

11 Barriers to Manufacturing Excellence

“Manufacturing excellence” is both popular jargon and a survival mandate

In today’s marketplace, the reality is to do far more with far less — all of this is in the face of manufacturing’s most relentless enemy, declining volume. The following is a list of 11 barriers to manufacturing excellence. They are provided as cautions:

1. The lack of management consensus

Coming off of years of success, it is extremely difficult to gather a consensus that still-greater discipline and attention to detail are required to establish or maintain acceptable levels of performance. The quest for excellence in such times seems to divide organizations, as specific actions are seen to sub-optimize individual or fractional key performance indicators (KPIs).

2. Not fully understanding the task

Achieving performance excellence requires a total commitment to process capability, variation reduction and the creation of a benchmark employee knowledge base. Few project- or continuous improvement-based organizations are able to fully understand or embrace the significant change required to achieve statistical performance excellence. It would change everything they do.

3. Underestimating the importance of knowledge

Management often lacks confidence in the precept that increased knowledge is a key performance driver. The belief is that leadership and effort are the missing performance ingredients. If, however, it’s agreed that most people are already trying to do their best, then most companies vastly underestimate the importance and mandate for ever increasing knowledge.

4. Increased complexity

This is the single greatest deterrent to performance excellence. It comes in many forms, all of them costly. It is in times of expanding markets and high margins that complexity flourishes. It is in times of declining volumes that the lower-value activities and low-volume products and customers take their highest toll.

5. Inconsistent and unclear expectations

There are two categories of dysfunctional KPIs. The first are those individually or functionally set objectives that encourage the classical organizational conflicts, such as optimal machine use vs. minimum inventories or increased sales vs. higher margins. The second is the use of long-term objectives such as Six Sigma quality, or “bench-mark customer service.” Unless these concepts are translated into detailed short-term activities, individuals are never sure what is expected of them.

6. Lack of passion

Excellence is the most difficult of all objectives, achieved only by those with a disciplined passion to excel. This time around, there are fewer leaders who have experienced the sacrifice, dedication and success necessary to build the intensely personal commitment to the “what” and “how” of manufacturing process excellence, which is required to feed the passion for excellence. Without this passion, achieving the excellence of process discipline is impossible.

7. Staff in charge

During times of economic challenge, organizations often add staff-driven audits, controls, measures, and new emphasis areas to a system whose only focus should be the essentials of daily performance. The result is that the line serves the staff, rather than the other way around.

8. Neglecting the basics

Process capability and control are often looked on as a technical or engineering measure of quality, instead of as a valid indicator of the capability and condition of the processes or equipment being provided and used to produce the product.

9. Resistance to daily discipline

The repetitive daily discipline required for variation reduction and manufacturing excellence is often viewed as limiting one’s creativity and “right” to manage, rather than as a mandatory basic of good manufacturing.

10. Limited involvement experience

Few managers have actually led a group of employees and colleagues in a situation in which the process of delegation and involvement must produce immediate and substantial performance improvement. The leadership balance is one of both knowing the technical “what” and the “how” to lead performance improvement.

11. Too much focus on output measurements

While most organization are output- or results-focused, the central driver of performance is the quality of the process input. It has proven extremely difficult, if not impossible, for many organizations to change their focus and measures to the input side of performance.



One constant in recent years is the security provided to the manufacturing side of the business by volume: manufacturing’s only consistently reliable and always forgiving friend. However the reality is that as surely as the market cannot sustain triple-digit multiples, it also adamantly demands the highest quality and service — at ever-reducing cost.



WWW.KEPNER-TREGOE.COM

By George Elliott, CEO, Elliott Luepker & Associates, strategic partners of Kepner-Tregoe, Inc. Reprinted with permission from the author. Copyright © 2007 Kepner-Tregoe, Inc.