

So You Want to Start a Local Learning Network/Consortium ...

"There is no limit on how much you can learn from each other."

Lea A.P. Tonkin

Need more operational excellence and want to learn from others in your area? Got a measure of operational excellence and willing to share it? Among lean leaders and improvement instigators, demand for this sort of learning process for mutual benefit is generating a wave of "local learning network" and consortium startups. Experienced consortium participants and "newbies" to this phenomenon find common ground as they deal with increasing challenges such as low-cost competition, customer demands for faster and higher-quality, cheaper products as well as greater service levels, supply base shrinkage strategies, etc.

AME's board of directors voted back in 2005 to help cultivate self-directed local learning networks and to encourage interaction with existing networks. The thinking was that the site-by-site transformation process can work more effectively when local learning groups extend learnings more deeply, not just more broadly, within organizations.¹ The board described a three-tier classification of such networks, as shown in Figure 1. An increasing number of local learning networks offer shared learning opportunities. Some extend their

member-directed activities into visioning, coaching, specialized training, various supporting print and online communications services, etc.

If you were hoping that a one-size-fits-all model for a local learning network might be waiting on a shelf for you to pick it up and run with it, dream on. Some allow competitor organizations and behave more like associations, while others do not (as they get into more in-depth issues that would be difficult with competitors present). Non-manufacturing and manufacturing

In Brief

Local learning networks and consortia may not be new, but they're gaining momentum and members as their emphasis on sharing continuous improvement/lean knowledge and "lessons learned" takes hold. Member organizations are expected to give as well as receive the benefit of others' learnings. In turn, they're banking on a competitive edge that will help them improve operational performance, enhance worker capabilities and satisfaction, boost customer satisfaction, and grow the bottom line. This article offers shared learnings about consortia startups from several already in the game.

Local Learning Networks: Three Tiers

This classification is based on a 2005 AME board description of local learning networks (covered in the *Target* Second Issue 2005 article, "Consortia: Local Learning Networks"). An abbreviated version follows.

Tier 1

Interested people are invited to local events. Operations tours or other events give participants a taste of the sharing that is possible. Several interested participants can form a steering committee and move on to Tier 2.

Tier 2

A network or consortium forms to promote shared learning and local events. Members should be committed to taking their company to an advanced lean level, not be from companies in competition with each other, be geographically close (an hour's drive from a central point), and be at relatively the same level of lean implementation so everyone is learning from each other and not from a single "lead" company.

Tier 3

Network participants delve more deeply into sharing. Membership is by company or site, not as individuals. Members pay dues and hire a paid facilitator.

Figure 1.

Network or Consortium Culture Keys

"Leveraged learning networks" share several culture keys, described in the *Sloan Management Review* Summer, 1998 article, "Accelerating Practical Competitiveness by Leveraging What We Know ... Through Leveraged Learning Networks."

- Participants share openly, honestly, and with integrity
- The group has an agreed-upon need and vision and "road map"
- Flexibility
- Measures and expectations are clear
- Facilitation and focus are committed
- Their commitment is long-term.

Figure 2.

types rub shoulders in many — but not all — networks. Size matters to some and flexible membership numbers are fine with others. Yet "leveraged learning networks" (LLNs) share several culture keys,

as noted in the *Sloan Management Review* Summer, 1998 article, "Accelerating Practical Competitiveness by Leveraging What We Know ... Through Leveraged Learning Networks." (See Figure 2.) They focus on providing value to members through customized services such as member-directed educational events and training; sharing knowledge, best practices, and tools such as 5S and kaizen skill sets; executing diagnostics, assessments, and benchmarks; links and referrals to mentors, practitioners, and facilitators; continuous improvement (CI)-focused communications (newsletters, informal exchanges, and other means); and other services.

Champions of existing learning networks enthusiastically trade (and borrow) ideas, lessons learned, and in some cases, specifics on the administrative side of getting a consortium off the ground. You'll find lessons learned from several network veterans in this article, as well as comments from consortium startup instigators in Virginia.

High Performance Solutions: Many Heartbeats, Shared Value

Dave Hogg, director of High Performance Solutions Inc. (email dhogg@rogers.com) based in Kitchener, ON, Canada models the "sharing value" focus common to many consortia. The network has been going strong since 1993, when it emerged in the wake of an Allen-Bradley suppliers network that was about to disband. Originally named the High Performance Manufacturing (HPM) Consortium, it drew participants from the Southwestern Ontario area near Toronto. A definition of a consortium is found in Figure 3.

