Manufacturing Excellency III

Utilizing Your Existing Resources to Become a World Class Manufacturer

The Westin Westminster
Westminster, Colorado

August 31 - September 1, 2004

August 30, 2004
• Pre-Conference Workshops

September 2, 2004
• Post-Conference Site Tour Lockheed Martin Corporation

"The manufacturing industry is at a 20 year high, secure your future as the manufacturer of choice by realizing your organizational potential."

Bringing the best North American manufacturing minds under one roof to link strategy with first-hand experience and practical solutions.

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Featuring Case Studies and Industry Perspectives from:

Michael Joyce
VP, LM21 Operational Excellence
Lockheed Martin Corporation

David Vazquez
Quality Program Manager, Future Combat Systems
The Boeing Company

George Fratto
Director, Annapolis Operations
Northrop Grumman Electronic Systems

Dr. Ken Somers
SVP
Human Capital Associates

Robert B. Blaha
President
Human Capital Associates

Kurt Yeager
President and CEO
Electric Power Research Institute, Inc.

Ray Huey
VP, Quality Systems
VIASYS Healthcare, Inc.

Robert Liptrot
President
Boston Industrial Consulting

Steve Crom
Managing Partner
Valeocon Management Consulting

Karen Weakley
Director, Quality Safety and Environmental
ATK Tactical Systems Company LLC

Scott Kluender
Head, Quality
AGCO Corporation

Charles G. Johnson Jr.
VP
Human Capital Associates

Larry Buchtmann
VP, Manufacturing
Acme United Corporation

Doug Pratt
Director, Six Sigma Process Excellence
Dow Corning Corporation

Ian Osborn
Manager Design for LeanSigma
Maytag Corporation

Chris Clark
SVP, Global Sourcing
The Goodyear Tire & Rubber Company

Ray Keefe
VP, Corporate Manufacturing and Quality
Emerson Company

Nancy Day
Director of Systems and Process Quality
Duracell

Why You Should Attend:

- Benefit from real life case studies presented by leading practitioners who have expert knowledge in the manufacturing and quality fields
- Discover how to successfully manage the external challenges manufacturing organizations are facing
- Realize how to leverage your quality best practices across the organization
- Network with visionary and innovative peers and speakers
- Gain knowledge on how your closest competitors are utilizing their quality strategies and dealing with industry pressures

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NACFAM National Coalition for Advanced Manufacturing

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Monday, August 30, 2004

1:00pm-4:00pm Pre-Conference Workshop

The A-Z of Combining Lean and Six Sigma into Your Existing Organizational Framework and Measuring the Results

The integration of Lean and Six Sigma quality initiatives can increase your improvement processes to achieve strategic goals. Value stream mapping and balanced scorecards are used for planning the simultaneous and synergistic deployment of Lean and Six Sigma improvement processes. Balanced and linked scorecards measure and manage the effectiveness of Lean Six Sigma improvement projects on process performance, product cost and delivery, and overall company growth in revenues and profitability.

- Understanding how Lean Six Sigma complement each other
- Knowing when to use which tool set to ensure quick results
- Organizing training for Lean Six Sigma
- Using Value stream mapping and balanced scorecards in the planning and deployment of Lean Six Sigma

Combining Lean and Six Sigma initiatives create many organizational and managerial challenges. This workshop will cover all you need to know about combining your Lean & Six Sigma initiatives. Your workshop leader will take you through the different Lean and Six Sigma camps and then the interactive sessions will allow you to transfer this knowledge and create practical solutions to take back to your organization and apply. An important part of your quality tools is being able to measure the results; this workshop will give you the ability to measure your R.O.I. and assess the success of your quality initiatives.

