

# **Lean Excellence: The Base6 Model of Successful Lean Supply Chain Implementation**

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# The Focus



# Why the Base6 ?

**Complexity and Confusion Abound**

**The Vital Few: What Really Matters?**

# What's in a name !?!

<b>Initiative</b>	<b>Term Used for Continuous Improvement</b>
<b>Lean Manufacturing</b>	Kaizen
<b>Six Sigma</b>	Process Capability Improvement - Shift the Mean
<b>Total Quality Management</b>	Continual Improvement
<b>Deming Principles</b>	Improve constantly the system of production and service
<b>ISO Certification</b>	Process Approach to Continuous Improvement
<b>Theory of Constraints</b>	Complete the Cycle and find the next constraint
<b>Jim Collins - Good to Great</b>	Confront the Brutal Facts
<b>Steven Covey - Seven Habits</b>	Sharpen the Saw

# The Paper Toss Challenge

## Toss 1

### Game Rules

- Five throwers; one supplier for each
- Thrower tries to deliver paper wad to the circle
- Throw must be initiated from behind the tape
- Supplier can only distribute five sheets to thrower at a time
- Thrower keeps track of own tosses
- Activity begins at whistle and ends in 45 seconds

# How did we do ?

# So what !?!

What do we know ?  
What do we not know ?

