100 Percent Lean Beans

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After winding along hairpin curves up through the dense mountains of Northeastern California, Minden, NV is a welcome reprieve. You can see for, literally, miles — until the skyline is interrupted by snow-capped Sierras. You couldn't ask for a better view; it's the kind that makes you want to curl up with a cup of good coffee.

And if it's good coffee you're looking for, the Starbucks Carson Valley Roasting Plant & Distribution Center is going to be your favorite part of Minden. Even its lobby smells like a rich and flavorful cup of joe. If you get them talking, the crew here will tell you everything you need to know about how roasting and brewing methods affect the flavor of coffee in so many ways. And just as the smallest of modifications can dramatically affect the flavor of the cup, Starbucks Carson Valley has learned that – likewise – small steps towards continuous improvement can yield returns in big, bold bursts, or in subtle, mellower notes. It all starts with the effort.

Manufacturing Excellence

This visit to Carson Valley came on the heels of a prestigious distinction for the facility in 2012 — The Association for Manufacturing Excellence (AME)'s Manufacturing Excellence Award. AME, a not-for-profit organization dedicated to continuous improvement and operational excellence, honors select facilities annually, citing North American plants that demonstrate significant progress in their journeys towards operational excellence over a three year period. This award supports AME's mission of inspiring commitment to enterprise excellence through shared learning and best practices. According to Paul Kuchuris, AME President, part

of why Carson Valley was selected had to do with its ability to demonstrate progress in a short period.

For Plant Director Jason Tollmann, progress was the key goal when the plant decided to re-focus its efforts towards Lean in 2009. “I think with most companies going through the Lean journey, it’s sometimes viewed as the flavor of the month. So we didn’t want to come out and say ‘Hey, we’re doing this Lean thing again.’ I think we’ve been pretty creative in creating our own version,” says Tollmann. But the leadership team at Carson Valley didn’t just take a book on Lean, dust it off, and follow it to the letter. Instead, they tried to take an approach that really integrated the team members’ ideas (Starbucks refers to them as “partners”) into the plant’s goals.

One tried-and-true Lean effort, 5S, got a facelift for the Carson Valley DC, who dubbed it “adopt-an-aisle.” In the Carson Valley version of 5S, photos are posted at the end of each row of shelving. Tollmann also describes a facility-wide revision on the classic suggestion box, “Rounding,” that got its start in hospitals.

“The main goal of Rounding is to connect with the partners and really understand what motivates them,” says Tollmann. Rounding boards pepper the plant, with the idea that the items keep partners connected, and also lend more immediacy to the “suggestions.” Explains Tollmann, “If there is something they can get done right away, let them go do it. That’s what the purpose of the Rounding is — it’s so you don’t have to go fill out a suggestion and put it in a box and wait for leadership to do it. We want things to be done, if they can, at the time the partners see something occur.”

This kind of ownership of improvement has helped Carson Valley ultimately sustain the benefits of these Lean activities by allowing those closest to the action to take an active role. “A lot of times, when the partners generate the ideas, they’re easier to sustain on a small level,” explains DC manager Todd McCullough. He goes on to explain the difficulty many managers face when rolling out ideas and trying to obtain widespread buy-in, however, “If it’s something to make their job safer or more efficient, the partners are going to make sure it is sustained.”

Safety First

Another key initiative surrounds safety — an effort the Carson Valley leadership team views as especially critical to their overall goals. Daily safety interactions occur and if there are any observations or issues that need to be addressed, each leader in the plant is required to complete an interaction with a partner in regards to that issue. According to Tollmann, leadership teams also conduct these exercises around production and quality, and “Those ideas, if they’re simple, should be taken care of right away.”

In the DC, McCullough describes bi-weekly continuous improvement meetings, and CI boards where problems and solutions are posted. “When we meet, we take it to the floor and see if the task can be done, and we determine if the partner can do it right away, or if it’s a work order that can be fixed today, or a project that has to be

capitalized."

