



## WORST TO FIRST AT NNN

The following is a true story of how Jim Kuntz led his organization from #35 to #1 in two years. The names and context are disguised to protect confidentiality. Please read and mark up this case study – and then work in pairs to answer these questions: (1) Which practices were most helpful? (2) Which of these practices might work in your organization? (3) What processes in your organization need improvement? (4) How might you take your process improvement program to the next level?

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**Context:** NNN was the Minnesota facility of NNG, a large global firm. The NNN facility was ranked last of the 35 NNG facilities in North America. Jim Kuntz, the director, was told clearly by his boss that his facility was going to be shut down if they didn't "turn it around" in the next year. Jim had about 250 employees reporting to him. He had led the facility through a number of rounds of cost-cutting and believed it was running pretty efficiently. He had tried to apply a few "lean" concepts such as 5S, but had not seen measureable results. The facility was ISO certified, but found that ISO did not "move the needle" on cost, quality, or service. They had done a few IT projects, but the IT backlog was long and the cost impact was unclear. He was confident that his quality and safety were in compliance with all requirements. However, service was poor, sales were down, costs were still too high, and many of his best employees were starting to look for jobs elsewhere. NNG corporate offered a process improvement program, but Jim felt it was too complicated and required far too much overhead and staff time.

**The consultant:** Jim considered hiring a "lean" consulting firm, but he really didn't have the budget for that. He also didn't have the capacity to put anyone through five weeks of training – or dedicate anyone full time to a process improvement program. Jim had heard good reports from a friend about Art Hill, a professor in the Carlson School of Management at the University of Minnesota. In their initial meeting, Art proposed a simple process improvement program, with five full-time process improvement project leaders, bi-weekly meetings for "just-in-time" training, accountability, and peer coaching – and "waves" of projects with common mid-term and final report weeks. Based on that meeting, Jim decided to hire Art for 2-4 hours per week.

**The first meeting:** In their first team meeting, Jim introduced Art to the five leaders he had selected – the head of operations (Amy), the materials manager, and three supervisors – all of whom had full-time jobs and no free time. Art laid out his vision for a simple process improvement program and the team decided to meet every other Friday morning for two hours. Jim made attendance mandatory. Art taught the project leaders how to use his structured brainstorming method, which they immediately applied to brainstorm many opportunities for improvement. After some discussion, they used multi-voting to select seven projects. Later that day, Jim narrowed the list to five projects and assigned a project leader to each one.

**The second meeting:** In their second meeting, Art taught the project leaders how to use project charters using his project charter template. He explained that a charter was a "social contract" between the team and the project sponsor(s). He insisted that teams write very short and focused

problem statements – and that project sponsors sign their project charters. Art and Amy then worked individually with each project leader to create project charters for their projects. After that meeting, the project leaders recruited their teams, worked with their team and sponsor(s) to refine their charters, and used their newly-learned brainstorming skills to generate many potential solutions – and then again to identify tasks for their project. Project teams consisted of 2-5 people who were “close” to the problem (workers, suppliers, or customers) and were usually cross-functional. Teams met for an hour almost every week. As Art and Amy coached their teams, they used Art’s “Process Improvement Checklist” to identify potential solutions.

**Ongoing meetings:** The project leaders continued to meet with Art every other Friday, with just-in-time learning of process improvement tools such as process mapping (with Post-it Notes), stakeholder analysis, error-proofing, learning to see waste (waits, moves, and rework), and eliminating employee “pain points.” Art led the meetings with help from Amy. The project leaders encouraged and coached each other. Jim occasionally joined the group to provide support. All project leader meetings and project team meetings used the three scrum questions: (1) What did you do since our last meeting? (2) What will you do before our next meeting? and (3) What is holding you back? This process created strong team accountability and ensured steady progress. Project teams often used the conference room walls for their process maps, which stimulated discussions, created curiosity, and encouraged engagement.

**Project waves:** Each “wave” of projects had a three-month deadline, with formal mid-point and final reports scheduled in the project kickoff meeting. Project sponsors attended the project kickoff meetings – but only for the first 30 minutes. All stakeholders were invited to the mid-term and final reports. Jim often invited senior executives for the final report meetings – including his boss, the SVP of North American Operations. These report meetings accelerated the development of an empowered process improvement culture at NNN. In one final presentation, one project team member (a machine operator) blurted out “this is the best day of my 20-year career here at NNN.” He explained “I have always been a good operator, but I’ve never been invited to help improve anything before – or meet an SVP – and I’ve certainly never presented anything to an SVP before.” Jim honored the teams for their work and was quick to share success stories with photos in the facility newsletter. Enthusiasm for the program grew as people felt empowered to improve processes, identify and reduce waste, attack employee “pain points,” and eliminate the root causes of quality problems and customer complaints.

**The results:** By the end of the first year, the team had completed four waves of projects – each around three months long – for a total of 20 projects. Overall, the program delivered documented savings in the millions of dollars, while improving customer service, quality, employee engagement, employee retention, and helping identify and develop future leaders.

At the end of year two, the NNG corporate office came out with new facility rankings, and to the surprise of many, NNN was ranked #1 out of the 35 facilities in North America – “from worst to first” in two years. Jim Kuntz joked with Art that he had always napped in the back of the national meeting for facility directors – but at this meeting he had to stay awake because he had to give a keynote address about his process improvement journey to a room full of his peers and bosses.

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