## Customer Order

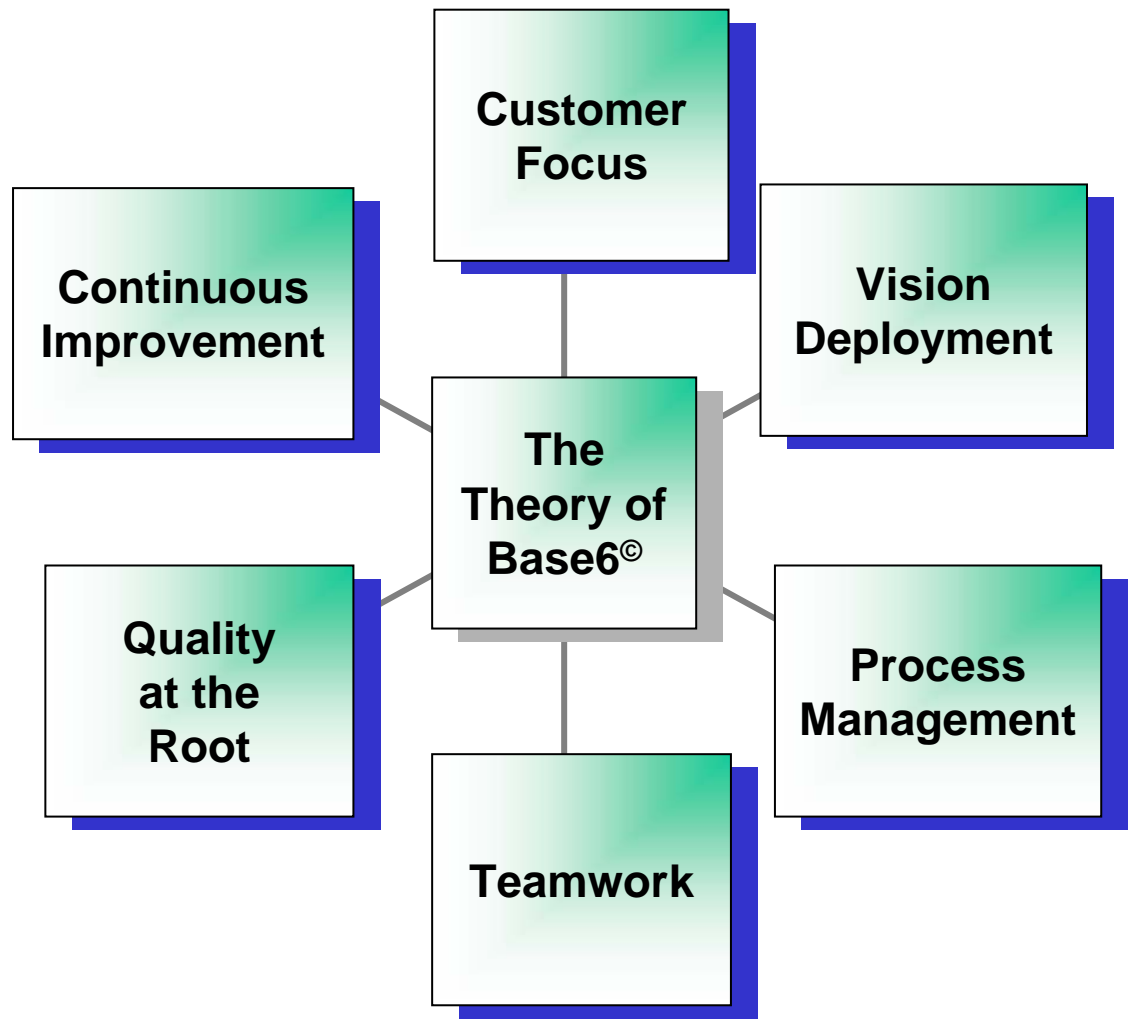
1 Yellow

4 Orange

6 Pink

Did we do the right things ?

