PRODUCTIVITY for UDM Magazine
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Many years ago when I was just getting into the furniture industry, I met the owner of a large upholstery manufacturer in the Mid West. He knew of my interest in productivity, and invited me to visit his plant where I would see "The most productive frame department in the world". So with a great deal of anticipation, I went to visit this highly 'productive' plant.

The owner had his superintendent take me to the frame area. I was truly amazed at the "most productive frame plant in the world." A frame builder and his assistant were constructing a sofa frame. They were to the stage where the back posts (back uprights to some) were positioned vertically about 68 inches apart. The senior frame builder took a tape measure from his belt, handed the end to his assistant, measured the distance between the back uprights, and read the measurement. He then took off on a dead run to a cut off saw located about 50 feet away. From a cart of 2 inch material, he selected a piece of wood, placed it on the cutoff saw table and cut it to the proper length. Once cut, he dashed back to the waiting frame and stapled the top back to the back posts. He performed the same for the breast rail, the supports, the arms, and other parts, all at a run. This same effort was being duplicated at several other work stations.

I was quizzed by the owner later as to what I thought of his productive frame department. My only comment was that his people were surely working as hard as they could.

They were not working smart.

My guess was that these people would not be able to sustain that pace for very long. This observation turned out to be true as the superintendent told me he just could not keep good people. Though that was many years ago, I still see some amazing things in some plants whose management believes they are productive and efficient. For instance:

1. People lifting a fully sprung frame from the floor to a fully extended overhead reach, and running with the frame 50 - 100 feet where it is then placed on rails or carts to be moved into upholstery.
2. Two very small people lifting a roll of upholstery fabric, using a pipe through the roll, from the floor to a full overhead position 30 - 50 times per day.
3. Two days "Work in Process" between cutting and sewing, or between sewing and upholstery.
4. A number of clerical people in an office waiting for customers to phone in orders.
5. Frame assemblers running to cut cardboard for their frames because the Product Development people did not have time to make the patterns, due to the large number of style introductions.
6. Several clerical people counting piece work tickets using a standard adding machine.
7. Four or five phone calls made to a customer about an order to insure the correct options were entered on the order because of the large number of options allowed on the style.

8.   A company making three deliveries to a customer in two weeks with one to four pieces on each delivery.

I'm sure you could add to this list.

So what is productivity? I like to define productivity as the ***highest quality at the lowest cost from sale, to order, through manufacturing, to end user.*** Or as my slogan states: **B**etter, **F**aster, with **C**ontinuous Cost Reduction.

By now you are thinking, "If this Continuous Cost Reduction effects me, I could be part of the reduction by the loss of my pay check." The only security any of us have in a job is to be a *valued* team player working for a company making enough profits to reward investors and attract lenders. It is almost a certainty that if you are not working for a company making money, you will not be working for them in the future. For this reason, it is important, even imperative , you as an individual are supporting your company in its quest for **Better** product, **Faster** throughput, and **Continuous Cost Reduction**.

In visiting many companies, I often ask myself why one is profitable, growing, and seems to have exceptional people working for them, while another is stagnate or in a decline. Or better said, why is one company productive while another is unproductive. Here are some of the reasons I have discovered:

1.   **ATTITUDE**

When a person first comes to a new job in a new company, it is a certainty on day one they are enthusiastic. They want to do a good job. They want to be productive. They have a great attitude. So what happens between day one and month ten? The new employee wants to "fit in" with their peers. Thus, an existing bad attitude becomes contagious. Therefore, if a bad attitude does not arrive with new employees, the attitude of an organization must then be derived from its present employees. Corporate attitudes are a direct reflection of its leadership.

I have a friend who is a salaried sales person for a company in the medical business. In 1996 she placed her company in five hospitals which will yield revenues in the millions of dollars and similar profits. In December she was rewarded with a bonus of a whopping $200. Although her body still reports to work, her head and heart have moved on. It won't be long until the body does also. Another young friend, a rising star who had made product manager for a major company in a very few years, was called an "idiot" by his boss. Guess where his head and heart are.

Another friend worked for a company who produced for inventory. He questioned the production schedule he was given. He was told he was not paid to think. He was paid to get the production out. In the next 60 days, two warehouses had to be leased to hold the production. This inventory was later written off and sold at a great markdown.

While in the Army, I saw a new Second Lieutenant take over a platoon. He advised his First Sargent, in front of the platoon, that this platoon would do "exactly as he ordered". They did! In a few months, he was confined to a hospital for mental patients.

Can attitudes of organizations be changed? Yes! If you don't think so, learn about the change in attitude of a company as large as Chrysler. Or, read General Bill Creech's book "*The Five Pillars of TQM*."

Productive companies are made up of people with positive attitudes.

2. **COMPETITION OR "THE ENEMY"**

When you hear the term 'Us and Them' , in most American companies, the immediate thought is workers vs. management. In most Japanese companies the thought would be Toyota vs. Honda. Americans are the most aggressive, combative people in the world. We make great strides when we can identify and "go after" a common enemy.

I remember listening to the 'beep-beep' of the USSR Sputnik as it passed over the United States. I remember the words of President Kennedy boldly stating we would put a man on the Moon before the USSR. We couldn't get a rocket off the launch pad without an explosion at that time.

