change is our business

Innovation management

Project report

Implementation of Idea Management

at Amcor White Cap Deutschland

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The project was carried out with the consultation and accompaniment of flow consulting gmbh.

Even though this project was realised from 2002 to 2003, you may still be able to learn from the method applied. The company suggestion scheme in many companies has not yet been modernised; there is still great potential for productivity in many production companies through the introduction of modern idea management.

This Project report was published in the magazine Ideenmanagement 3 / 2004.

After the merge of White Cap with the Silgan Holding the company has been operating under the name Silgan White Cap Hannover GmbH since August 2006.

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flow change® - Implementation of Idea Management

In one of the Amcor White Cap plants (packaging industry), continuous work has been carried out over a period of three years on the subject of Improvement and Idea Management.. This process opens up enormous improvement potentials in the plant. The foremen are given a new role; they become “consulting problem solvers”. This article describes how this can be successfully employed using a so called Four-Field-Perspective for the subject “Idea Management”.

Implementation of a sustainable Idea Management at Amcor White Cap

In most companies the Continuous Improvement Process (CIP) has fallen asleep or has been repressed by other rudiments. Dealing with suggestions for improvements within the CIP has become an exhausting process of filling in of forms and working on safe processes – such processes that do not involve far-reaching changes and as a result do not incur too much resistance. The Continuous Improvement Process turns into a *routine administration process*.

The procedure described here counteracts this. The ability and the willingness of staff to participate in the idea process are promoted. The organisation is developed in such a way, that idea potentials are enhanced.

The foundation: Continuous Improvement Process (CIP) and Operational Suggestion Management (OSM)

Amcor White Cap is an internationally active packaging company based in Germany, Hanover with facilities and sales offices in Europe, Asia and South America. With X amount of staff, the Hanover plant manufactures Twist-Off® lug closure made from corrosion-resistant tinplate (i.e. for juice, tinned food, jam) and PT (infant food) for the international market.

In 1996 the Hanover plant initiated a CIP- resp. KAIZEN-Process aiming to increase the efficiency of the plant. After wide ranged information and training for the management and staff as well as multiple workshop activities the plant is now placed before the question: How

is the optimisation process to be made permanent, how to secure the first successes and develop these? An initial approach is to develop the traditional Operational Suggestion Management (OSM) into Idea Management. The immediate superior is now the promoter as well as contact for the OSM as well as the examiner of the suggestions submitted to him. Additionally an incentive scheme is put in place, where every submitted suggestion is entered into a prize draw. A team of three –made up of a member of staff from the three main departments- controls the OSP full-time.

The reason: Ideas decay to routine

Initially the number of submitted Suggestions for Improvement (SFI) rises to 2 per member of staff due to the new processes and the strengthening of the responsibility of the immediate superior and the flexible incentive schemes.

The numbers stay at a high level, but the plant management and Idea Management team register a tendency: The immediate superiors complain more and more about the high level of time involved in evaluating and implementing of the suggestions. They do not see the SFI processing as their job; they understand themselves to be foremen on the machines, not as administrators of ideas at a desk.

The decision: Resuscitation or Change

The plant management is posed with a decision: Is CIP/OSM to peter out and be replaced by another management approach or should it be upgraded?

The plant management decided to give CIP new buoyancy. Obviously to submit more and better Suggestions for Improvement could not be decreed from above – CIP depends exclusively on the commitment of the staff. So relying on the initiative of the staff is the only option – the management level is left with the task of creating an ideal framework for the new approach to CIP and to support this new approach internally and externally. The senior employees in production are the key individuals for this, they send out the signals to the members of staff that will determine over failure or success of the CIP.