About Your Workshop Leader:

Ken Somers, Senior Vice President of Human Capital Associates, has more than thirty years of experience leading organizational change and performance improvement. He is an internationally experienced speaker, consultant
and educator on leading business improvement, has published numerous articles and is the co-author of The Power of Empowerment. Somers has held leadership positions in strategic planning, international development, quality and executive development at Tenneco, AM International and Duchossois Industries.
He founded JK Somers & Associates in 1988 and joined HCA in 1990.
He has worked in numerous sectors, including aerospace, automotive, biotechnology, computer technology, communications, construction, defense, energy, engineering, environmental engineering, analytical labs, medical devices, pharmaceuticals, ship building, and utilities. Somers also served on the faculties of Texas A&M University and Bowling Green State University, where he taught industrial technology and production management. Somers helps companies develop their business strategy, build strategic alliances and implement high-performance work environments that result in enterprise excellence. His technical expertise integrates Strategy, Alliances, Lean, Six Sigma, Quality Systems Management, and Team Development. He is also an ISO lead auditor
and has helped more than 100 organizations achieve ISO certification.

Dr. Ken Somers
SVP
Human Capital Associates

Day One: Tuesday, August 31, 2004

8:00 Registration and Continental Breakfast

8:30 Opening Remarks from the Chair and Conference Welcome

Robert B. Blaha
President
Human Capital Associates

8:45 Keynote Presentation

Thinking Lean to Compete and Win: A Practical Case Study of Lockheed Martin's Operational Excellence Program

Lockheed Martin's enterprise-wide focus on one-plant-at-a-time Lean Thinking won them the right to manufacture the F-35, the new Joint Strike Fighter, and the largest contract in the history of aerospace manufacturing. This achievement will set the standard for airframes for the next three decades, with a return that may exceed a trillion dollars. This presentation will share the practical lessons, thinking, proven steps and tools that contributed to Lockheed Martin's successful leadership approach.

- Grasping the thinking behind the Lockheed's Leadership approach to transfer best practices to your organization
- Defining the proven steps and tools used by Lockheed Martin to achieve success
- Understanding practical lessons learned by Lockheed's Lean implementers

Michael Joyce
VP, LM21 Operational Excellence
Lockheed Martin Corporation

9:45 Case Study

Manufacturing Trends for 2004 – What Manufacturers Need to Know to Become More Profitable

The challenges manufacturers currently face are predominantly out of their direct control; instead issues are arising as a result of economic and global pressures. However, by recognizing and understanding these external pressures, organizations will have a greater chance of succeeding at the management, and control of these influences.

- Identifying the new competition facing US manufacturers
- Increasing labor shortage in the US vs. the cheap labor available in Asia
- Identifying the non-manufacturing costs affecting manufacturing organizations

Chris Clark
SVP, Global Sourcing
The Goodyear Tire & Rubber Company

10:30 Refreshments and Networking Break

11:00 Case Study

Determining Possible Solutions to Rising Energy Costs Facing Manufacturing Organizations to Increase Profitability

A report published by President Bush's administration entitled "Manufacturing in America: A comprehensive strategy to address the challenges to US Manufacturers" looked to tackle the key issues affecting manufacturers. Among the strategies discussed were those relating to energy costs. This, along with several other cost issues combines to create the number one non-production related challenge for manufacturers. "External non-production costs have offset a large part of the 54% increase in productivity achieved since 1990." Manufacturers, unlike other sectors, face a cost price squeeze because intense global competition prevents them from increasing prices despite rising costs. This session will create an understanding of the impact of the governmental issues on your organization and how you can overcome the issues of rising energy costs to increase your profitability.

- Managing energy costs to reduce the impact on manufacturers' production costs
- Understanding the recommendations of the current government and how they affect your organization
- How environmental issues are impacting the way manufacturers produce

Kurt Yeager
President and CEO
Electric Power Research Institute

11:45 Case Study

Understanding the Positive and Adverse Effects of Globalization on Manufacturers to Improve Your Manufacturing Strategy

The growing integration of economies, ease of communication and improved production capabilities in low cost countries has created significant pressures on US Manufacturers. Globalization has brought opportunity and improved working conditions to these countries, but it has generated significant concern of increased inequality among producers. Intense global pricing pressure has strengthened interest in Lean Manufacturing and forced US Manufacturers to adopt new strategies in a global market. Several case studies from recent experience will be shared in an effort to provide a benchmark for product outsource vs. in-source decisions. These include:

- Understanding the trade-off in speed to customer vs. cost to manufacturers
- Establishing the value and product quality issues in outsourcing decisions
- Recognizing strengths and weaknesses of emerging country production
- Benchmarking strategies for in-sourcing vs. outsourcing

Ray Huey
VP, Quality Systems
VIASYS Healthcare, Inc.

