



Implementering av Lean i Jotuns globale produksjonsnettverk

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Agenda

- Who are we?
- Where are we?
- How do we perform?
- Why is LEAN interesting for us?
 - does it fit our business model?
- How do we learn to use lean tools and thinking?



Who are we?

Where are we?



Jotun protects property



Where are we?

Operating global...

- Top ten
- 40 factories
- 70 companies
- In 40 countries
- 6,000+ employees
- Head office in Sandefjord, Norway





Performance in 2008 was good, 2009 even better so far...

- Sales 2008 – NOK 12 000 000 000
- EBIT margin 10%
- Return on assets 15%
- Return on capital employed 22%
- Equity ratio 52%



Why is LEAN interesting for us?
-does it fit our business model?

Jotun's success is based on:

Customer focus

- Meet the ever changing demand from consumers
- Build long term relations

Innovative

Global distribution - local production

Penguin spirit

Values





Who are we?

Basic values



Loyalty



Care



Respect



Boldness

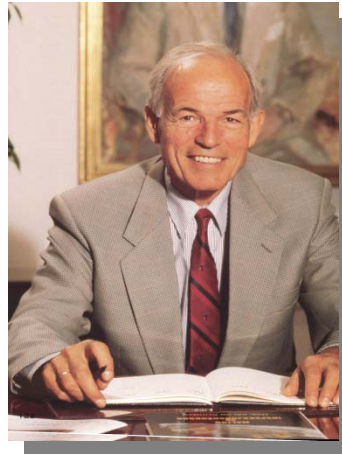


Leadership in the past

- Odd Gleditsch



Odd Gleditsch jr.





War in Norway 1940 – 1945 (Taken from History of Jotun)

Under the difficult times during World War 2, Jotun where forced to save cost. The only possibility seen feasible was to lower salaries with 20%.

To fire employees was not an alternative for Gleditsch who regarded his employees as an important part of the family.

The creativity started to flourish and many smart solutions appeared.

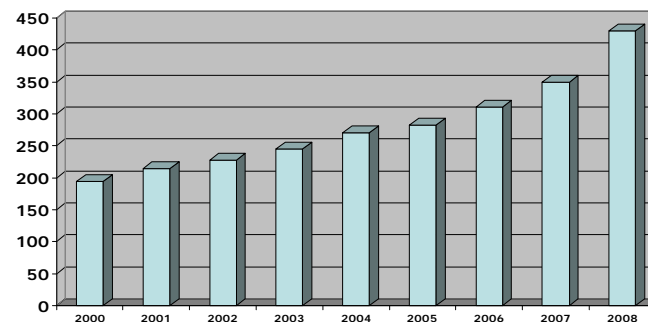
The ability to innovate made the company survive.



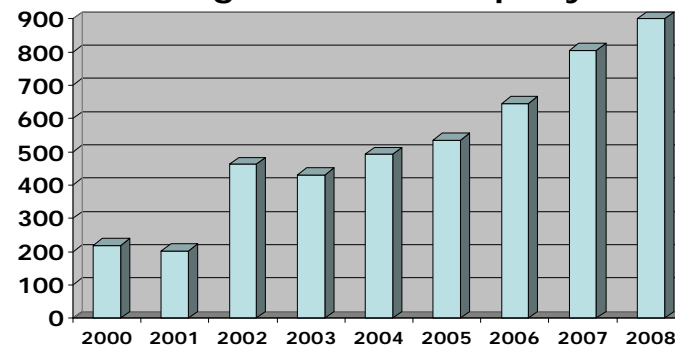
We have an organic growth strategy...

- Organic growth
– core competence !
1. Export to new markets
 2. Establish sales organisation
 3. Establish production
 4. Continue to grow

Volume growth – 12 % per year



EBIT growth – 20 % per year





Why is LEAN interesting for us?
-does it fit our business model?

Conclusion:
Lean fits our business model-
the foundation is already in place.

Customer focus = Understand the need for the customer and what they value

- Meet the ever changing demand from consumers
- Build long term relations

Innovative = continuous improvement

Global distribution - local production = Responsive- Flexible

Penguin spirit = Humble - Learning

Values = Respect

But!



Some companies underperform

Case Europe: 2005

- EBIT -30 Mill NOK
- OTIF 30%-40%
- Stock days FG 30

Action: Improvement project

NO 1. Delivery performance . KPI = OTIF

From big batch production to flexibility and small batch size.

