



LCS Network Event

Thriving for Continuous Improvement
in a private equity company



Introduction

Jacco Deirkauf



BearingPoint®



Introduction to HillFive

HillFive was founded in **2014**

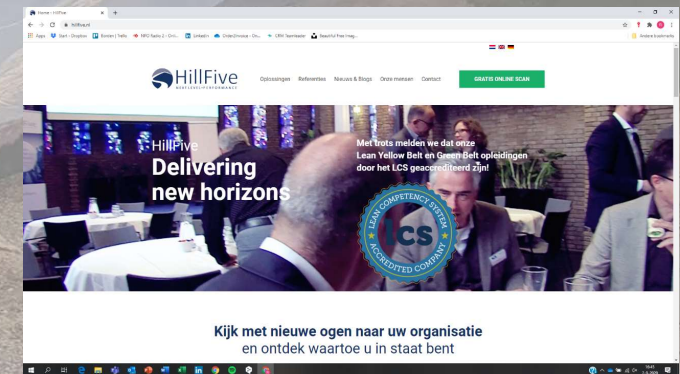
Experienced in general management and consulting.

Focused on:

- Operational Excellence and Continuous Improvement
- Change and Transformation
- Carbon Reduction programs
- Strategy and Leadership

We use co-creation to deliver high impact projects

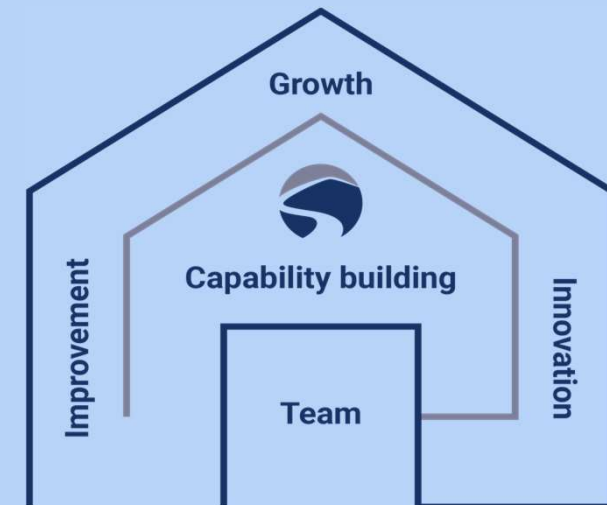
Most of all we have a lot of “FUN” while doing this!



Essentials of our approach

‘Ultimately, for change to be sustainable it can only come from within.’

- Co-creation creates ownership and builds competencies
- We assume good intent, with optimism about people’s capabilities
- We connect people in your value chain to unleash hidden potential
- We engage at all levels, from the boardroom to the shopfloor, to increase the speed of decision making and increase the level of employee involvement
- Leading change requires involvement, courage, bold decision making and ‘being there’



Typical HillFive clients we work with

FN STEEL

alliander

 **kpn**

 **bam**

STEDIN.NET

Royal  **IHC**


AkzoNobel

 **VolkerWessels**

 **Eneco**

RWE

 **ennatuurlijk**

 **Tennet**

DIESEKO GROUP

e-on

GroenLeven

Jiffy[®]

