Billy R. Taylor
North American Tire
Director of Commercial Manufacturing
Hello
Define: – Question: What does the enterprise want to accomplish?

Alignment: - Question: Does the individuals know how they contribute to the enterprise “Winning”?

Execute: Question: Do you have a process that enables and develops people, drives ownership accountable and recognizes process adherence?
Silver is super when it comes to ‘Nobel Prize of manufacturing’

BY STEPHEN ROBERTSON

The Lawton Goodyear plant has a trophy case full of awards for quality, but it’s getting ready to make a place for one more that represents 26 years of hard work and never giving up on continual improvement. The plant is on track to win the Shingo Silver Medallion, the second-highest level of recognition in the Shingo Prize process.

The Shingo Prize — sometimes called the “Nobel Prize of manufacturing” — was developed by the late Shigeo Shingo, a Japanese industrial engineer who wrote extensively about Toyota and other production systems that attempt to wring waste — in time, labor, and materials — out of manufacturing. Shingo winners are an exclusive fraternity. Only 13 operations have won the top prize, and only 25 have received the Silver Medallion.

Plant manager Billy Taylor calls Lawton’s success in the Shingo process a “monumental accomplishment.” For one thing, the Lawton team took only 26 years to reach its goal. For another, the plant is large by Shingo standards. On top of that, the plant implemented the process at a time when it was shifting to a new philosophy that relies on frequent changes in production to meet the demands of retail customers.

Reflecting on the Lawton Goodyear tire plant’s participation in the Shingo Prize evaluation process are, from left, Jason Augusta, Bradley Mifflin, Ron Coleman and Bruce Hartline. The plant has earned the Silver Medallion, the second-highest level in the Shingo Prize for Operational Excellence evaluation process.

The Lawton Constitution
Losing at the Intersections

(Tires Produced Per Day)

- Plant Performance: 31,419
- Market Demand: 38,200

Not meeting customer demand…
Alabama, USA 2003
Texas, USA 2008
Canada, 2008
North Carolina, USA
Illinois, USA 2009
Tennessee, USA 2011
North Carolina, USA ?
Taylor heads to new challenges with Goodyear

By Stephen Robertson

When Billy Taylor arrived at the Lawton Goodyear plant in December 2006, he knew his job was to “make Lawton even better.” Being named manager of what has long been Goodyear’s flagship plant, he admits, could be intimidating. Often, “don’t mess things up” is the prime directive.

His 3½ years turned out to be much more than that. Faced with uncustomed adversity, the plant weathered a recession, began work on yet another modernization and collected awards for environmental efforts and manufacturing excellence.

Taylor, who will begin work Monday as manager of the Goodyear plant in Fayetteville, N.C., said he knew from his first day here that the factory’s employees would be the key to success.

The guiding philosophy: If you want to know how to make tires more efficiently, ask the people who make the tires. In meetings large and small, he did just that, and he hasn’t been disappointed.

“I work for you, you don’t work for me,” he told employees, and eventually they understood he meant what he said.

“When I first walked in, they sized me up to see ‘Do you do what you say?’” Taylor said. “They embraced me, but I had to earn their trust.

“My name’s not mister, it’s not sir, it’s Billy, and anyone can talk to me at anytime,” he said.

“You can accept anything from anyone at any level of the organization,” he said.

Their help was sorely needed in 2008, when the recession drastically cut orders from auto makers. The plant avoided layoffs, but the workforce shrank as employees left, mostly through retirement.

The status quo — always anathema to the Lawton plant, which has long boasted that “There is no finish line” — wasn’t an option. The plant had been designed primarily to provide large quantities of tires to auto makers, and they didn’t need many tires.

Taylor recalls being in virtual isolation for two weeks, camped in a “little closet with yellow cardboard over the windows,” trying to understand the changes the corporation wanted the plant to make.