Use of Lean tools

Status 2006:

- EBIT 3,5 Mill NOK
- OTIF 90%
- Stock days 30

Status 2008:

- EBIT 80 Mill NOK
- OTIF 95 %
- Stock days 18



Lean in Jotun Annual report 2007

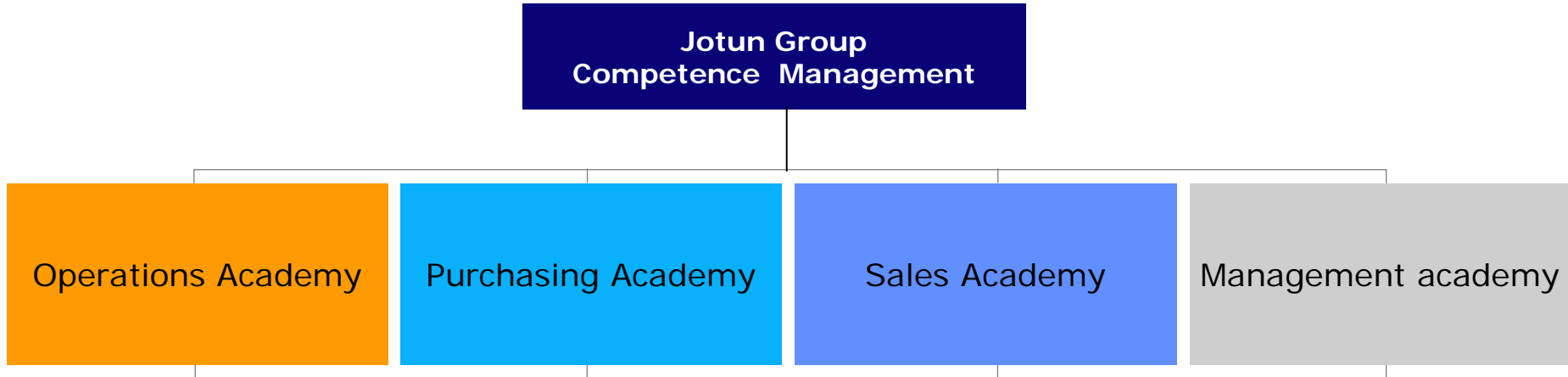
To remain consistent with Jotun's commitment to continuous improvement, this company has embraced Lean principles.

The success of any Lean organisation relies on:

Employee understanding

Taking the initiative to solve problems

Improve efficiency in a way that provides value for customers and prosperity for the organisation.





How do we learn to use lean tools and thinking?

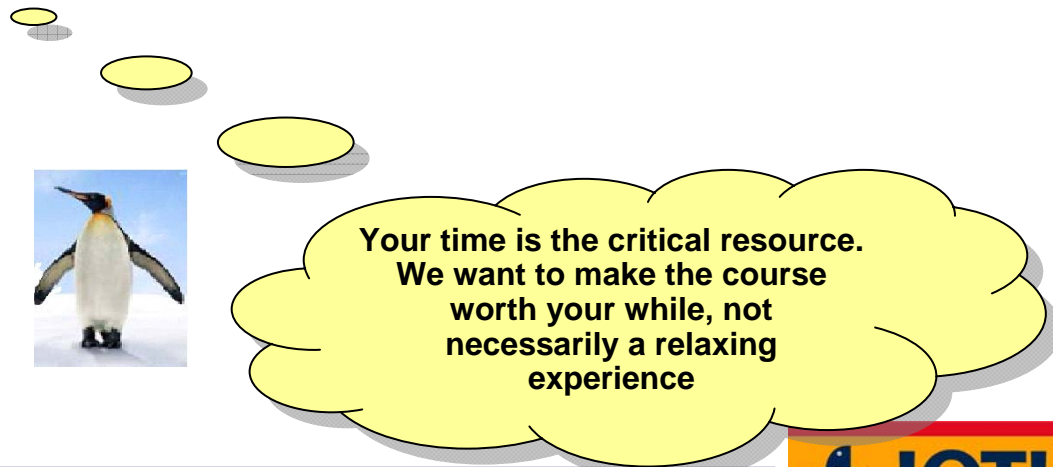


HSE and Lean must be a "**red thread**" in all operations in Jotun segments and companies.



