What Manufacturing Can Learn from Starbucks

Interview by JOEL HANS, Managing Editor, Manufacturing.net

Mary Kaye Denning is the Founder and President of Cleveland-based The Manufacturing Mart, a program that helps connect manufacturers and suppliers by establishing a "permanent tradeshow." We sat down with Denning recently to discuss her theory on bringing a Starbucks "philosophy" to the shop floor by creating a better work environment and empowering employees.

M.net: Can you explain what the Manufacturing Mart hopes to accomplish?

Denning: The concept is a permanent industrial tradeshow, and we would like to appeal to the buyers of industrial and manufacturing services -- and engineering services alike -- to think of downtown Cleveland as a one-stop shop. The area between Cleveland and Pittsburgh has almost all the phases and processes of manufacturing available. It's a new way of thinking about how to manufacture an article.

We take the capability of manufacturers more than the inventory of manufacturers. We say, "Okay, you are a dynamic manufacturer of pulleys. Now, where do pulleys go in our current world?" For job shops, it's not important where the pulleys go, because it's just a pulley. We help people adjust their capabilities to their markets, and to do that as seamlessly as possible.

We are attempting to put a face on the component manufacturers, because I truly believe that the American consumer is asking for the wrong thing. The American consumer is saying, "I want products made in America." Guess what? That is sending work overseas. Now, if the American consumer were asking for components made in America -- that would really crank the economic engine of our country.

M.net: What is the basis of the Manufacturing Mart's "Starbucks" approach to manufacturing?

Denning: The biggest asset a company has is the employee -- the asset that goes home on wheels every night. And Starbucks does a magnificent job of giving people the authority to do their jobs and providing them with the toolset that allows them to do it really well. They are probably paying between $10 and $12 an hour, depending on the market, but Starbucks -- because of the respect, the appreciation, the peer appreciation, and the defined career path -- offers tremendous opportunity for people to grow within the organization.

And this has not yet been translated to many manufacturing places. I hear on a daily basis people saying, "Gosh, I can't find the talent I'm looking for." And I look around and say, "My goodness, would I want to work here? What have you done to make this place attractive to the right person?" This is no generalization, and I don't intend to say there aren't a lot of manufacturers doing the right thing -- because there are -- but there are a lot that could do better. And they need to think of themselves like Starbucks.

Starbucks doesn't let their facility get down in the tooth, because that doesn't reflect well on their corporate messaging. Many of these factories are now in direct competition with Asian companies, with European companies, who have pristine factories that are painted white, and are spot-cleaned. We can no longer continue to operate in some of our building conditions that are not clean, not organized, and where Lean has not been incorporated into the daily thought process.

M.net: How does this approach work on the plant floor? Is it more about dealing with the employees, or improving plant processes?

Denning: It's a systemic process, but it starts with the people. Starbucks doesn't have cleaning services -- the employees take care of it. But because the employees are taken care of, they take care of Starbucks. How genuine would it be to have a machine operator who spot-shines their machine? They would have their own bottle of Windex, and when they left their cell at night, you could have your dinner on the floor. That's wonderful.

There are many of us who will never own our own businesses, but we can take ownership of what we do. And we can be independent business owners through what we do, how we do it, and how we look at it. This is the genius of Starbucks. They have empowered their people with that feeling.

M.net: Part of the Starbucks approach is giving employees a clear path of career advancement. How does a manufacturing company deal with this, if

there are no real paths?

Denning: I'll give you an example. On display at the Manufacturing Mart there are animal containment cages, and those cages are a product of a visit to the factory. I looked at an automated welder that was in the dark. I said, "What's up with that?" and they said, "Well, we don't have any work right now." I asked, "Why don't you have any work?" They said, "Well, the economy isn't so good, and we don't have any work."

I said, "Let's make a product." I did a walk-around, talked to all the employees, interviewed everybody, and I learned the plant manager was a herpetologist. He was a snake breeder for years. And he had these really cool cages that he had made from cardboard and wood. And I said, "Wouldn't they be much cleaner and much more substantial if they were in metal? And you could use that welder to close them up."

We came up with a preliminary design. I introduced them to a patent attorney, who turned them into a provisional (patent), and they are now ready to go to market with a new product that was invented there. They will probably not be the most able at marketing it, but I'm hoping we can help them in that way. They could sell it to PETCO.

This is an example where this job shop is a small community, and upward mobility is limited. But this job shop owner has the foresight to say, "If I invest in this plant manager, he will probably stick around. He will take that as pride, and he will talk up my shop around his friends, and then his wife will brag about what he did." Some owners see this as an insurance policy that this employee will continue to work at the best, highest level that they're able to perform.

M.net: Does the Starbucks approach have any advice to dealing with the perceived lack of skilled workers for high-tech manufacturing jobs?

Denning: How many machine shops hang a sign inside their building when they have jobs? They're looking for someone who is computer-savvy, who will never go in that building. There's a complete disconnect.

The employee, who is looking for a job, needs that manufacturer, who has that job, to sustain them and make them really happy. But that employer needs to do something more to attract them to their business than what was necessary 10 years ago. You're in a different age group. People in their 20s and 30s have grown up in an interactive community. Hanging a sign in your building is not going to work. You're not going to attract the star.

Consider that [Starbucks employees] are people that multiple manufacturing companies would look at and say, "Oh, they're so untrained." That's not true. They didn't know how to make a latte when they first walked into the building. You know, manufacturing is not like basketball. There's not a CNC machine in the park that you can practice on. How else are you going to learn, if you're not inside the building?

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