The plant shut down and had meetings with every associate, Taylor said, and in late 2008 it embarked on an extreme makeover, converting processes to handle the demands of the new marketplace.

Instead of making thousands and thousands of one tire for days or weeks, the plant had to make many different types and sizes and be able to switch quickly to new products. The factory, Taylor said, became a tire supplier instead of a manufacturer. The replacement market, not original equipment, became its target.

“What would traditionally take six months to a year … was done in one month,” Taylor said.

“We changed the way we do replacement market, not original equipment, became its target.

“I would have to say of all the places we’ve lived, this is going to be the most difficult one to leave. We leave with the feeling that we’re Lawtonians. The community really embraced us and and made us feel as though we’re originally from Lawton.”

BILLY TAYLOR

GOODYEAR PLANT MANAGER HEADING TO NEW JOB IN NORTH CAROLINA

business,” Taylor said. “We broke a paradigm.”

The work has paid off. The factory has drastically cut its cost of production and hired more than 200 people here.

SEE TAYLOR, 2B
Go and See
THE HIDDEN FACTORY

Hidden Factory: Cost $Millions?

Mixing → Component Prep → Tire Assembly → Curing → Final Finish

Product flowing backward, cost the business excess inventory
THE HIDDEN FACTORY

Mixing  Component Prep  Tire Assembly  Curing  Final Finish

Optimal Product flow, minimal losses

Customer & Company Value
Core Values, Principles, and Standards
Operational Excellence is a Team Sport
In a survey of more than 19,000 people by Harvard Business Review (2014) 54% of respondents said they did not feel that they regularly got respect from their leaders.

Make people Visible and they will make you Valuable!
Define Winning — Extreme Clarity

The Choice

Why are you getting “The Choice” jersey?
As Fayetteville continues down the “Road To Excellence,” one of the next important destinations is 38,000 tires per day by December 1, 2010.

Why is that important?
1. It makes Fayetteville competitive with more profitable consumer tire plants in North America;
2. It positions the plant for higher Share Plan payout;
3. And it makes believers out of the non-believers.

We are all on the Fayetteville team.
The number “38” represents 38 thousand tires per day by Dec. 1, 2010.

Why the name of “The Choice?” Our vision is for:
- Fayetteville tires to be the choice of the customers;
- Fayetteville to be the choice of Akron to produce its tires;
- Fayetteville is the choice for people to work.

Logos On Right Sleeve
Logo On Left Sleeve

THE CHOICE

Jersey Front

Jersey Back

FAYETTEVILLE

38

GOODYEAR

USW
FORMULA FOR EXECUTING WINNING

Strategy + Execution = Results

WHO OWNS WHAT?
In the Absence of Ownership, We Blame!

Never seen a Flow Chart described so clearly.
**Traditional**

- 5% - MAKE
- 15% - WATCH
- 80% - WAIT

**Progressive**

- 80% - MAKE “EXECUTION”
- 15% - STRATEGY DEPLOYMENT ENABLING GOVERNING (DMP)
- 5% - VISION/STRATEGY
“Ownership” is the most powerful tool the team has for success.
Strategy Deployment – Aligning to Win
Hoshin Jikko
Strategic Execution
“Ownership”
Measure What Matters

10 SECOND RULE
See reality
Keep it simple & visual
Empower & involve everyone

Clear - Simple - Fast

Red / Green

Celebrate the Red
Harvest the Green
“You said to only bark at the metrics in the red, but all I see is grey. What then, sensei?”
<table>
<thead>
<tr>
<th>Month</th>
<th>Finished Tires Per Day</th>
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<tr>
<td>May YTD</td>
<td>31,419</td>
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<tr>
<td>Jun</td>
<td>31,167</td>
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<tr>
<td>Jul</td>
<td>33,000</td>
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<td>Aug</td>
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<tr>
<td>Nov</td>
<td>36,628</td>
</tr>
<tr>
<td>Dec</td>
<td>38,513</td>
</tr>
</tbody>
</table>

**Finished Tires Per Day**
Managing The Intersections

Getting More, Working Less

- 7,094 Tires Per Day
- Working 613 Hrs. Less A Day
- $2.30 Unit Mfg. cost improvement

[Bar chart showing 38,513 versus 31,419]

14,490 Hours

13,877 Hours
Winning is more than just the numbers!
“Let Go without Letting Loose”
Build a Culture of enterprise ownership.