The premise for launching the consortium was simple, according to Hogg. "There was a recessionary period starting in 1991," he said. "Members looked at the consortium as a means to exchange and test ideas during a difficult time while providing value to every member. But to be sustainable, it had to be owned by every

member; and there had to be a business reason for everything we did. We shook hands on it (Hogg was hired as a facilitator and later became president) and said, 'If it works, it works.' (Figure 4 reflects the High Performance Solutions objectives.) Twelve equal members were in the original network, and none were competitors. Every member company no matter its size has one vote in the organization.

"Members wanted to expose their companies to the best ideas from each others' companies," Hogg said. "The consortium has to provide value and meet real needs, every day. We've learned through the years that we must have a clear vision and stay focused. Yet every member is a different heartbeat. We have 14 member companies now and members are comfortable with that." From ten to 16 within easy driving distance is an ideal number of member companies when you're beginning to build deep bonds of trust, according to Hogg. The small numbers enable easy communication and sharing even as members handle day-to-day issues in their own operations. "If you have 19 or more companies, some companies can feel left out and relationships start going," Hogg said. The solution to excessive numbers is starting additional networks, he believes. Several are now up and running across Canada in Alberta (Brian McCready at email brian.mccready@cme-mec.ca); Manitoba (Ron Koslowski at email ron.koslowski@cme-mec.ca); Ontario (Scott Smith at email ssmith@hpsinc.ca); Newfoundland (David Haire at email david.haire@cme-med.ca); and British Columbia (Werner Knittle at email Werner.knittle@cme-mec.ca).

Among the "lessons" shared by Hogg about consortia "workings" and their value to members:

- Use a diagnostic for identifying strengths and weaknesses to set goals. Establish Special Interest Groups (SIGs) to enable special needs to be addressed in clusters which may focus on cycle time reduction, health and safety, 5S, and CI as determined by members.

"Consortium" Defined

"Consortium" definitions may vary (some encompass competitor companies, while others do not, for example). On the High Performance Solutions Inc. website, www.highperformancesolutions.builderspot.com, a consortium is:

A structured group of non-competing organizations who come together with a commitment to attaining world-class performance through people and improvement in processes.

Figure 3.

High Performance Solutions Objectives

(An abbreviated version, based on the website www.highperformancesolutions.builderspot.com material.)

The consortium will:

1. Come together as a group to share best practices, share knowledge, share skill sets, and accelerate training.
2. Bring in the best talent from around the world to facilitate learning sessions, workshops, and events — based on your feedback and requests — that will improve your company's bottom line ...
3. Have a group of seasoned practitioners acting as mentors, coaches, and facilitators to your company and other members of the consortium ...
4. Tailor workshops, in-house training, and implementation to suit the needs of member companies.
5. Form Special Interest Groups (SIGs) from within the membership. These groups meet on a regular basis to discuss issues specific to their area of operation (examples include groups focused on 5S, lean implementation, procurement, accounting, training, benchmarking, human resources, etc.).
6. Keep you informed about what is happening in the manufacturing industry in Canada and around the world, and communicate this to all members through a weekly newsletter.
7. Provide access to a shared library of world-class business resources including books, videos, and periodicals ...
8. Determine who has a "best practice" site, anywhere in the country or world and arrange exchanges and visits that will allow our members to learn and "borrow with pride."
9. Develop a member website to maximize the potential for exchange within the consortium ...
10. Network with similar groups, consortiums, and industry organizations to accelerate member learning.

Figure 4.

You're building credibility and sustainability by developing measures that make sense in member organizations as they concentrate on their own CI journeys. Mine the practical data to develop the curricula to support strategic planning for the group in the coming year.

