Specially prepared for MHEDA

MHEDA Article: "Stop Scraping Burnt Toast"

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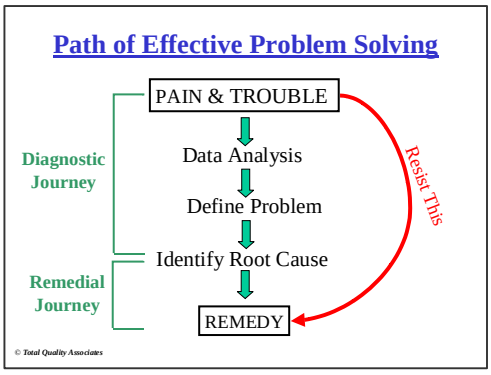
Just about everyone has had the experience of burning toast and then trying to salvage it by scraping the burnt surface. The ironic thing is that many of us do it quite a few times! Why? It is because we either failed to identify or fix the root cause of the problem. Most would agree that scraping burnt toast is the equivalent of not "doing things right the first time". In a symbolic way, scraping burnt toast portrays the many times we respond to the same problems over and over again at work.

The reason that work-related problems often seem *very familiar* is because they probably are! In almost every company there are many repeat problems that drain human and financial resources as well as irritate customers and employees. Sometimes these problems are ignored because they are seen as incidents rather than clear patterns. Sometimes problems keep coming back because the symptoms rather than the root causes have been addressed. However, it will be a relief to know that there are many simple, but highly effective, tools to drastically reduce or avoid repetitive problems and improve your organization's bottom line performance. This article addresses key fundamental concepts and problem-solving tools, which will enable you to STOP SCRAPING BURNT TOAST.

Fundamentals of Problem-Solving

Before problem-solving tools can be successfully applied, it is important to recognize certain fundamental concepts, such as:

- ✓ Problems are *not inevitable*. This is the business equivalent of "positive thinking". This is a mental frame of mind, which must exist in order to successfully rid a company of repetitive problems.
- ✓ A problem *well defined* is half solved. If the real problem is not understood then it is almost certain that the "solution" will miss its mark.
- ✓ An ounce of *data* is worth a pound of opinion. Time and again, data has proven to be the great myth-buster. The adage: "Trust in God. All others bring data" is not far off!
- ✓ The vast majority of problems are related to *processes* not people. Therefore, if we don't like the outcome of business activities, such as quoting, service calls or billing, we need to examine the processes that produce the outcomes. Telling people to "try harder" may get more effort but not necessarily better results.
- ✓ Problem identification and resolution will only thrive in an *"error friendly" environment.* This is an environment that encourages people to reveal, not hide, problems.



Whenever there is a desire to eliminate or minimize a problem, this diagram illustrates the most fundamental principle needed for effective problem solving. There are **two journeys** – a diagnostic journey and a remedial journey. If the same problem occurs over and over again, chances are that the diagnostic journey was either insufficient or was skipped entirely. Therefore, the root cause was never really understood. However, if the root cause is understood, the remedial journey is often straightforward and successful.

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Problem-Solving Tools

Three useful tools to help identify and solve problems at their root cause(s) are Why5, tally sheets and flow diagrams.

"Why5" - This is a VERY simple method for getting closer to the true problem and its cause. Since more often than not, people tend to act on the symptoms rather than on the underlying issues, it pays to keep asking "why?". By asking "why?" five times or so, it *forces* one to get beneath the surface of the problem.

So when repetitive problems occur, such as orders are entered with the wrong information, jobs are installed improperly, wrong parts are placed in the service van or sales quotes are inaccurate, DO NOT automatically assume that someone just "messed up". By simply asking "why?" enough times the real cause(s) will often become apparent. Then the *appropriate* solution can be applied.

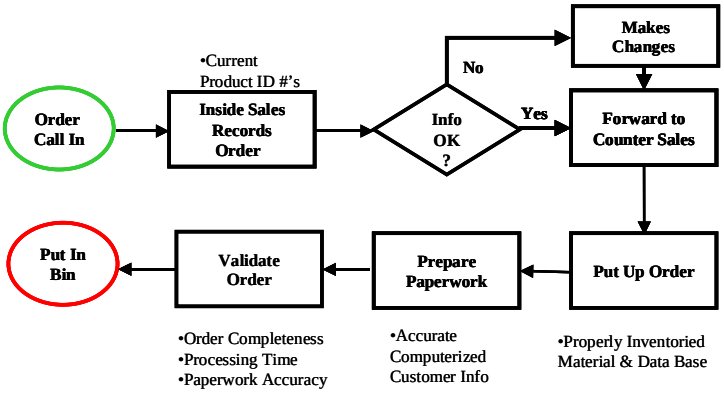
Tally Sheets are simple, but highly effective, data collection forms that make it easy to gather data in an organized way. These can be used to determine the extent and nature of problems, assess workloads, identify missed opportunities, and investigate many other items of interest. Some specific applications include frequency and reasons for:

- ✓ Complaints or returns
- ✓ Service call rework
- ✓ Operational downtime
- ✓ Lost sales
- ✓ Parts stock out
- ✓ Excessive wait time
- ✓ Late job completion
- ✓ Information inaccuracies
- ✓ Unavailability of truck rentals
- ✓ Late departure of service team members
- ✓ Missed or delayed billing
- ✓ Installation rework

Simply put tally marks next to the factors that you want to evaluate when they occur. After awhile patterns will likely become evident. This is very important in deciding where to allocate the organization's resources. Most importantly, it helps individuals to "act by fact", rather than just opinion. It won't be long before you will be amazed at what you find!