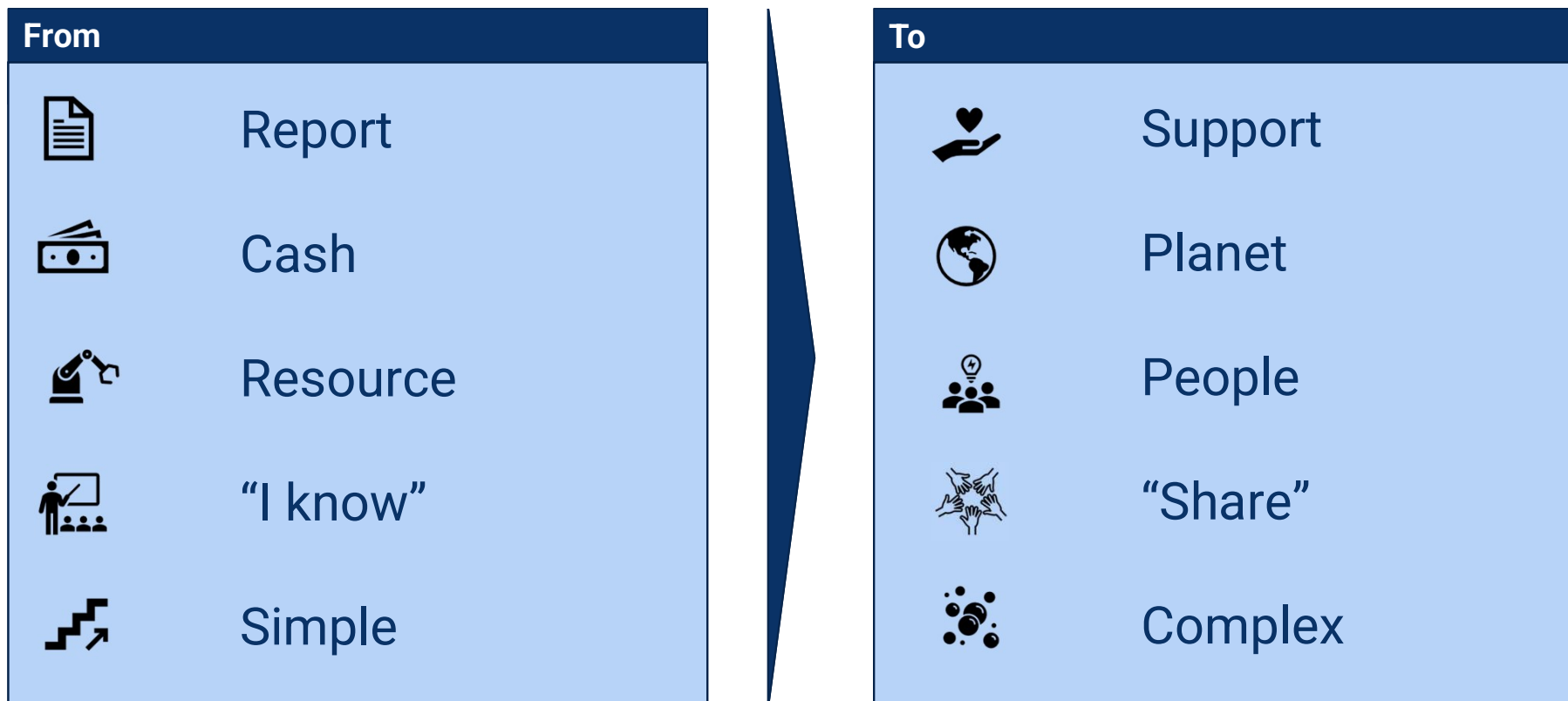
TRIVIUM
PACKAGING

**uni
per**



Is there a shift in CI culture? We think there is...

The reality we are in is one of “disturbance as a constant”.
Traditional approaches are not fit for the challenges we are facing today.



Context

- Waste-to-Energy company
- 630 employees, 2 AEC, 3 active Landfills and 7 Substrate plants.
- Previously public owned and since 3 years Private Equity.
- Turnover EUR 650 Million per annum



Private equity has outperformed public equity



Source: *McKinsey & Company. Median IRR through 9/30/20 for a pool of PE funds from vintages 2007 to 2017
**Citizens calculations. Annualized total returns from 1/1/07 to 9/30/20

Major change in company culture from focus on public affairs shift to focus on delivering substantial shareholder value



Challenge

- Aggressive cost cutting program. Motivation went below zero.
- Bringing back the spirit of continuous improvement and performance management



Content

1. Building CI capabilities in our workforce
2. Solving real business issues and deliver impact
3. LCS accredited and delivering in-house Yellow, Green & Black-Belt program



Theme

How cultivate a CI culture in the company and make people proud of delivering impact

Lessons learned:

- Business driven
- Start with small group → showing impact and results
- Volunteered participation but with clear sponsorship and strategical alignment
- Strong gatekeeping making the program 'exclusive'
- Management attention and final presentation and certification with CEO



