Pea Pods & Connecting the Upstream

Fernando A. Cuenca, KCP
@fer_cuenca
fernando.a.cuenca@gmail.com

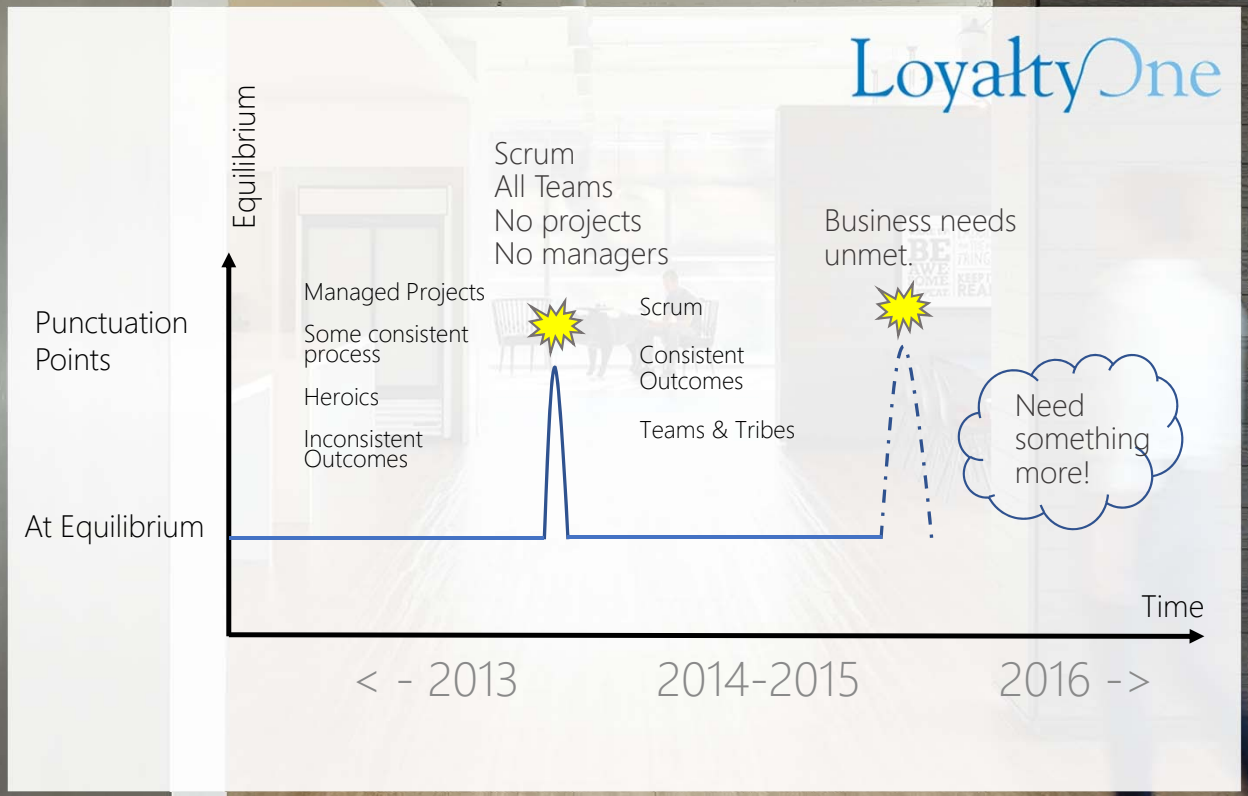
Martin Aziz, KCP
@martinaziz
martinaziz@gmail.com
LoyaltyOne

LeanKanban
North America 2018

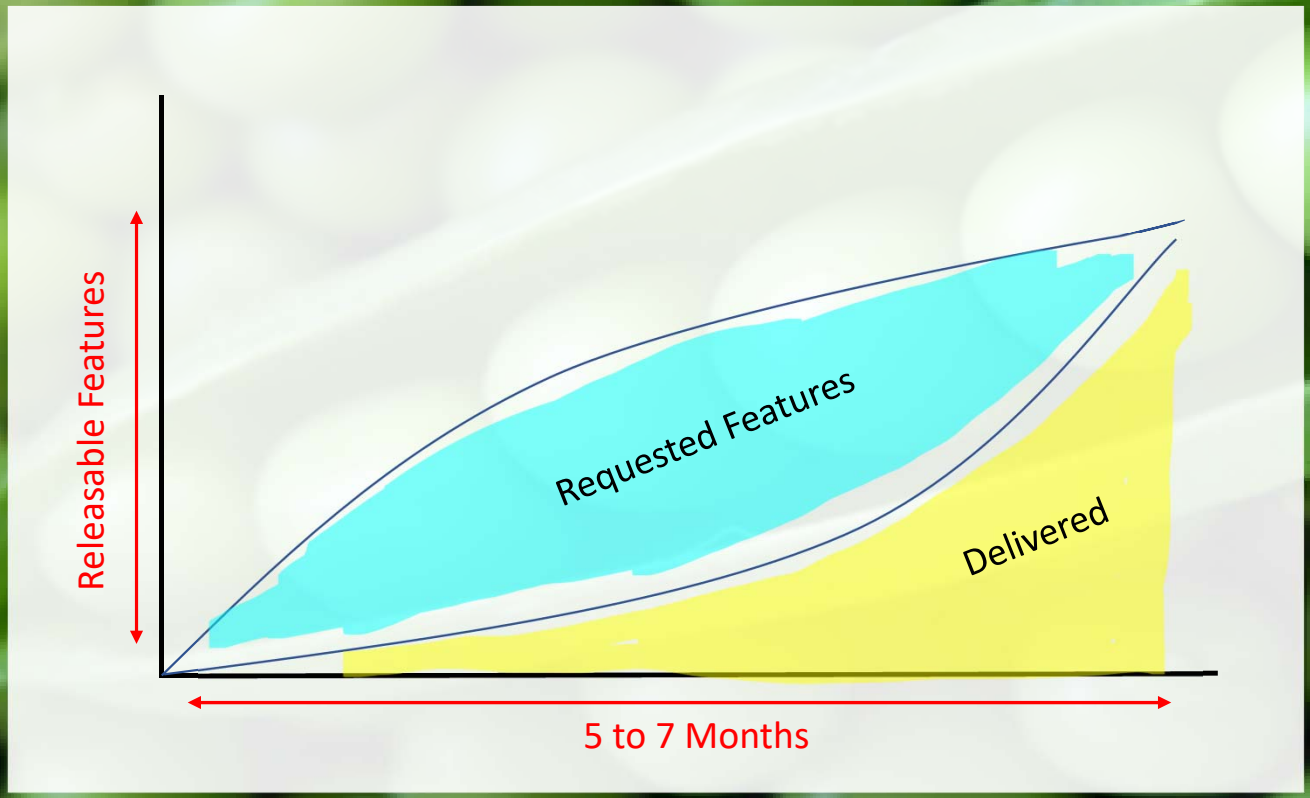
The Case for Organizational Flow

Companies need to pay attention to end to end flow. Local optimization will only offer you temporary relief in solving your business challenges.

Punctuated Equilibriums. A multi-year journey of transformation and emerging maturity.



Pea pods.
From Years to Months – Highly Stable



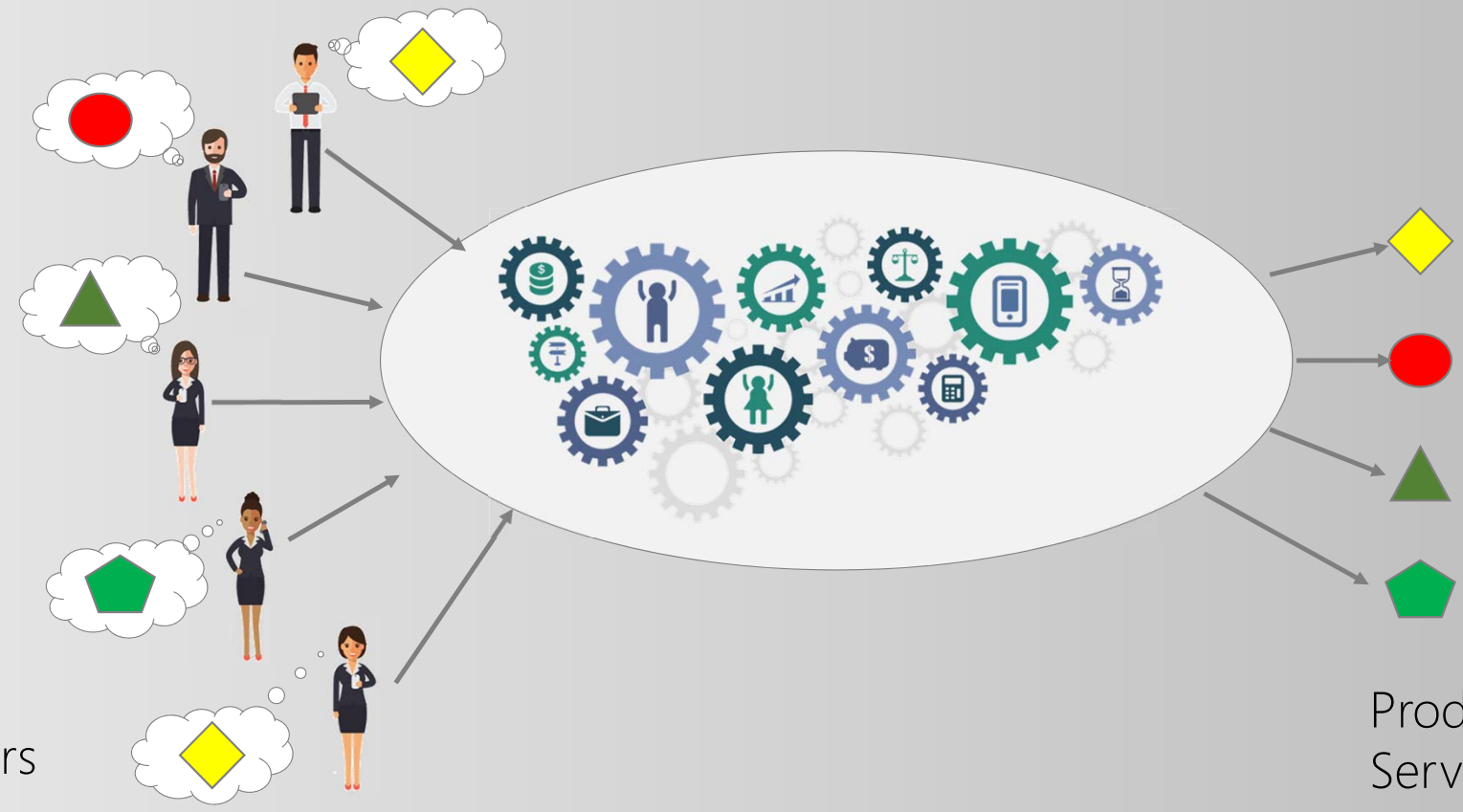
But still not fit.

