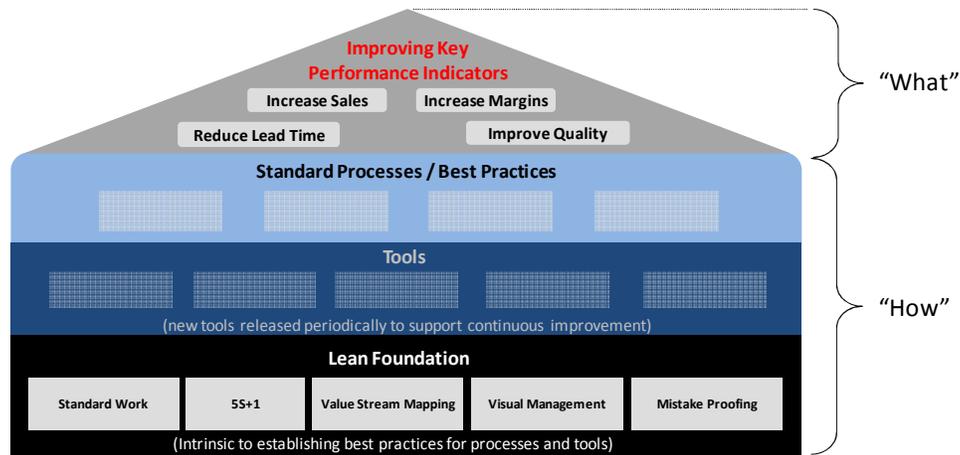


Often there is a need to deploy an operational excellence initiative across multiple sites which operate a similar process or value stream. This can be accomplished by applying standard building blocks that motivate the right behaviors and enable process improvement.

The building blocks consist of (1) key performance indicators (2) tools & processes and (3) training & awareness. These three building blocks provide each site ‘the what’ (expectations and goals for performance improvement), as well as “the how” to get there.



For each KPI category, a current metric of performance is calculated and then compared to a baseline number to compute a growth or improvement percentage. Some examples of high level KPIs, and improvement targets might be:

- 40% increase of sales (\$) in reference to an established sales baseline (\$)
- 30% increase of product margin (\$) in reference to an established margin baseline (\$)
- 30% decrease of actual lead time (days) in reference to an established lead time baseline
- 30% decrease of customer returns in reference to an established return % baseline

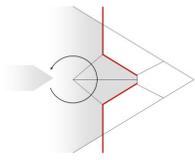
How we get there is through a foundation of lean, or lean six sigma. As lean fundamentals are applied at each site (and the site-level value stream is analyzed), best practices are developed in the form of tools and/or standard processes.

Tools may consist of proper use of IT systems, databases or improvement tools like Kaizen events, performance boards and 5S checklists.

Processes may consist of design process best practices, standardized manufacturing processes, processes which match capacity to demand, minimize inventory, etc.

This can be applied across multiple sites through a “Star Site Assessment”.

The goal of each site will be to attain Star Level 5, which is world class performance (meets or exceeds the KPI improvement targets). Star Level 5 also means standard processes, best practices, and tools are fully utilized.



A continuum of Star Level maturity might look something like:

Star Level 1: Foundational knowledge of site star assessment and lean tools.

Star Level 2: Baseline KPIs are calculated and improvement monitored monthly. Knowledge of standard processes, best practices and tools.

Star Level 3: One of four KPI improvement targets are met or exceeded. Some implementation of standard processes, best practices and tools.

Star Level 4: Two of four KPI improvement targets are met or exceeded. Partial implementation of standard processes, best practices and tools.

- *20% increase of sales (\$) in reference to an established sales baseline (\$)*
- *15% increase of product margin (\$) in reference to an established margin baseline (\$)*
- *15% decrease of actual lead time (days) in reference to an established lead time baseline*
- *15% decrease of customer returns in reference to an established return % baseline*

Star Level 5: Three or more KPI improvement targets are met or exceeded, full implementation of standard processes, best practices and tools.

- *40% increase of sales (\$) in reference to an established sales baseline (\$)*
- *30% increase of product margin (\$) in reference to an established margin baseline (\$)*
- *30% decrease of actual lead time (days) in reference to an established lead time baseline*
- *30% decrease of customer returns in reference to an established return % baseline*

Star level 1 through 5 criteria can be clarified through a site star assessment tool, whereby a rating is established for knowledge & implementation of standard processes, best practices and tools.

Note that the Star Level program can begin with application of lean fundamentals, establishing the KPIs and measurement methods (therefore, begin with “Define” and “Measure”). As the value stream(s) are analyzed, tools and standardized processes (best practices) can be developed and applied to the star site assessment, in parallel with the initial implementation.

Also, a simple scorecard can be created for Star level and KPI performance. This helps business leaders understand which sites excel, and which need help (improve and control). Some friendly competition and site level achievement awards can provide an additional source of motivation to achieve world class performance.