



The Power of Front-Line Ideas

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DEAN M. SCHROEDER, PH.D. AUTHOR, SPEAKER, & CONSULTANT

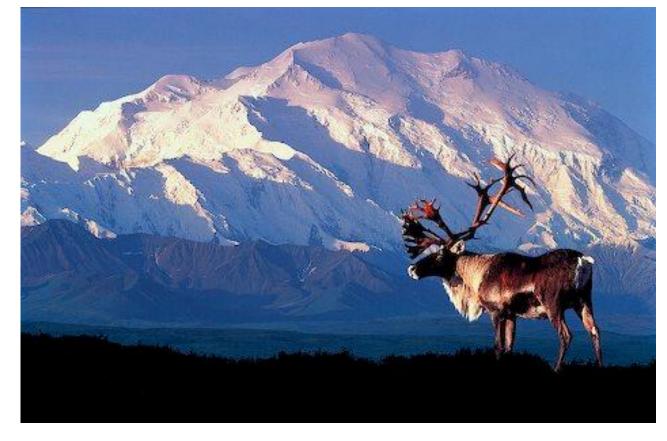
Herbert and Agnes Schulz Professor Management, Valparaiso University

Where does improvement come from?

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Denise Coogan,



Zero Landfill at Denali National Park

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Front-line people see lots of problems and opportunities that managers don't.

The 80/20 Principle of Improvement and Innovation

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Some Companies Getting Lots of Ideas

- *Scania* 50 ideas per employee per year 15% improvement rate
 - 65 ideas per employee per year 14% improvement rate
 - 67 ideas per employee per year Near 100% occupancy rate
 - 110 ideas per employee per year

104 ideas per employee per year 7X industry average productivity

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Clarion Stockholm

Milliken Corporation

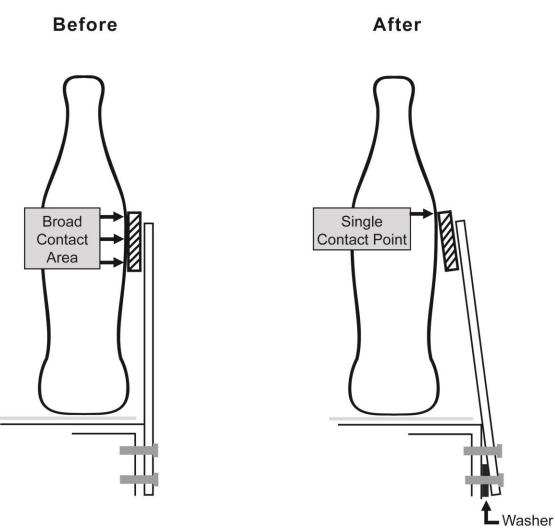
Autoliv

Boardroom



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Coca Cola Stockholm Front-Line Improvement Idea on half-liter bottling line



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The Problem

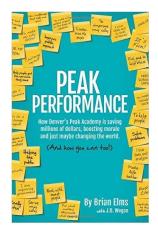
Most organizations are designed and managed for control and conformance - not for ideas and innovation.

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Elms with Mayor Michael Hancock

Bryan Elms

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Denver Department of Excise and Licenses



Stacie Loucks



Reduced the wait time for business licenses from an average of 1hr 40min to 7min.

Melissa Field

Actions Taken

- Put targeted performance measures in place.
- Free up some time by filling two enforcement position with service techs.
- Changed the way phone calls were handled.
- Trained all 39 employees through Peak Academy one day for staff, five for managers.
- Required employees to come up with at least one improvement idea by the end of the year – about 4 months.

Easy Effective Front-line Ideas

- Reorganized the forms for application into licensespecific packages.
- Put copier/printers at every work station.
- Created clear, step-by-step instructions with screen shots for the computer that applicants use to do background checks.
- Aligned the computer license input screens with the application forms.
- Standardized the way addresses were capture and recorded to make future access easier.

Results

- Radically reduced wait-time from100 min to 7 min – surges from 8 hrs to 15 min.
- No budget increase despite significant new licenses to issue and increased volume.



• Significant reduction in staff turnover.



Washington State Police Garage

"How to we convert more new cars to patrol cars without radically increasing the size of the garage?"







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Sample Ideas

- Pre-kit the conversion parts on special carts.
- Organize the key storage.
- Que the new vehicles next to the garage.
- Use a template to align decals.
- Use pre-made wire harnesses rather than cutting and stringing some 50 wires.
- Have brackets pre-drilled.
- Use laser-measured plastic seat covers over the back seats rather than swapping them out.

Sample Results?

- Eliminated many unneeded activities.
- Increase output from 12 to 36 vehicles per months.
- Cut conversion time from 300 hours to less than 25.
- Reduced maintenance cost by \$153K per year.
- Generated \$628K in surplus value on used vehicle sales.