- Funding, while important, is the worst thing to focus on when you're just getting started. "People have to understand the value first before the costs make sense," said Hogg. "You need to be bloody-minded though, and identify *just what value am I going to get*, and then put a price on it. Focus on providing the value members want and will pay for — part of lean thinking. Get started with an event of perceived value such as a topic of interest coupled with a plant tour or other valued activities. Funding will be based on the value members put on membership. It may be \$3000 a year or \$24,000 a year for a company, or zero, depending on its structure." Your reason for being must be clearly understood before anyone will shell out money for the startup.
- Hire a facilitator to minimize member "administrivia," while keeping plans and activities moving forward. "Members don't have a lot of interest in getting into the nitty gritty of administration. You need someone who keeps an eye on the vision, keeps toes to the fire, does diagnostics, plans and facilitates events, etc.," said Hogg.
- Get excited about new linkages; develop the feeling that members are part of something bigger than themselves (for example, other consortia in Jacksonville, Portland, Melbourne (Australia), Winnipeg, and other areas of Canada), but never lose focus on the basics. The danger in benchmarking another consortium occurs if you forget that every single one is different. The trick is not to track them blindly but to focus on your own excellence; and as you find weak processes and then benchmark those, to bring the right improvements into your operations. According to Hogg, "It is important to benchmark yourself all the time." He added, "Forty to 70 percent of the waste in your organization is there because you just cannot see it as you are living in it every day. Revering what outside eyes awaken you to is the key to unlocking much of what you cannot see and covering any cost of the consortium. Critically assessing other plants provides ideas and opportunities to take back to your company and evaluate with your team whether you can apply what you've learned."
- Skip the coffee klatches. Member boards need to be powered by practitioners and leaders who meet payroll on a regular basis. The information freely shared by member practitioners is so personal that it would give an unfair advantage to service providers and others who may want to sit in. However, once members have learned from each other, tested their thinking, and have arrived at a clear assessment of what they need, they tend to be better able to seek the right acquisitions from vendors and providers.
- Because of the intimacy you want to build and the interchanges promoted at all levels of the company, the member companies should be within easy driving distance of each other. After gaining interest from one or two "marquee" (well-known and respected) companies in the region, you'll draw others interested in shared learning. Making a viable case for the value to be received from membership is initially the main challenge.
- If resources are not otherwise available in the group, hire consulting services or work with area educational institutes for specific training needs, etc. Taking care here can pay dividends. A good guideline usually includes the endorsement of a consultant by another member based on direct experience. If none exists, establish a small search committee to select such a resource based on visiting companies given as references. Spend at least a year developing your culture

before inviting vendors to make presentations before the consortium.

- An ongoing reminder is to keep asking members if they are getting their value for the fees paid — even if they pay very little. Every board meeting should open with each member indicating how they have moved along their journey since the last meeting. Conclude by an around-the-room, one-minute final review of the meeting that rates the value of the meeting — and what improvements can be made.

Why do members pay their dues? A compilation by HPM during ten years of asking its members, "What value did you get for your dues this year?" includes these reasons: *exchange of ideas at all levels* (networking); *learning at all levels* (new practices, philosophies, etc.); *fresh "outside eyes"* (fresh ideas, unlocking internal waste); *leveraging* (of resources, training, know-how, people, etc.); *accelerated results* (avoidance of mistakes); *and resources* (leveraging and development of commonly-needed resources). Hogg noted that the kind of diagnostics used by HPM members can be accessed at the website www.measureupforsuccess.com.

Despite differences in markets and operations, members should expect to continue reaping value from their fellow consortium members — and from those in other consortia. "Lean is our common language of communication," said Hogg. "We share common concepts among poultry processors, high-tech product makers, distributors, manufacturers of all kinds, packaging specialists — and size does not matter. Over the years members have traveled widely to exchange visits with fellow consortium members. We are developing a separate program for consortium members during the AME International Conference which will be held in Toronto this year."

"Give to Get:" Northwest High Performance Enterprise Consortium

Every member of the Northwest High Performance Enterprise Consortium (NWHPEC) understands that creating value hinges on shared responsiveness, said Julie Hatten, executive director (email j.hatten@nwhpec.org). "Give to Get" is their mantra. "Regardless of where they are on their lean journey, every member has something to offer," Hatten said. "Our mission is to provide a forum for education and the exchange of information regarding ways to develop, implement, and improve practices and processes of enterprises in the Pacific Northwest region of the United States. This is as simple as responding to an email benchmark request, or responding to a phone call from another member asking about the layout of their warehouse, or it may be hosting a 'Learning Tour.' The value we offer is reflected in our members finding a way to give back to other members in the organization."