Soup Kitchens.

Overburdening & Over Servicing

Why is this happening to us?

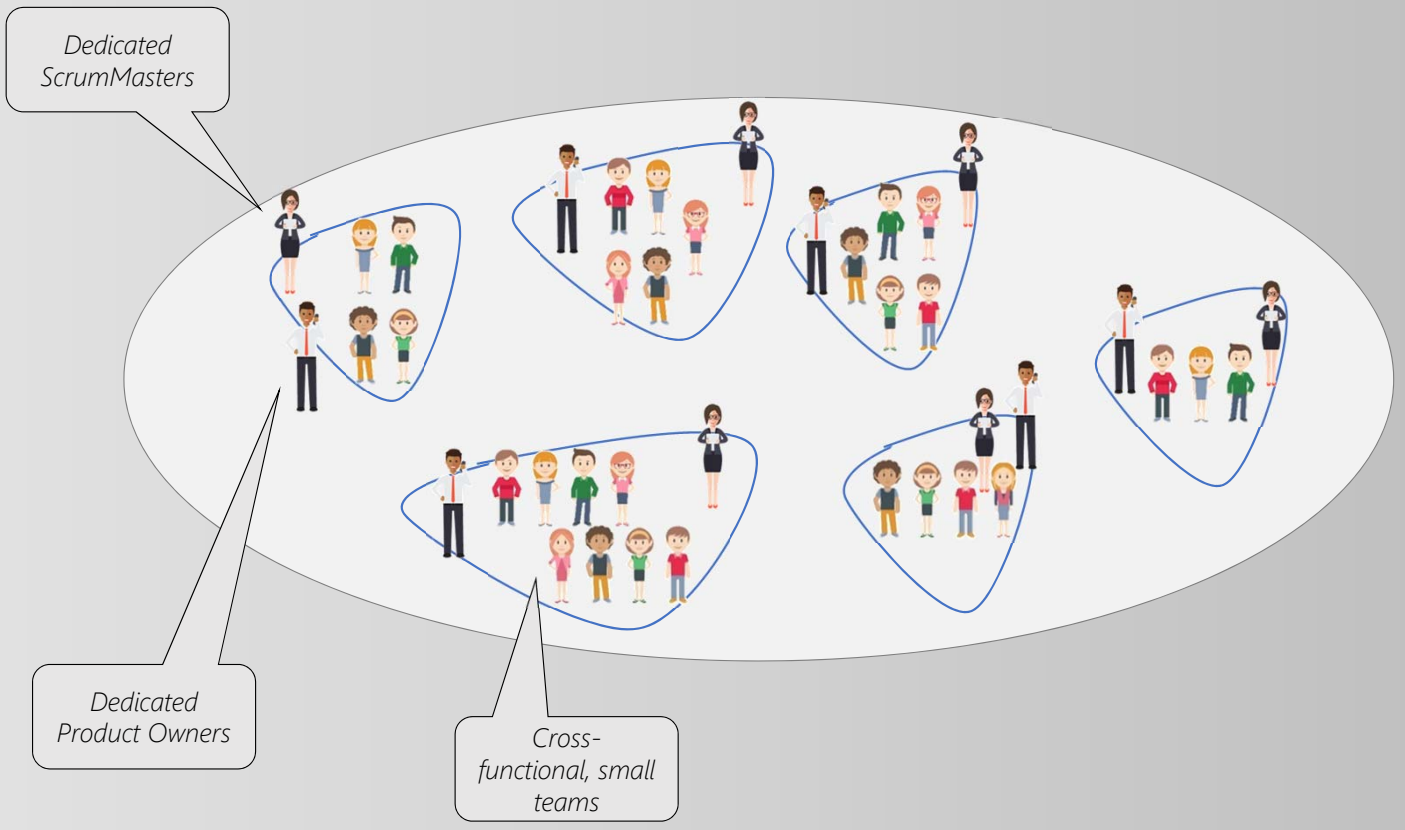
A company responding to the environment



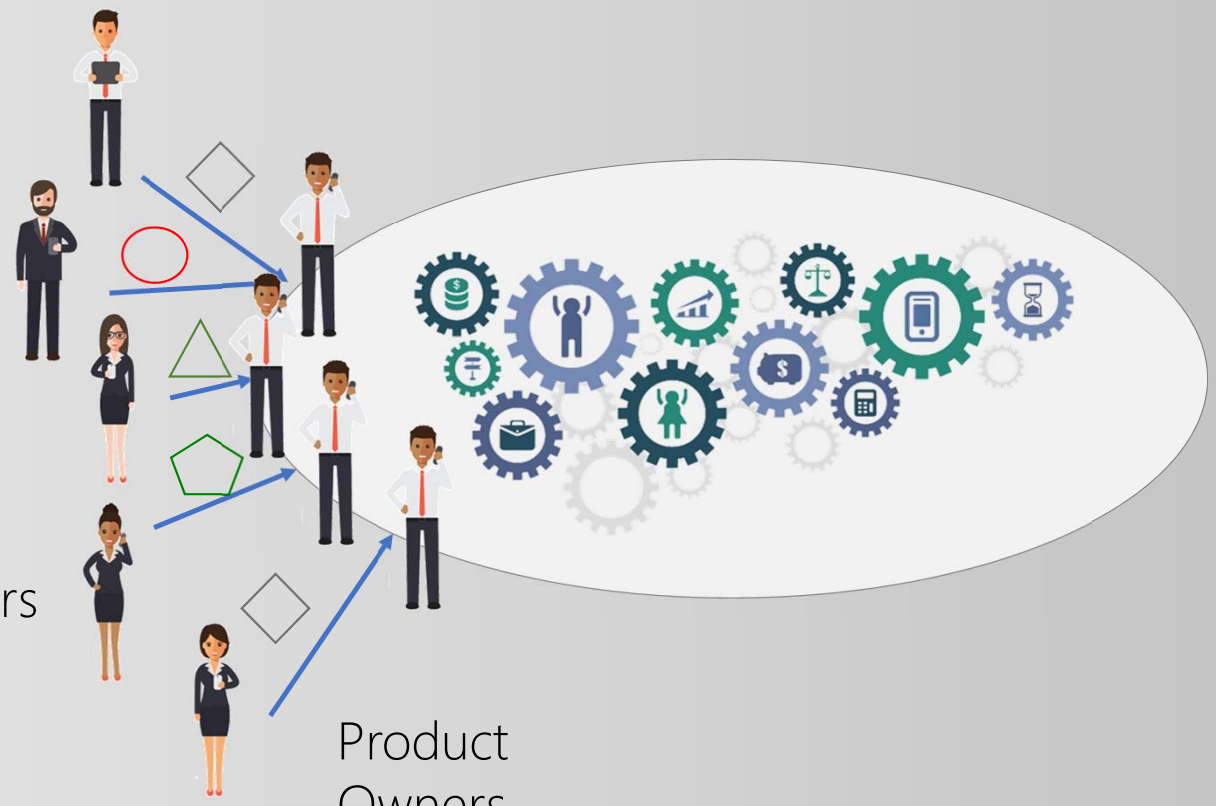
Customers

Products & Services

Decentralized Control & Capacity Management

