

Client Story

Breaking Down Silos to Capture No.1 Market Share with a New Product

Racing to Bring a New Product to Market

A medical device manufacturer was gearing up to produce a revolutionary new product that would solve unresolved consumer problems. Without this product, market share was in danger of dropping below #3. To capture and sustain #1 market share, the company had to produce record volumes of this complex product in record time. The European plant produced just 39% of their 2012 plan. Full production had to far surpass the most optimistic projections for the current manufacturing environment.

Manufacturing, Quality and R&D had been operating as silos and were often at odds with each other. But highly technical challenges had to be solved and implemented collaboratively in two plants on different continents. The three functional leaders routinely met and worked on issues, but they didn't act as a unified team. Adding to the challenge, company experts in physics and engineering didn't believe the necessary production was possible. They had to suspend their science-based theories to innovate and see new possibilities. Top executives also doubted the plants could produce required volumes, questioned whether the large capital investment was justified, and even considered shutting down the project.

Changed Thinking About What's Possible

Meeting huge production goals required radically new ways to design and operate cutting-edge robotic production lines. Boundaries between silos had to be dissolved so leaders would collaborate across three functions and two continents. Scientists had to believe "science could be broken." To make room for innovation, they had to develop drastically different perspectives on what was possible.

Created New Realities with Breakthrough Goals

The European prototype had produced 48 million units in 2012—just 39% of plan. The most optimistic forecast for production in 2013 was 130 million—not enough to launch the product. To shake things up and create new pathways for growth, the head of manufacturing partnered with Gap International to equip leaders from Manufacturing, Quality and R&D to collaborate and innovate across silos.

After extensive discussion, the leaders from the three separate functions rallied around a unified commitment for 2013. Without knowing how they would produce 222 million units, they resolved to work together as a global team to redefine the entire production approach. They rallied around a shared commitment: "Manufacturing, Quality, R&D—Being There for One Another, Together We Are 222."

// Absolutely anything is possible when everyone is aligned as one team. //

VICE PRESIDENT,
MANUFACTURING AND SUPPLY

Eliminated Silos to Become a Unified Team

The commitment to produce 222 million units was a breakthrough in both leadership alignment and production, and required new ways of working. Every team members' actions had to become aligned and consistent with fulfilling the breakthrough production plan. Three functional leaders made a strong commitment to their joint success. Rather than creating separate plans, they created one unified plan and put in place ways to manage progress together. They achieved breakthrough outcomes with total alignment and

a strong team environment that cascaded through many levels. Trust and accountability increased, people put issues never addressed on the table, barriers disappeared, and lower-ranking members took on leadership roles far beyond their current responsibilities.

The U.S. based executives formed a core leadership team in the European plant. Business-as-usual would not produce the desired outcome so they invented new ways to deal with technical barriers. These included dramatically shorter maintenance periods and post-maintenance ramp-up times, a record number of production line improvements that pushed beyond current capacity, and reaching across departments and plants in unprecedented ways to enroll resources in the project.

At the end of 2013, team members commented that the leaders of Manufacturing, Quality and R&D were indistinguishable from one another. Rather than three functions, they became one team.

Shattered Scientific Constraints to Make Room for Innovation

The seemingly impossible target of 222 million required scientists and engineers to suspend their belief that “you can’t break science.” They had to let go of their views on how long it would take to ramp up and sustain this level of production—views that were based on previous decades of experience with new

The Results

2013 Results (European Plant)

- Launched the new product 3 months early, secured the first-to-market advantage, and catapulted the division to #1 market share
- Completed fully operational European plant in under 2 years, 5 years faster than previous start-ups
- Produced record-breaking 177 million units in 2013. This fell short of the 222 million target but would not have been produced without the breakthrough target to work toward.
 - Surpassed the most optimistic 2013 forecast by 36%
 - Generated \$20 million additional revenue due to extra production
 - Cut reject rate from 10% to less than 1.2%, 7 months ahead of plan
- Reinvigorated European plant as the company’s number one production facility. The team earned the company’s highest honor, the High Achievement Award, and became the model of a breakthrough team and leadership for the rest of the company.

2014 Results (European and U.S. Plants)

- Fully operationalized U.S. plant in 2 years versus 7 for start-ups prior to the European plan
 - Created twice the anticipated number of production lines (6 versus 2-3 planned) in record time
 - Reduced the number of summer maintenance days by almost 50%, from 7 to 3.9 days
 - Implemented a record number of maintenance improvements to push beyond maximum capacity
 - Slashed post-maintenance time to resume full capacity from 30 days to 1 day
- Produced record-breaking 260 million units in 2014. This fell short of the 321 million target but would not have been produced without the breakthrough target to work toward.
 - European plant produced 247 million units, 40% more than 2013 with the same production lines
 - U.S. plant produced nearly 13 million units in its first year, 58% more than anticipated

product rollouts. This allowed them to think differently about what was physically possible to produce, see new possibilities, and find innovative ways to deliver higher production.

Collaborated to Achieve Full Production Mode

The European prototype production lines had to be replicated in the U.S. in 2014. To transfer technology and share accountability for production plans, two plants with a history of competitive friction had to collaborate in new ways.

The European “222” production plan for 2013 was taken to a new level with the U.S. plant in 2014. Together, the plants created a new stand—“321: 3 Functions; 2 Sites; 1 Team.” Both plants shared ownership for the total production plan of 321 million units. The leadership team was expanded to include the U.S. plant, and resources were shared across two continents.

Became a Global Leader with Revolutionary Products

Everyone involved in design and production of this revolutionary new product was amazed by what was accomplished. They credited their success to the power of setting breakthrough targets and the unprecedented leadership and team alignment that followed.

Since the base product launched in 2013, the company became the uncontested global leader in this market. The new unified team and manufacturing environment allowed the company to move full speed ahead, introducing a series of groundbreaking product line extensions that meet a wider array of unmet consumer needs.