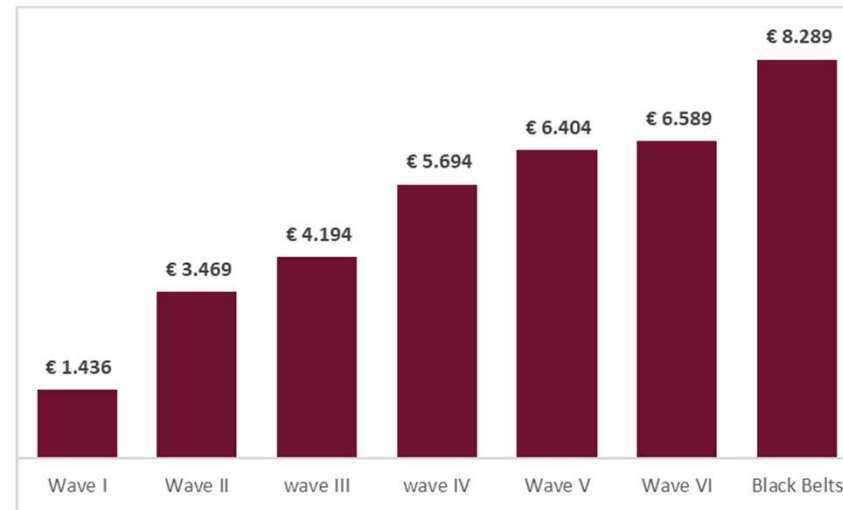
Results

- 80 business cases delivered a total of over EUR 8 million financial impact (in 3 years time)

Subject	Potential identified
Verlagen CW brandbaar afval	€ 1.300.000
verlagen kosten residu	€ 400.000
Facilites optimalisatie op kosten en kwaliteit	€ 5.000
Optimalisatie Odilapeel - ketel/rookgaskanaal verstoppingen	€ 75.000
Kosten spareparts verlagen	€ 100.000
ARS-band	€ 50.000
Optimale warmtehuishouding in de WVI	€ 25.000
Vochtverlies in PMD	€ 50.000
standtijd velen membraansets in de NF/RO	€ 75.000
ABI chemicaliegebruik optimaliseren	€ 50.000
Verkorten van de doorlooptijd van de maandrapportage	€ 15.000
Kwaliteitsverbetering Folie naar PSP	€ 25.000
Recovery kleine kunststoffen BBA	€ 100.000
Commerciele data onsluiting PRP	€ 40.000
reducen trips en beter opstarten	€ 100.000
Optimalisatie Onderhoudskosten	€ 15.000
Kunststoffen optimalisatie PRP/PSP	€ 15.000
IDS waterzuivering BoZ	€ 15.000
OpEx kosten Organisch Wijster in control	€ 15.000
ptp, masterdata, ...	€ 15.000
Verbeteren standtijd aanvoerpomp Vergister	€ 15.000
Kwaliteitsverbetering Folie naar PSP	€ 25.000
Kwaliteits bewustzijn compost afzet	€ 15.000
Steigerkosten	€ 50.000
Optimaliseren Opleiding aanvraag proces	€ 5.000

- Colleagues LCS Certified

	realised	goal
• Level 1a	>200	>400
• Level 1b	78	60
• Level 2a	2	0



Monthly Review: Performance Management – January 2019

Dashboard: Operational Excellence

Performance Management

- Daily Performance**
 - SIS score: 4.0 (consistent)
 - 750 Meetings / 70 each operation
 - Visual Management
- Process Improvement**
 - 2.3 MC potential to be identified
 - 0.8 MC potential to be realized
 - Coaching on the job
- Capability Development**
 - 1 Yellow Belt across
 - 2 Green Belt across
 - 7 Certified Black Belts
 - 3 Certified wave Black Belts
 - LCS re accreditation (start 2021)
- Strategy & Leadership**
 - 1 Strategy Deployment program
 - 2 Management Groups

Achievements this month:

- Daily Performance**
 - Harmonize PM dashboards for operations
 - Visual management for AEC plants designed
- Capability Development**
 - Recruitment of wave V Green Belt participants
 - First module Black Belt piloted
 - Black Belt program development
 - LCS Level 3 program approval and kick off
- Process Improvement**
 - Coaching wave IV participants
 - Report 2018 results
 - Outlook 2019 benefits
- Strategy & Leadership**
 - Strategy deployment for operations; CGU plans updates for 2019

SIS Score

Harmonize Operations dashboards
Mineral started PM meetings

Benefittracking

Setting up new benefittracker
Setting ambition for 2019

PM Assessment

Develop outline and discuss in JIT operations
Decision by JIT ops to proceed with assessment

Visual Management

Encourage VSM within Organic
First attempt within AEC WST and HBO
Decision for roll out within AEC's

Certified Belts

LCS accreditation Level 3 program approved
Finalizing wave IV Green Belt
Black Belt pilot started

Outlook next month:

- Intake and recruiting Green Belt candidates for wave V and VI
- Wave IV Green Belt project coach day
- Further optimize and align operations KPI dashboard
- Kick-off pilot "90 days challenge" Maastricht
- Finalize PM plan 2019 and discuss with management
- Deliver LCS level 3 planning

