

How?

Use a Different, Disciplined Process.

Capital Tool & Die (a turnaround)



Capital Tool & Die ~ Top 3 Critical Factors:

1. Develop potential. Experienced & balanced skilled workforce.
2. Cleanliness & Quality
3. Dissect customer segments

How Do We Do It?

1. Develop potential. Experienced & Balanced Skilled Workforce
 - a. Let's go! Employees listed everything they saw and felt we could do.
 - i. An easel was filled at all-hands-on-deck team meeting.
 1. We came back to and updated "their" easel list monthly.

- ii. Positive force ranking staff. How can we do better by focusing on what works, and who does what best.
 - 1. 3 Significant Leadership adjustments.
 - a. Nawrocki named General Manager.
 - b. Named Jim Gray Plant Manager, Chet Spinks as Foreman.
 - c. Named Larry Borski Engineering Manager.
- iii. Profit Sharing Distributed Quarterly.
 - 1. Distributions based upon quarterly forced ranking performance.

2. Cleanliness & Quality.

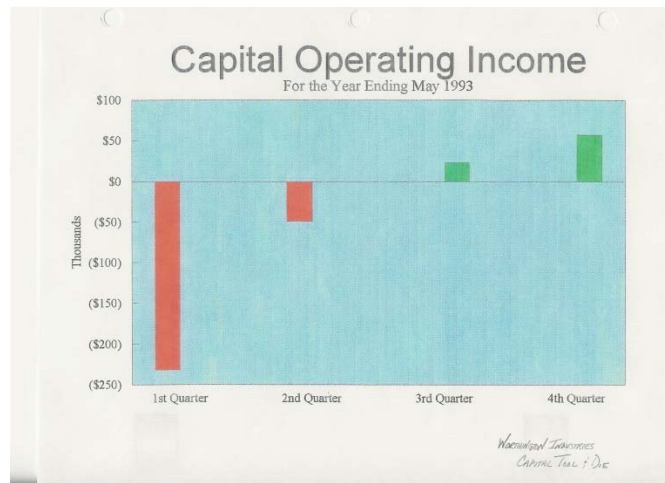
- a. We cultivated a new attitude toward our workplace. For example, how can we clean up our plant?
 - i. Specifically, we jump started the process by...
 - 1. ...dumping a new palette of oil dry into dumpster, then fixed all leaks in the machine centers.
 - 2. ...then a suggestion was made to brighten things up. Volunteers signed up to paint the plant, and another set of volunteers changed out the lights. As the story goes, it was like **NIGHT** & Day; seeing is believing.

3. Dissect Customer ~ The Customer Experience & Segmenting.

- a. Managing by Walking Around – Nonstop.
 - i. Employees – observed I worked from the plant floor.
 - ii. Customers – daily visited & felt immediate needs.
 - 1. We became instantly available for breakdowns, and if customers didn't like something, they weren't asked to pay.

b. Analyze & Decide.

- i. Stop! Remove #1 Customer ~ Liqui-Box.
 1. All kinds of awards; but all negative gross margins.
- ii. Go! Remanufacture Injection Molding Machines.
 1. We had the skill, staff, sales, structure, it became 1/3 of our business.



How the Process Works.

1. Observe.
 - a. Clear the crap out.
 - i. We removed under-utilized work centers, and the plant manager's office was moved out of the production flow.
 - b. Clean up your shop floor.
 - i. The place became immaculate! Because no oil dry was used and we installed a clean-air filtration system at the grinding center.
 - c. Clarity. If you clear out & clean up, then you can see what works.

- i. The focus on what works enables one to reinforce good habits.
 - 2. Examine
 - a. Senses – use them. They are impactful; and everyone relates to them.
 - i. Experience and judgment suggests nobody is against housekeeping.
 - 1. Seeing is believing. Example. A bright, clean workplace lets everyone see what works.
 - ii. Experience and judgment suggests nobody is against freshening up a foul environment.
 - 1. Clean air, sends a message you care.
Example. A clean-air filtration system removed oil mist in the air and residue build up on the wall and ceiling.
 - b. Synthesize and put the pieces together.
 - i. Analyze. Break apart...
 - 1. Liqui-Box.
 - a. No. #1 sales volume with all kinds of awards, but No. #1 contributor to low/no margin.
 - ii. ...And put the pieces together.
 - a. What fits?
 - i. Instant service, 24/7 for breakdowns, and remanufacture injection molding machines.
- 3. Incubate
 - a. Connect
 - i. List every expectation & aspiration of each team member.
 - a. Cultivate it. Water, weed it daily.
Managing by walking around enabled

the team to see why, how, and what we can and can't do.

b. Collaborate

- i. I would model customer service. Our customers could see & feel I treated them as if they were the most important people in the world.
 - 1. It gets reciprocated. Gary Hickman, a customer suggested a member of his hourly maintenance crew, Jack Kime, lead our newly conceived injection molding segment. Jack Kime built that segment, which became 1/3 of our business.

c. Change

- i. We just covered 8 steps of our systematic approach (1. clear, 2. clean, 3. clarity, 4. sense, 5. synthesize, 6. see, 7. connect, 8. collaborate) and change is the 9th and final step.
- ii. When the first 8 steps are alive and well; the organization will get hot with change. See that your team has a project management system, and you're off to the races.