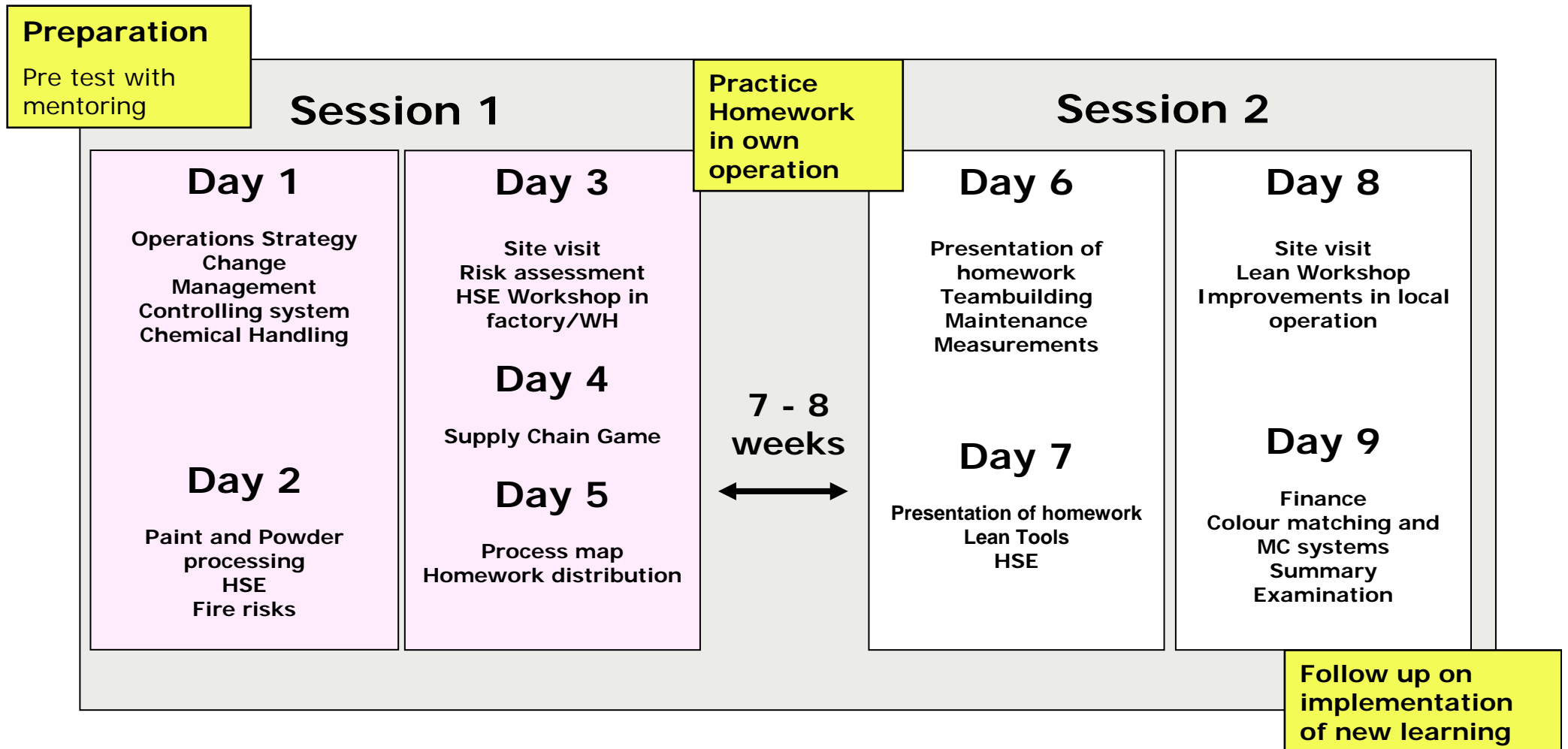
Format of JOA

- Focus on teaching practical tools for targeted improvement in HSE, manufacturing, maintenance, and logistics
- Strong emphasis on our own experiences and best practices = "This is the way we do it in Jotun"
- Combination of theory, cases for discussion, and practical factory exercises together with pre/post-work and readings
- Each class is divided in 4 -5 groups, with a competitive element between the groups to sharpen the concentration.
- 2 modules x 5 and 4 days, of which 2 days at a factory as practical exercise.
- Modules:
 - Jotun Baseline
 - Improvement





Operations Academy - Course content





How do we learn to use lean tools and thinking?

ME - Dubai-2008



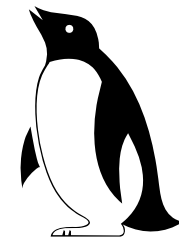




Our Belief About Behavioral Change

**“Organizations should
ACT their way into a new way of thinking and
not try to think themselves into a new way of acting.”**

Lean can only really be learnt by doing, not by training in a classroom





How do we learn to use lean tools and thinking?





Our Belief About Behavioral Change

**The only lean things that stick are those done by the organization themselves!
Not those done to it by outsiders**



Plans for the future

- JOA Level 2 to be developed to certify change agents
- JOA "Basics" to be developed , run locally by Change agents
- JOA Level 1 available E-Learning



Our Belief About Behavioral Change

Change starts with results !

sens



- ingen løsemidler
- ingen malingslukt
- ingen skadelig avdamping

Utviklet i samarbeide med





Our Belief About Behavioral Change

Spørsmål ?



The Penguin Spirit

Takk for oppmerksomheten