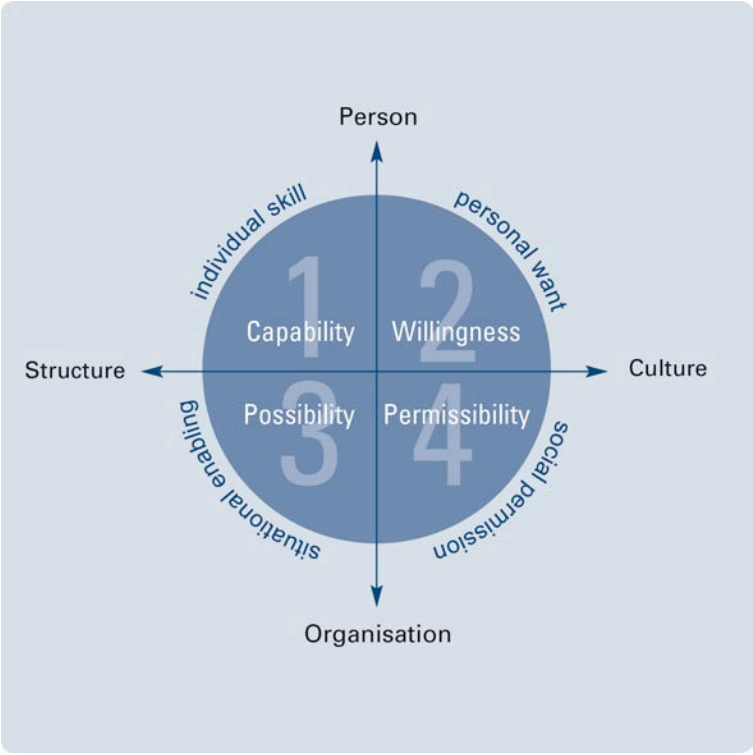
The Goal: Double refreshing

Short term the following three measurement factors are to be improved: Amount of submitted SFI, amount of convertible SFI and rate of participation. Beside the current incentive scheme, in the long term, a lasting and sustainable process is to be installed that

allows the senior employees in production to tackle their new role in a more offensive fashion. Subject of the following description is how this process is established.

The concept: The Four Fields

Experience made so far clearly shows: Not only do technical procedures and structures need to be changed but a cultural change also needs to be performed – for the executing individuals as well as for the company. With this, the corner stones for the Four-Field-Concept are already described. The four fields result from a matrix that is defined by the axis person, organisation, structure and culture[1].



[1] The Four-Field-Concept is based on the theories of 1. Csikszentmihalyi (Flow of Creativity) and de Bono (Lateral Thinking), 2. Reiss (Motivators) and von Rosenstiel (Motives to work), 3. Neuberger (Corporate Culture) and Mikunda (Stage Management), 4. Schreyögg (Organisational Development) and Fritz (Structural Laws).

1 In the field *Capability*, the capability for innovation of the staff is strengthened – creativity and implementation techniques are at the centre of training and roll-out activities. The participants discover that creativity is neither a talent exclusive to geniuses nor a thing of coincidence of a spontaneous intuition. The creation of ideas is made operable, tools are provided by means of which a small group is able to come up with dozens of ideas within an hour for a specific question.

2 The individual motivators are the main topic in the field *willingness* – the goal here is to reform the existing drive and incentive systems. The variety of motivational profiles of the individuals forbids restricting to a few different forms of motivation. In this field the participants find out how they can pick up on the different individual job motivators and turn them into tailored measures to promote performance and job satisfaction.

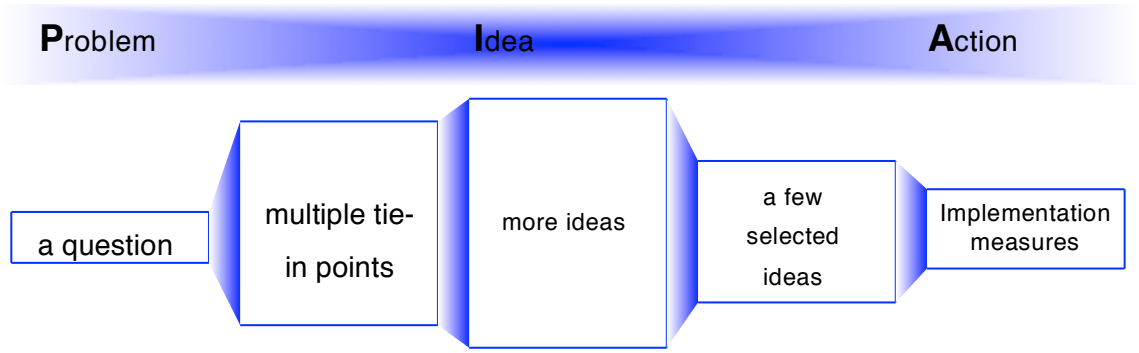
3 The field *reliability* is about the model culture and the internal marketing. On the one hand it is about at least partially exposing assumptions that promote or inhibit ideas that mostly operate under-cover in a company. On the other hand it is about setting symbolic signs for a new ideas culture. The participants learn to recognise tools through which they can turn campaigns into a topic and personalise them that subjects the matter of “ideas” to a broad company-wide publicity.