Robert Liptrot
President
Boston Industrial Consulting

12:30 Lunch and Networking Break

1:30 Case Study

Determining the Relationship Between Manufacturing and Quality Functions in the Organization to Increase Customer Satisfaction

The manufacturing processes in an organization cannot exist independently. A prime consideration of this process has to be quality, which often comes from a central department in the organization. Quality and manufacturing departments within an organization have to learn how to have a cohesive relationship in order to achieve the most valuable results. Greater steps must be taken to improve communication and define boundaries in which both departments operate. Ultimately, the unified approach of manufacturing and quality will strengthen the quality that is delivered to the customer, and in turn increase profitability.

- Defining the boundaries in which manufacturing and quality operate to eliminate cross over
- Creating effective communication channels between quality and manufacturing
- Establishing a knowledge sharing environment between manufacturing and quality

David Vazquez
Quality Program Manager, Future Combat Systems
The Boeing Company

2:15

Defining the Role of Upper Management to Initiate Quality Change Effectively and Profitably – A Siemens Case Study

Establishing the role of upper management is a critical success factor in any attempt to make changes in an organization. The definition of management duties needs to be clearly defined, and boundaries need to be set, so that an understanding of the change can be fully comprehended at all levels of the organization. Upper management buy-in becomes even more of a necessity when quality initiatives are deployed enterprise-wide. Top-level commitment becomes a leverage point in terms of both time and dollar resources. The role of upper management is vital in making an organization the manufacturer of choice. Valeocon Management Consulting will use Siemens as a case study to demonstrate the role of management in initiating quality change.

- Adapting the upper management style of leadership to deploy effective quality initiatives
- Communicating accurate information to create a clear and consistent organizational message
- Aligning strategies with stakeholder values and beliefs
- Dedicating time to your quality initiatives
- Maintaining the dollar investment to your quality initiatives once initial deployment has begun

Steve Crom
Managing Partner
Valeocon Management Consulting

3:00 Refreshments and Networking Break

3:30 Case Study

Creating the Right Organizational Culture to Sustain Results of Your Quality Initiatives

Organizational culture can make or break your quality strategy. In order to secure a greater chance of success in deploying and ultimately continuing to utilize your quality initiatives the right culture must be instilled in the organization. Understanding the cultural readiness for a change initiative will help shape all aspects of a successful deployment.

- Creating the right mentality to reduce conflicts in the different Lean and Six Sigma camps
- Defining your decision making process to implement quality initiatives
- Getting buy-in from your internal public relations department
- Initiating full support from your internal quality experts for Lean deployment and other quality initiatives

Karen Weakley
Director, Quality Safety and Environmental
ATK Tactical Systems Company LLC

4:15 Case Study

Managing the Talent in Your Organization to Maintain Manufacturing Excellence

The current manufacturing boom has been defined as a "jobless recovery". Organizations have a wealth of expertise that lie within their workforce, however, a lot of this potential is yet to be realized. Manufacturers can no longer rely on an abundance of labor, as the market becomes more competitive so does the race to retain your talented employees. Existing knowledge bases will be crucial in the transferring of tools and techniques to new employees and will be influential in sourcing potential recruits.

- Identifying existing talent that can be utilized elsewhere in the organization
- Creating workforce ownership and commitment to quality initiatives
- Building in quality techniques and mindsets to your recruitment and training systems
- Work force development and skill enhancement to retain employees and grow the organization

George Fratto
Director, Annapolis Operations
Northrop Grumman Electronic Systems

5:15 Closing Remarks from the Chair

Day Two: Wednesday, September 1, 2004

7:45 Registration and Coffee

8:15 Opening Remarks from the Chair and Re-Cap of Day One

Robert B. Blaha
President
Human Capital Associates

8:30 Keynote Presentation

Strategy Development and Deployment: Planning for Lean Six Sigma Enterprise-Wide

Your organization has been reaping the benefits of Lean Manufacturing and Six Sigma. These and other performance improvement initiatives are not always integrated into a comprehensive strategy and deployment approach. It is necessary to find some distinguishing factors to gain an advantage over your competitors and to ensure you can continue to become a world-class manufacturer. By utilizing your existing successful practices and deploying them enterprise-wide you can achieve this. Key to the success of this enterprise roll out is the ability to develop tools such as Lean Six Sigma and adapt them to all areas of the business, while still considering the changes that will have to be made in order to transfer the successes already achieved.