Had we not had competition, or a common enemy, I believe we would still be on the launch pad, developing an "Environmental Impact Statement" for the Moon.

Who is your company's enemy? A larger competitor, or is it managers vs. workers?

Do you have internal teams? Do they compete? Napoleon stated, I understand, that people would gladly give their lives for a small piece of ribbon. What friendly competition do you have in your organization? Everyone wants to be on a winning team.

Productive companies identify external enemies and compete.

3.   **OWNERSHIP**

Who do the people in your organization work for? If you go on the factory floor and ask, "Who do you work for?", you might be told, "I work for Sally or Joe." If you go into the same companies office and ask the same question, you might be told "I work for the Office Manager."

In fact, pay checks are not paid by the Office Manager or Sally or Joe, they are drawn on the resources of the company. In similar fashion, if Sally has an idea which effects the Office Manager, will she will keep it to herself, because she does not "work for the Office Manager?" Who do you work for?

Do the people in your organization work as owners or serfs with no title or ownership responsibilities? Do the people you work with, or for, take ownership responsibilities for only their job, or department, or do they take ownership responsibility for the whole organization?

A major upholstery manufacturer in Mississippi takes people from the sewing machines, or from assembly lines, and sends them to school to learn how to set the time for assembling products. Then they are allowed to set rates on the floor before being rotated to assembly positions. Do these people "own" their rates?

Companies where all people take ownership win. Other companies develop employees who are working there until, as one person told me recently, "they find a real job." If a company fosters an environment where people are hired in and used as human robots, the company, in my opinion, is doomed in the competitive world we operate in today.

Not long ago, I was asked into a company to assist in cost reduction. We made tremendous reductions. The owner asked me how this was accomplished as he had "taken all the costs out." I explained that I simply asked the people who worked for the company how to reduce costs. They were happy to tell me. No one had ever asked them. They were not "educated" enough to be consulted.

Productive companies are "owned" by their employees.

4.   **RECOGNITION**

What are people recognized for in your company? Is your pay scale based on longevity in the job, or are wages based on skill and knowledge which may improve the company? The growing companies learned along time ago that skill and knowledge are more

important than time on the job.

I attended an annual banquet for employees who had made suggestions which saved the company money. I asked one attendee what had they done. The reply was, "I don't remember, I think it was something last year. I was just told to be here." When do you recognize and reward good performance?

When I first started out in manufacturing, *and knew it all*, I attended an awards ceremony for "The Employee of the Month." A small wooden plaque was presented to a young man. I thought that this was one of the dumber things I had seen. It was a waste of money. Later I went with a friend to the employee's house to pick up a fishing rod. We were greeted at the front door by a little tike who said, "Come in and see what daddy got." He led us to the living room and pointed to the wall. On the wall in the living room was the plaque. WOW!

Productive companies recognize and reward.

5.   **MEASUREMENT**

What measurements do you use to determine the proximity of the company to its goals? Second, how do you communicate these measurements? As you know, ***you get what you measure.***

A piece work ticket is a certain measure to a person of what was earned for producing that piece. With this measure, you get pieces, until the person is no longer able to keep up the pace. They then and walk out the door taking with them the experience and knowledge developed over the years.

With the piece work ticket measurement, you get pieces, not necessary *quality* pieces. Thus, you might need to add in a bunch of inspectors to insure you get quality pieces. But, you **do** have a measurement which is communicated.

How about your company's budget. The budget is an excellent tool of communication for a company's goals. Does your company have a dynamic budget which changes as markets or production ability changes? Are the budgets communicated? Who is allowed to have input into the budget? Are people measured by their performance to the budget? In the budget, is the first thing subtracted from anticipated sales, a fair profit you intend to make from those sales?

Or, is your company's budget something required by the bank, and filed away after it is

produced and given to the person making the request.

In most productive organizations, you will find the results of current measurements posted for all to see. The measurements are for everything the organization wants to achieve. These measurements might be production lines with the lowest error rate, the average number of rings before a phone is answered, the number of injuries, the number of damage free trailer loads shipped in a period, the number of order entry errors, etc.

Productive companies measure.

6.   **<u>LEADERSHIP:</u>**

I believe a critical element to productivity is leadership. I am not talking about rank in the organization. Some high ranking people are the poorest leaders, and some of high rank are great leaders.

Great leaders have solid core beliefs. They are able to communicate those beliefs. Leaders are focused. Leaders stand on principle. Leaders are trainers who know the job and teach others willingly. Leaders are never satisfied with the 'norm'. Leaders surround themselves with talented followers. Leaders are excited about what the organization is accomplishing, and communicate that excitement.

These leaders can move a company to higher achievement by communicating and energizing organizational goals. They can create a synergism in their organization. If you have ever had the opportunity where the organization worked together with a high degree of synergy, you have experienced a great high in your career. If you have, you will not forget it.

Productive companies have great leaders.

To sum it up, you will work for a productive organization when the head and hearts of all employees are competitively focused on achieving the communicated goals for profitability. This will occur when the managers of the organization are its leaders.

In today's rapidly changing highly competitive environment, the only stability is working for a profitable, productive, competitive company. How is yours doing? E-Mail me with your thoughts and comments.