

STAUFEN.

HOW TO TAKE OFF WITHOUT LEAVING THE GROUND



Lufthansa Technik
Logistik Services

Lufthansa Technik Logistik Services commits to Shop Floor Management and Operational Excellence



As a leading provider of logistics solutions for the aviation industry, Lufthansa Technik Logistik Services (LTLS), faced a challenge in 2012: How to significantly boost both productivity and quality? Spare parts logistics – a volatile business – made delivery forecasts difficult. Personnel planning also needed to be highly flexible. And management met daily in meeting rooms to make decisions which employees did not always understand. LTLS wanted to improve this status quo...



Wilhelm Goschy, COO, Staufen AG

Dr. Joachim Matthies, Chief Operating Officer (COO), Vice President, LTLS

STARTING POINT

Improving control of volatile business

Lufthansa Technik Logistik Services (LTLS) is a wholly-owned subsidiary of Lufthansa Technik and acts as a global logistics company. As is typical for the aviation industry, time is the greatest cost factor at LTLS. Logistics must be very fast, flexible and reliable so that maintenance, repair and overhaul (MRO) tasks on aircraft can be carried out efficiently. As an integral component of the value chain, logistics is the factor that sets companies apart from the competition.

Driven by global growth, the objective was to increase efficiency and flexibility in the company's processes. In light of this, LTLS management decided to introduce Shop Floor Management (SFM) in 2012.

“Shop Floor Management is the core of Lean Management, because it's about on-site leadership and thus about steering the company.”

Dr. Yong Lee, Head of Lean and Process Management, LTLS





APPROACH AND SOLUTION

Out of the office, into Operations

The Staufen consultancy company, based in Koengen, Germany, supported LTLS with implementing Shop Floor Management in all relevant departments along the material flow: Receiving, Warehousing and Shipping. The focus was on improving leadership performance. At the same time, processes needed to be made more transparent for all staff involved, and responsiveness increased to better address the volatile demand. First, a pilot project was launched in Hamburg.

In line with the Shop Floor Management approach, those responsible for logistics were brought to the shop floor: out of the office – and into Operations. With new leadership instruments and modified leadership behavior, they were able to solve problems better, and more quickly. Specifically, the Lufthansa Technik subsidiary made the following changes: Now, management no longer makes decisions behind closed doors. After all, if logistics employees don't have the "big picture", they often don't understand what is needed. Instead, there is a daily, simultaneous exchange at all German locations. And as Martin Kinzelt, Head of the LTLS subsidiary in Munich, stresses: The employees are also involved in the SFM cascade via performance dialogs.

"SFM gives us a framework for daily, binding communication between management staff. Deadline compliance is particularly important to us. Every day, we look at the deadlines, which then lets us structure our workload efficiently."

Developing new productivity indicators

Furthermore, consultants and the management team developed key performance indicators that directly reflect productivity and point to possible upcoming bottlenecks in staffing. The new “output” indicator now stands for packaged units. “Worklist” was also introduced as a new indicator. Several times per shift, the line managers hold the regularly scheduled meetings and display the current figures on a highly visible board in the subsidiary.

Because the indicators are transparent, employees can better understand why specific decisions are necessary. This way, a cooperative, continuous improvement process can become part of the everyday routine. Managers who have received coaching are on site daily, so they can quickly support their employees in finding solutions. Implementing a “logistics diary” also helped create a clearer structure. This schedule for the managers now specifies precisely, for example, when shift handover must take place, or when to initiate performance dialogs with employees.





Operational Excellence at the workplace

Of course, the process experts also scrutinized company processes. During so-called Challenge Days, workflows were carefully examined in order to reveal waste and provide ideas for optimization. Nobody is more familiar with the processes than those who perform the workflow daily, so the Challenge Day aimed to make the employees' ideas for improvements more transparent. Not only to identify additional potentials, but, in particular, to get the employees involved. Subsequently, in Shop Floor Management, their ideas are what was to be implemented daily – thus also increasing acceptance of the new procedure. Because significant improvements were made in leadership performance, LTLS then rolled out Shop Floor Management successfully throughout Germany, at each of its eight logistics warehouses.

“Daily leadership on the shop floor,
where value is actually added,
enables immediate troubleshooting
and practical improvements.
This, in turn, makes it possible to fulfill
our ambitious delivery commitments –
efficiently and reliably.”

Dr. Joachim Matthies, Chief Operating Officer (COO), Vice President, LTLS

RESULTS AND CONCLUSION

A competitive edge for the future

Ruediger Klug, Business Unit Director Maintenance in Frankfurt, also draws a positive conclusion:

“In my opinion, ‘leadership’, ‘transparency’ and ‘response time’ are the success factors offered by SFM. Leadership: We have heightened our management’s understanding of their role. Using SFM, they can live up to their role more fully. Transparency: Within minutes, we now can obtain a complete overview of Production – something that previously took much, much longer. Response time: Every day, this enables us to very quickly discover where the weak points are, so we can rapidly counteract them and implement appropriate measures.”

Thanks to this faster responsiveness, parts not only reach the customer faster – shift planning has become more cost-efficient, as well.

Shop Floor Management has brought numerous improvements to LTLS, thus strengthening the company’s competitiveness. “Because transparency improved significantly, we were able to improve efficiency and leadership quality long-term,” emphasizes Dr. Joachim Matthies, Chief Operating Officer (COO), LTLS. “SFM has proven to be an effective approach, not only at our large-scale operations in Frankfurt and Hamburg, but also at smaller ones such as Cologne and Berlin.” And Matthies continues:

“We will keep developing SFM consistently at all German operations – and implement it at our international locations in the USA and China.”





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