

Perfect Practice Makes Perfect Change Management in a Labor Management Solution Kickoff

Distribution centers can change rapidly — even day to day — so it is no surprise that companies are unsatisfied with staying static with their business processes. It's safe to say this applies to every company in the business world. The workplaces that are open to new ideas, the firms that take the initiative, are the ones that will reach the top of their game. Easier said than done? Not with proper planning techniques. Follow the guidelines here for a smooth transition project.

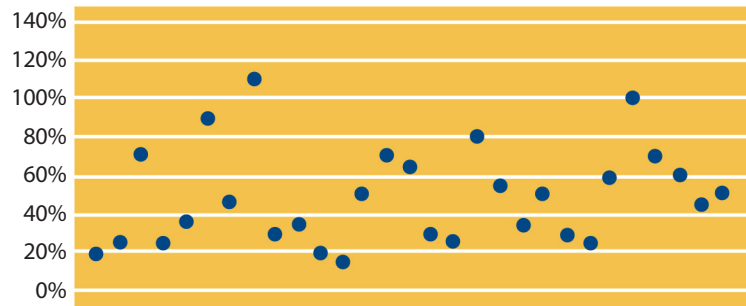
Many industrial engineers will agree that working on a productivity improvement project, such as introducing a labor management solution, can be very complicated in its initial stages. In fact, the careful planning of a project introduction is a mission-critical piece of the initiative. When kicking off a project such as engineered labor standards, several industrial engineers and distribution executives believe that the most important aspect of this type of project is “selling” the project to floor managers and associates.

This is absolutely correct. To drive personnel (managers and associates included) to feel ownership of a labor standards project is paramount. Although, psychologically, the steps toward change management may seem complicated, strategic planning well before a go-live date will ensure a smooth transition.

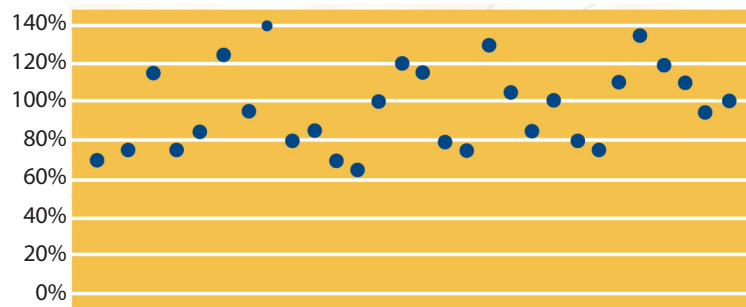
Begin with a presentation and proper introduction of core and steering team members to executives and managers. A concise, yet informative, presentation that shows detailed graphs on production and utilization improvements is very beneficial at this stage.

A great question to ask the group is, “Who will be the most important member of this productivity improvement project?” Many would like to answer that the associates are, when, in fact, they are incorrect. The managers will be the major role-players in this type of project. Ultimately, they will be rated on how well they manage the associates’ performance and by how well they utilize their resources.

Typical Performance BEFORE Improvement



Typical Performance AFTER Improvement



The next step is a kickoff meeting for associates. Important points to mention are company growth, accurate measurement and future incentives. Perhaps competition between other DCs or rewards will boost the interest of such a transition. It is important to describe any changes with as much detail

as possible. Bring up the fact that new technology is available that allows for proper standards to be calculated, such as XYZ travel and fatigue allowances. End the presentation with this statement: "Transition begins with an ending." This is true in the sense that, to start change, a group must leave old situations behind.

A great example in the industry is the advancement from piece-rate throughputs, such as lines per hour, to engineered labor standards based on key variables that involve different aspects of activities. Letting go of the "lines per hour" mindset is a huge step forward for some, especially those who have been tracking

performance based on lines per hour for years. Give examples as to how changes will benefit users of the system.

Ownership of the project during initial stages of the labor management project is the

goal that managers should shoot for. And retaining associate interest in the midst of a transition to move to labor management is the key. Every labor standards project begins with evaluating methods and procedures to properly assess an activity. Best practices are constantly studied and applied to increase throughput of a facility.

A great time to involve associates with the project is at this moment. Take the time to "interview" floor associates for their opinions on best practices. It is the associates who possess the "tribal knowledge," that managers may not sense and that can serve as a step forward. This allows for the sense of project "ownership" and, more importantly, mutual respect.

With accurate planning prior to kicking off a project, smooth transitions can happen. A clear-cut approach helps develop company morale now and into the future, and taking careful steps to properly manage change is essential.

Brian Ladao is a consultant with enVista. For more information, contact enVista at 877-684-7700 or at inforequest@envistacorp.com.