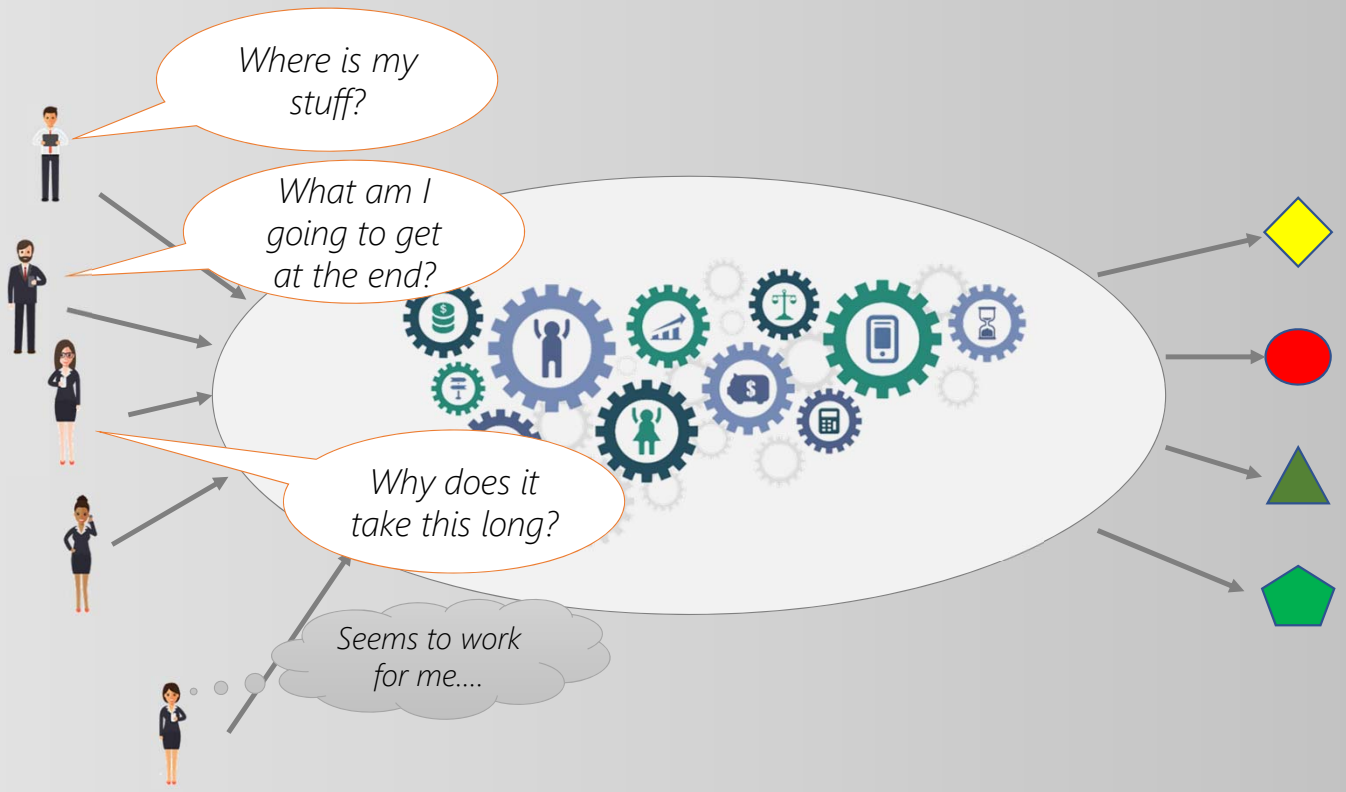


Customers have expectations of performance & delivery.

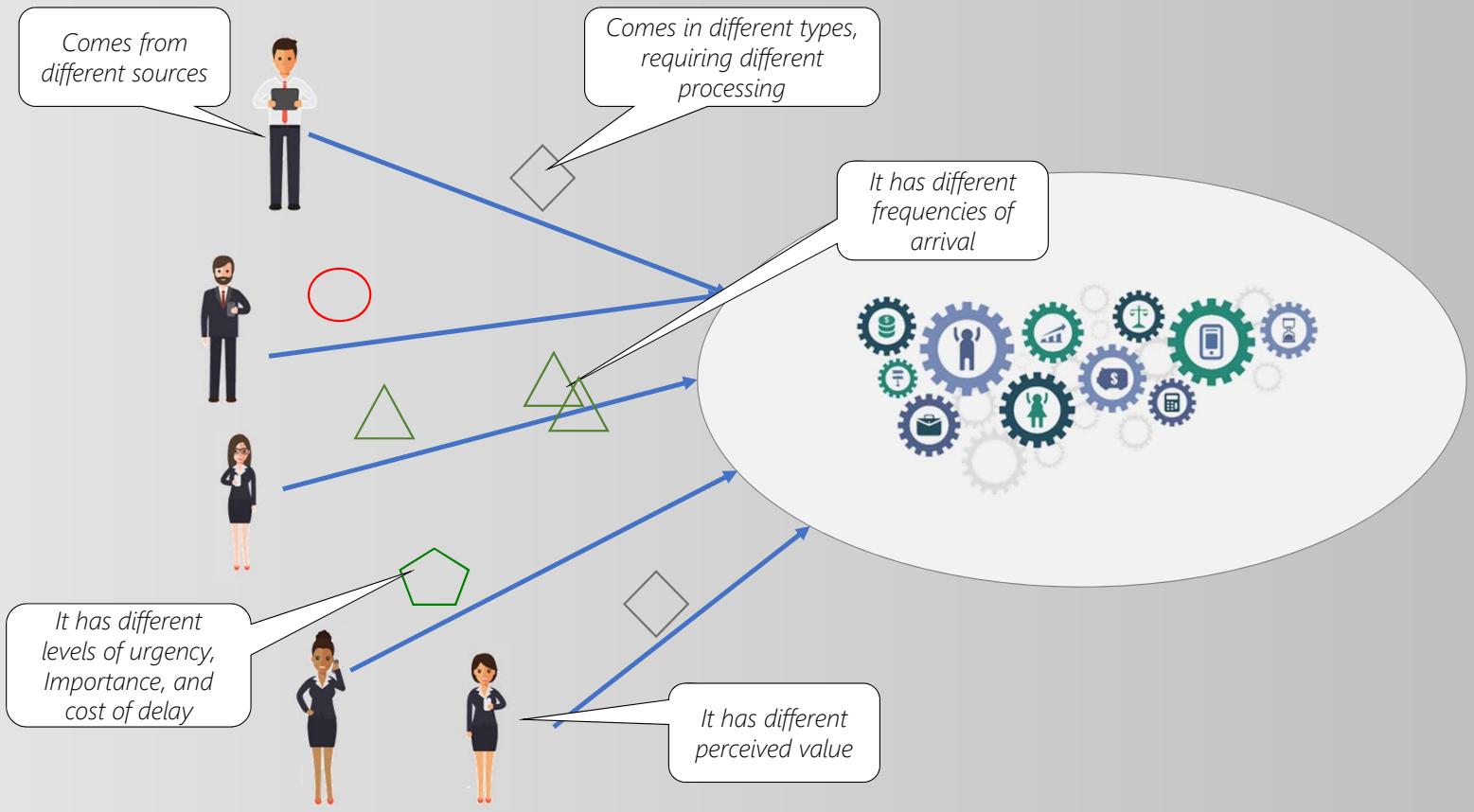


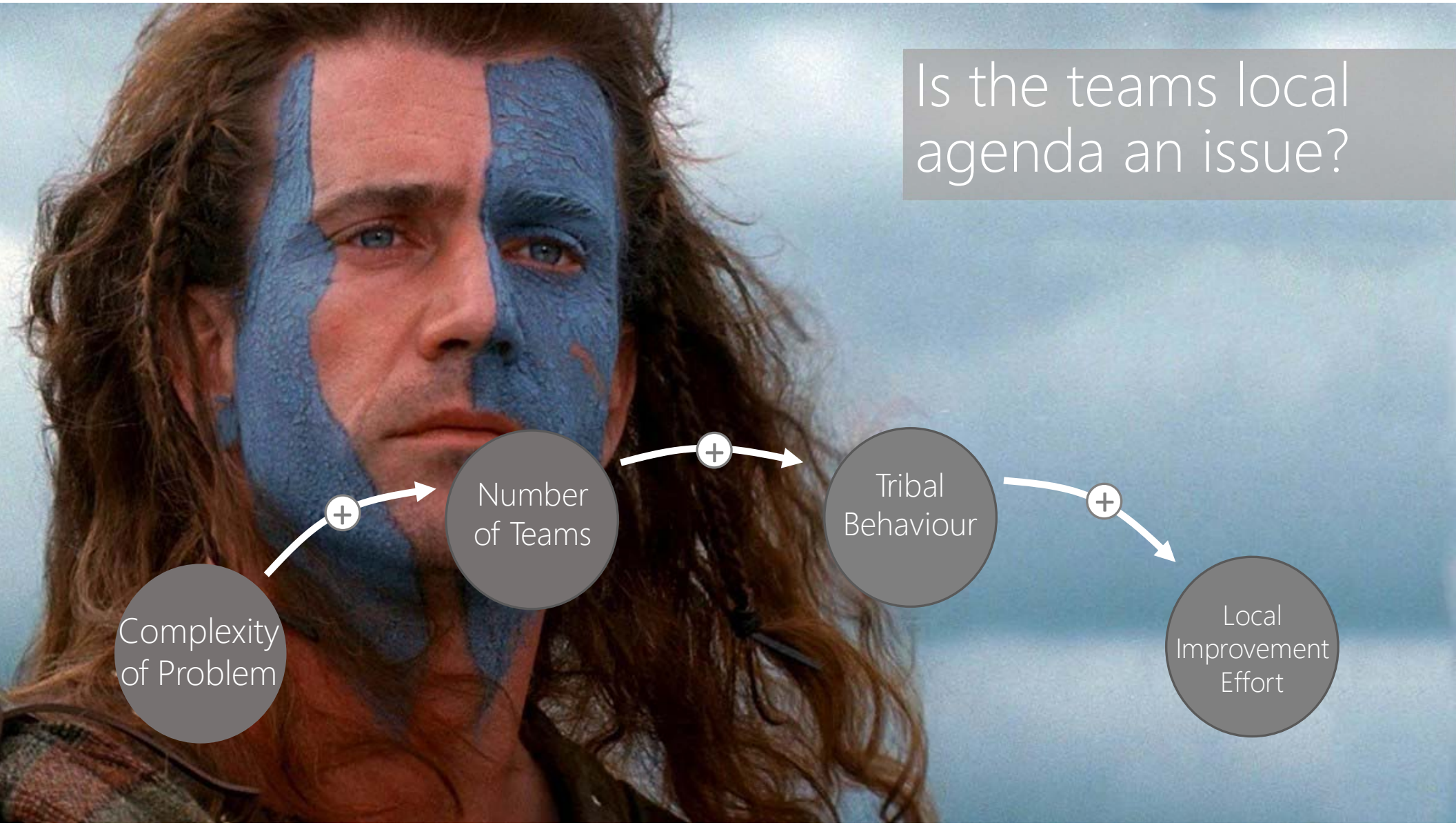
Tribal Identifies, Inward-looking local optimization

