHO? – Who is effected by the problem? Who first noticed the problem?

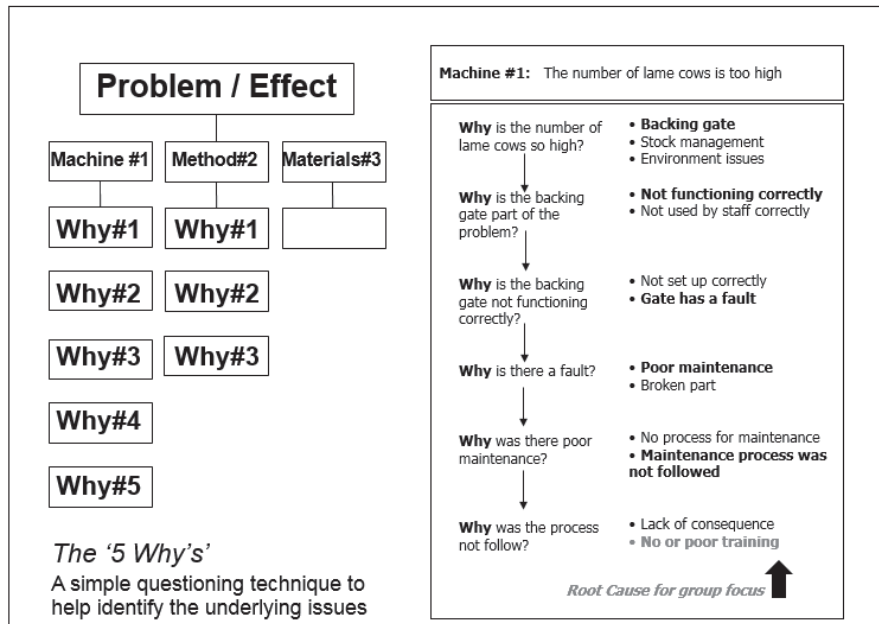
HOW? – Describe how the problem occurs?

Having a better understanding of the problem helps us to find the root cause, do this using the next two tools.

Fishbone diagram



5 Whys



Now we know the 'Root Cause' of our lameness is the lack of training TipTop Dairies has been giving its staff on how to maintain the backing gate properly. We can tailor a solution that will deal with the problem and prevent this particular problem occurring again.

Once we identify the solution that works we turn that into a Standard Operating Procedure ideally with some visual controls. None of this is rocket science, in fact it is common sense really and if we stop and think through a problem we will take a lot of these steps without having to step through it like this. However following a programme enables us to ensure we apply the right thinking consistently to get sustainable results. This is where steps 1 to 3 are important.

Steps 2 and 3...Being prepared to change and empowering our teams

Being prepared to change:

Achieving long term, sustainable business productivity requires good leadership, including being prepared to change and empower the team.

Notes:

Change = different from previous state

Change is more than just doing things differently, to get sustained change often means changing the culture of “how things are done around here”. You have to work hard to achieve sustained change, when you plan carefully and build the proper foundation, then implementing change can be much easier and you’ll improve the chances of success. If you are too impatient, and if you expect too many results too soon, your plans for change are more likely to fail.

Keys to success are; leadership, creating a sense of urgency (reason why), having others in the organisation who will embrace and drive change, build a vision (picture of what good looks like) and communicate it to everyone, remove obstacles, create quick wins and build on your momentum. These steps will result in a culture that supports and encourages change and improvement.

Empowering the team:

Empowering the team is allowing them to own and drive how things will be done, often your team will be the best people to work out a successful solution to problems because they work with it all of the time. Surprisingly the solutions our team will often come up with tend to be low cost, highly effective and quick to put into practice. The other benefit is when they “own” the solution they are more likely to ensure it happens and that new people know how it works. People are generally also happier in their work, more inclined to stay and will use their initiative.

Step 1 – Leadership

To successfully achieve steps 2 to 6 you must be prepared to guide, drive, coach, empower, support, encourage, provide boundaries, enforce consequences, set the standard and practice what you preach...in other words LEAD.

Changing from how things are done now to a culture where the focus is on continuously improving how things are done around here requires INVESTMENT. Investment in time and energy. Most managers’ change achieve short term change but long term sustained change requires leadership.

Can LEAN principals apply to Dairy Farming?

DairyNZ is funding a Business Efficiency project that involves taking LEAN principals, other business improvement methods, learnings from the Purata Farming (Synlait Farms) and Venture Southland DairyLEAN pilots and designing a Dairy specific programme that will support farmers to implement efficiencies in their business.

The programme is currently being piloted in Southland and will be run in Canterbury and Waikato for the first time in early 2016. So far the results are a resounding yes...LEAN principals can apply to Dairy Farming and they do provide on-going, sustainable results.

Update from Purata (Synlait Farms)

Now into year four of implementing LEAN principals (InSynC) into the farm business Purata (Synlait Farms) are finding the following;

Results: Tangible and Intangible

1. Improved team engagement, involvement, empowerment, team spirit and development of a new culture required for implementing other lean principles.
2. A communication channel was developed for top bottom and bottom up approach (example: show days) and improved relationship between farms.
3. Developed InSynC champions on farm with PIT team trainings and retained them.
4. Increased number of innovative ideas for reducing wastes –62 ideas were recognized and shared.
5. Total estimated time saved across all the farms valued at \$210,000/year - maintaining 90 - 6S score on dairy sheds (tidier and more organised sheds) can save 30 minutes per team member per day.
6. Improved health and safety awareness
7. Care of our environment with the establishment of improved procedures around rubbish disposal
8. Happy customers as we improve product quality and quantity
9. Improved enjoyment of work and less frustrations and better days at work
10. SOP's were produced across all the pillars (cows, grass, people, environment, innovation and Profit) involving team members on farm so higher rate of following them.

Notes:

Conclusion:

Yes we can achieve improvements in efficiency in our business by applying LEAN principals and yes we can find that lost time. To achieve sustained improvement you have to be committed to changing the way things are done in your business, including being prepared to let your team 'own' and drive some of the process. Following a programme will improve your chances of success.