

Lean Learning Center presents

LEAN PROGRESS

Ideas for helping your company transition to lean effectively and rapidly.

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6 Keys to Using A3s Most Effectively

By Jamie Flinchbaugh

A3s are becoming a more popular tool in part because of the promotion by a range of books, articles, blogs, and other methods. Recently I've been committing more time to the topic. Our coaching of clients has always included this method for the right time and the right place. We have found that coaching leaders in the use of A3s is an effective way to help develop lean thinking through practice and application. But the broader use of the method has also increased the need to get some of the basics right as I see more misuse than any tool should experience. My Industry Week Best Plants Conference speech this spring focused on the topic, and recently my Assembly Magazine Leading Lean columns have been focused on a variety of aspects of the technique. Here I capture some keys to success. Some of them you might already be practicing, and some may be opportunities to improve. We all have opportunities to improve.

1. Elevate function over form

It is easy to focus on the form. Give someone a new template and they spend

a lot of time trying to understand how to complete the form. It is easy to lose sight of the purpose behind the template or form. A frustrating phrase to hear "can you help me fit my work into an A3 format?" If you weren't using the thinking process during your work, then don't try to force it. The real use of the tool is to follow the thinking process while doing the work.

2. Collaborate, this is a team sport

A3 is not just for individual work. The whole purpose of making your thinking visible by using the 4 quadrants is so that collaboration and alignment is easier. This means we shouldn't just be showing A3s at the end of the process, but throughout. Get agreement about the problem statement before investing a whole lot more effort in continuing on. Work together to gather knowledge and understanding. Don't expect that just because you put your conclusions in A3 format that everyone will just roll over and accept your proposal. Include them in generating the conclusions, and then you will reach the state of collaboration that should exist in A3 thinking.



6 Keys to Using A3s Most Effectively (Cont.)

3. Close knowledge gaps before performance gaps

If you already know the answer, then why are you doing all this work? If you already know the answer, then just execute that answer. A3s are not for known answers to known problems. Their purpose is when we have to close a knowledge gap before we close the performance gap. The problem comes when we aren't transparent around the fact that there is a knowledge gap. We know there is one, but we don't talk about it. When we don't talk about it, we can't address it head-on.

4. Work forwards and backwards

It is easy to think of the improvement process as linear: complete step A and then move onto step B. But it is not linear because you should be learning along the way. Be willing to go back a step and erase or modify what you've done. You might modify the problem statement or the current reality analysis, anything that represents your new learning and insights. Just insert some checks in your own process to ask yourself: Is this still the right problem statement? Have we captured the key insights of current reality to support our direction? It's better to backtrack and get it right than to push forward in the wrong direction.

5. Double the time invested in the problem statement

Imagine you are going on vacation but you only spend 5 minutes planning and packing and then rush out the door. This

is the same as spending 5 minutes on the problem statement and then rushing into solving it. The problem statement sets the course or direction for most of the rest of the work. While you can change it later, it frames your perspective and determines what exploration is required. Take the time to get the problem statement right.

6. Draw pictures

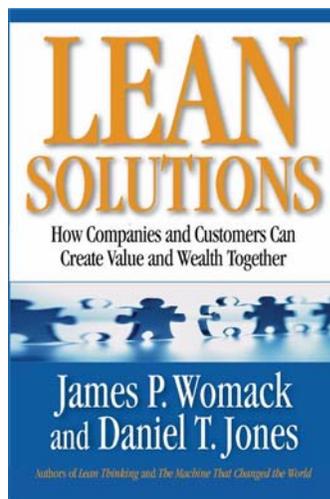
A picture is worth a thousand words. When it comes to problem solving, it's worth even more. When we draw pictures, it is more natural to focus on systems, processes, and cause and effect. It helps us focus our attention on the right arena. When we try to use too many words it is easy to focus our attention on descriptive outcomes and results. Results are important to understand, but that is not where we should focus in order to generate improvements. We must improve the processes. Pictures are a more effective tool, especially in collaboration, to focus on the process.

Special Note: You can view Jamie's speech on A3 at <http://www.industryweek.com/videos/a3-Thinking-flinchbaugh-Best-Plants-2009.aspx>, or view his Leading Lean columns at http://www.leanlearningcenter.com/knowledge_center/leading_lean.cfm.



“The problem comes when we aren't transparent around the fact that there is a knowledge gap.”

