



IDEAS FOR IMPACT.

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The Power of Lean in Seasonal Businesses

Featured Article

In this month's edition of **Ideas for Impact**, we look at how Lean Six Sigma can help seasonal businesses flourish in the midst of their busiest times.



Having systems and processes in place that maximize productivity is essential to the overall success of any organizations. But, perhaps nowhere is this more important than in seasonal businesses. Any process flaw—regardless of how small it might be—can cause damaging, and even fatal, blows to these companies' bottom lines.

In this edition of *Ideas for Impact*, we look at how seasonal businesses can implement the principles of Lean Six Sigma to ensure that processes AND profits flow smoothly.

Here's to ideas you can use to make an impact in your organization,

David Rucker
Rucker & Associates

The Power of Lean in Seasonal Businesses

by Dave Rucker and Vic Klein

For those in seasonal businesses—the ones where the majority of profits are often made in a time span measured by weeks rather than quarters—the pressure to perform during peak periods can be suffocating. Every single day, every single hour is critical. And no underperforming day or hour can be recouped. It's tough. It's stressful. But, with Lean Six Sigma principles in place, it can also be a time to shine. One during which business goals and profit targets are not only met—but exceeded.

During peak seasons, volume increases, scheduling becomes hourly or shift-focused rather than weekly, value streams are stressed and weaknesses in systems are exposed. Trying to "fix" or address any of these in the midst of a peak season frenzy tends isn't feasible. Instead, building robust-yet simple-lean production systems and processes beforehand is key. Here are some tips to consider when thinking about how to capture the power of Lean Six Sigma for your seasonal business (or during crunch times for non-seasonal businesses):

1. When peak season hits, you can literally go from an organization with a few permanent, seasoned employees to one with hundreds of temporary employees who have come in to work only a matter of weeks or months. And, you expect both temporary and permanent employees to rise to the occasion. But, while you might see them working long, hard hours—how

effectively are they working? And how efficient are the systems they're operating within?

One of the keys to ensuring efficiencies of employees and systems during peak season is to take your seasoned employees who know your processes intimately and let them become "player/coaches" during this time. For example, they might be line workers during the off-peak season—but become managers of temporary employees during the peak season.

2. Provide tools for your managers that help them get an immediate snapshot of how efficiently employees and processes are working at any point in time. These tools might include hour-by-hour charts, visual performance boards and visual cues—such as minimum/maximum charts. When they have access to tools like these, managers can identify problems quickly and provide solutions immediately. Both of which are key during peak season.

3. When you increase volume, you're often running more shifts. To ensure that there are enough managers for each shift, many companies make the mistake of hiring temporary employees to perform in this role. However, by doing so, they're bringing in people who don't have a commitment to the business and who don't understand the intricacies of the processes. What should be done instead is to make sure that there are seasoned "player/coaches" on every shift managing employees and processes. This might mean changing a permanent employee's schedule during peak season. But, it's well worth it.

4. Lean is about having flexibility in your processes and in knowing what you have to build every day. In peak season, you might be building to a specific schedule 75% of the time. But, during the remaining 25%, you're building the unexpected. So, how do you effectively address this? By scheduling your line less than full. Reserve some of your capacity to handle the unscheduled and unexpected.

5. During non-peak seasons, companies tend to build products complete. However, trying to build complete during peak seasons can over-stress a line to the point of failure that infiltrates the entire system. The solution is to have pre-built components ready during peak season so that customization to final product configuration is relatively simple and quick. This can cut production time exponentially.

6. Establish your true equipment and resource capacities before peak season begins. Know what you can realistically expect from each piece of equipment, the production line, suppliers, etc. Also, establish protocols for preventative maintenance so that vital equipment can constantly run.

7. Remember—there's no room to bring a temporary employee onboard who isn't capable or one who needs to be brought up to speed. If you do, it can prove to be a very expensive mistake. So, instead, implement a very specific screening process and require potential temporary employees to demonstrate at least 75-80% efficiency out of the gate for the position they are being considered for. Once they're onboard, monitor their progress. If they don't work out within the first day or two, replace them.

8. Monitor flow on an hour-to-hour or an even more frequent process during peak season. It is absolutely essential that work-in-process material remains stocked at adequate levels between stations so that processes flow with no obstructions.

When professional athletes find themselves in clutch situations during a game, you don't see them flinch. They just perform. And the reason why is that they've engaged in

intensive preparation long before that critical moment arrived. So, their response is "baked in." In order for seasonal business to perform at optimal levels during peak times, the same principle applies. They have to go through the preparation process in advance—and have confidence that the systems they have in place will work. This is exactly what Lean Six Sigma is designed to do. And why the most successful seasonal businesses "bake it in" their culture.

About Us

Rucker & Associates helps companies discover dramatic new efficiencies using Lean Manufacturing and Six Sigma improvement methods. We provide hands-on consulting and onsite training to get your improvement program up and running quickly. Our goal is to create an independent, self-sustaining Lean Six Sigma program for our customers.