Supporting the "give to get" philosophy, companies such as ESCO in Portland, OR have provided office space for Hatten, meeting space for NWHPEC events, and education and training resources to other NWHPEC members. Elizabeth King, ESCO's organizational development director and Dale Gehring, ESCO's director of lean enterprise, both serve on NWHPEC's board of directors as president and vice president of finance, respectively. "It really isn't that difficult for a company to find a way to help another company," Hatten said. "The possibilities are endless and often times, so simple and easy."

NWHPEC membership is open to companies pursuing lean that are interested in working together to learn together, added Hatten. Launched in 2002, it started with five local companies that simply shared best practices and toured each other's facilities. Hatten said the founders still chuckle when they remember an early conversation when Charlie Lake said, "Gee, do you think anyone else would be interested in this?" Membership grew dramatically

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Julie Hatten

and NWHPEC now has 84 member companies. They range in size from a member with five employees to the largest with 1200 employees. Members represent a cross-section of the region's industries, such as metals and transportation products, wood products, high tech, food processing, aerospace, and distribution. To ensure that the organization stays true to its purpose, NWHPEC adopted a "no consultants" policy.

There's no restriction on how many companies can join NWHPEC or geographical constraints. Although competing companies are allowed in the group, member company tour hosts have the right of refusal if one of their competitors asks to attend their event. Some competitor companies work together in areas that are not considered proprietary, such as providing the workforce with necessary training and education appropriate for their industry.

"It's important to have guidelines and rules for how the organization administers itself. Members want a clear understanding of the organization's purpose and how it works," Hatten said. "We have an eight-person board of directors. These individuals volunteer their time to the consortium and are passionate about the mission, vision, and concept of NWHPEC." During monthly meetings, the board focuses on meeting member needs by checking the current state and visioning for the future. The board meets annually for a full day of strategic planning to set the stage for the following years. For example, they began planning in 2005 for sustaining the group when a federal grant in partnership with Oregon's MEP group ended in 2007.

NWHPEC provides value to its members through offering a variety of lean learning events. "Most of our events are scheduled on a pull system, meaning our members tell us what they want, when they want it, and where they want it," said Hatten. They offer training classes ranging from lean tools to kaizen events, which are facilitated by a paid consultant or by members. All training classes and kaizen events are held at a member company. "The value of having outside eyes participate in your

event is huge," said Hatten. Tours are hosted on a monthly basis by member companies. The host company identifies specific problem areas where they need to improve processes and invite fellow NWHPEC members to work in teams on a set of deliverables. To cap off the day, the teams use a story board during a formal report-out to the host company staff.

Consortium members benefit from the flexibility of participating in smaller groups aligned with particular concerns or challenges. Affiliated SIGs such as Supply Chain Management and Lean Accounting are member-started, driven, and ended. "We help get them going, but encourage them to quickly define themselves as their own entity," Hatten said. "They plan their own meetings, the scope of what they work on, and their purpose. When that core group interest wanes, the SIGs dissolve. That's OK because they've achieved what they set out to do."

The consortium reaches out to the highest leaders in the membership by offering quarterly executive forums. Keynote speakers have included Mike Rother, Steven Spear, David Mann, Art Smalley, and others.

Hatten and others from the consortium have helped to launch six similar consortia in Oregon, one in Idaho, two in California, and one in Georgia. "We know we have something really special here and if we can help other regions develop their learning networks, we're thrilled," said Hatten. "For groups just getting started, we encourage them not to spend a lot of time looking for state and federal grant funds; it is a time-consuming process fraught with bureaucracy. We believe it is important to get started with simple, no-cost activities, to get the flywheel spinning. That being said, grant money can be attractive for consortia and can positively impact many people if the funds are available for training or other activities."

Hatten feels strongly that a consortium must have someone administratively working part-time or full-time to ensure that activities happen, and to communicate with members about their particular organiza-

tional needs and interests. Ralph Todd (email toddcan@netzero.com), retired from Tektronix and former AME director of educational events, was the founding facilitator. He served NWHPEC from 2002-2004. Hatten suggested that candidates for this role could include people recently retired from a member company, who may not want to work full time but would enjoy part-time work. "You want someone with appropriate knowledge and skills in the areas the consortium needs to serve as facilitator," she said.