Lean Solutions Book Review



Lean Solutions-How Companies and Customers Can Create Value and Wealth Together

By James P. Womack and Daniel T. Jones

Book Description: What's the key message?

Lean Solutions is about the waste seen through the eyes of the consumer. By viewing the problems and complaints of consumers, you can find new ways to capture value. Through the eyes of the consumer, the authors present this framework, with a chapter devoted to each:

1. Solve my problem completely.

Whether my problem is trying to get from point A to point B, or to communicate with a colleague, the solution you provide must solve that problem for me and solve it completely.

2. Don't waste my time.

If it takes the consumer extra effort and time to receive value from you, that's waste. Imagine how much happier the customer is if they don't have to wait. Waiting on hold is the obvious example, but there are many other times where the consumer's time is absorbed.

3. Provide exactly what I want.

Don't get me something close, or a good replacement, but make sure what I was really looking for can be found. This is largely a supply or replenishment solution coupled with looking at the means of distribution. Given the massive number of shoes options including color and size, it provides a nice example for the book but could have also been furniture or consumer electronics.

4. Deliver value where I want it.

The central premise is that there is not one ideal location for all consumers for all products under all circumstances. For example, a single grocery item to complete the ingredients for dinner might require a different 'where' solution than a planned bulk item purchase. The authors promote the idea of looking at delivery solutions as a portfolio approach, allowing consumers to get what they need from you through a variety of means.

"If it takes the consumer extra effort and time to receive value from you, that's waste."

Lean Solutions Book Review (Cont.)

5. Supply value when I want it.

Of course, the standard answer to when customers want something is ‘yesterday.’ But the authors refute that, suggesting that many purchases are planned and providers give no incentive to consumers to behave consistent with planned purchases. For example, if the consumer knows they need a new car in 6 months, the automobile company can make it when it fits the schedule and balances out the spontaneous purchases to deliver that product within the consumer’s interests and improving the efficiency of the value stream at the same time.

“The most important thing that this book does is remind everyone that the #1 objective of lean is to provide value for the customer.”

6. Reduce the number of decisions I must make to solve my problems.

Despite this being the principle promoted early in the book, when it comes to the individual chapters they take it much further. This ultimately becomes the company packaging all of the elements needed by the consumer to solve their problem in one solution or a suite of solutions. The end game, as presented in this book, is not selling products or services but selling solutions, where the provider can optimize all the aspects of providing that solution and taking the customer out of having to make decisions, combine partial solutions and optimize the whole.

These principles are the focus of this book. There is also quite a bit of time spent on understanding the connection between the behaviors and activities at the consumer level and waste in the value stream.

This is focused on heavily at the final transaction stage, where the provider and the consumer come together for the service or the product. The tool demonstrated is called a Consumption Map, although it is just an activity map with the consumer, something lean practitioners have done for many years, but with a little more focus in this case around the consumer’s time.

How does it contribute to the lean knowledge base?

While none of the concepts in this book are really new, they are configured and presented in a useful framework that allows individuals and companies to rethink how they deliver value and solutions to consumers. It is particularly useful to lean thinkers as it leverages the language and concepts that lean thinkers are already comfortable with to focus on the consumers’ point of view. While many lean companies will stop at the ‘delivery’ step of their value stream, the authors challenge providers to rethink in some cases simply the means and timing of delivery, and in other cases rethink the entire solution being provided.



For lean thinkers on the shop floor, this may just lead to increased frustration because they won’t be in a position to apply much of this. Overall, this book is an important read for a certain set of people, and for those not in a position to apply it, the title could be ‘How to Be a Frustrated Consumer.’

Lean Solutions Book Review (Cont.)

What are the highlights? What works?

The most important thing that this book does is remind everyone that the #1 objective of lean is to provide value for the customer. Waste elimination is not the goal, it is just removing what doesn't add value. Most lean books focus on the idea that the amount of value provided is fixed and your job in lean transformation is to work around it. However, most lean books rarely challenge you to reconsider the value part of that equation. Building on this theme, *Lean Solutions* then presents a framework for how to analyze and challenge the value you provide. Consistent with the book's title, it forces you to look at the consumer in terms of what problem they have first, and then develop the solution around that, not develop the solution and then look for the problem that it solves.

What are the weaknesses? What's missing?