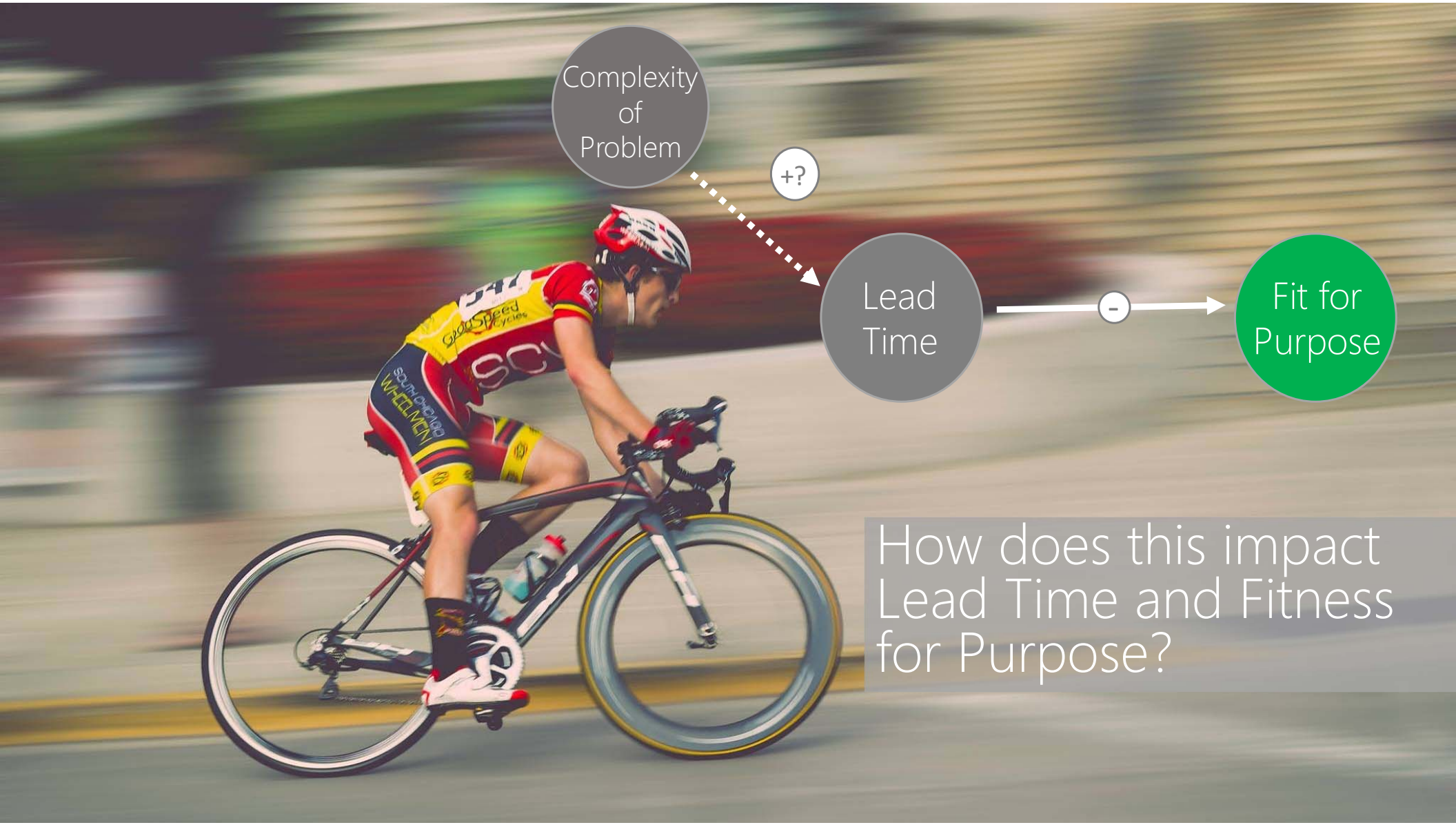
End to End Measurement for Fitness



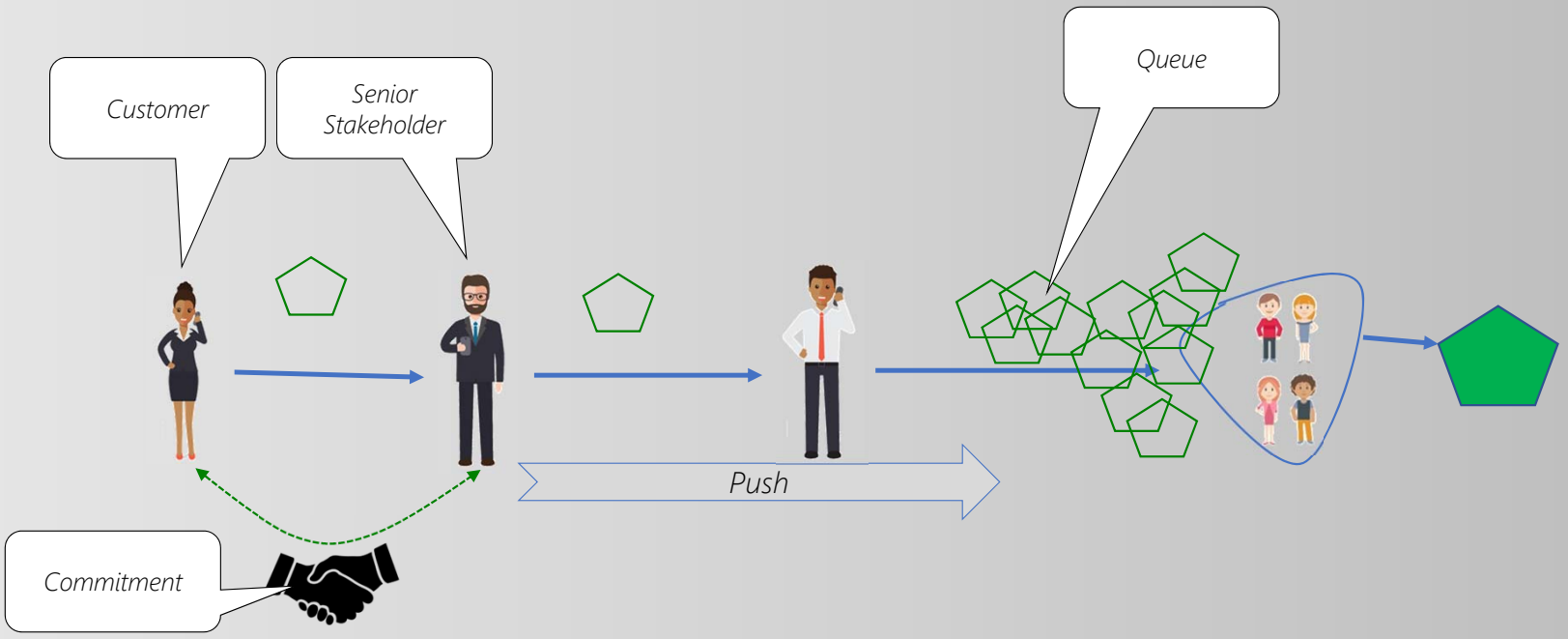
Cost of Delay and Heterogeneous demand




Is the teams local agenda an issue?
Complexity of Problem
Number of Teams
Tribal Behaviour
Local Improvement Effort

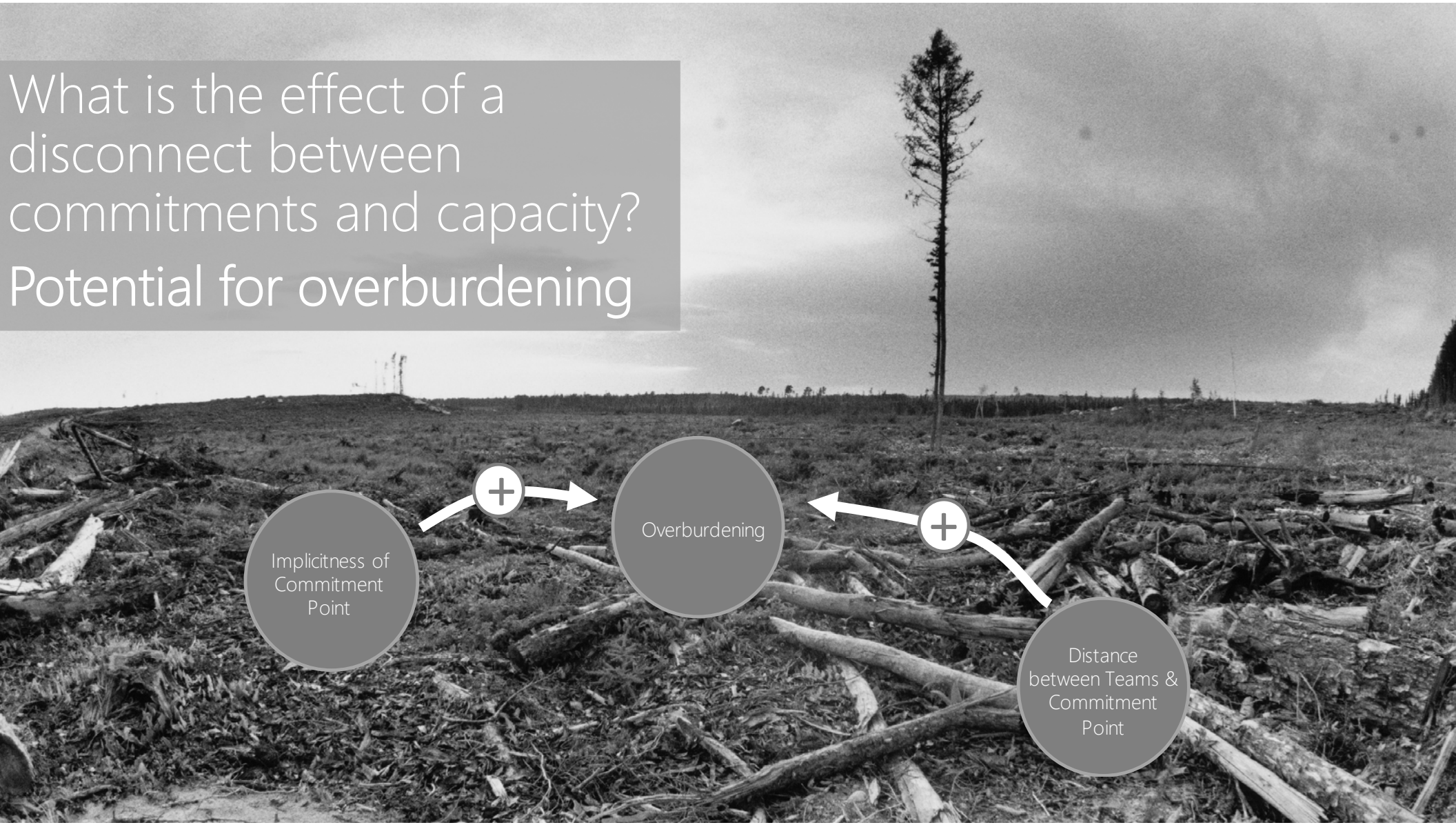

Complexity of Problem
+?
Lead Time
-
Fit for Purpose
How does this impact Lead Time and Fitness for Purpose?