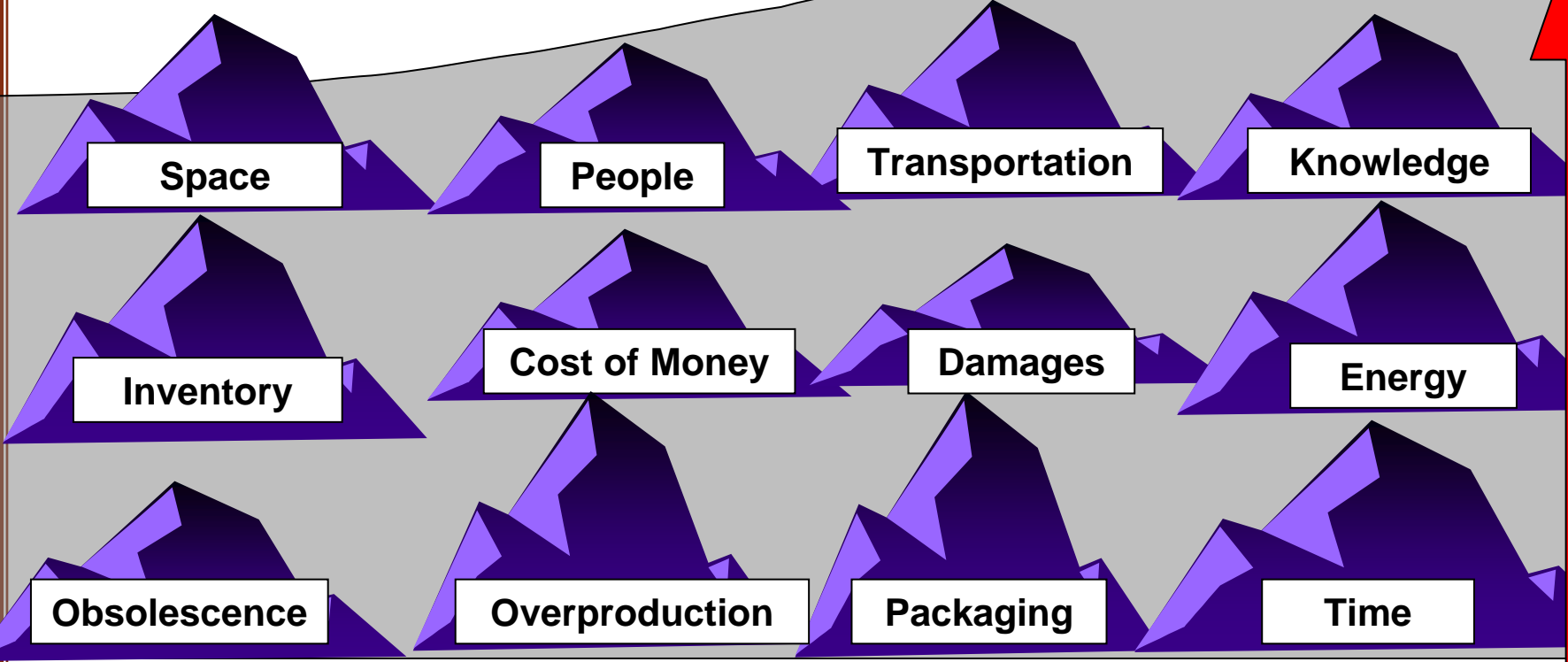
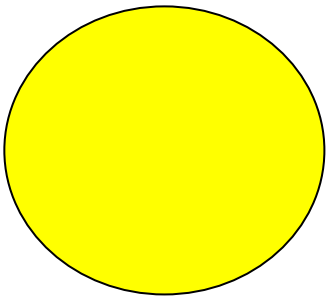
# The Base6 Model