4 The innovation friendly framework is the centre of the field *possibility*. The necessary and feasible resource and organisation structure is analysed, defined and implemented with the help of action plans. To conduct this each participant is handed analysis and estimating procedures. The compatibility with structures that are worth while keeping is respected as well as the adaptability to challenges that are to be expected.

The first step: Everyone can be creative

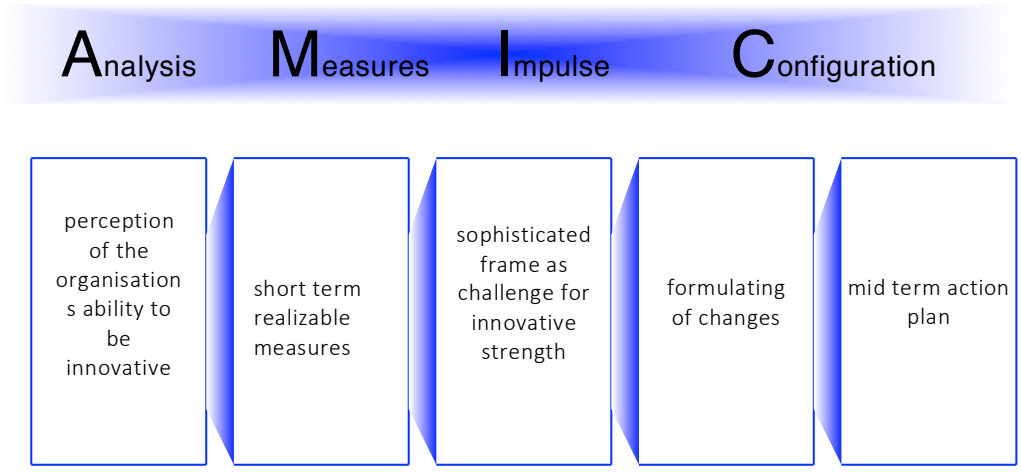
In the field *capability* the senior employees close to production are to be trained at integrating their staff more strongly into the problem solving processes. This initially means putting across the tools in order to utilise the idea potential of all members of staff. In the first step the participants get to know their own ability for innovation – they learn methods enabling them to become creative. They start with themselves. In a two day seminar they are familiarized with creativity methods like the head-stand-technique and stimulating-word-analysis according to the P•I•A-model (see graphic). They experience psychological barriers as well as creative cooperation and make themselves aware of the cause and circumstances

of both – as a side effect they develop ideas for their own workplace during the training units.



In their new function as supervisors, after this initial training, they try out the learned techniques on a topic in the plant – the first practical test for creativity methods and senior staff, again with ideas as an additional product from this step.

The participants bring these experiences to the next two day training two months later, in which promoting the ability for innovation in others is the subject. Next to creativity methods, this also encompasses the enhancement of the innovative point of view: In addition to technical innovations, organisational and social innovations - equally important[2] – are set on the agenda.



[2] „Organisational innovations play a greater role in the economic development than great technical inventions." Douglass North (Winner of the Nobel Prize in Economics, 1993)

To accomplish this within the A•M•I•C•A-Model (see graphic) the focus of the participant is directed to their perception of the current ability for innovation of their part of the company. After this the first possibilities to overcome innovative hurdles are discussed.

