



Philips Case Study

Lean Manufacturing
Programme Support

CLIENT

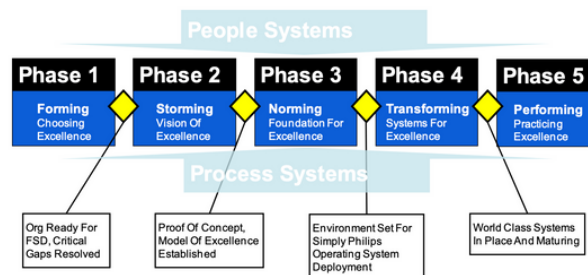
Philips Consumer Life Style Division is a global manufacturer of consumer electronic products such as televisions and personal care products such as shavers. The company has factories in Europe, South America and Asia, and in addition to its factories, it sub-contracts the manufacturing of products to many other companies.

SCOPE

In 2009 Philips Consumer Lifestyle embarked upon a Lean-based manufacturing programme called 'Simply Philips'. The intention was to initially apply it within Philips' manufacturing environment to extend it to other elements of the value stream once experience had been gained within its environment.

BACKGROUND

Simply Philips is based upon a 5 Phase implementation methodology. In simple terms, Phase 1 ensures that the organisation is prepared to embark on the lean implementation. In Phase 2, 'Simply Philips' is applied to a model line where all aspects of lean, including culture and behavioural aspects are fully implemented.



In Phase 3, the learning developed in the model line is rolled out into the rest of the organisation. In Phase 4, some of the more advanced tools and techniques are implemented to ensure that all the systems are in place to achieve excellence. In Phase 5, the comprehensive suite of tools and techniques is applied to a high standard so that excellence can be practised.



AIM

- ▶ To create a World Class Lean operation in terms of value stream performance through the application of lean methods and effective development and engagement of the workforce.



APPROACH

Henkan has been involved in the Simply Philips implementation since its initiation in early 2009. This has been at both site and corporate levels. Henkan was engaged as the lead consultants at the Television assembly plant in Szekesfehervar in Hungary from Phase 1 to the present day.

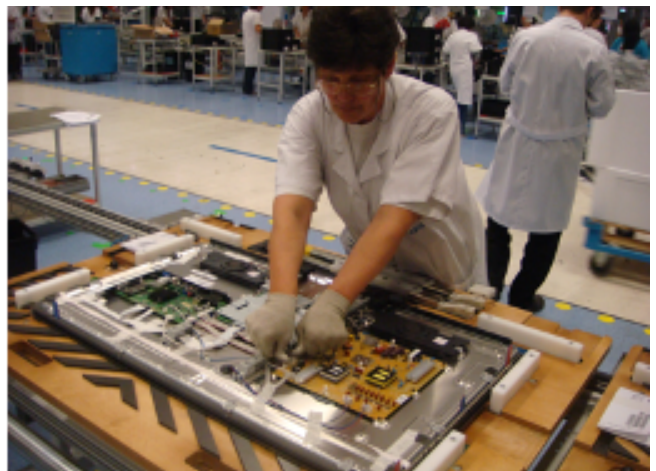
The programme started with preparing the Management Team (MT) for the Lean journey. This included training the MT to create essential awareness of Lean methodologies and being clear of what the 'burning bridge' (compelling reason) was to apply lean.

Furthermore, the organisational structure was reviewed and altered to align with Lean application requirements. This included the creation of a team leader, group leader and area managers. Finally, the model line was selected, which in this case was the television value stream from 'Dock to Dock'.



In Phase 2, Lean was fully applied to the model line. This included the MT producing the current and future state maps from which a kaizen plan was produced, all facilitated by Henkan. Kaizen Events were then applied to the line to reduce waste. Particular emphasis was applied to the application of 6S and its impact on creating an efficient environment and also providing a framework to change the culture.

The team leaders and group leaders (TL/GL) were then taught the principles of Simply Philips in a 10-day training event. The training was designed to show them how to implement the 7-Steps of Standard Work as well as experience an emotional change curve.



The purpose of the event was to educate them on the various tools and techniques as well as the behaviours that leaders must exhibit and apply as they implement a change programme with their teams. Henkan adopted a train-the-trainer approach whereby the two Philips employees were taught how to deliver the TL/GL training to the rest of the factory.

The new TL/GLs were then engaged in applying the Lean methodologies to the model line. As well as 6S, this included Member Standards Work, Jidoka, Leader Standard Work and Kamishibai.

On successful exit from Phase 2, the techniques implemented on the model line were rolled out to the remainder of the factory. This included not just the model line but also the inbound and outbound warehouse, offices and workshops. In addition, efforts were made to rationalise the external warehouses.

RESULTS

The application of Simply Philips was a great success.

Szekesfehervar was the first factory in the programme to successfully exit **Phase 3**.

COST SAVINGS

In addition, substantial cost savings led to a reduction in the cost base of more than:

+€10
million

FEEDBACK

“We are very pleased to recommend to you Mr Paul Wright [of Henkan], who was a lead consultant at our factory for the last 2 years. We hired him to support our organisation throughout our lean journey. As an indication of our success together, we can confirm that our factory has recently been confirmed as the most advanced Lean site amongst all the Philips Factories implementing Lean.

Paul is energetic, compassionate and straightforward and has the ability to both coach and deliver on improvements. During our time together, he has participated in a diverse assortment of activities ranging from Lean events (Kaizen bursts), TPM training and implementation, and Value stream mapping to progress reviews and audits.

Paul is an expert in many fields, and he is able to transfer his knowledge to others in a very professional way. He is very creative and can come up with unusual ideas, also considering the business needs. His personality, way of working and recommendations were well accepted by the whole organisation. Paul would be a tremendous asset to your company and has our highest recommendation”.



