

# PROFESSIONAL INSIGHTS

*Best Business Practices Series:*

## **WIDGETS & FIX-ITS**

**Subject: Kiln Sticker Alignment Board**

*By*

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## **PART II – Affiliate Contribution**

Subject: Kiln Sticker Alignment Board



**BEFORE – very poor kiln sticker alignment**



**AFTER – near perfect and repeatable (same mill in both photos!)**

Alignment Board (GREEN with BLUE arrow) an effective low-cost solution which keep sticks in perfect alignment and provides a stable surface to slide next course boards onto unit without dislodging sticks.

### **ECONOMICS**

**Cost of Improvement: US\$10.90 each**

US\$4.90 per Alignment Board [1.5" x 4" x 14' x US\$700/MBF]

US\$6.00 each to construct [.25hr/piece x US\$22.00/hr loaded labor] + [US\$0.50 consumables]

**Benefits: US\$1,032.50/kiln charge**

Proposed 1% improvement in recovery per kiln charge; 125MBF 4/4 per kiln x average grade recovery value of US\$826/MBF = US\$1,032.50/kiln charge or in a facility drying 10,000MBF/year it comes to US\$82,600.

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## **PART III: S.C.O.R.E – Problem Solving Model**

### Subject: Kiln Sticker Alignment Board

#### 1) S = Symptom<sup>(1)</sup>

Notice the before vs. after state of:

	Before	After
1 - Sticker alignment	Varied, Haphazard & Unsafe	Straight & Safe
2 - Sticker separation distance	Varies 10” to 18”+	Consistent Separation
3 - Board Warp	Impacting up to 7 levels high	None
4 - Profits	(See Part IV – Mill Model – ROI & B/E Analysis)	

The definition of the problem sequence is self explanatory.

**Note: (1)** - Define the sequential ... falling domino symptoms or effects that point to the problem source. The symptom may be repetitive, consistent and systemic or varied, inconsistent and of a random, non-patterned nature.

#### #2) C = Causation<sup>(2)</sup>

The causation of the before situation was attributable to one of two situations:

#1) Motivation - No one has explained to management or their people that random, sloppy and inconsistent placement of the kiln stickers:

- Can reduce profits of the company
- Can increase the risk of tipping, falling and personal injury
- Will no longer be an acceptable practice

#2) Education - No one has:

- Been given the tools to do the job properly
- Been shown how to do the job properly
- Taken the time to update the corporate “Best Business Practices” manual

**Note: (2)** - There are only two sources of all problems ... there are only two sources for all solutions: a) Want to and b) Know how to ... get the job done right ... consistent ... and on time.

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**#3) O = Outcome**<sup>(3)</sup> - What is/are the SMART outcome you wish to create and/or maintain?

**S - Specific:** A kiln sticker alignment board (see Exhibit A) will always be used to maintain a consistent 18 inch separation between each sticker in order to reduce personnel risk and improve company profits.

**M - Measured and Meaningful:** Eighteen inch sticker separation is the “BBP Standard” (Best Business Practice) that will be adhered to by all personnel.

**A - Assigned, Accountable:** All lumber yard foreman and personnel are responsible and accountable for the consistent adherence to this BBP.

**R - Realistic and Relevant:** There is no reason why this BBP should not be activated.

**T - Time Dated Due (NLT or No Later Than):** At all times, no exceptions.

**Note: (3) - Make sure all SMART elements applicable are defined.**

**#4) R**<sup>(4)</sup> = **Resource Budget, Allocation, Deployment & Management “Critical Path”** – How are you going to allocate your 7 - Corporate Resources (see below) in order to either i) Create the solution and/or ii) Eliminate the problem’s source of causation and effects?

<u>What’s To Be Done</u>	<u>By Who</u>	<u>By When</u>	<u>Date Done</u>
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Beginning at 8:00 next Monday morning Hank will get Bill and Jim to assist him to build 110% of the Kiln Sticker Alignment Boards that will be needed during the next 12 months giving us a 10% excess inventory in case of damage. As the yard lead foreman, Hank will teach all yard personnel that work - or may work in the kiln to adhere to this BBP.

Capital & M&M’s: Hank will get sufficient wood, paint, etc. from supply and charge all supplies and materials out to yard expenses, account 630-334-01.

For dimensional specification of the Kiln Sticker Alignment Boards see Exhibit B

**Note: (4) - Resources available include: i) Core Commitment, ii) Core Competency, iii) Time, iv) Support Systems, v) Money, vi) Space, vii) M & M’s (Machinery, Materials & Supplies)**

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## **#5) E = Evaluation: Explain & Elevate<sup>5</sup>**

We see no resistance to implementing this problem cure. The current level of motivation and know-how are sufficient to resolve this problem with no indications of its return.

**Note: (5)** - *Once this issue is resolved, i) How are you going to Elevate the missing: a) Enthusiasm and/or b) Education... to Eliminate the symptom's cause and ii) Is there any person or group that will stand to lose any perceived benefit? Seek out all hidden benefactors that may lose their benefits prior to implementing any change process since there will be your greatest resistance.*

**PART IV: Mill Model – ROI & B/E Analysis**

Subject: Kiln Sticker Alignment Board

**Kiln Sticker Alignment**

**Resolution's Marginal Profit Computation:**

Average Kiln Load Factor in MBF/Charge (Cycle)  
**Times** - Average Output (Recovery) Value Per Kiln Charge (Cycle)  
**Equals:** Typical Value of Timber Output Per Charge (Cycle)  
**Assumptions:** Yield Recovery Improvement % Increased Output \$ Value Per Kiln Charge (Cycle)  
 Increased Value Per MBF  
 Mill Annual Output Capacity in MBF/Yr.  
**Annual Increase In Profits**

First Years Increase In Costs  
**Percent Yield On Resolution's Cost**

**\$US Return On Three Investment Scenarios**

125	125	125
\$826	\$826	\$826
\$103,250	\$103,250	\$103,250
1%	3%	6%
\$1,033	\$3,098	\$6,195
\$8.26	\$24.78	\$49.56
10,000	10,000	10,000
<b>\$82,600</b>	<b>\$247,800</b>	<b>\$495,600</b>
\$357.00	\$357.00	\$357.00
<b>231.4</b>	<b>694.1</b>	<b>1,388.2</b>



**Resolution's Marginal Cost Computation:**

Raw Materials - one sticker board [1.5" x 4" x 14' x US\$700.00/MBF] =	\$4.90
Production Labor Cost at .25 hr/sticker X US\$22.00/hr	\$5.50
Misc. Consumables (Paint, etc.)	\$1.50
Total Cost per Kiln Sticker Alignment Board	\$11.90
Times - Number of Kiln Sticker Alignment Boards	30
Total Marginal Costs	\$357.00