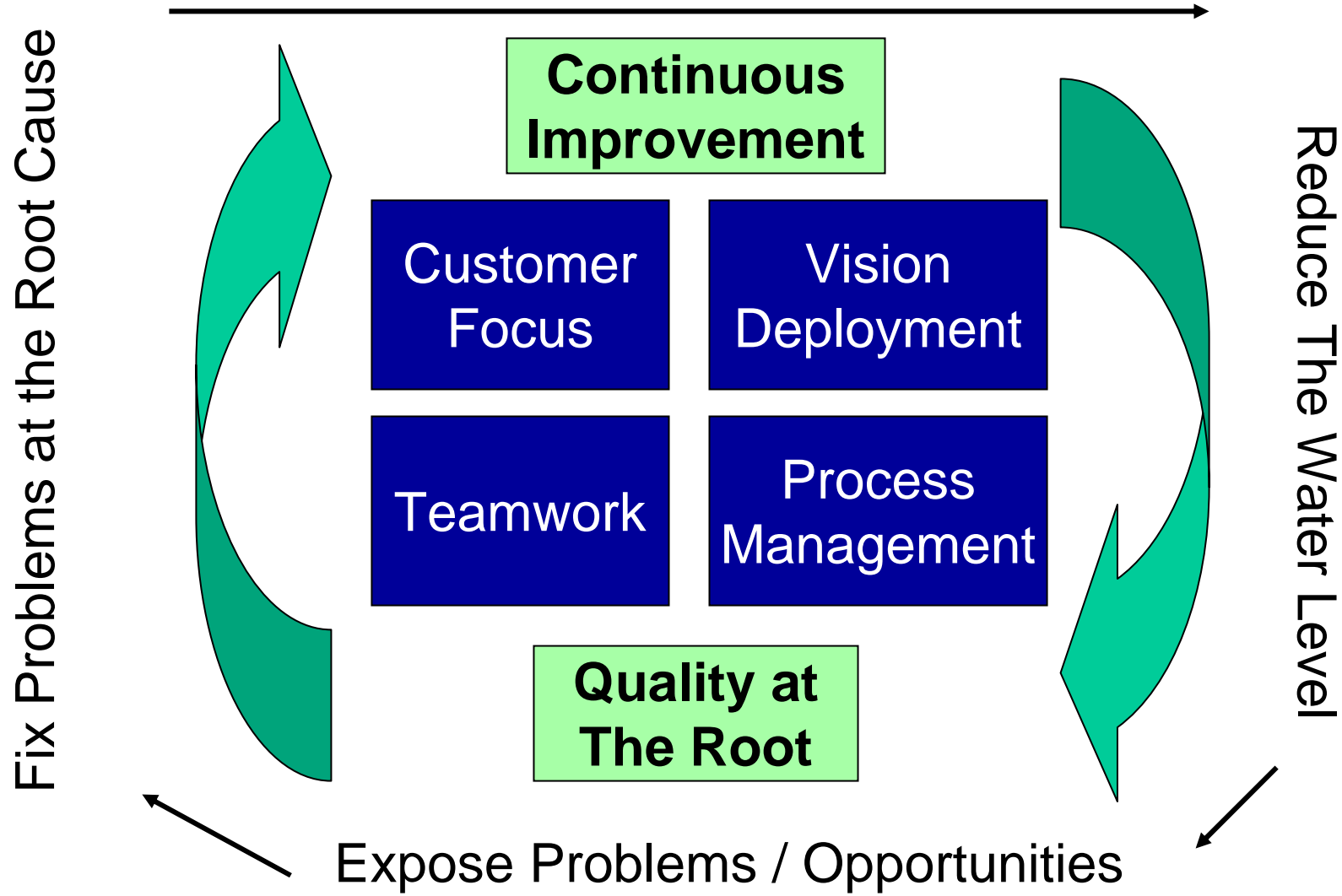
# What are the Base6 ?

