Center of Excellence

Chris McGill  
Six Sigma Master Black Belt  
Cintas

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Managing Director  
Plan4Demand
How to Eat an Elephant?

“In your dreams...”

“One bite at a time.”

“That one hurts!”
You’re in the Right Place

If you want to learn about:

- Taking organization risks
- Not being satisfied with status quo
- Wanting to learn how to align your IT and Business Units
- Driving business transformation projects enabled by SAP

We’d like to discuss how a new model was structured to support Cintas’ needs and perhaps review an example of a project that has been driven via this initiative that would have struggled to be successful in the past.
Chris McGill

• Six Sigma Master Black Belt, Cintas
• Responsible for Corporate Six Sigma Training and Development
• With Cintas for 12 years
• BS Industrial Engineering – Virginia Tech
• Trained in Six Sigma by GE Consultant in 2003
• Supply chain experience - Distribution
• Part of the original SAP OCM team for FIN and GSC
• Co-leader of Cintas Center of Excellence
• **Managing Director – Plan4Demand** - Manages all aspects of Consulting & Delivery for our customers

• Specializes in Business Transformation and Process Improvement

• CIO at IBM Network Hardware, and Easton Bell Sports

  ▪ COO at ABB Kent Taylor

  ▪ Co-Leader of Cintas Center of Excellence

• Lives in the Warmth of Sunny South Florida
Agenda

- Cintas – An Introduction
- Background Information
- Moving Forward
- COE Structure & Services
- Wrap-Up
- Q&A
Cintas – An Introduction

- >900,000 Business Customers
- >5,000,000 Daily Uniform Wearers
- Founded in Cincinnati Area
- The “White” Truck
Cintas – An Introduction

Rental Uniform

Let Cintas protect your business, your facility, and your investment.

Promotional Products and Casual Apparel from Cintas

Catalog

The Premier Single Resource for Cleanroom Supplies, Equipment and Apparel Service

First Aid & Safety

Document Management

Fire Protection

Flame Resistant Clothing

One Source for the protection you need
One Company you can rely on
One Answer to the FRC challenge
Background Information

- Decision to Implement SAP in 2010
  - Implemented FI/CO, ECC Core & APO in 2011
  - End to End Implementation in 2012
    - First Aid & Safety
    - Document Shredding

- Our Culture
  - Conservative
  - Six Sigma
  - Action Oriented
  - Highly Matrixed Management Structure
Background Information

Current Approach

COE

IT

Business

Accounts Execs
Background Information

SAP Projects

Current Approach

COE (Six Sigma)

Business Process Transformation

Enabled by SAP
<table>
<thead>
<tr>
<th>Before</th>
<th>Evolving To: Enabled by the COE</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Led Technology Efforts</td>
<td>Business Units/Divisions Drive Transformation Needs</td>
</tr>
<tr>
<td>Independent Business, Six Sigma and IT Improvement Efforts</td>
<td>Projects (Both New &amp; Enhancement) combined and managed through the COE</td>
</tr>
<tr>
<td>Vertical Focus</td>
<td>Focus on both Vertical &amp; Horizontal Improvement Opportunities</td>
</tr>
<tr>
<td>IT Project Capacity Drives FY Planning Process</td>
<td>Business Led Prioritization process enables larger number of projects with deployment options</td>
</tr>
<tr>
<td>Master data managed by BU/Division</td>
<td>Corporate focus on Material/Vendor and Customer</td>
</tr>
<tr>
<td>SAP will fix the problem</td>
<td>Fix the Process First</td>
</tr>
<tr>
<td>Change SAP</td>
<td>Adopt SAP best practice</td>
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</tbody>
</table>
Center of Excellence

Business Process Transformation
Enabled by SAP Technology

Business Transformation Leaders

Center of Excellence/Continuous Improvement

Six Sigma
BB's
BPO's

GSC
FAS
DM
Finance
IT
Rental
Sales
Global Accts – Hospitality
Marketing
Fire
Emerging
HR \ Legal \ Comm

Business Processes (OTC, PTS, PTP, ITI, PTC)

Master Data & Reports

IT Account Execs – Single Voice for IT in Business

IT Build Support

IT Run Support

GSC
FAS
DM
Finance
N\A
Rental
Sales
Sales
Marketing
Fire
Emerging
HR \ Legal \ Comm

Acct Team
Acct Team
Acct Team
Acct Team
N\A
Acct Team
Acct Team
Acct Team
Acct Team
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Acct Team
Center of Excellence

**Vision**

Aligned with the Cintas Principle Objective, the COE will maximize value through business process transformation enabled by effective deployment of People, Processes, and Technology.
Center of Excellence

Mission Statement

In order to maximize our investment in business process transformation, the Center of Excellence will lead a formal program of continuous improvements that will:

- Exceed the expectations of both our internal and external customers
- Implement new best-in-class practices
- Optimize existing business processes
- Position our business divisions and departments for success
- Leverage our SAP investment
The COE will actively demonstrate the focus noted below to enable our most valuable resource -- our **people**, to enable effective **processes**, optimized through **six sigma** techniques and **technology** application.
How will we operate.....

- Approach will be to use the lens of Six Sigma
- Greenbelt training/Workshop
  - Dec 12th-14th
  - Mandatory attendance
  - Refresh for some, new for others, opportunity for all to grow
- Resource for others – Blitzes, Training, Communications, organizational change management
Paradigm Shift

So you don’t have to “fix” it again!

- No Manual Intervention
- Impossible to Fail
- Eliminate Activity
- Defect feedback/visibility
- Certification and Audits
- Notification, “big stick”

If behavior cannot be changed, change the process that the behavior follows

Behavior typically reverts back to defects

Most Desired

Full Automation

Fail-Proof

Simplification

Daily Mgt Systems/Visual Displays

Training

Awareness

Least Desired
Center Of Excellence Services

- Business Transformation & Process Improvement
- End-User Support & Demand Management
- Data Management & Governance
- Strategic Planning & Projects
- Business Intelligence
- Talent, Training & Change Management
## FY14 Planning Process

<table>
<thead>
<tr>
<th></th>
<th>Prior Years</th>
<th>FY14</th>
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</thead>
<tbody>
<tr>
<td><strong>Input</strong></td>
<td>System Backlog</td>
<td>Cintas 5-year Strategic Business Initiative Focused Executive Interviews</td>
</tr>
<tr>
<td><strong>Executive Interviews</strong></td>
<td>IT</td>
<td>COE (Business &amp; IT)</td>
</tr>
<tr>
<td><strong>Planning Window</strong></td>
<td>1 Year</td>
<td>3-5 Years</td>
</tr>
<tr>
<td><strong>Priority Setting</strong></td>
<td>Business Line</td>
<td>Enterprise &amp; Business</td>
</tr>
<tr>
<td><strong>Planning Focus</strong></td>
<td>IT Projects</td>
<td>Business Transformation Enabled by Technology</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>Collect Input &amp; Update</td>
<td>More iterative with business leaders</td>
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Example - Procure-to-Pay (PTP)

Separate Initiatives

Strategic Sourcing

- Sourcing
- Contract Management

AP Automation

- Invoice Management
Challenges

- COE is viewed as bureaucracy
- Six sigma/process improvement viewed as someone else’s job
- Falling back into bad habits
- Viewing individuals working side by side as being a team
- Danger of being co-opted
Key Take-a-ways / Lessons Learned

- Build your Center of Excellence to match your organization structure and skills
- Challenge yourself to determine if your structure aligns with your business initiatives
- Know that your structure will adjust as you transform
- Be patient! Expect push back
- The COE is a working/living structure
THANK YOU!

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