Hatten and Todd offered several "do and don't" suggestions for others getting into to the consortium game:

- Starting a consortium takes strong passion and commitment from a few individuals. Creating an agreed-upon purpose is important. "Sometimes it meant that we had to struggle through issues; for the most part, we were feeling our way along in the beginning," said Todd of the early development work with Charlie Lake and the other founders.
- When you're getting started, consider crafting a launch event invitation letter signed by business representatives of the founding members, and send it to likely interested companies in your region. Do a needs assessment and "current state" assessment with initial members, and then build on these early findings. Ralph Todd noted that NWHPEC pioneers encouraged people to participate in events a couple of times and then decide whether to make a firm commitment to participation. "If they were interested in continuing to participate, they needed to share with others and be involved," Todd said. Hatten noted, "We want our members to receive value from NWHPEC; that means they need to participate one way or another."
- Don't spend too much time in a boardroom drafting the details of the organization when you're in a startup mode. "Get going right away with events, even if you have only a few member companies," suggested Hatten. "When you're touring each other's facilities, you're starting conversations about what you

can learn from each other and it will build from there."

- When you're developing the plan for how you're going to run the group, benchmark against other groups to learn how they handle scheduling, funding, and other organizational issues. Remember that your region shares common interests with others, yet there are different needs from one region to the next. "There isn't one single consortium or network model that's right for every body," said Hatten. "Your consortium must provide value to your region or it will not stay in existence."
- Ensure that your purpose is clear. Continually check the consortium's temperature to make sure you're focused and providing what your members need. Decide whether getting involved in additional issues (such as state workforce development) or partnering with other organizations fits with the group's mission. "Be cautious about spreading yourself too thin and trying to be everything to everybody."
- Be attentive to member concerns about hosting events. The administrator should ensure that events happen smoothly, help the host company create the day's agenda, determine how many individuals from other member companies can come through their doors, and whether competitors need to be screened for participation. "Sometimes, showing off the not-so-pretty side of your organization is scary," said Hatten, "but at the end of the day, everyone else is in the same state and just wants to get better."
- Build a network of resources who are willing to share their experiences and best practices with others. Get diverse opinions from members about the value of their participation, with an eye toward continuous improvement. Canvass members about their concerns and what can provide value for the coming year, ensuring everyone a chance to have their say, recommended Todd.

Starting a consortium takes strong passion and commitment from a few individuals.

Jacksonville Lean Consortium — Not for Manufacturers Only

Continuing dialog among consortium members is a key to driving and sustaining momentum in the Jacksonville Lean Consortium, according to Joe Rizzo (email jrizzo@leanjax.org). "During our monthly lean leader meetings, each company leader presents their progress and challenges in meeting lean goals for the month," Rizzo said. "It put an emphasis on members' progress so they cannot slip behind on participation and improvement." Each member company typically has two contacts in these meetings; the primary contact is the lean leader at the company. The meetings rotate from one member site to another.

This network started in 2004. Then Jerry Bussell of Medtronics had a vision to form the lean consortium. He recruited eight initial member companies that shared an interest in lean training. Members yearned to learn lean as quickly as possible. Training in the basics of lean was rolled out. Introduction to continuous improvement, lean facilitator training, value stream mapping, and many other courses drew attendees.

Expanding into the community, the group drew members outside manufacturing ranks. The City of Jacksonville, Jacksonville Electric Authority, the Florida Department of Environmental Protection, and even a "lean sheriff"² found common ground in the organization. Over a three-year period, the consortium grew to 36 companies in a variety of industries and fields. Now there are 46 member companies, including two of the largest hospitals in the Jacksonville area, St. Vincent's and Baptist Health. "We will continue to grow beyond 48 members, the previous cap," said Rizzo. "We want to continue reaching out into the community. Members see a lot of value in going to a variety of member companies and learning from them. We recently held an event at the offices of Dr. Sami Bahri, a lean dentist.¹³ He does whatever services are needed by the patient in one day. We have service providers, defense contractors, machine shops, a jet airplane manufacturer, a steel mill, a company that

makes milk from soybeans, and many other kinds of businesses as members."