Customer Focus	Understanding and meeting the needs for all aspects of the customer experience. Managing customer satisfaction through customer awareness
Vision Deployment	The process whereby an organization develops a corporate vision and turns this vision into strategy, goals and tactical objectives for the medium and long term, seen and understood by all members of the organization
Process Management	We understand the steps involved in fulfilling customer expectations and distinguish between “value added” and “non value added” activities
Teamwork	A group of people working together to reach a common goal, engaging every individual in the organization to eliminate waste. Teamwork happens naturally in a problem-solving culture.
Quality at the Root	Since defects cannot be inspected out of a product or service, quality must be built in. Errors happen. Customer defects do not have to be the result of these errors.
Continuous Improvement	Always seeking a better way; there is no such thing as “good enough.” A teaching/learning organization is the ultimate reward.

# Base6 and the River of Waste



# Implementing the Lean Supply Chain



**How can the Base6 help the situation ?**

# Customer Focus

- What do they want ?
- What is the rate of demand ?

# The Paper Toss Challenge

## Toss 2

### Customer Order

2 Yellow

3 Blue

3 Orange

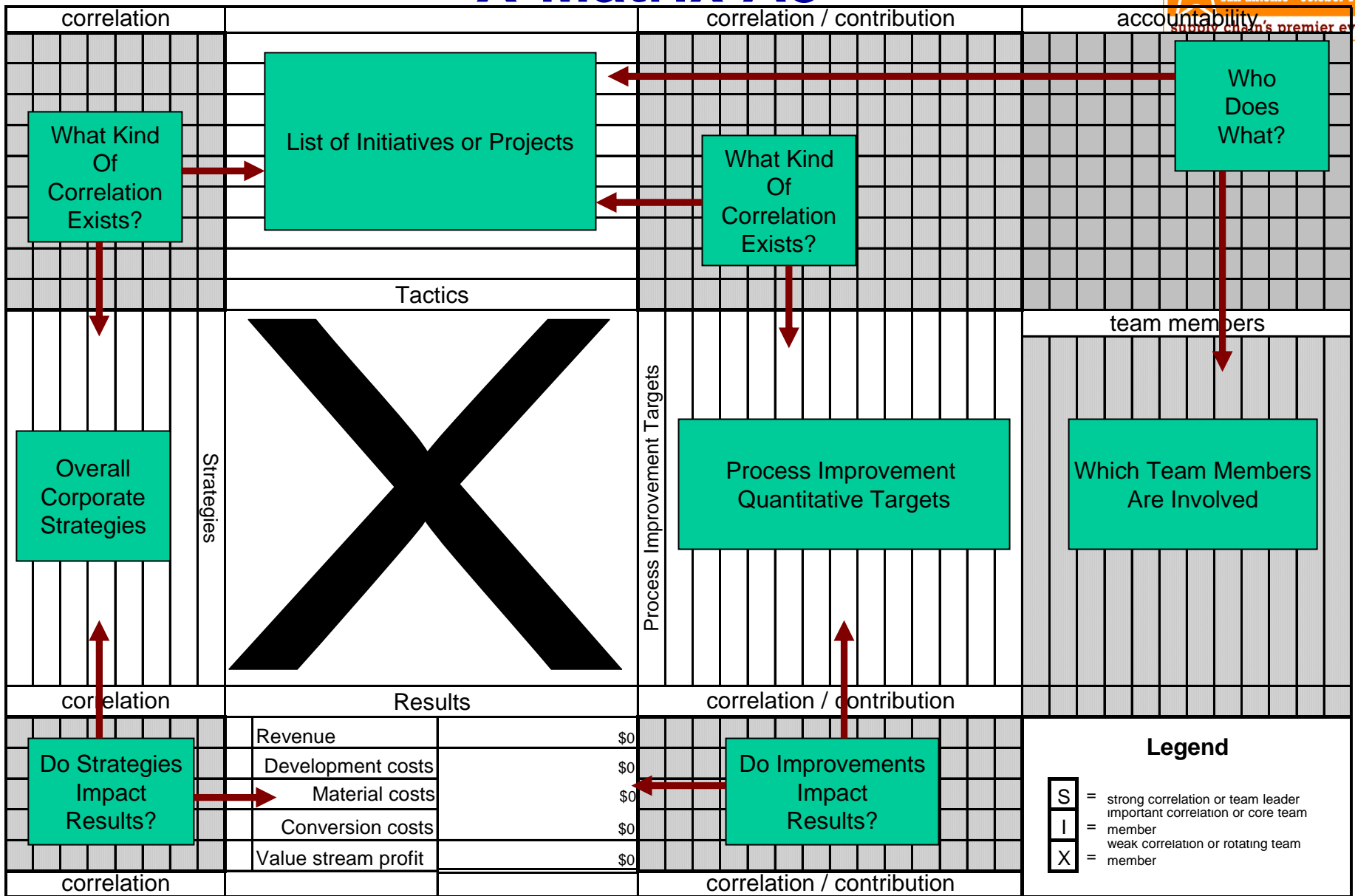
4 Green

3 Pink

# Vision Deployment

- What is our vision ?
- What strategies are we using ?
- What tactics are we using ?
- How do we cascade from vision to tactics throughout an organization?

# X-Matrix A3



Revenue	\$0
Development costs	\$0
Material costs	\$0
Conversion costs	\$0
Value stream profit	\$0

Do Improvements Impact Results?	
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**Legend**

**S** = strong correlation or team leader  
**I** = important correlation or core team member  
**X** = weak correlation or rotating team member

# Process Management

- Is this a process ?
- Where is the waste ?
- What can we do ?

# Teamwork

- Is the process capable as is ?
- Who do we need ?
- What skills do we need ?
- How should we work together ?

