Implementering av Lean i Jotuns globale produksjonsnettverk

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Group Operations Improvement (GOI)
Agenda

• Who are we?
• Where are we?
• How do we perform?
• Why is LEAN interesting for us?  
  -does it fit our business model?
• How do we learn to use lean tools and thinking?
Jotun protects property
Operating global...

- Top ten
- 40 factories
- 70 companies
- In 40 countries
- 6,000+ employees
- Head office in Sandefjord, Norway
Performance in 2008 was good, 2009 even better so far...

- Sales 2008 – NOK 12 000 000 000
- EBIT margin 10%
- Return on assets 15%
- Return on capital employed 22%
- Equity ratio 52%
Jotun's success is based on:

Customer focus
- Meet the ever changing demand from consumers
- Build long term relations

Innovative
Global distribution - local production
Penguin spirit
Values
Typical transportation of our products
Basic values

Loyalty  Care  Respect  Boldness
Leadership in the past

- Odd Gleditsch
- Odd Gleditsch jr.
War in Norway 1940 – 1945 (Taken from History of Jotun)

Under the difficult times during World War 2, Jotun where forced to save cost. The only possibility seen feasible was to lower salaries with 20%.

To fire employees was not an alternative for Gleditsch who regarded his employees as an important part of the family.

The creativity started to flourish and many smart solutions appeared.

The ability to innovate made the company survive.
We have an organic growth strategy...

- Organic growth
  - core competence!

1. Export to new markets
2. Establish sales organisation
3. Establish production
4. Continue to grow
Conclusion:
Lean fits our business model—the foundation is already in place.

Customer focus = Understand the need for the customer and what they value
- Meet the ever changing demand from consumers
- Build long term relations

Innovative = continuous improvement
Global distribution - local production = Responsive- Flexible
Penguin spirit = Humble - Learning
Values = Respect

But!
Some companies underperform

**Case Europe: 2005**
- EBIT -30 Mill NOK
- OTIF 30%-40%
- Stock days FG 30

Action: Improvement project
NO 1. Delivery performance . KPI = OTIF
From big batch production to flexibility and small batch size.
Use of Lean tools

**Status 2006:**
- EBIT 3,5 Mill NOK
- OTIF 90%
- Stock days 30

**Status 2008:**
- EBIT 80 Mill NOK
- OTIF 95 %
- Stock days 18
Lean in Jotun
Annual report 2007

To remain consistent with Jotun’s commitment to continuous improvement, this company has embraced Lean principles.

The success of any Lean organisation relies on:
Employee understanding
Taking the initiative to solve problems
Improve efficiency in a way that provides value for customers and prosperity for the organisation.
How do we learn to use lean tools and thinking?

- Operations Academy
- Purchasing Academy
- Sales Academy
- Management academy
HSE and Lean must be a "red thread" in all operations in Jotun segments and companies.
Format of JOA

- Focus on teaching practical tools for targeted improvement in HSE, manufacturing, maintenance, and logistics
- Strong emphasis on our own experiences and best practices = "This is the way we do it in Jotun"
- Combination of theory, cases for discussion, and practical factory exercises together with pre/post-work and readings
- Each class is divided in 4 -5 groups, with a competitive element between the groups to sharpen the concentration.
- 2 modules x 5 and 4 days, of which 2 days at a factory as practical exercise.
- Modules:
  - Jotun Baseline
  - Improvement

How do we learn to use lean tools and thinking?

Your time is the critical resource. We want to make the course worth your while, not necessarily a relaxing experience.
# Operations Academy - Course content

## Preparation
- Pre test with mentoring

## Session 1

<table>
<thead>
<tr>
<th>Day 1</th>
<th>Day 3</th>
<th>Practice Homework in own operation</th>
<th>Day 4</th>
<th>Day 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Strategy Change Management</td>
<td>Site visit Risk assessment HSE Workshop in factory/WH</td>
<td></td>
<td>Supply Chain Game</td>
<td>Process map Homework distribution</td>
</tr>
</tbody>
</table>

### Day 2
- Paint and Powder processing
  - HSE
  - Fire risks

### Day 3
- Site visit
- Risk assessment
- HSE Workshop in factory/WH

### Day 4
- Supply Chain Game

### Day 5
- Process map
- Homework distribution

### Day 6
- Presentation of homework
- Teambuilding
- Maintenance
- Measurements

## Session 2

<table>
<thead>
<tr>
<th>Day 6</th>
<th>Day 7</th>
<th>Day 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentation of homework Lean Tools HSE</td>
<td>Presentation of homework</td>
<td>Site visit Lean Workshop Improvements in local operation</td>
</tr>
</tbody>
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### Day 7
- Presentation of homework
- Lean Tools
- HSE

### Day 8
- Site visit
- Lean Workshop
- Improvements in local operation

### Day 9
- Finance
- Colour matching and MC systems
- Summary
- Examination

**Follow up on implementation of new learning**

How do we learn to use lean tools and thinking?
How do we learn to use lean tools and thinking?

ME - Dubai-2008
Bangkok
Our Belief About Behavioral Change

“Organizations should **ACT** their way into a new way of thinking and not try to think themselves into a new way of acting.”

Lean can only really be learnt by doing, not by training in a classroom.
How do we learn to use lean tools and thinking?
Our Belief About Behavioral Change

The only lean things that stick are those done by the organization themselves!
Not those done to it by outsiders
How do we learn to use lean tools and thinking?

Plans for the future

- JOA Level 2 to be developed to certify change agents
- JOA "Basics" to be developed, run locally by Change agents
- JOA Level 1 available E-Learning
Our Belief About Behavioral Change

Change starts with results!
• ingen løsemidler
• ingen malingslukt
• ingen skadelig avdamping

Utviklet i samarbeide med

[Logo for Norges Astma-og Allergiforbund]
Our Belief About Behavioral Change

Spørsmål ?
The Penguin Spirit

Takk for oppmerksomheten!