- Using value stream management to create your strategy deployment plan
- Understanding Lean and Six Sigma Foundations
- Recapping on the basics: Lean Manufacturing and Six Sigma
- Supply chain execution
- Demand management

Ray Keefe
VP, Corporate Manufacturing and Quality
Emerson Company

9:30

Deploying Lean Six Sigma in Non-Manufacturing Environments of the Organization to Improve the Bottom Line

Most organizations possess untapped capabilities that can significantly improve business performance. Lean Six Sigma seems to be the umbrella term for an organization's quality tools that have traditionally resided in manufacturing processes. Organizations are now realizing that there are other areas of the business that warrant the deployment of Lean Six Sigma because of the cost savings they will see. However, there are many challenges in transferring a traditionally manufacturing quality tool to non-manufacturing departments of the business.

- Getting buy-in from all departments for new process improvement techniques
- Communicating Lean Six Sigma as a total business process for non-manufacturing departments
- Translating the tools of Lean Six Sigma to non-manufacturing processes
- Lessons learned from enterprise-wide deployment of Lean Six Sigma

Charles G. Johnson, Jr.
VP
Human Capital Associates

10:15 Refreshments and Networking Break

10:30 Case Study

Applying Lean to Your New Product Development Process to Improve the Manufacturability of Products

Companies that have implemented a product development program applying Lean concepts have in some cases reduced cycle time by as much as 70%. The ability to effectively bring innovative, high quality products to market rapidly has become essential. This is particularly true to the manufacturing industry where shortened product development cycle times and increasing levels of product quality is now a crucial differentiator. While product development is a unique environment, the work formed across tasks is similar to that of any other project in the business. Therefore, the application of Lean principles during the product development process is a critical, and early enabler of Lean manufacturing.

- Understanding customer defined value and quality of your products
- Identifying problems early in the product development cycle to minimize downstream process variation
- Synchronizing new product development processes for simultaneous execution
- Incorporating rigorous standardization to drive out waste in the product development process

Ian Osborn
Manager Design for LeanSigma
Maytag Corporation

11:15 Case Study

Strengthening Supplier Relationships: Making Suppliers an Extension of the Factory to Gain a Competitive Edge

Suppliers are an integral part of the manufacturing process. They can be a constraint in terms of both time of delivery and the quality of the material they are supplying. However by building strong relationships and ensuring that they understand your business, they can help in your efforts to become a leading manufacturer. Managed effectively suppliers will also enhance your flexibility, and reduce costs by allowing you to have less inventory, while being instrumental in research and development of processes and products.

- Building relationships with a supplier
- Selecting suppliers that fit your supply chain processes
- Understanding your supply base challenges and how they affect your organization and performance
- Harmonizing your front and back end processes, from Sales and Operations Planning (SOP) to Continuous Replenishment Process (CRP)
- Managing the main drivers in the supplier relationship
- Maximizing performance with continuous improvement initiatives

Larry Buchtmann
VP Manufacturing
Acme United Corporation

12:00 Lunch and Networking

1:00 Round Table Discussion

Understanding the Toyota Production System and How You Can Apply it to Your Organization

The Toyota Motor Corporation combines the advantages of craft and mass production, while avoiding the high cost of the former and the rigidity of the latter. Toward this end, they employ teams of multi-skilled workers at all levels of the organization and use highly flexible and increasingly automated machines to produce volumes of products in enormous variety. The basic idea of this system is to maintain a continuous flow of products in factories in order to flexibly adapt to changes in demand. One of the key concepts in the success of this production system is the standardization of operations to attain line balancing.