A common denominator is members' willingness to give as well as get back ideas and "lessons learned" in continuous improvement and lean progress. Rizzo recommended using a preliminary survey to determine what areas companies perceive as strengths and weaknesses. In their survey responses, members indicate aspects of their business that customers are happy about and aspects customers would like to see improved, the top two reasons why employees enjoy working at their company and the top two things employees would like to change, short-term goals, long-term goals, internal and external challenges, the company's internal process for setting goals and tracking metrics, the type of training offered to employees, the need for training in areas such as value stream mapping and pull systems, etc. This information helps consortium members plan value-added activities. It's also a good reference for connecting people with similar problems or those who can share lessons learned with others.

"We are also going to develop a database with subject matter experts who can share techniques and experiences on particular areas such as machine shop, etc.," Rizzo said. "You can find the same issues in different types of companies — one might make machines while another one makes signs, for example."

Diversity marks the emergence and lively participation in SIGs such as Lean for Office, Setup Reduction, TPM, Transactional Lean, etc. Smaller consortiums within the group trade improvement ideas in the medical products industry and other areas. Members are free to contact fellow members and request a tour. The consortium allows competitor organizations as members. They also encourage interaction with several other Florida consortia and lean- and improvement-focused organizations.

Rizzo shared several suggestions for other consortium startups:

- Benchmark against other groups and learn from their experience. Trade information on how the group is structured,

programs, fees, and other areas.

"There is no single model for a consortium," Rizzo said. "You need to develop goals, start bringing people together with programs, then develop administration and bring in a facilitator to set meeting dates and get people to attend." Although the Jacksonville Lean Consortium does not set a limit on membership numbers or exclude competitors, other consortia set more membership restrictions.

- Funding initially can be informal. Then the group needs to develop member fees. Membership fees are based on the number of people in a member company. "Participating in a consortium fills a networking void," Rizzo said. "Through the local networking activities and information sharing, there is no limit on how much you can learn from each other."

South Carolina Lean Alliances Going Strong

Consortia members are finding great benefit from sharing through plant tours and other activities in five South Carolina "lean alliances," reported Chris Klasing of JCK Associates, Inc. (email jckassoc@bellsouth.net). A retired plant manager, Klasing serves as facilitator for these networks. They're all affiliated with the South Carolina MEP (Manufacturing Extension Partnership), which collects membership dues and handles finances. The website for these alliances is www.scalliance.org.

The alliances got their start several years ago, when Klasing and a group of other manufacturing executives who'd met a few times a year to trade notes decided to "formalize" their information exchanges. By 2001 they hooked up with state MEP people, hired Klasing, and started to collect dues for the Upstate Lean Alliance.⁴ Their original membership of eight companies grew to 37 or so, and now is at 31. Klasing suggested that about six to 12 member companies may be a good number to start an alliance or network.

When a network applicant compa-

ny is being screened, they're first interviewed by Klasing followed by a steering committee. Then members vote on whether to accept the new company; any company can "blackball" another one (such as a competitor). An ideal member wants to share information, not just seek it from others in the group. They turn down consultants or candidates who seem to be looking simply for sales leads.

Klasing said members value opportunities to learn from each other's "best practices" and other experiences, oftentimes shared during plant tours. "Once a month, we usually have a tour, with an average 15 to 40 visitors," Klasing said. "The visitors get to learn about the host company, and the host gets the benefit of feedback from participants. You know when the chemistry is good, and you've got a winner." Host companies may offer a printout or other materials to tour attendees, but most "tourists" take their own notes. "It's a sharing process for companies, where successes and things that went wrong can be discussed," said Larry Jolly (email Ljolly@scmep.org), a manufacturing specialist with South Carolina MEP. "Members are learning about lean and about techniques or ideas that will help them on their lean journey."

Alliance activities range from monthly events at member plants to reduced-cost lean training through the South Carolina MEP, access to a database of metrics to be used for benchmarking (based on annual survey results), a quarterly newsletter, and a calendar. Members may join SIGs focusing on TPM (Total Productive Maintenance), Six Sigma, SMED (Single Minute Exchange of Die), and other topics. Their objectives include accelerating their organizational improvement/lean progress, training cost savings, providing energy to CI professionals in member companies through camaraderie and networking, and minimal resources dedicated to planning and coordinating alliance meetings.

Dues run \$800 annually for a company, with a half-price additional charge for added sites within a company. Most of the dues pay for facilitator (part-time) assis-

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tance. Manufacturing types are joined by people from health care, warehousing, insurance, and other fields in the alliance meetings.

