

Quit Sabotaging Your Company

“Where is your lean focus now?” It’s not enough for you to focus on correction, overproduction, motion, material handling, waiting, inventory, and processing without filling the skills gap. Your organization will struggle to fill the skills gap to grow market share, production, revenue, and income stream. “Are you sabotaging your organization by being fashionably lean and ignoring ways to maximize and capitalize your employees?”

On a list of executive-related business issues, your biggest company concern for 2015 will be filling the skills-gap by leveraging talent [Forbes.com, Feb.11, 2014].

Your inability to fill the skills gap will *choke* your supply chain and pace for process improvements, defect prevention, reduction of variation and waste.

Let’s presume your organization lost thirty-three percent of its employees in 2014. “How will you fill the skills gap in 2015?” Employers estimate they lose more than \$14,000 for every job that stays vacant for three months or longer, and 1 in 6 companies say they lose \$25,000 or more, according to CareerBuilder.

The year of the employee was 2014. For the first time in more than five years, your employees will be in charge again. Your lean focus will need to shift to filling the skills gap. Go back to the basics. Contact your human resource group today to learn more about employees’ competencies, expertise, education and experience for you to align your 2015 lean initiatives on maximizing and capitalizing talent. This is called workforce analytics.

Eighty percent [80%] of your employee talent is owned by twenty percent [20%] of your employees. “Do you know the 20% and how to maximize and capitalize the 80%?” The information from workforce analytics will show you the talents of your employees.

To fill the skills gap, you must *first* consider your employees an off- balance sheet asset, not a liability. You must calculate the valuation of your employees in earnings and financial asset returns. Whereby, you ask two questions of each employee: “What future earnings can [name of employee] bring to my organization? “How can I better utilize [name of employee]?” Your answers will help you to achieve marginal benefit, a net gain greater than an employee’s compensation package giving your company a return-on-investment.

Marginal Benefit is about leveraging the 20% talent; training them, upgrading their skills, utilizing their knowledge to the fullest to benefit your organization.

“Has your gap analysis identified areas where your talent is performing below the standards expected by your customers, industry metrics and management that could be compromising the competitiveness of your organization?” Wasting talent is most damaging to your organization.

Successful 2015 lean/quality professionals will find the best ways to leverage talent more effectively in their organizations. “Where is your lean focus now?”

In the business world, financial statements reflect tangible value for the organization. An organization’s balance sheet does not reflect talent an asset. I once read about Lebron James making \$45 million a year because of his superior athletic talent. A basketball team does not win Championships by wearing the most expensive uniforms or tennis shoes. The team wins because the players possess the greatest ability over their opponents.

You will need to champion marginal benefit return in your lean metrics for 2015.

To fill the skills gap, identify your Trainers and Subject-Matter-Experts [SMEs] and capitalize their skills to determine where they will make their greatest impact at your organization.

They can help you to achieve your 2015 lean metrics of correction, overproduction, motion, material handling, waiting, inventory and processing. Capacity Utilization is about achieving 100% output levels of production. If your organization is running at a 70% capacity utilization rate, it has room to increase production up to 100% without increasing costs.

Let’s apply capacity utilization to your Trainers and Subject-Matter-Experts [SMEs] by asking:

1. Who are my Trainers/SMEs?
2. How are my Trainers/SMEs capitalized, maximized and utilized?
3. How are my Trainers/SMEs integrated in lean and other training?
4. How are my Trainers/SMEs providing business innovation and operating performance.
5. How are my Trainers/SMEs trained?

You need to champion capacity utilization in your lean metrics for 2015.

To fill the skills gap, give your Trainers and Subject-Matter-Experts [SMEs] a training system to follow for consistency of standard work. Richard White, Manager, Honda New Model and Quality Planning said: “experience alone does not make a good Trainer/SME. Individuals must be trained and qualified to achieve standard work from their learners.”

Richard also identified some common pitfalls with experienced Trainers/SMEs who have no formal training system:

- Forget what it was like to learn the job
- Too many assumptions
- Gloss over details
- Poor communication skills
- Teach from memory and not the standard
- Lack the desire to teach or train

Too many Trainers and SMEs randomly train on-the-job without training objectives, a document that outlines the coursework, applications to be taught and specific teaching methods for different learning styles. A formal training system provides a 4-step training methodology: preparation step, presentation step, practice step and evaluation step.

1. Do your Trainers/SMEs use a formal training system?
2. Do your Trainers/SMEs know how to prepare, present, practice, and follow-up?
3. Do your Trainers/SMEs know the best training methods to use?
4. Do your Trainers/SMEs know how to train *On-The-Job*?
5. Do your Trainers/SMEs know how to train *In-The-Classroom*?
6. Do your Trainers/SMEs know how to explain a concept and teach skill for lean practices?
7. Do your Trainers/SMEs know how to handle frustrated learners?

A successful training system should be "live"; one in which learners operate real or simulated equipment in the classroom and on-the-job for consistency, sustainability and return-on-investment. Identify your Trainers and Subject-Matter-Experts [SMEs] and certify them on a training system.

In summary, you cannot go at it alone anymore. You must forge a partnership with your employees to fill the skills gap. It is no longer simply the human resource department's responsibility. You must now formulate lean/quality strategies that capitalize on and maximize your talent assets to build products and services that customers demand.

Take a final moment to answer the questions below, and then make a commitment to filling the skills gap.

- “Are you benefiting from your 20% talent?”
- “Are you utilizing talent at 100% capacity?”
- “Are your Trainers/Subject-Matter-Experts certified to a training system?”

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