- Utilizing just-in-time methodologies to adapt to demand changes
- Forming autonamation in your organization to create standardization
- Creating a flexible work force to generate a multi-tasked organization
- Generating creative thinking among employees

Robert B. Blaha
President
Human Capital Associates

1:45 Case Study

Measuring and Tracking Six Sigma's Economic Impact to Convince the Skeptics in Your Organization

A key element in change management is the portrayal and communication of successes to convince those in the organization that are skeptical and resistant to change. Continually achieving goals and objectives that have been identified as critical for continued success will instill a sense of confidence in the change initiative. By continuing to communicate the lessons learned and positive outcomes from different projects, the strategy change initiative will gain credibility among all employees in the organization.

- Defining realistic goals and metrics to allow credible results
- Measuring the success of quality initiatives; hard versus soft dollars, scorecards, and dashboards
- Communicating successes company-wide
- Re-evaluating projects as they continue to progress to show continuous successes

Doug Pratt
Director, Six Sigma Process Excellence
Dow Corning Corporation

Day Two: Wednesday, September 1, 2004, cont'd

2:30 Refreshments and Networking

3:00 Case Study

Implementing and Integrating DMAIC to Supplement and Enhance the Existing Lean Focus at Duracell

In 2001, Lean Manufacturing became the vehicle for improving asset productivity, employee productivity and quality in Duracell. It was soon recognized that although Lean is highly effective in solving most problems, it is not substantial enough to solve problems that were causing variability and defects. Consequently the DMAIC process was implemented in late 2002 to fill this gap. This integrated approach has delivered significant results both internally and externally. This session will take Duracell as a case study and demonstrate how they successfully integrated their lean and DMAIC processes.

- Reviewing Duracell Lean Manufacturing
- Implementing DMAIC as a methodology not a program
- Understanding the Duracell manufacturing quality roadmap that provides direction for using DMAIC
- Examining the Key metrics, review and results: Quality KPI's
- Using the VSM to identify and improve sources of loss due to poor quality
- Integrating Lean and DMAIC – the future
- Evaluating the lessons learned

Nancy Day
Director of Systems and Process Quality
Duracell

3:45 Case Study

Identifying Areas of Superior Performance in a Multi-National Organization to Create a Best Practice Strategy

Multi-National Organizations have a wealth of knowledge that occurs through cultural and managerial differences. In order to create consistency and leverage best practices across the entire organization steps must be put in place to identify existing resources.

- Defining specific attributes and characteristics of the superior performance in each company location
- Facilitating knowledge transfer across the organization and across all language barriers
- Combining best practices from each corporate location to unleash the potential of all of your quality initiatives enterprise-wide

Scott Kluender
Head, Quality
AGCO Corporation

4:30 Closing Remarks from the Chair and End of Conference

Thursday, September 2, 2004

9:00am-5:00pm Post-Conference Site Tour

An unmissible opportunity to see how one of the leading manufacturers has implemented their quality initiatives to propel them to world class. After meeting in the hotel lobby ready to depart at 9.00am we will travel to Lockheed Martin's site in Denver.

Lockheed Martin Corporation, an advanced technology company, was formed in March 1995 with the merger of two of the world's premier technology companies, Lockheed Corporation and Martin Marietta Corporation. Lockheed Martin is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services.

The Site in Denver houses the Space Systems Atlas operations, which began as the first U.S. Intercontinental Ballistic Missile (ICBM). At the same time Atlas was being developed as an ICBM, the Air Force began supplying the vehicles to the National Aeronautics and Space Administration for space applications. In 1958, the first communication from space was broadcast from an orbiting Atlas with a recorded Christmas message from then-President Eisenhower. Atlas went on to become a workhorse in the U.S. space program, launching numerous government, military and civilian payloads. The commercial launch services program for Atlas was initiated in June 1987, and the first commercial launch was accomplished in July 1990.

Atlas comprises three basic families: the Atlas II (IIA and IIAS), the Atlas III (IIIA and IIIB) and the Atlas V (400 and 500 series). The Atlas II family is capable of lifting payloads ranging in mass from 6,200 lb. (2,812 kg) to 8,200 lb. (3,719 kg) to Geosynchronous Transfer Orbit (GTO). The Atlas III family is capable of lifting payloads up to 9,920 lb. (4,500 kg) to GTO. The Atlas V family is capable of lifting payloads up to 19,114 lb. (8,670 kg) to GTO.