The Secret - Go After Small Ideas

- Going after smaller ideas creates an improvement culture – everyone has them all the time.
- Small ideas are less costly and less risky learn as you go.
- Accumulation of small ideas has a major impact.
- Big improvements need lots of small ones to be successful.

To get large numbers of front-line ideas, a different type of organization is needed – an Idea-Driven Organization

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Idea-Driven Organizations have ...

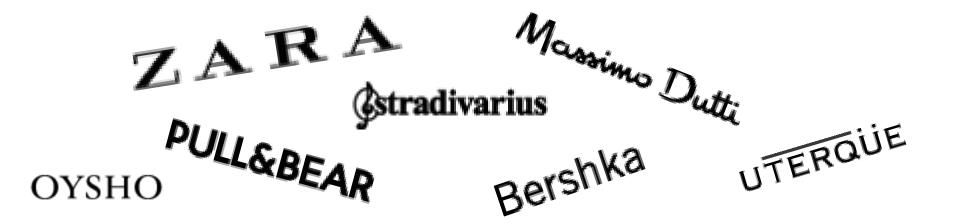
- 1. Leadership committed to seeking and listening to ideas (and knowledgeable).
- 2. Systems to capture and manage front-line ideas as a regular part of work.
- 3. An organization aligned for ideas.
- 4. Regular training for more and better ideas.
- 5. Integration of all improvement processes.

1) It takes a different kind of leadership

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"A manager has to have the humility to listen to and respect other people's ideas if he expects to rise up at INDITEX"

Jesus Echevarria, Chief Commutations Officer



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2) Systems to capture and manage frontline ideas

NOT with a suggestion box-type system!



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Pyromation



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3) Aligning the Organization for Ideas

Focus on what matters by linking frontline ideas to strategic objectives.

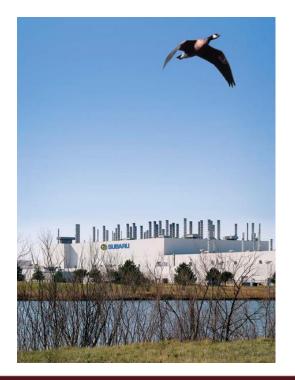
4) Help People Come Up With More and Better Ideas Through Training

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"3-R" Activator Training





Reduce Reuse Recycle

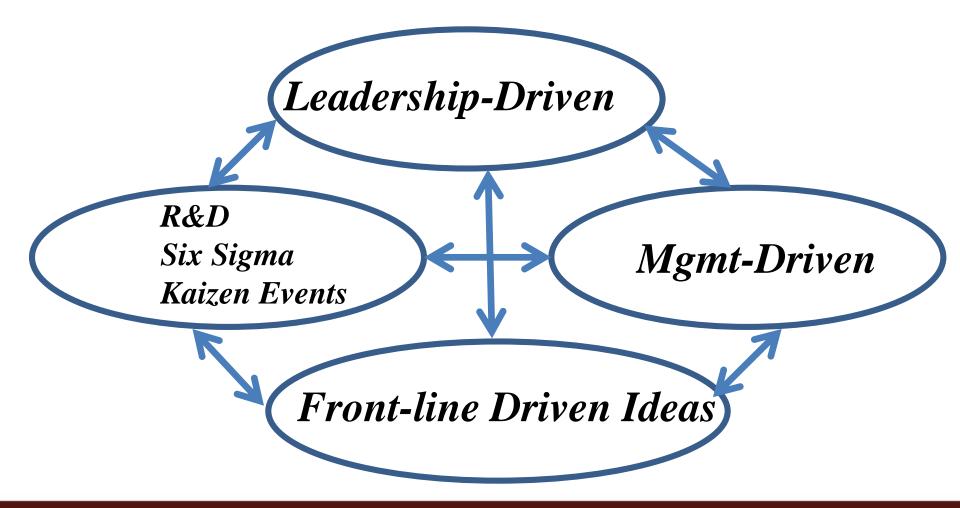


Results?

- ✓ No Waste to landfill since May 2004!
- ✓ Millions in annual savings!
- ✓ Cleaner Environment!

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5) An Integrated Concept of Ideas

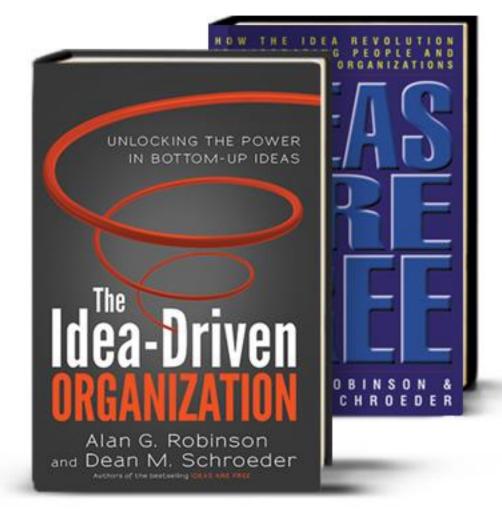


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