Lean Solutions constantly presents these concepts from the viewpoint of consumer-oriented companies. While it acknowledges the impact on upstream suppliers in the value stream, it is written for companies that control or could control that final link. However, many of these concepts, perhaps on a less grand scale, could apply equally to companies that serve other companies. Business services, parts suppliers, equipment suppliers; if they were to apply this lens, they could capture more value for their customers.

But the book doesn't help them in the same way it helps consumer-facing customers. *Lean Solutions* also seems to go too far in the final chapter. It proposes optimization of supply and demand on a grand scale. In fact, in some cases, the solutions proposed exist. A person *can* go to one company and get all of their phone, cell phone, long-distance, internal, television and other communication needs in one package from one company. But it doesn't deliver the results promised in this chapter; people still have the same waste sorting for their perfect solutions.

How should I read this to get the most out of it?

Read this book with a specific product, company or service in mind. Challenge yourself to apply each concept to the company or product in question as you read. This will greatly deepen the learning versus only hearing the examples as presented by the authors. The concepts on their own are not that profound, but if applied systematically, they can be powerful. Also, try to read at least one strategy or market book along with this book. This will help connect the contents of this book to a larger perspective on the strategy of your company to 'go to market'. Lastly, because in many cases this might challenge you to rethink your company, it would help to read as part of a group that can make the decision as a team.

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Lean Quick Tip: *Priority Buttons*

Scoreboards are a staple of any team, helping them manage their processes and drive improvements. The flow of a scoreboard should go from metrics, to analysis, to action plans. But there are so many things to pay attention to, what is the priority?

If you have a magnetic scoreboard, buy three magnets and write 1, 2, and 3

on them. Then each day or week as you are communicating to the team, put the magnets on top of the highest priority actions. This is a simple visual way to help the team understand the focus. Don't let the visual replace your verbal communication with the team; just use it as a supplement.

Leading Lean A-Z *F:Be First*

By Jamie Flinchbaugh

When visiting companies that feel better about their lean journey than they probably should, perhaps the most common thing I hear is "yes, we have management support. They are 100 percent behind us." But behind is still behind. Leadership is about being out in front. An essential element of leadership is being first, exemplifying the change you want to see in your organization.

If you want to see people asking more questions then you must start. It would be ironic to get people to ask more questions by telling them to do so. If you want to see people tackling waste, you can't just encourage it, you must do it yourself. If you want to see people be more frugal and prudent in their spending, then you must give up some things yourself that might be great conveniences but cost money. If you aren't willing to give up the convenience for the benefit of cost, then others won't either.

As with most leadership practices, this isn't only for executives and managers. Even if you are an individual contributor, you must be first in the changes you want to see. As an example from my own learning, I was once trying to get the factory management within my factory to spend more time on the floor. Ironically, I would go to their office to tell them this. But until I started asking them to meet me on the floor for our discussion, was I really acting as I was asking them to act?

A story told about the great Mahatma Gandhi illustrates this point. Gandhi would hold court for the many people who sought his advice and guidance. Most would travel many miles only to have to stand in line for hours. One mother was very concerned that her son was always eating sugar. She went with the boy to



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Leading Lean A-Z F:Be First (Cont.)

see Gandhi and stood in line for hours. When she got to see him, she said "I am concerned that my son is always eating sugar and I cannot get him to stop." Gandhi told her to come back in 4 weeks. She left and returned again 4 weeks later, again having to walk miles and stand in line for hours. When she finally was able to see him with her son, now 4 weeks later, she told him "my son will not stop eating sugar. You told me to come back here in 4 weeks, and so I have returned." Gandhi gestured for the boy to move closer to him. He put his hand on his head and looked him square in the eyes and stated "stop eating sugar". The mother squawked "why did I have to wait four weeks, walk many miles, and stand in line for hours for that? You could have told him that then." Gandhi stated "I was eating sugar and I could not tell the boy not to until I was able to stop myself."

It is very easy to preach, demand, declare, and suggest actions for others without necessarily mastering them ourselves. But you don't have to get to mastery, you just need to make a visible effort. If you want people to spend more time in the process observing, then do it yourself. It doesn't even have to be a fully focused observation. A VP I was coaching would visit one of his sites and spend his whole day in meetings in the 2nd floor conference room. He wanted a better view. He set up a small workstation in a high traffic area of the plant where he could setup his laptop to work between meetings, and held all his meetings, on the floor standing up. Not only did he learn something

about the operation but so did everyone else.