Commitment, Push and Overburdening

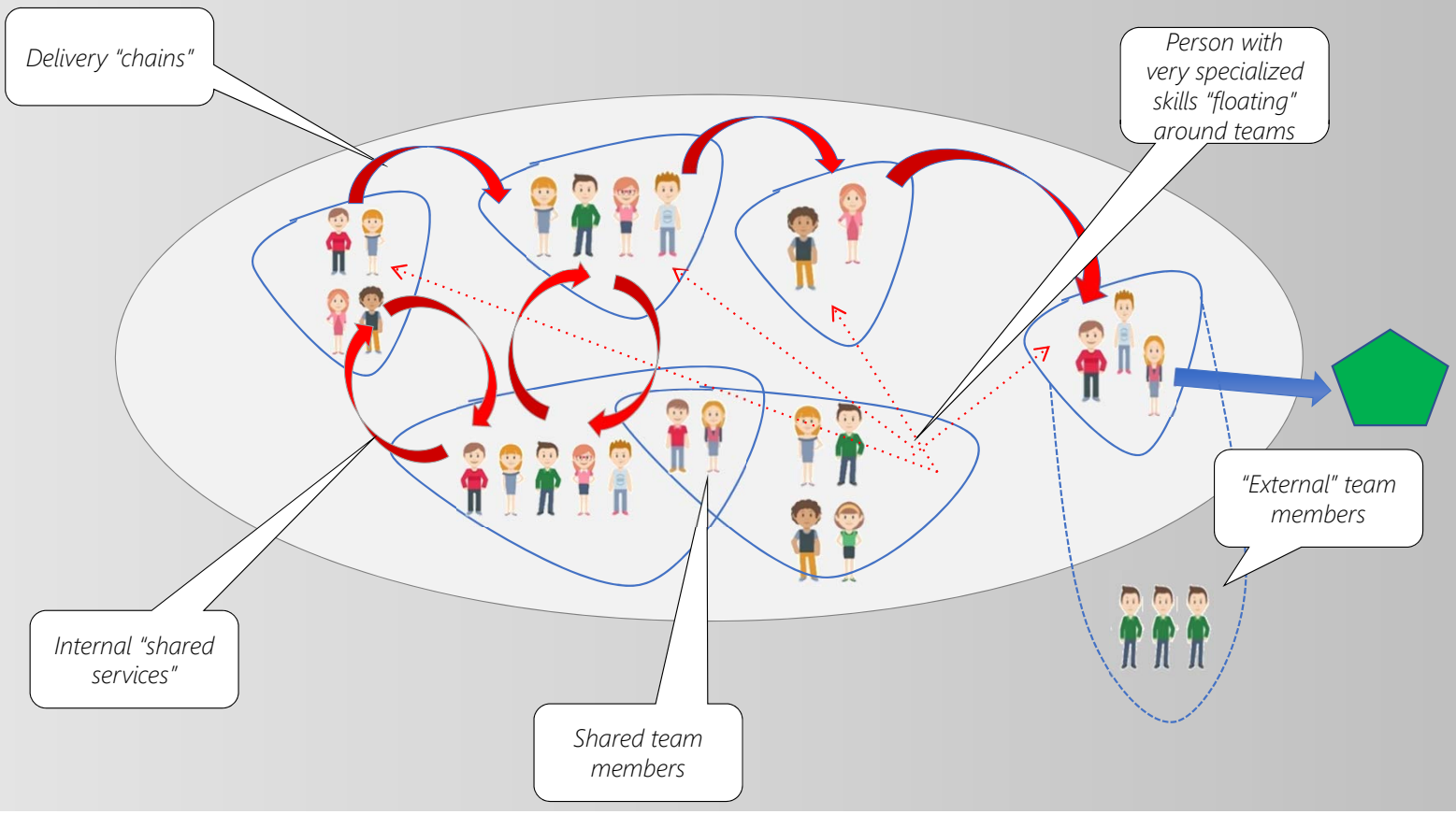


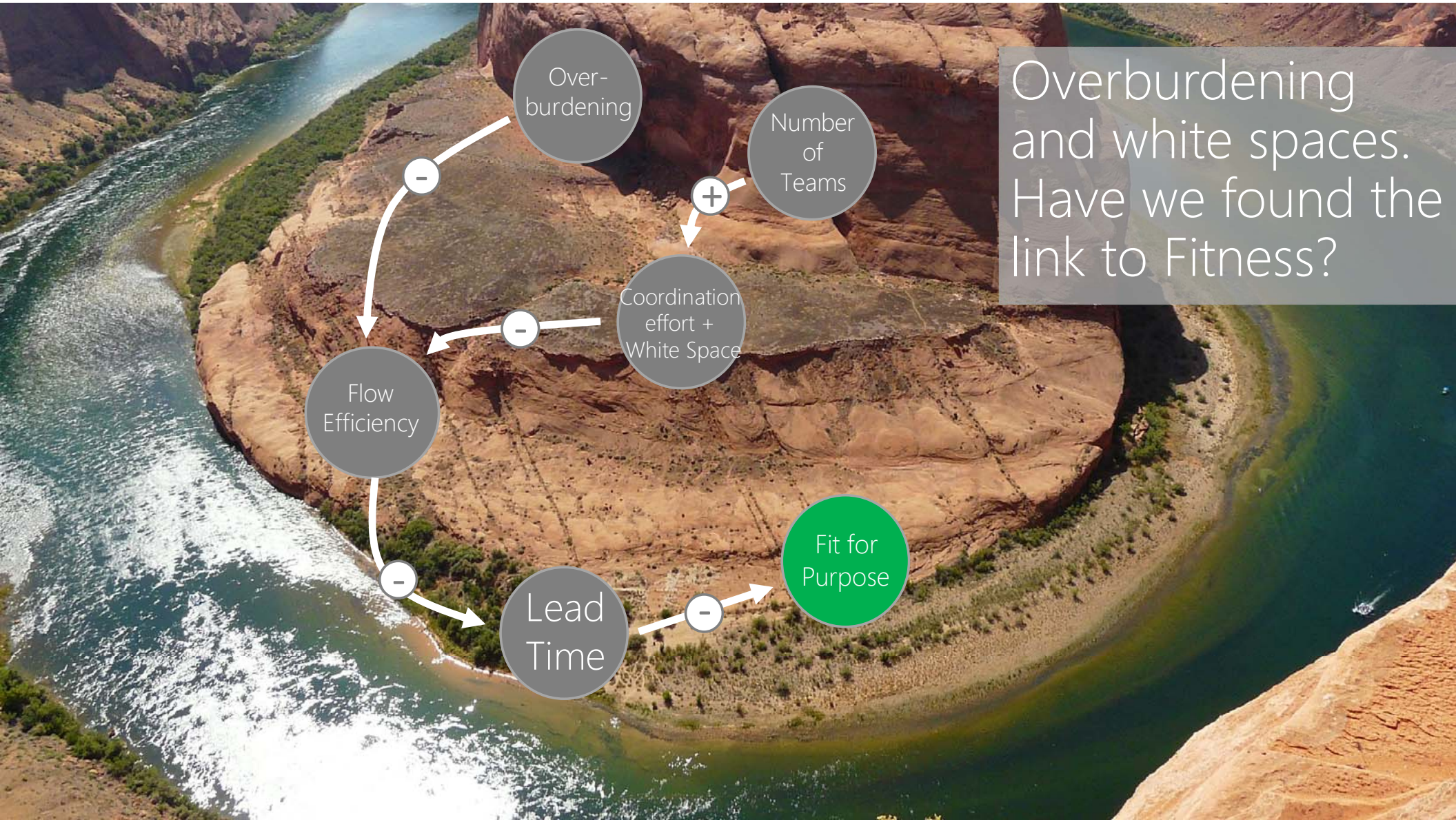
What is the effect of a disconnect between commitments and capacity?