Klasing and Jolly's counsel for consortium startup wannabes:

- People tend to vote with their feet. A key metric is event attendance. Look for tour opportunities and SIG possibilities that will draw interest.
- When member companies are within a 50-mile radius of one another, the meetings are better attended. In rural areas, driving distances can stretch.
- Don't limit knowledge-sharing to manufacturing only. Look for innovations in other fields as well. Warehousing operations, logistics firms, and hospitals have a lot to offer in lean innovation.

Virginia: Getting Started, Step by Step

Developing an information-sharing network across a broad spectrum of industries and services is one of the key initiatives in the new Virginia Business Excellence Consortium (VBEC at website www.vbec.org). They're inviting a mix of companies (from small to large, not all in manufacturing) to join their learning network. The group's founding members have formed the VBEC, Southeast Region Consortium and will focus their efforts throughout the Greater Richmond and Tidewater area of the state; other regional consortia are expected to follow. Approximately 65 people from 30-35 companies are among the initial and prospective members.

"While as a company we are often engaged in informal information exchanges and sharing of best practices with other companies, we saw a strong value proposition in developing a formal mechanism for knowledge exchange among other businesses in our region," said Jeff Vales (email jeff.vales@capitalone.com), a process engineer with Capital One in Richmond, VA and one of the consortium founders. "As we got in touch with other businesses, we learned through Bill Donohue of the Virginia

Philpott MEP how companies in this area could symbiotically share information and adapt ideas for improvement through a business excellence consortium. We developed plans for plant tours (a tour was held at our facility, for example), roundtables, seminars, and other educational events. Over the past several months, we have been making strides to get the consortium up and running and are now at the point to deliver on its promised value."

Vales emphasized the value of networking with other consortia about startup and administration. "We spoke with people in South Carolina and utilized best practices from other consortiums in Maryland, Florida, Canada, and other areas (including NWHPEC), trying to get some traction on bylaws, etc.," he said. "The longer it takes to get to critical mass and get started, the less your chance of success, because people lose interest. So the advice and information from other networks is very helpful in getting a good idea of what a consortium looks like and how it operates."

The Virginia consortium reflects their regional interests as well as characteristics shared by other groups. In addition to diversity among members, the Virginia organization:

- Reflects a desire to learn — discovering "what you don't know"
- Stays the course — recognizes that benefits are not always immediate
- Requires member companies to have "skin" in the game — active participation is essential
- Developed a mission and sticks to it
- Welcomes back companies that drop out and later decide to rejoin
- Stays focused on positive results/learnings.

Their definition of learning networks is shown in Figure 5. Initial members of a new consortium or network can include companies, businesses, and enterprises sharing a strong management desire to participate, according to Glenn Marshall (email Glenn.Marshall@ngc.com) of Northrop Grumman Shipbuilding's Newport News Operations, one of the founders of the new group. Regional partners can range from workforce investment boards to MEP agen-

Learning Networks: Concept

- A group of like-minded companies/individuals with a common interest
- Belief that by working together you can learn from each other to meet your defined purpose by sharing, benchmarking, and networking with peers.

cies/personnel, economic development representatives, community colleges and universities, and regional and state officials.

A primary goal of this "learning to see" network is to become more competitive through shared learning about CI and lean. In turn, members will improve operational performance, enhance worker capabilities and satisfaction, boost customer satisfaction, and grow the bottom line.

"In addition, the consortium can provide us with examples outside of our own company, where we can go to see innovative ways where CI has been applied and how they can apply to our environment," said Randy Mahnke (email Randy.Mahnke@ngc.com), manager of process excellence strategy in the Northrop Grumman Shipbuilding process group at Newport News, VA. "We are laying out the path to advance the CI culture and provide the infrastructure to facilitate measurable improvement. Visiting and learning from others in the consortium can also validate our approach. We build ships, which is a slow process with large parts. Sometimes it can be difficult seeing how lean applies to these products. It's always inspiring to visit other places and learn how they are applying techniques we haven't mastered yet and how we can apply them."

Hosting a workshop for other consortium members brings rewards as well, according to Mahnke. "You hear thoughts from others about what you are doing and what you could do for improvement," he said. "You are creating a wealth of contacts for benchmarking — people who can lend you ideas." Mahnke's site will host an upcoming consortium workshop.

