



Message from Director Berkey



Recently, I saw a quote from Steven Covey, "Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall." It is not just a matter of doing some things well, it is critical that we do the

right things very well. Our commitment to bring the very best in Value Added programs to our customers never ends. There isn't time to be putting in effort working on things that do not translate into better business performance and a stronger organization. The time we spend with our customers is extremely important, and we understand that it is through mutual success that we all will prosper and win in today's environment.

It is most rewarding for us to see our customers prosper as they invest in constantly improving their processes and business performance. In this edition of our e-newsletter we are highlighting just one of those success stories. We also continue to highlight elements of our program as we see our customers applying them and getting results. We hope you enjoy this edition. Continue the good work, and as always we appreciate the opportunity to continue working with you.

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Superior Execution



Most business people would consider a relocation of their business a real challenge. And those of you who have made fundamental changes in your processes know that it is also very challenging. Doing both at the same time? Well obviously that is a lot to get done. Yet that's what Dan Sjolseth, owner of Superior Service Center, did when the city of Eagan, MN, USA decided to classify his existing shop's location of 20 years an economic development area, forcing his business to relocate.

A suitable location for relocating the business was identified; however, there was a catch. The new collision center would be attached to an existing mechanical service center. Sjolseth was unfamiliar with the mechanical business so he did what he had to, he began learning about the mechanical business. Sjolseth enlisted the assistance of a mechanical service business consultant to establish a foothold in that trade while he prepared to design and build a new collision center.

An easy choice could have been to replicate a traditional collision business in this new location, especially given the new undertaking with the mechanical side.

After attending PPG's Green Belt Training focusing on "The Practical Application of Lean / Six-Sigma," Sjolseth could see a dramatic change in the collision business on the horizon. It was clear that the old business paradigms wouldn't serve him well in the future. "After Green Belt I had a clear vision of how my business would need to perform to be successful in the future. Customers have too many good repair options to settle for a poor experience, and with operating costs continuing to climb and repair gross profits tightening, it will be critical to reduce waste at all levels of the organization to retain profits," he reasoned.

Sjolseth stated "Green Belt Training provided an excellent foundation and many practical options, but it was still up to me to decide on a path forward that would fall within a pace of change that my organization could cope with and buy into." Even though he was uncomfortable making dramatic changes, Sjolseth knew that the future of his business depended on the business's ability to meet customer expectations of high quality repairs, in the shortest period of time, at a competitive price.



To explore the possibilities of implementing the Green Belt concepts Dan enlisted consulting help from PPG's Business Solutions Group. The approach was to assist with the design of the new building and a new process for the inner workings of the business. After sharing his concerns with the PPG business consultant, an implementation plan was crafted to get the desired performance improvement without making

some of the more dramatic changes that Sjolseth feared could cause turmoil in the business during the move. In other words, it was done in a very systematic and incremental fashion to assure the support of those involved.

The planning consisted of a thorough analysis of financial performance and sales mix trends to aid in the design of the new system. The current administrative and production processes were mapped in a Current State Value Stream Map and the team worked through a process that designed Future State Value Stream and Process Maps for how they would operate in the new facility. Even though Sjolseth knew where the future state was headed, it was critical to go through a process that allowed those involved to see the waste and participate in defining the future process.



Through all the planning and implementation Sjolseth never lost sight of his primary focus of improving performance. It was difficult to resist the temptation of adopting someone else's Standard Operating

Procedures or System as a means to shortcutting the process of designing his new system. "My team needs to be trained and involved in the building of the system to effectively work in it and continue to improve it."

The team's hard work paid off in January when they easily broke their previous Sales record with a smaller production staff. All the while maintaining a T.P.I. (hours per day) in excess of 3.3 hours per calendar day across the entire mix.

In real life there are seldom storybook endings without continual challenges. In April the Minneapolis market dramatically contracted and impacted the Superior Service Center volume as well. Even in the midst of this downturn, the great new location, meticulously organized facility, and most importantly the stellar performance of the team has made them a preferred choice of customers. The foresight to collectively build more competitive processes has allowed Superior Service Center to keep enough business in the collision shop to sustain it while some of the competition struggles to survive.

"I can't imagine where we'd be today if we hadn't spent the time and energy planning for our future and focusing diligently on improving our Critical Performance metrics," states Sjolseth. "My organization is positioned well to grow and prosper in the new competitive collision market."

In a world where we are all guilty of looking for the quick fix, this story is a testament to the benefits of involving an organization in the right planning process around the right principles and executing.

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