# The Paper Toss Challenge

## Toss 3

### Customer Order

3 Yellow  
4 Blue  
3 Orange  
3 Green  
2 Pink

# Quality at the Root

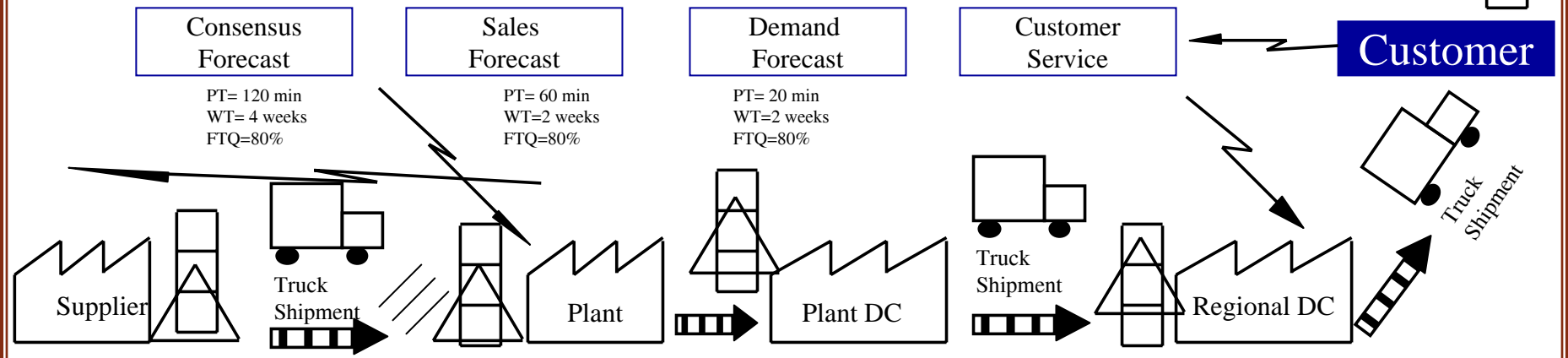
- What is First Time Quality ?
- Where is the rework ?
- How can we error proof the process ?

# Continuous Improvement

- Are we “there” ? Is this process perfect ?
- How can we “Plan : Do : Check : Act” this process ?

# The Lean Supply Chain – Current State

Daily Demand = 500 per day.



PT = 2 hour  
 WT = 2 day  
 INV = 20,000  
 FTQ: 90%  
 Avail.98%  
 Value:

PT = 4 hour  
 WT = 2 weeks  
 INV=10,000  
 FTQ:99%  
 Avail.99%  
 Value:

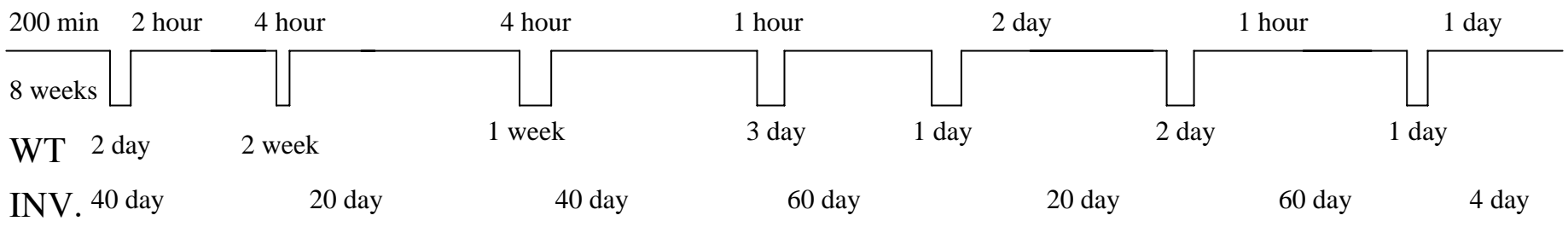
PT = 4 hour  
 WT = 1 week  
 INV=20,000  
 Batch Size=10,000  
 FTQ:98%  
 Avail.95%

PT = 1 hour  
 WT = 3 days  
 INV=30,000  
 FTQ:95%  
 Avail.95%  
 Value:

PT = 2 day  
 WT = 1 day  
 INV=10,000  
 FTQ:98%  
 Avail.99%  
 Value:

PT = 1 hour  
 WT = 2 day  
 INV=30,000  
 FTQ:98%  
 Avail.99%  
 Value:

PT = 1 day  
 WT = 1 day  
 INV=2000  
 FTQ:98%  
 Avail.98%  
 Value:



Total Process Time = 48 Hours  
 Total Lead Time = 331 Days

Total Wait Time = 85 Days    Total Inventory = 244 Days  
 PT / TLT = 0.6%    FTQ: 43%    Availability = 84%

# Thank you !



# For more information

To learn more about Base6:

See the past three issues of *CSCMP Supply Chain Comment* (May/June, July/August, September/October)

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