A plant manager I was coaching wanted standard work to become a bigger part of the site's culture and practice. He taught a class on it. He audited the standard work that was in place. He would regularly take a tangent in a meeting to preach the benefits of standard work. Yet no one saw this plant manager practicing standard work himself. That's exactly what he started to do. He turned himself into a regular standard work billboard. He posted it in his office, carried it around with him, and made a big deal about communicating changes he was making to his standard work. Only at that point was he credible and effective in coaching and leading others to do the same.

Most of us prefer a crowd when we want to start something new. We want the support, the camaraderie, and the risk-reduction of feeling like together we're more likely to figure it out. But sometimes we can't wait for the crowd to be ready. We have to take the risk. We have to step out and lead, to go where the rest of our organization isn't yet willing to lead. Someone, by definition, has to go first. Why not let it be you?

"We have to step out and lead, to go where the rest of our organization isn't yet willing to lead."



The Beer Game

Is your organization getting the results that it is seeking? Every organization experiences undesirable results, but few truly understand what actions are required to implement change and obtain desirable and sustainable results.

The Lean Learning Center's beer supply chain simulation has been carefully designed to illustrate the impact that systems, subsystems and other contributing factors have on organizational results. Fun encourages learning as participants are fully immersed into the simulation and fulfill the role of Factory, Distributor, Wholesaler or Retailer within the beer supply chain. Participants work strategically to fulfill their customer orders while keeping their weekly operational costs low.

Participants will experience firsthand the ineffectiveness of firefighting problems while running their supply chain operation and upon review of their final results. Strategies for analyzing the intricacies of systems that cannot be easily seen at the surface level are exposed during an interactive and dynamic debrief.

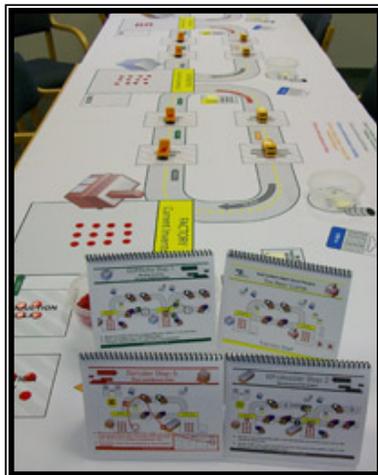
Participants will understand that better results will only be realized by addressing opportunities and problems at the system level.

The training package will accommodate up to 16 participants and includes:

- One spiral-bound facilitator guide with detailed facilitation and debrief guidance.
- Participant Lean Systems Primer takeaway reference in 3 sizes (8.5" x 11", legal, 11" x 17") for easy reproduction.
- Presentation slides in Power Point format.
- Two full color supply chain game boards made of durable vinyl that resist permanent creases, clean easily and are conveniently sized to fit 2 standard folding tables (30" x 144").
- Two colors of durable plastic chips that illustrate cases of beer moving to customers.
- Two complete sets of spiral-bound supply chain visual aids that illustrate game steps for every supply chain position.
- Two sets of pre-determined order cards that specify customer demand for the Retailer.
- USB drive with all instructional materials provided as editable Word files.

To learn more about the Beer Game and how it can be used for your lean program, visit the product section of the Lean Learning Center website: www.leanlearningcenter.com

“Participants will experience firsthand the ineffectiveness of firefighting problems while running their supply chain operation and upon review of their final results”



Lean Learning Center Announcements

Lean Value Stream Improvement

November 9, 2009

Lean Experience

November 2, 2009

December 14, 2009

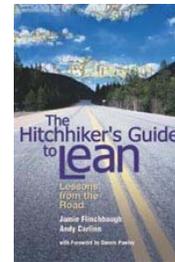
Leading Lean

November 11, 2009



For more information visit:

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The Lean Learning Center is one of the most recognized and premier lean consultancies in the world. With on-site assessment and consulting at client locations, an adult-learning-designed Center in Michigan and custom curriculum developed through an Instructional Design Studio, the Center brings unique lean understanding in creative ways to executives, managers, supervisors, change agents and front-line employees at clients including many Fortune 500 companies in a range of industries. The company combines consulting expertise and a unique learning environment with educational techniques that facilitate discovery to drive cultural and organizational transformation resulting in maximum sustained performance.