Flow Diagrams are simple pictorial means of portraying the sequence of activities, logic and decision points in a process that result in some desired output. This output could be a job quote, a completed installation, rental ready trucks, accurate usable inventory or timely PMs. Remember, the quality of the output is a result of the process that precedes it. This is why using process flow diagrams are so valuable to controlling and improving performance.

Here is an example of a flow diagram, which helped a distributor to improve the availability of materials for pick-up by customers who had called in rush orders. Nearly *half of the time* some of the ordered parts weren't ready, the paperwork was incorrect, thereby causing delays, or the material was misplaced somewhere in the building.



After flow-charting the process with the involved associates, key criteria for control were identified. Holes in the process were plugged and within three weeks, 100% of the orders were on time, accurate and had the correct paperwork. In this case, like a

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picture, the flow diagram was “worth a thousand words”.

Some useful applications for *Flow Diagrams are to*:

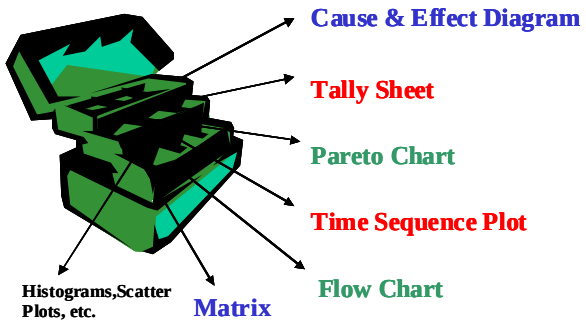
- ✓ Show what is being done. Often just trying to get work associates to agree on the process is enlightening!
- ✓ Troubleshoot the current process. Where have things gone (or could go) wrong and why?
- ✓ Develop a new process. Can we streamline or simplify the process? Can we make it error proof?

Getting Started

You can use the next page to get started by identifying those areas in your company that may represent scraping burnt toast. It is best done by collectively discussing this with department personnel who are close to the action. Next apply some of the concepts and tools in this paper to identify root issues and pursue appropriate solutions.

Note: This topic was presented at the Phoenix, Arizona MHEDA Annual Convention in May, 2006.

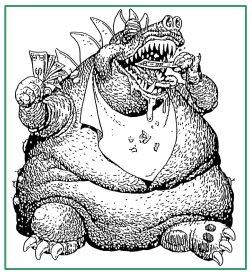
There are *many more tools and innovative ways to apply* these tools to solve your organization’s operational and business excellence challenges.



If your organization would like problem solving/process improvement training and innovative application’s coaching, please contact us. The information is included in the footer below.

The emphasis is always on RESULTS so the return on investment will be substantial!

(Material Handling Industry) Problems & Pain ID Worksheet



Check those types of problems that you feel occur in your work place and indicate the level of severity, as you perceive it. Add to problem list as needed.

Pain & Problems	**Level of Severity** Low-Medium-High (Indicate with L, M or H)	**Comments**
❑ Stress from "problems"	_____	_____
❑ Parts Stock out	_____	_____
❑ Installation Rework	_____	_____
❑ Service Call Rework	_____	_____
❑ Incorrect Shipment(s)	_____	_____
❑ Missed Deduction(s)	_____	_____
❑ Last Minute Panic	_____	_____
❑ Inaccurate Billing	_____	_____
❑ Missed Shipments	_____	_____
❑ Late Quotes	_____	_____
❑ Repetitive Order Editing	_____	_____
❑ Obsolete Inventory	_____	_____
❑ Rental Trucks Unprepared	_____	_____
❑ Lost Invoices	_____	_____
❑ Inaccurate Job Description	_____	_____
❑ Supplier Problems	_____	_____
❑ Unnecessary Lost Sales	_____	_____
❑ Irate Customers/Complaints	_____	_____
❑ Low First Time to Fix Rate	_____	_____
❑ Product/Service Non-conformance	_____	_____
❑ Delayed Service Calls	_____	_____
❑ Excessive Wait Time	_____	_____
❑ Inefficient Use of Technicians	_____	_____
❑ Bad Hires	_____	_____
❑ Van Inventory Variance	_____	_____
❑ Profit Negative Full Maintenance	_____	_____

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