



*Through Eagles Eyes*  
Vision Beyond Sight

## CASE STUDY

### Impact of Coaching and Tools for Self-Mastery Class

#### Business Situation

A global organization in the food industry built a facility to produce Finished Product based upon LEAN Production Principles. This required multiple changes in culture, business processes, policies and practices. They put a team together to focus on stabilizing the production equipment and processes within the building and improving output.

The next level of improvements required an evaluation of processes outside of the building and improving the supply chain. Through brainstorming, data collection and analysis, improving material flow and tracking of inventory was identified as the next focal point for improvement.

The inventory as a whole (raw material, in-process and finished goods) gave the Procurement team direction on replenishment of raw materials. The Finished Goods inventory levels led to decisions on job size and number of jobs which in turn impacted on-time delivery to customers.

“85%  
reduction in  
the cost of  
the lost  
inventory.”

#### Cultural and People Challenges

There were real and perceived causes of inventory problems throughout the supply chain. These ranged from technology problems (scan guns and wireless technology) to inadequate adherence to standards and business processes (substituted MHUs because they were available and the planned MHUs were not shipped or could not be located)

Historically, measures and metrics focused on higher level metrics for overall inventory levels. Detailed measures and metrics that were actionable were not available or were just beginning to be gathered. Ownership of those measures was not clearly identified. There were other areas that required a greater focus.

“...the team  
built  
momentum.”

The organization had just closed a large, cross-functional inventory project which had a major focus on managing the total inventory levels from a dollars and pounds standpoint. The problems with material movement and inventory tracking were identified and the perception is that there was little improvement on the inventory processes and practices.

This Case Study, *Impact of Tools for Self-Mastery/Enhancing Emotional Intelligence*, was written by a member of this global organization's team.

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Culturally, the past practices and inefficiencies from those practices were accepted ways of doing business. Previous attempts to change inventory practices did not result in long term sustained improvements. As the team looked at these past attempts, there was a large element of skepticism that leadership would devote the time, effort and staffing and whether the inventory management team at the organization consisted of two people which is insufficient for the amount and complexity of their inventory. The change required building a cross functional team to effect change.

### Coaching/Consulting from Diane Winn

Several of the inventory project team members attended *Tools for Self-Mastery/Enhancing Emotional Intelligence* class taught by Diane. The team members learned about self-awareness, how to manage their responses and how their actions and responses impacted others.

The overall leader of the project, the executive director of Finishing, also attended the class and received one-on-one coaching from Diane. Using a variety of coaching methods and a 360 evaluation which involved many members of the inventory team, the project leader focused on changing the people, the culture and personal behaviors and beliefs to generate ideas and improvements.

By listening to the individuals on the team, we identified what problems/situations impacted their work the most and then looked to gather information on causes.

### Results

The team identified several areas of improvement and began making changes. By getting a few small successes along the way, the team built momentum. Being aware of their potential impact on others, the team focused on the future and what needs to change. People took responsibility for their own areas and departments and were willing to take on some additional responsibilities outside of their current to help the inventory management department.

“...set a record for on-time delivery...”

#### Physical Inventory Count Time

To impact customer service levels, our Physical Inventory Count time in manufacturing was reduced by 66% and the time that the Finishing warehouse was unable to ship was reduced by 50%. This improvement resulted in approximately 0.33% increase in additional revenue for the Fiscal year. The improvement also benefitted customer satisfaction. The organization’s Finishing department set a record for on-time delivery in the first month of the Fiscal Year 2018 with 99.64% on time delivery (historical average in October is 95.4% on time delivery).

#### Lost inventory “Can’t Find” Reduction

Lost inventory or “can’t finds” are packaged products of Finished Goods or MHU’s of raw materials and / or intermediates. There were many potential causes. The previous practice was to perform a cursory search and then replace the “missing” package or MHU with an alternative. The “missing” product would

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be moved to a Bin/Status combination which indicated that they could not be located. Historically, the lost items would be reconciled at a later time.

The core inventory team put together a search team from different departments which began looking for the materials which could not be found. They also began tracking each occurrence to look for patterns. Compared to the prior fiscal year, the improvements that this team made were a 58% reduction in lost line items, a 66% reduction in lost pounds of inventory and an 85% reduction in the cost of the lost inventory.

“...Physical Inventory Count time in manufacturing was reduced by 66%...”

### **Finishing WIP Inventory locations**

As part of the building design changes and the PLC system used to control the Finished Goods Production processes, inventory was scanned into a general location. Once consumed, it had to be scanned to a warehouse location if the inventory was partially consumed or it had to be scanned to a temporary EMPTY bin which would remove the code, lot and MHU from inventory.

In practice the team found that there were items which had remained on inventory due to multiple procedures being followed. The Finishing supervisors and a Finished Goods planning specialist began checking these locations and tracking down causes of the problems. As a result, there have been substantial improvements in the volume and quantity of items. These would have required substantial time during the physical count to reconcile. There was a 96% reduction in the number of line items in this status and an 87% reduction in the costs of the lost inventory.

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