

How?

Use a Different, Disciplined Process

Worthington Steel Delta (a start-up factory)



Worthington Steel Delta ~ 3 Critical Factors

1. Dream Team selected to lead Worthington's largest investment (\$100 MM).
2. Problem identification, roles change.
3. PPAP, Successful Launch, & Performance.

How Do We Do It?

1. Dream Team Selected.
 - a. While leading a 2nd year of solid growth and performance of Capital Tool & Die, I was requested to put together a business plan for Worthington's largest investment (\$100 MM) to date.
 - b. Ron Maciejowski, Exec. VP drafted me from the General Manager ranks to become Top Division Financial Executive.
 - c. The role included significant land acquisition, supply agreement negotiation with North Star BHP Steel; team talent acquisition, ERP systems implementation, plant

machine coordination, & controls integration as well as financial management (decision support, control & risk management, transactions processing).

2. Role Change. Project Management - Systems Integration

- a. Because significant resources were required to integrate all plant-wide machine coordination & controls, Paul Hido CPA and U of M MBA was recruited to head up the finance position at Delta. Paul Nawrocki would then head-up the plant wide systems integration.
- b. This included: radio-frequency automation of inventory tracking, machine level controls (pickle line, galvanize line & slitters), and plant level controls (scheduling, material movement, material set-up).

3. PPAP & Successful Launch

- a. Being a Tier 1 Automotive Supplier, all material required advanced PPAP approval, metallurgical process documentation, & ISO 9001 approval.
- b. The plant start-up was a resounding success. Like water seeking the lowest level, the Dream Team filled all gaps. The plant was profitable in its 3rd month of operation and is one of Worthington's most profitable plants.
- c. A 2 year start-up, on-time, on-budget and profitable in 1st quarter.

How the Process Works.

1. Observe
 - a. Clear vision was drawn up.
 - i. We diagramed the production flow.

- b. Clean sheet was given to staff production and its practices.
 - i. No practice was available until the installation was completed.
- c. Clarity. If you have a clear vision and a clean sheet to do whatever, then you can see what works.
 - i. Because the plant was not built, I suggested we build a computer model to simulate material movement. The key was problem identification, not problem solving. This tool revealed we had a material movement problem, with significant bottlenecks.

2. Examine

- a. Senses – use them. They are impactful, and everyone relates to them.
 - i. Input creates participation. Participation creates engagement. Engagement creates ownership.
- b. Synthesize.
 - i. Analyze. Break apart...
 - 1. ...each work flow & the nuances of scheduling.
 - a. (i.e. type of product runs, thick to thin; wide to narrow; hard to soft, demand vs. supply)
 - ii. ...and put the pieces together.
 - a. Nawrocki lead Perot Systems and system integration team.
 - i. The critical success factor was problem identification.

- ii. Dream Teams are loaded with problem solvers and subject matter experts.

c. See.

- i. The Dream Team input the factors used to simulate operations.
- ii. Everyone could see the simulation model was worth a 1,000 pictures. It identified a serious product & process flow issue.

3. Incubate

a. Connect.

- i. List expectations of the rigorous PPAP, ISO approvals and be inclusive with team members.
 - 1. Work flow diagram of production process to exceed requirements.
 - a. Imitate developed work flow diagram and practice, practice, practice.

b. Collaborate

- i. Daily with customers, regulating agencies, sales, engineers, and machine operators.

c. Change.

- i. The last step. When all other 8 steps are alive & well; high performing teams adapt and change on their own.