Potential for overburdening



White Spaces, Revealed Complexity & Batch Sizes

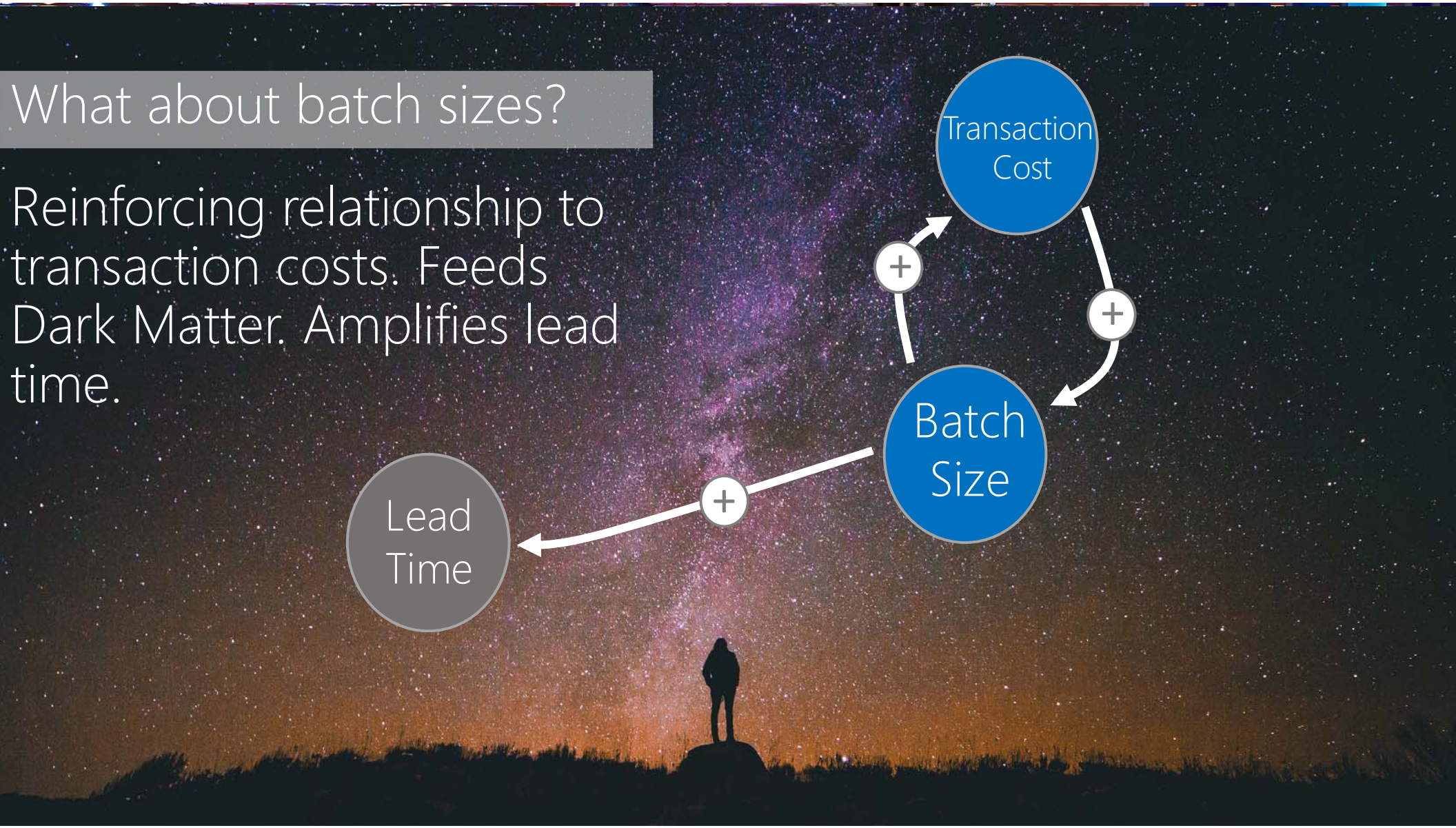




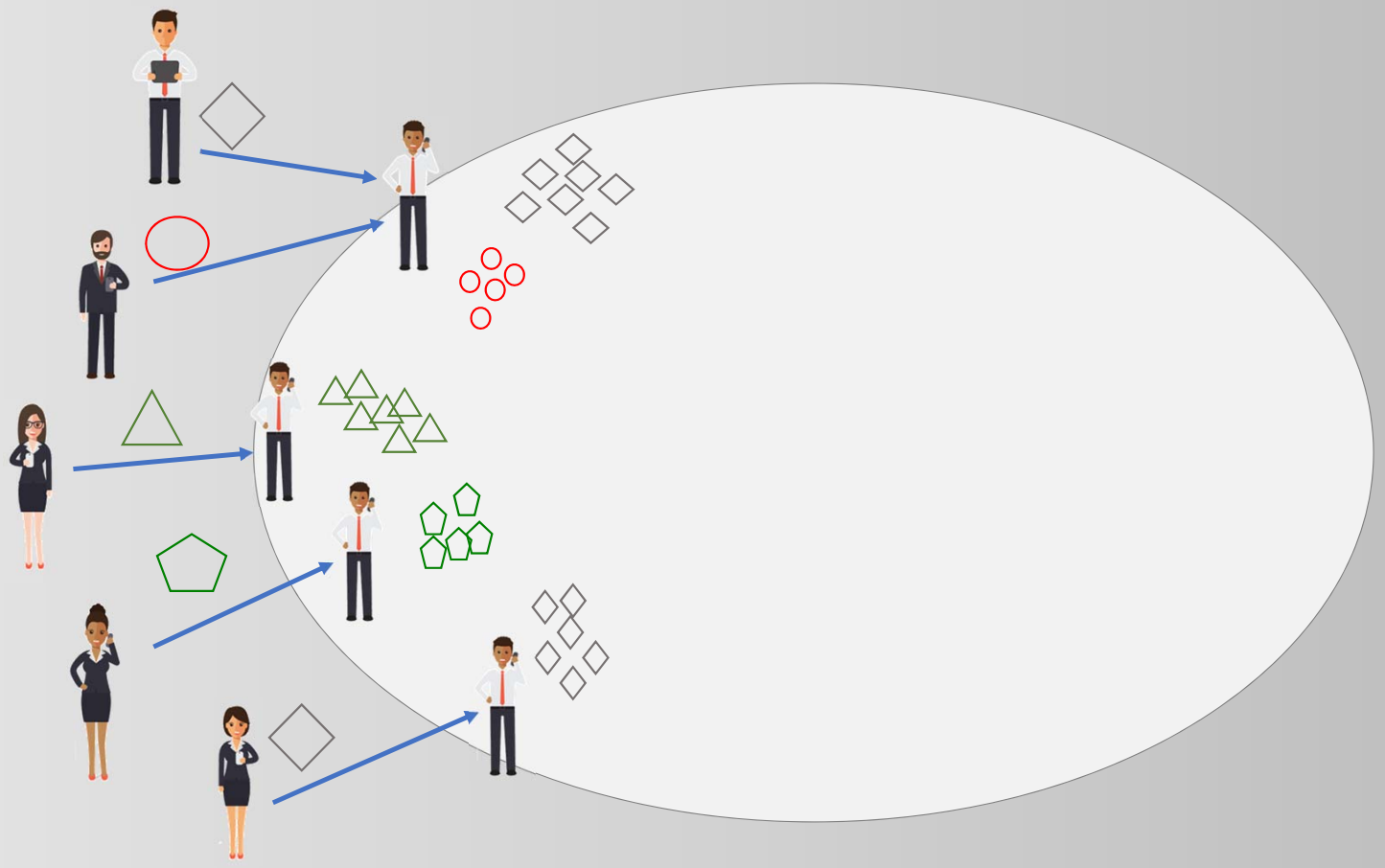
Overburdening and white spaces. Have we found the link to Fitness?

What about batch sizes?

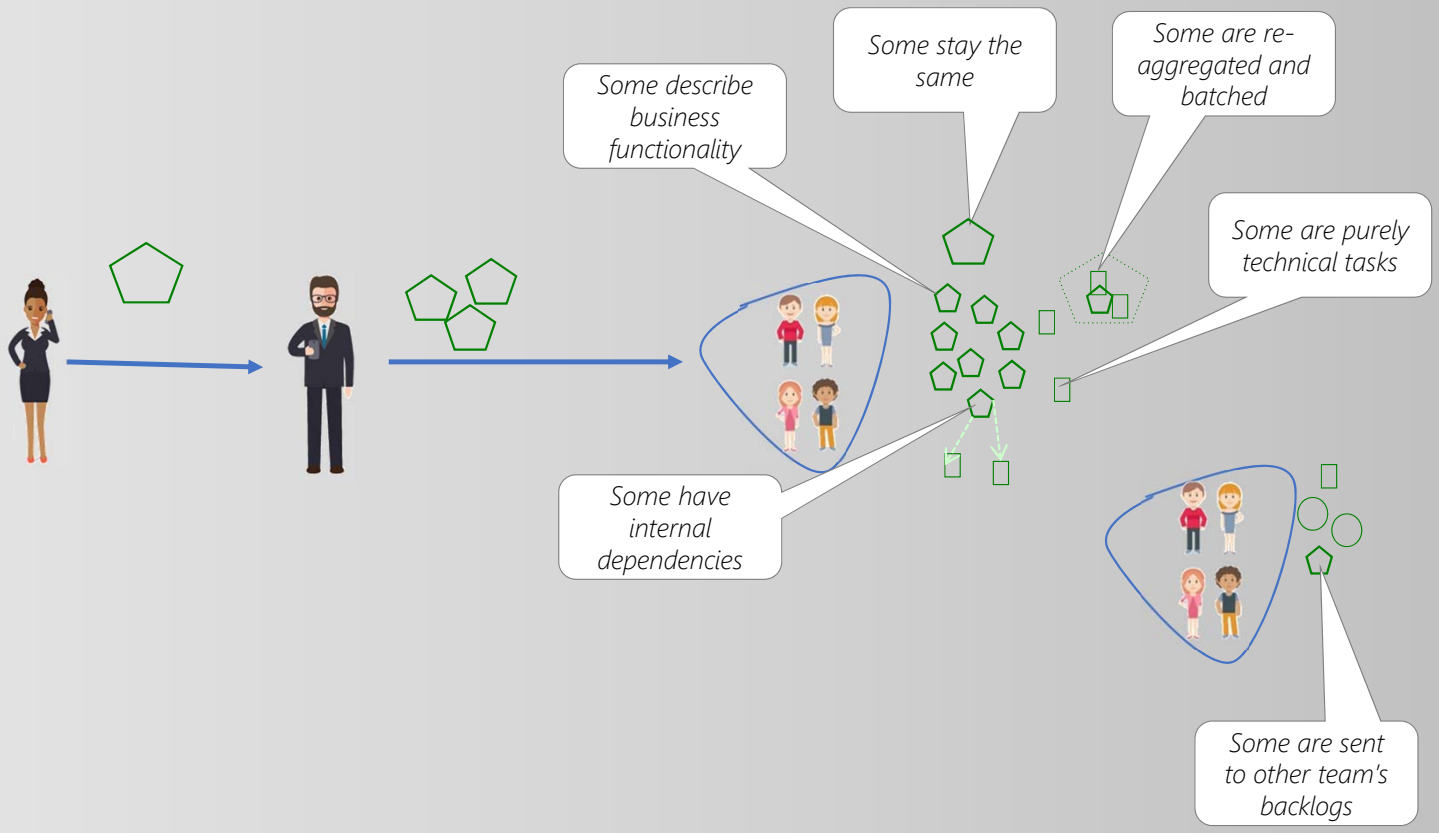
Reinforcing relationship to transaction costs. Feeds Dark Matter. Amplifies lead time.