Impulses respecting the most important organisational and social deficits such as time pressure, bureaucratic regulations, the tendency of persistent habits or the fear of failure lead the discussion of the participants to the relevance of such deficits in the day to day business. Mid term change options are found by means of the known creativity methods and incorporated into action plans. The participants are moved into the position where they are able to overcome innovation inhibitors and can outline the basics for an environment that promotes creativity.

The six months following this training are used by the participants to implement new technical, organisational and social change projects at Amcor White Cap by means of the learned methods.

The Result: Many diverse ideas

Within a few months 65 Idea-Workshops are held by the department managers and foremen – resulting in several ideas that are able to be implemented immediately after the workshop. For instance there were solution ideas found for two problems that had been annoying the foremen for months. Over 20 senior staff close to production have been trained in the application of creativity techniques.

The Continuation: Motivate and inspire

The improvement process has gained leverage through the described training and implementation measures. To secure this leverage the next of the four fields is tackled. In a one day seminar on the topic of *motivation* the self assessment of the foremen respecting their individual motivational and value profile is covered as well as case examples from their daily leadership routine.

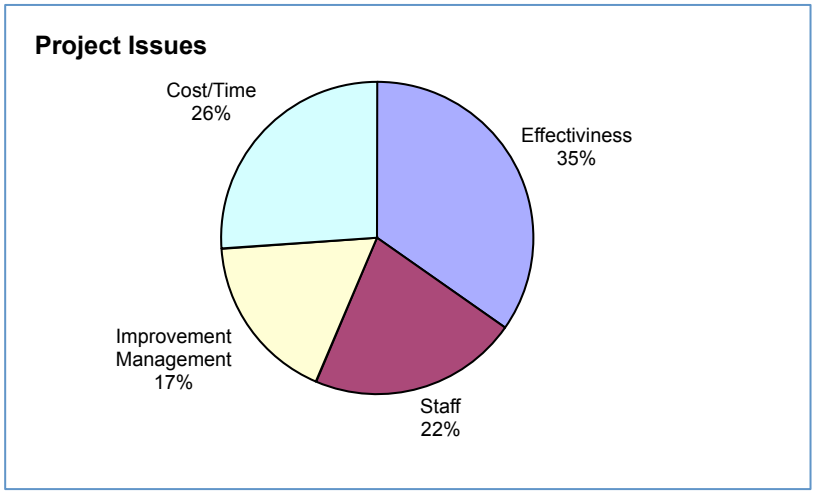
This aspect is important, as the role of foreman is developing more and more from a technical expert to a socially competent leader. Their function is becoming more that of a moderating and driving consultant instead of a intervening superior and giving direct orders. The role of the technical expert is being filled by the line manager (partially by external experts). Therefore the two culturally orientated fields – *willingness and permissibility* – are deepened in the year 2002 and 2003.

Continuation: Completion of the four fields

Concrete goal of the series of seminars in 2002/2003 was the optimisation of selected leadership and idea relevant key performance indicators within such projects, which require creativity and change methods as well as sensitivity for the motive profiles of the members of staff.

In a first step the elements of social competencies, reliability, communication and creativity are trained. To do this the design of the training is expanded by an experience orientated component. The new definition of the role of senior staff close to production demands good cooperation amongst each other and with the staff. The purpose of the experience orientated introduction is not only to convey the cognitive parameters for quality but also to experience them in the (estranged) practice. The exercises offer a platform to reflect on ones self and ones collaboration with others. Leadership dilemmas such as between reliability and change are addressed.

In preparation for the next seminar module the participants are presented with management relevant key performance figures (submitted SFI, absence, rate of participation in OSM, factor of transferable SFI, yet to be examined SFI, …) of the year 2001 and the first three quarters of 2002. At Amcor White Cap there were significant differences between in key figures between the group of members of senior staff close to production. In the four weeks after the seminar challenging targets are to be set by the participants in alignment with their staff and superiors. A project sketch of these goals is drawn up and presented at the next training.