On your exclusive tour of the Lockheed Martin Space Systems you will see examples of the Atlas Launch vehicles in Final Assembly, where the Atlas and Titan launch vehicles are prepared for shipping to a launch site at either Cape Canaveral, Florida or Vandenberg Air Force Base, California and the RD-180 Engine built in Russia.

Join our executives at Lockheed Martin Corporation and learn about:

- Lockheed Martin's "leaning a low rate" program
- Standard work, kanbans and team huddles
- Lockheed's foreign object elimination program and target zero safety programs
- Getting your suppliers and customers involved
- Taking LM21 Operating Excellence to your suppliers

Your host for the afternoon will be:

Dan Caughran
Director Atlas Operations
Lockheed Martin Corporation

Please note that travel to and from the facility will be on an executive coach. We will arrive back at the hotel at approximately 5:00pm.

Sponsors

HCA
HUMAN CAPITAL ASSOCIATES

Human Capital Associates (HCA) has been helping businesses realize enterprise excellence for over a decade. At HCA, we guide organizations to become better, faster, and more cost effective using a proven, powerful combination of Lean and Six Sigma-lean6sigma℠. It's how we do it that makes the difference. Our record speaks for itself-with documented client savings and revenue growth of over $7.5 billion.

Crystal Ball®

For over 17 years, Decisioneering has built its reputation on the award-winning Crystal Ball suite of Excel-based applications for risk analysis, Monte Carlo simulation, optimization, time-series forecasting, and real options analysis. Crystal Ball is recognized as the most reliable and easy-to-use spreadsheet simulation software, with broad applications in Six Sigma, DFSS, and Lean.

VALEOCON
MANAGEMENT CONSULTING

Valeocon Management Consulting helps global clients achieve sustainable business results using an integrated approach that combines Process Excellence techniques such as Lean and Six Sigma with a strategy deployment approach. Valeocon consultants have worked with industry leaders such as GE, J&J, Siemens, and many others to achieve lasting results by building internal capabilities.

Boston Industrial Consulting

Boston Industrial Consulting works with Manufacturers and Distributors to design and deploy performance improvement and cost reduction programs. We use the fundamentals of Lean Sigma and Industrial Engineering to design, develop, train, coach and implement uniquely tailored solutions. Our hands-on approach goes beyond basic training, helping organizations implement, measure and sustain performance excellence.

Media Partners

The resources you need to successfully implement Six Sigma: iSixSigma is the industry leading information portal and marketplace at the cutting-edge of the Quality and management professions and is frequented by more than 70% of the Fortune 100 companies in America. Heralded as "head and shoulders above all other Six Sigma-related sites," iSixSigma services over 340,000 worldwide visitors per month and has won numerous awards and distinctions for providing original and insightful articles, tools and templates, online coaching, professional development opportunities, and many other free Six Sigma resources. www.iSixSigma.com

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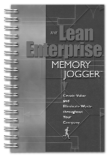

Free to all Conference Attendees

The Lean Enterprise Memory Jogger™
Competitiveness in the New Economy demands streamlined operations and a total organizational effort to more quickly improve bottom-line performance from shop floor to boardroom. The Lean Enterprise Memory Jogger ™ provides quick access to lean principles and practices with comprehensive "how-to-do-it" guidance on: the goals of the Lean Enterprise, visual management, error proofing, the Kanban System, lean metrics, and more.

NACFAM
National Coalition for Advanced Manufacturing

The National Coalition for Advanced Manufacturing (NACFAM) is an industry-led, non-profit education, research and services organization committed to enhancing the productivity and competitiveness of U.S.-based manufacturing. Since its founding in 1989, NACFAM has built a unique, public-private community of over 1500 corporations, 20 national trade associations and 350 non-profits (federal labs, university research centers, industrial research consortia, technical and community colleges, and manufacturing extension partnerships) that offer productivity enhancing services to manufacturers.