Decomposition



Recognizability and Transaction Costs

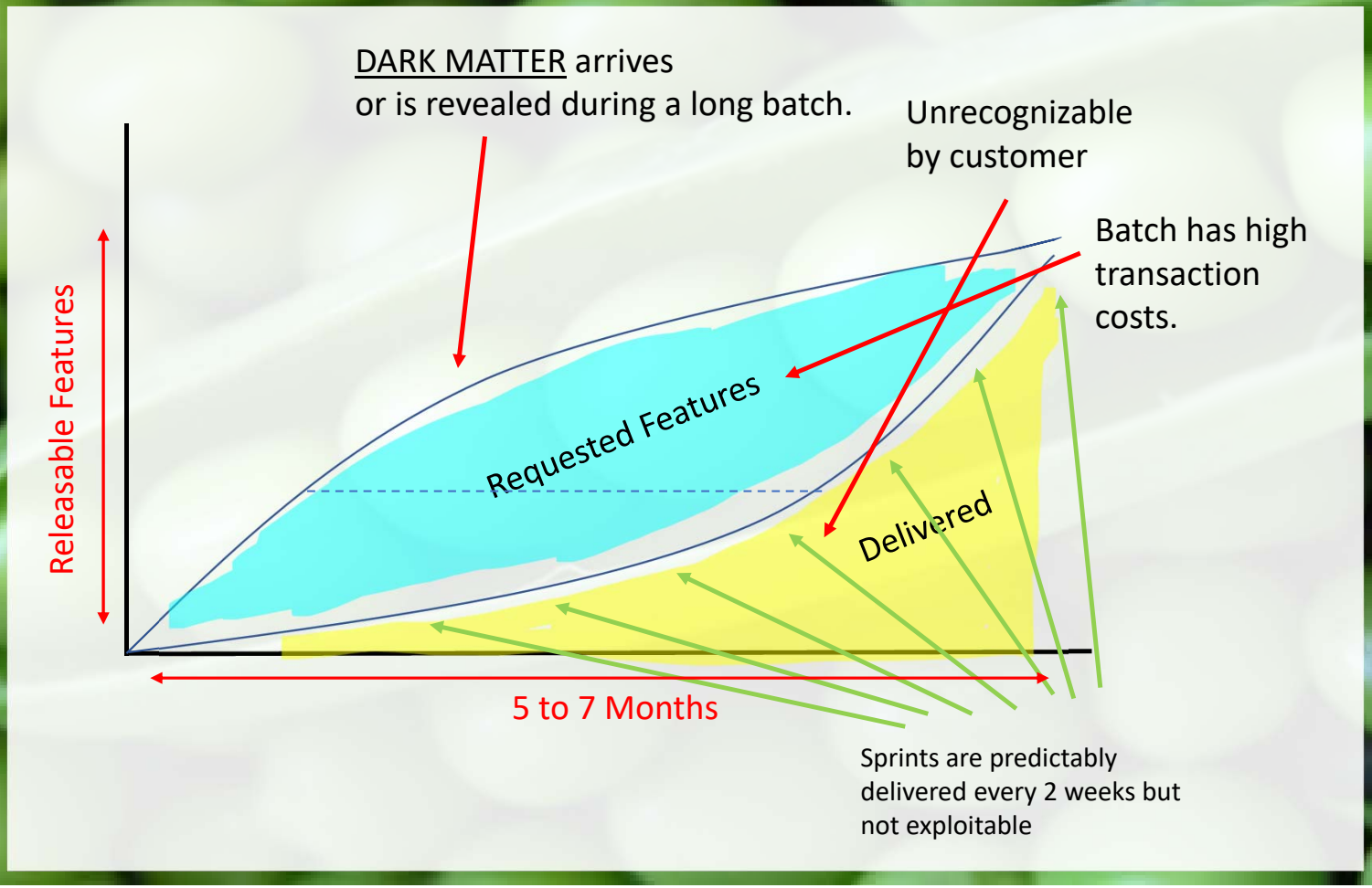


Where does decomposition take us?

Loss of Customer Recognizability.

Losing your link to the customer.