Percentage distribution of project topics

Next step is the targeted improvement of the own leadership behaviour. In preparation for the tasks/projects during the coming months the key performance figures are analysed; in a tutorial each participant (-team) compiled an exact project/measure plan (goal, route, steps, upwind, stumbling blocks, success criteria, milestone sequence, measurement factors) for improvement of one or two key performance figures.

The masterpiece: 23 successful innovative projects

In the following seven months the projects are implemented by the senior staff close to production. The know-how to do this had been given to them in the previous years: creativity tools, motivation promotion, example culture and organisational structure. They were able and expected to utilize the full palette of the four fields. It was made clear by the plant management in advance that this was not only about achieving the performance factor, but it was about taking a step on the way to employing the tools from all four fields in alignment with each other. The aptitude to plan and lead complex technical and social projects is of utmost significance.

The implemented projects are presented and assessed by planning, success and progression. As a consecuence of the project results further measures were discussed and agreed.

A few examples of this:

In some of the leading areas the number of Suggestions for Improvement was to be raised from 17 (2002) to 30 (2003) by consistently utilising of idea promoting techniques in "workshops on the line" and in one-to-one's. By September 35 SFI were achieved, more than half of which were transferable.

Line stoppages were to be reduced by 10%. To do this the frequent faults were investigated and analysed with the line managers. Two types of faults lead to 2/3 of the other faults. Up to this point these had not been focussed on by the line managers as these did not actually lie within their range of responsibility. On the back of this analysis and with the help of the staff, three slight changes were put into place that resulted in major impact: the amount of stoppages was reduced by more than 40%.

In a section of pre-production the scrap quota was at over 10%. Due to the implementation of a new, untested technique this quota was threatening to rise, so in a timely manor specialists amongst the staff were specifically approached. Several creativity workshops took place prior to the implementation of the new technique. The scrap quota was reduced to under 5%.

All 23 projects have in common, that the problems were not solved purely on a technical level, but were always viewed as a problem in which organisational, personal and cultural aspects played a role. The plant manager Dieter Hundt summed up in a statement to his senior staff:

“After four years of continuous personnel and organisational development presentable results have been achieved for Amcor White Cap.:

A lot of “small” ideas which came to being in the seminars and were immediately implemented into the day to day business.

An idea-competence that correlates to your own ideas and moreover to the ideas “tickled out of” your staff.

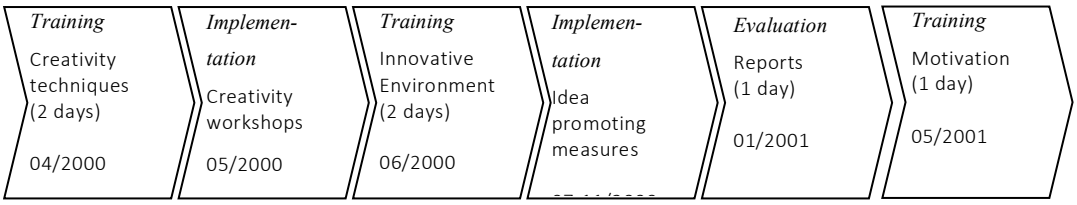
A sensitisation for your new role as a moderating consultant.

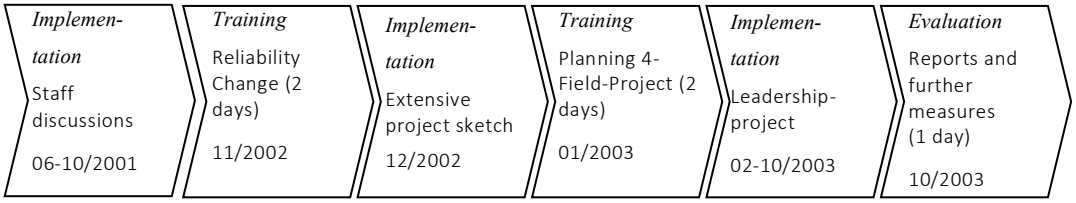
Successfully completed projects that substantially prove the growth of your competencies.

And as a last but most important point: During this development you have become independent and only require little support in the following through of this kind of project.

Amcor White Cap can now, more than ever, rely on you as senior staff to promote this plant.“

An overview of the program





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