“ITW Business Philosophies” Elearning Program

The purpose of the ITW Business Philosophies online learning program is to provide information to ALL ITW employees so that they:

- understand how and why ITW applies these business tools to the processes in each of its companies, and
- are empowered to participate in simplification activities in their own work environments.

The program is intended as an “information only” program and should not be used to gauge employee performance. Scores on course assessments are provided only to each employee.

Course Summaries:

The ITW 80/20 Philosophy – In this module, the user will learn the definition of “80/20” and how the concept has directly contributed to the success of ITW businesses. The module will also demonstrate how the 80/20 process can be applied to all functions of a business.

The ITW 80/20 Philosophy module provides a story example of a business in chaos, and then applies the 80/20 principles to show how the concept reduces complexities and simplifies the business, resulting in greater success. Interactive questions, graphics and animations further illustrate and reinforce the defining principles of the 80/20 concept.

This module takes approximately 2-3 hours to complete and can be reviewed all at once or in smaller increments or lessons. With the necessary authorization information, the module can be accessed through any computer with an internet connection.

Product Line Simplification (PLS) – This 3-hour course demonstrates how PLS data is gathered and organized, how cross-functional teams are created to analyze the data, and how PLS is implemented. Specific topics include segmentation, quadrant analysis and PLS implementation strategies for each quadrant.

Learners are provided with “real-life” scenarios where they can apply PLS concepts and strategies. Exercises are also included for the learner to practice segmentation and to build a quadrant analysis.

USa (Understand, Simplify, act) – USa provides a methodology for removing complexity from business processes. This methodology can be applied to any process in any department throughout ITW, and does not always involve installing or upgrading new computer systems.

The course explains the steps in each phase of USa: forming steering and user teams, creating “brown paper” process flows, brainstorming for new ideas, and implementing changes. The
steps for choosing a computer software supplier and implementing a computer system are also outlined in the module.

USa concepts are illustrated through animations, video vignettes, and text. Learners assist a fictitious business unit, “PowerPack,” with its USa project.

**In-Lining** – In-Lining is a sequential arrangement of workflow to produce a process, product, or parts of a product from start to finish. This is done by physically grouping certain tasks and/or machines into one area.

You’ve seen how 80/20 helps business units identify key products and customers, PLS enables business units to simplify their product lines, and USa provides a framework to simplify business processes. **In-Lining** takes the simplification process a step further by improving workflow.

This course presents the benefits of In-Lining, symptoms of businesses that need it, steps for implementation, and myths that often prevent businesses from applying In-Lining. The course also illustrates the difference between traditional batch processes and In-Lined processes, and the advantages of applying In-Lining to manufacturing and administrative functions.

Learners will identify non-value added activities, identify the steps to implement In-lining and rearrange a factory through the use of interactive exercises. The exercises allow the learner to practice concepts, including evaluating an existing process and improving an existing in-line.

**MRD (Market Rate of Demand)** – MRD is a replenishment scheduling system based upon producing or replenishing products at the rate of demand. “Demand” means actual consumption of products rather than *forecasted* consumption. If used correctly, MRD helps business units to achieve high levels of customer service while helping to prevent inventory build-up and inventory shortages.

The MRD approach to inventory replenishment and production scheduling is more effective than the traditional “push” systems. Market demand dictates how many parts should be produced; therefore, materials are “pulled” into production based on consumption.

The course also covers how MRD can be applied to both the sales and supply side of business units. Learners are taught how target inventory levels are set, how to calculate the MRD Replenishment quantity and the advantages of using MRD over MRP (Material Resource Planning).

**Market Segment Focus (MSF)** – Market Segment Focus (previously known as Trade Focus) is an ITW process for increasing sales and market share by focusing our Selling and Marketing resources on specific end-user segments.

MSF is an 8-step process in which information from key end-users in target market segments is obtained and analyzed. This helps us understand the end-user's needs in terms of the 5 P’s (Product, Place, Price, Promotion and People). The course explains how to:
• Select market segments that have the best opportunities for profitable, long-term growth
• Define problems
• Identify key end-users in a targeted segment and determine what information is needed from them
• Gather information
• Analyze information
• Develop a market penetration plan
• Implement an action plan
• Monitor progress towards sales goals

During the course, the learner will follow the “Global Building Products” team through a Market Segment Focus project. Participating with the team through interactive exercises, and the availability of extensive, printable job aids reinforce the concepts presented in the course.