Visiting another operation (Capital One) in the Virginia consortium startup already expanded training horizons for Diane Beilharz (email Dbeilharz@hampmach.com), senior vice president of Hampton Machine in Newport News, VA. Hampton Machine is a small job shop serving military contractors such as Northrop Grumman and businesses. "We've had the opportunity to learn about improvements that we would not have been able to experience without being part of a larger organization such as the consortium,"

Figure 5.

said Beilharz. "We've made connections with others in the area, and we have a feeling that we have more power in improving our lean activities. Being part of the consortium also enabled us to hear John Shook at a Capital One network meeting."

Bill Donohue (email BDonohue@vpmep.org) Virginia Philpott MEP, said the long-term success of the consortium will hinge on strong involvement by a cadre of local companies — from small job shops to larger organizations — focusing on competitive value gained through sharing. "It also helps to have a state or local government involved," Donohue said. His organization provided initial startup funds for the Virginia consortium. "We view it as a mechanism to help companies grow in the Commonwealth of Virginia," he said.

Donohue also suggested that companies interested in getting a consortium off the ground should develop a clear mission and expectations about what they hope to gain from participation. The mission statement should reflect the needs within area companies and the region, and a goal/vision for the network's existence. Identify boundaries; what is within or outside its scope? Define the regional focus of the network — regional, state-wide, or multi-state. Be specific about what members will be asked to provide as well — sharing/learning opportunities, funding, participation in tours, etc.

Then the group needs to consider the "how" aspects of its operation. Develop/elect a board of directors to provide oversight and leadership, and to ensure that learning and other activities are related to the group's mission. Formal

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Randy Mahnke

structure issues include dues (what is needed and how much will members be asked to contribute); whether to seek non-profit 501(c)6 status; location of the headquarters (donated space or other); and finances (where and how controlled).

Members also need to determine whether part-time or full-time administration/facilitation help will be sourced, according to Glenn Marshall. A facilitator serves as a single point of contact for members and potential members, coordinates activities, and supports the group's purpose. Activities range from learning tours to training classes, executive forums, SIGs, and benchmarking/networking.

Editor's note: The assistance of Glenn Marshall, Northrop Grumman Shipbuilding's Newport News and Bill Baker of Speed to Excellence in the development of this article is appreciated.

In October 2007, AME started a Benchmarking Community of Practice (CoP) that encourages sharing knowledge through best practices and lessons learned in an organized fashion. Thirty members signed up and will be exploring hot topics and sharing those with all members on a continuing basis. This CoP has no regional or industry boundaries — just a high interest in rapidly achieving excellence through benchmarking. This is

a cousin to consortia but is not regionally based. If you would like to join the CoP, contact Glenn Marshall at Glenn.Marshall@ngc.com.

Lea A.P. Tonkin, Woodstock, IL is senior editor of Target Magazine.

References;

1. The local learning networks and AME's encouragement of them were discussed in the article, "Consortia: Local Learning Networks," by David Hogg and Robert W. Hall in the Second Issue 2005 of *Target*, pp. 20-27.
2. In the article, "Arresting Waste in the Office of Sheriff," *Target* Third Issue 2007, pp. 20-26, Robert W. Hall described continuous improvement activities in the Office of Sheriff for Duval County and Jacksonville, FL.
3. See the article, "CAD/CAM to Make You Smile," an article by Robert W. Hall in *Target* First Issue 2008, pp. 26-27.
4. South Carolina MEP manufacturing specialists across the state have pulled together companies with an interest in sharing lean activities. After a sufficient number of companies in an area gathers, Chris Klasing is brought in to handle network or alliance administrative duties. An additional alliance in the Columbia area may be launched in 2008.

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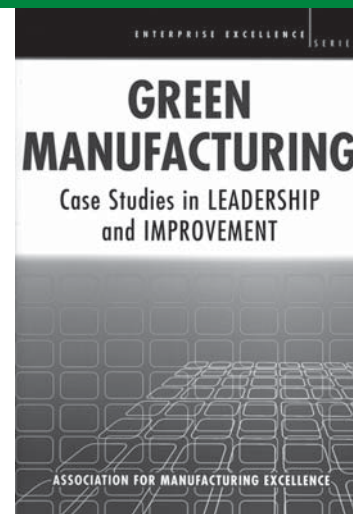
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