Stop **Pushing** accountability down and start **Pulling** ownership up.
“In Search of Excellence” and “Built to Last” are two of the most successful business books ever written.

20% of the 61 companies studied went out of business.
“Earning the Rights to Change”

Earn the Cultural Right

Earn the Technical Right
Transform From the Inside Out

It is easier to teach process experts lean principles than it is to teach CI experts the process and the culture.

Focus on PRINCIPLES

..not tools looking for an application
Building Capability – EMBRACE THE PEOPLE IMPACT

Awareness
Understanding
Acceptance
Sustainable Change
Commitment

Performance

Stability
Step-change
Sustainability

Behavioral effect

Time

“Technical” improvement
Exposure Hidden Mindsets

Behavior is Visible
What we see and attempt to address

Mindsets are Hidden
What we generally don’t see and do not know how to address

Thinking and feeling

Values

Needs

Supervisor
- I want to coach but I don’t have time to coach
- I care about people, but don’t feel coaching is as high a priority as ops and financial issues
- Coaching doesn’t help me or others get ahead
- None of my bosses ever took time to coach me...and I made it
What we see is not always reality........
What Reality was.....

**Ugly Babies:**

- No or little trust
- Micromanagement
- Lack of communication
- Lack of support
- AM no backup
- Op’s don’t have the tools they need to do their job
- Undermanning (vacation coverage)
- Favoritism
- Disengagement
- Lack of systems
- X management style
- Too much focus on numbers
- Not sure KPI’s are right

- Abusive leadership management
- I am replaceable just a number
- No work/life balance
- High turnover management
- No consistent leadership development
- Training
- Us vs them mentality
- Lack of follow through
- "They lied to me"
- Rest room too far away
- No job security
- New Hire pay
- Don’t always hire the right people
Leadership Challenge

Traditional Management

40% Daily Operations

60% Firefighting

The Best in the World

20% Daily Operations

20% Firefighting

60% Continuous Improvement/Innovation

Working Through Cross-Functional, Natural Work Teams
Beyond The Tools
Operational Excellence

Daily Management Process to “Drive Results & Sustain the Gains”

1. Process – Prove it!
2. Process – Trust It!
3. Process – Challenge It!
4. Process – Replicate It!

Celebrate the Process
Just because you fail, continue the pursuit of excellence

• Deal with the consequences of past mistakes with a PDCA mindset and process.

• Investment vs. Cost

• Get Past the Past Mistakes!

(yes, there are some bad ideas)
Constancy of Purpose
You Can’t Manage a Secret
NO

OPPORTUNITY IS NOWHERE

KNOW

OPPORTUNITY IS NOWHERE
Size Doesn’t Matter.

NAT Commercial Region

$32M

$8

Plant A

Plant B

Plant C

Plant D
ENTERPRISE ALIGNMENT

$33M

Plant A
$8

Plant B
$9

Plant C
$8

Plant D
$8

NAT Commercial/Off Highway Region

Stratification
• Accountability
• Ownership

Commercial Plants
8-4-2-1: Plant 2 Stratification of targets

PLANT MANAGER

Prod. Mgr.


Front line Mgr.

Shop Floor

Quality Mgr. = 9

Tech. Team Leader = 9

Qual. Technician = 9

Shop Floor = 9
GOVERNANCE

CHANGE

THE GUARD

GUARD THE CHANGE
“Winning”

Structure - Environment - Capability
billy@brtaylorlean.com