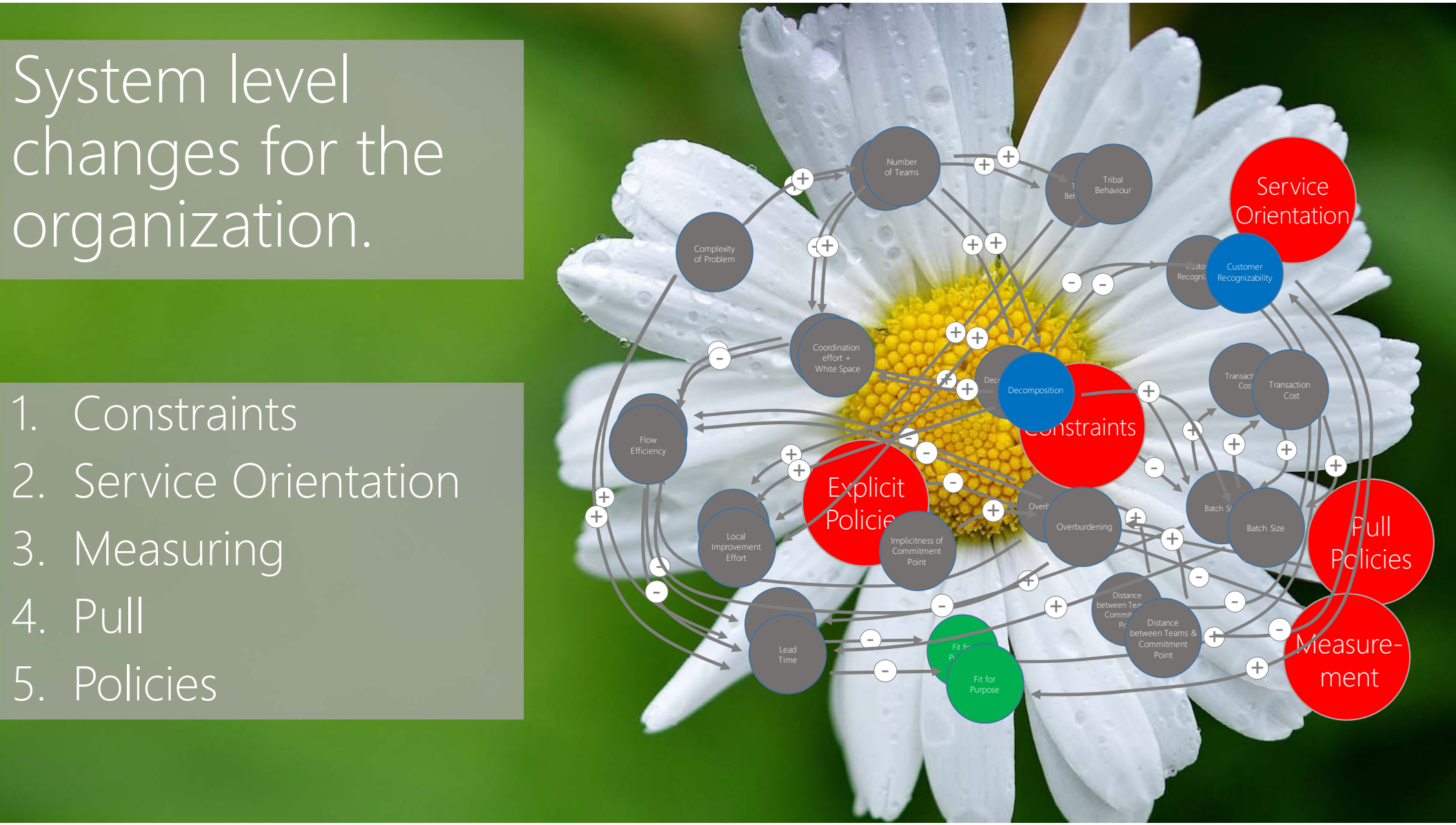
Understanding the Pea Pod



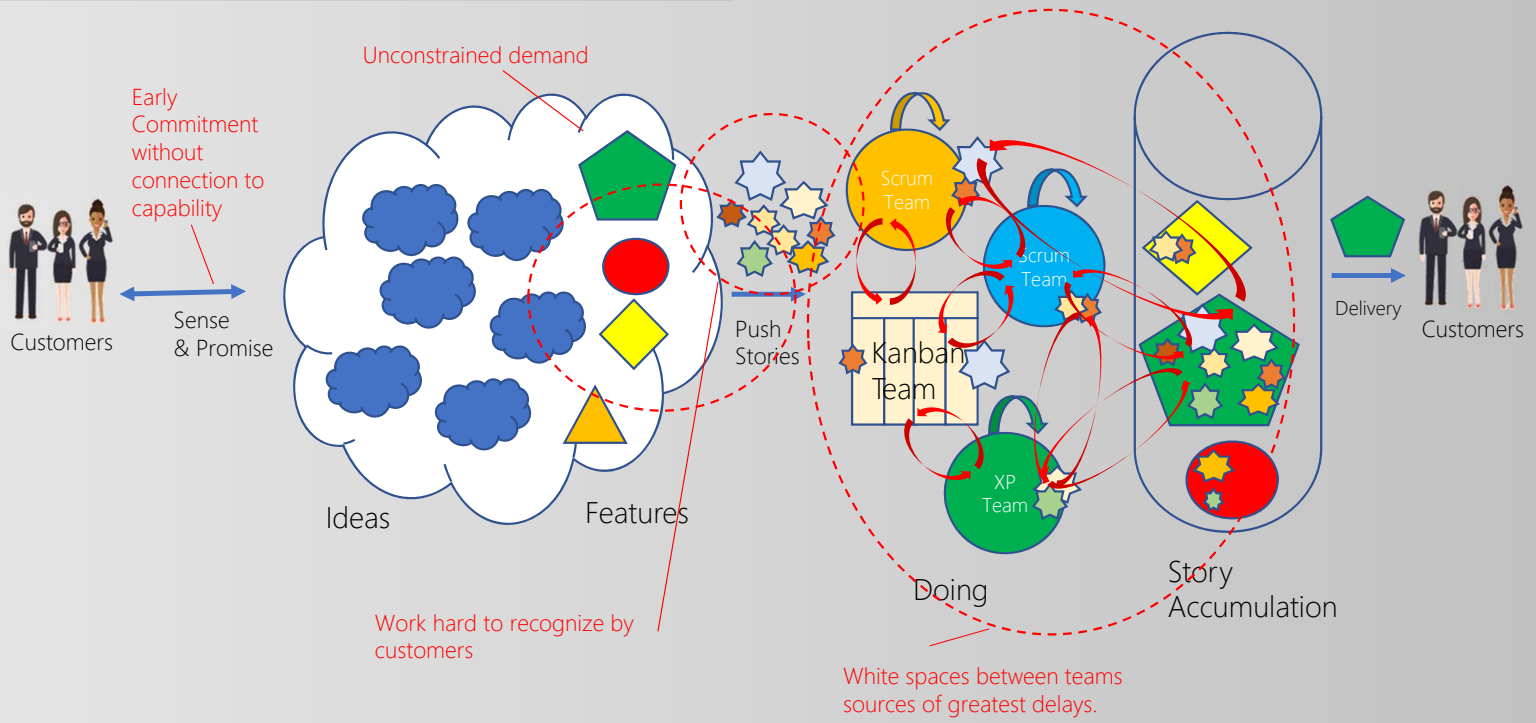
Changing the System

System level changes for the organization.

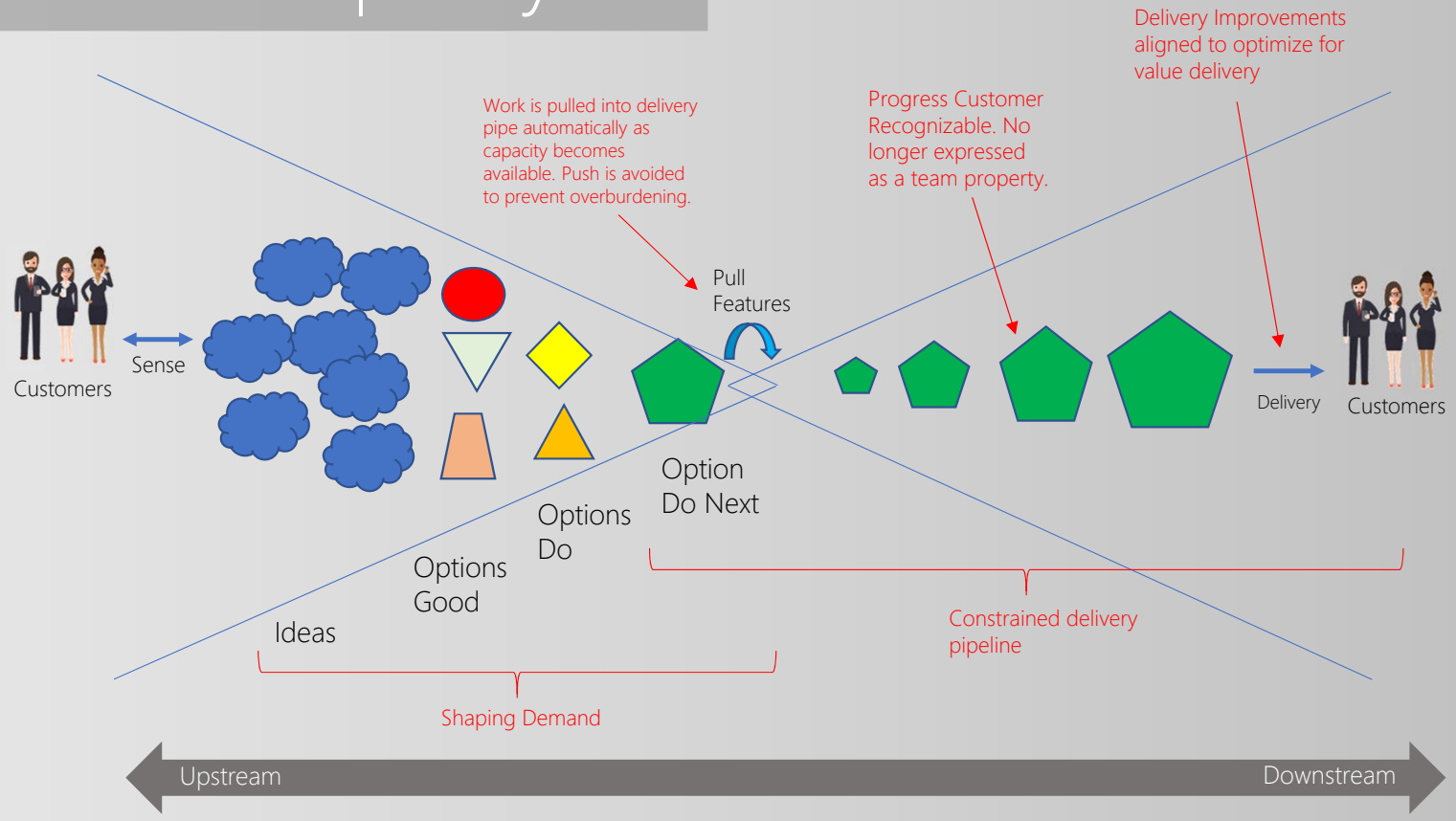
1. Constraints
2. Service Orientation
3. Measuring
4. Pull
5. Policies



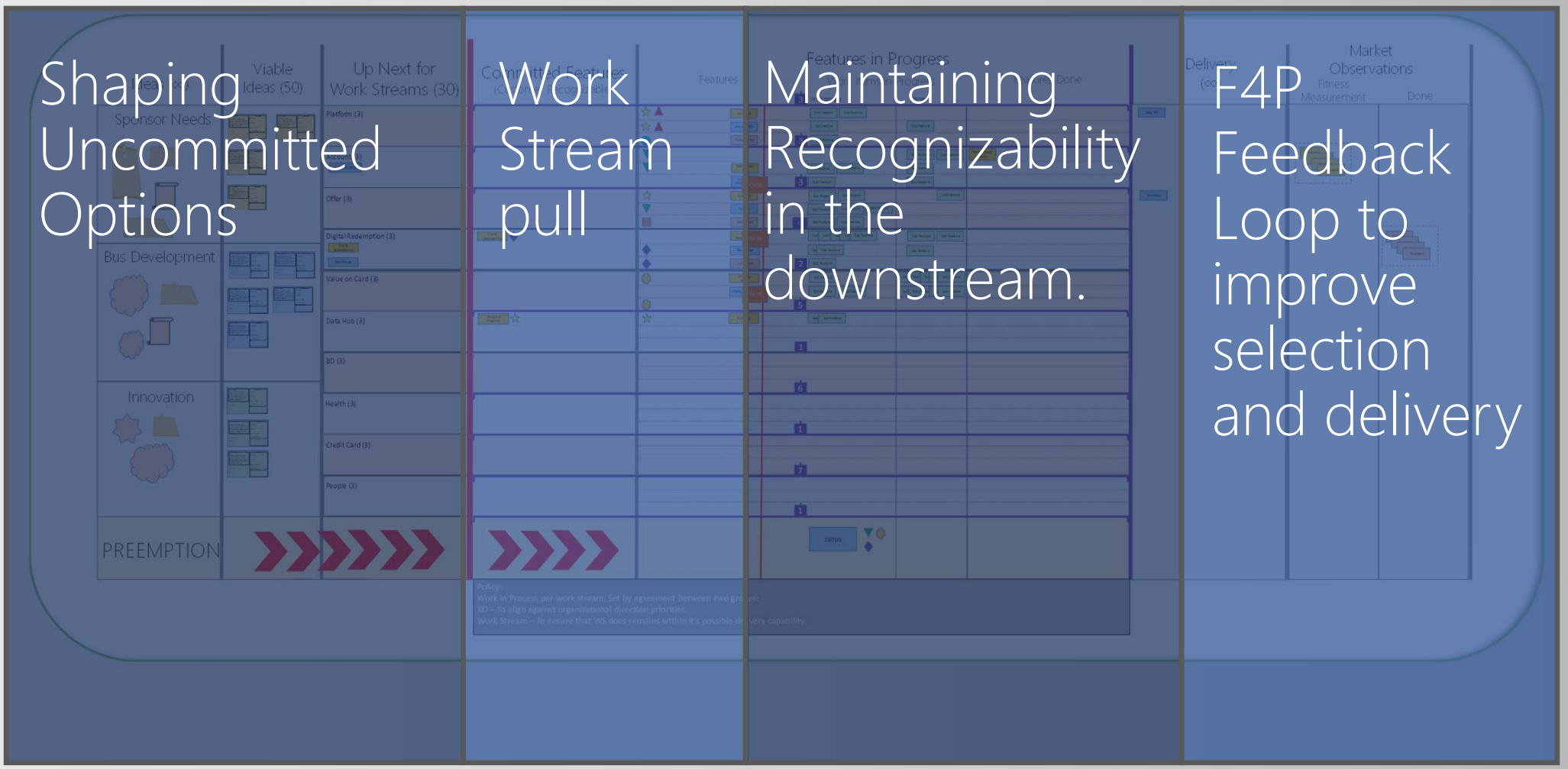
Key challenges of the system



Linking Upstream Flow to Downstream Capacity



Board for Enterprise Flow. 3 levels of Constraints



Eliminating pea pods.

Look beyond teams

Constrain throughout the enterprise

Commit based on capacity signals

Maintain Customer Recognizability at all times

How to reach us to keep the conversation going

fernando.a.cuenca@gmail.com

@fer_cuenca

martin.aziz@loyalty.com

@martinaziz

LoyaltyOne

LeanKanban
North America 2018