Keeping partners involved and constantly addressing potential concerns means more than just creating lists that sit for a while. "We have the teams come up with the ideas, and then a group – The Drivers – are tasked with driving the results," explains Tollmann. In these cases, the drivers are given some basic parameters to ensure their efforts are safe and in line with the overall goals of the organization, and then are set free to execute. "Don't wait for any red tape; go get it done," he says. "I think that's what's going to give them momentum."

Besides these drivers, Carson Valley has key initiative teams, which are ongoing groups focusing on efforts like reducing scrap or TPM. Bob Miles, Maintenance Supervisor, describes one of his favorite recurring events – The Broken Window Program – designed to bring fresh eyes to areas of the facility to pinpoint needs that may have been overlooked. "It makes everything better," says Miles. "It's cleaner, it's safer, and it's neater. Then people get used to that, and when something is out of place, it jumps out at them."

At the time of the interview, Carson Valley was preparing to further educate itself in the art of Lean safety by hosting its first AME training workshop. The workshop was designed to discuss how, by using some of the common tools in a Lean thinker's tool box and focusing on safety instead of cycle time, manufacturers can easily start to build an understanding and acceptance of Lean while improving safety in a facility. Day one of this workshop will be held in a classroom. On day two, the attendees will be formed into "safety Kaizen blitz teams" and will work on the shop floor.

Hopefully the safety vibe here will be infectious, because Carson Valley takes it seriously, says Tollmann. "We feel passionate about coffee and that's how we should be feeling about safety."

Best Practices Everywhere

These types of AME events are new ground for a facility that didn't quite realize just how accomplished they were until they applied for the AME award, and won. After a SMED and some peer-to-peer training to decrease changeover time, Carson Valley impressed Starbucks' Executive VP of Manufacturing, Partha Kundu, so much that he suggested they go after the award. Hardest for Tollmann and the other leaders was translating the Carson Valley approach into standard Lean terms, something they did through speaking directly with partners and determining how they were addressing the key areas AME had outlined. "We knew the things that we were doing, but we didn't stop and (identify it)," says Tollmann. "We may call it something a little different, but we're doing good things."

Perhaps more challenging is the distribution side of the business, where measurement and analytics can become more slippery than OEE for a manufacturing production line. Says McCullough: "Most of your work is through people. But also, we're automated, so we should be able to break down the equipment and look at it from an equipment side, a partner side, and also a product

flow side. Once we can measure it, it's a lot easier to start going after it. Our automaton team is putting together a 'dashboard,' and it's basically OEE for distribution." In addition, consultants were brought through the DC to point out smaller, more inexpensive changes that the team could make in order to address continuous improvement without tying up a lot of resources. "It just comes down to actually defining it, and then creating a process (to address it)," says McCullough.

Another piece of the Carson Valley puzzle has been an effort to better integrate suppliers into the mix to help create a smoother, more effective supply chain. "We've been working together with a more disciplined approach. When there are issues that come up, we have more formal processes to identify what the issue is and what we are going to do to work together to resolve the issues." Then, instead of pointing fingers, says Tollmann, "I think the leadership team is becoming more skilled to lead differently. When an opportunity arises, let's get the right partners to work together to resolve the opportunity quickly and not focus on who is right or wrong."

Flexibly Forward

So what's next for this crew of self-professed coffee snobs? It's hard to know. As Starbucks Corporation continues to expand into areas besides coffee – fresh pressed juices and other wellness products, for example – the sky, it seems, is the limit. "We continue to grow so fast; it's hard to see what the next thing will be," says McCullough. "We have to stay flexible."

"That's one thing about Starbucks," adds Tollmann. "We are so innovative that it causes a lot to happen in the plant and in distribution. So if we need to become the best at changeovers, then that's what we need to do. Or if we need to run four different business units out of our DC at one time, then that's what we need to figure out. One thing we're really focusing on this year is leadership. How do we go from leading from the top down to flipping that pyramid and supporting the shop floor better? For me, that's what this year is all about.

"We believe that if we can get the leadership piece taken care of, sustainment will follow."

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