

LEAN PROGRESS

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

LEAN LEARNING CENTER

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Industry Week Q & A

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Lean Learning Center co-founder Jamie Flinchbaugh recently participated in a webcast sponsored by Industry Week. A number of great questions were submitted but did not get addressed during the webcast. Here are Jamie's views on many common yet important questions raised by lean leaders from the webcast.

Q: How do you assure lean thinking is being applied by leadership?

A: By leadership, I assume you mean the executive ranks. You can not "assure" as at the end of the day, each person controls their own thoughts and actions. You can only encourage, promote, coach and drive. Here are a few thoughts. First, manage expectations. This in part may mean lowering yours, but too often we place an expectation on leadership that they live up to lean principles every minute of every day with no lapses. Even mighty Toyota would not sign up for that. These are human beings, and mistakes will happen - OFTEN. Expect that they learn, try, engage and learn some more, but while you should pursue perfection, do not make the mistake of expecting it. Second, if leadership is to apply lean thinking then they must

learn true lean principles and not just lean tools. No executive will ever change bottom line performance by putting a 5S shadowbox around their stapler. But standardizing their information flow, believing and practicing waste elimination, directly observing work are things that they can practice in their own role. Next, reinforce the right behaviors by making it visible. Too often I see leaders change their way but no one really gets to see the change because the leader does not talk about it. Talk about it. Make sure people see it and understand it. It is not enough to just change; if people don't understand it, they will not



know how to emulate it. Finally, start to measure it. I don't mean with a metric, but either through shadowing, coaches or even more formal reviews, begin to articulate the behavior changes and evaluate their success. In the end, the war for people's minds and hearts will probably have a few casualties along the way of people who cannot exhibit what is being asked of them, but you have to give

them a shot first. Some might surprise you.

Q: How do you measure culture?

A: I think a better question is how do you evaluate culture. People tend to resort to measurement being the only tool of evaluation, but it is just a tool. Sometimes it is the right tool and sometimes not. The most important thing to look at are the behaviors and actions that people take. If the right principles have stuck, then the right behaviors will be demonstrated. Of course this is hard, because you not only need to know the principles well but also what behaviors are and are not consistent with those principles. A notch easier but less robust is the language that the organization uses. The language is an indicator of the culture, but by no means a guarantee, as it will often be a leading-indicator of real change and can also be thrown about without people truly understanding. To truly measure, with metrics, a culture is easier to do but harder to indicate a real change in thinking. You can measure cultural attributes, but only as part of a portfolio of approaches.

Q: What is the general personality that you look for in a lean leader?

A: That's a great question. I have begun to see more



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**JAMIE FLINCHBAUGH IS A CONTRIBUTOR TO INDUSTRY WEEK,
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turnover in the ranks of full-time lean leaders at all levels which very much disturbs me. Too often, people are being selected for the wrong criteria. The #1 wrong criteria that is important but seems to be elevated above all else is technical knowledge of lean. This is important, but lean transformation is a people business, not just an implementation. Here are some other criteria that I would suggest. First, the person should be a learner, meaning they should engage, experiment, absorb, and seek opportunity to learn at every corner. Also, the person should be as comfortable with executives as with shop-floor associates as lean change is often trying to make connections and engagement vertically through the organization. Third, the person must be a value-stream thinker, not just in terms of material flow, but having a broad understanding of the business. They have to have an appreciation for the customer, and how each element of the process serves that customer. Fourth, the person must have a vision, or at least strong desire to make things better. They do not need to be a visionary, single-handedly developing the future course of action for a business. But they have to be able to see a better world. Fifth, the person must be respected, but not for their knowledge of process, product or business but for who they are and how they work with others. If they are respected for being the hero-problem-solver, that will be a different role to break from. Sixth, although less important, the person should possess some upward mobility, some shown promise for advancement. However, sometimes the best lean leader is the very respected individual who is taking on

their last role before retirement, which gives them more freedom to say and do what needs to be done, as they are no longer concerned about advancement. Finally, the person should be hands-on but not too hands-on. They must be a facilitator, not do it for people. If they can't facilitate it into place, they will just work around others which is not a good practice in lean transformation.

Q: How do you integrate lean and six sigma?

A: The first point is to understand that the inherent ideas of lean and six sigma do not conflict, despite the behaviors and rhetoric to the contrary. They can conflict, and often do, in execution or implementation, starting with the problem that many implementations of lean and six sigma are often disconnected. I wrote about this in my Assembly Magazine column Leading Lean, which you can read here. I think there are some guideposts to integrating lean and six sigma. First, as most companies do one practices first and then try to integrate the other into existing knowledge and practices, it is vital to understand that whatever you are now adopting, it is not "instead of" the other, it is "in addition to." Second, make sure that your approach is based on principles, which we write about extensively in The Hitchhiker's Guide to Lean. If continuous improvement is based on principles, then people won't be thinking in terms of lean tools or six sigma tools. They will be thinking in terms of improvement, and will only reach for a tool as they see the need. Third, and finally, communication is vitally important. In general, I believe people under-communicate by a factor of 10 when it comes to change initiatives. When it

comes to combining initiatives, it may be a factor of 20. While the leadership of the company, or the lean and six sigma change agents, understand very well how they fit together, the people who get it in bits and pieces do not. To them, what you think is complimentary they see or hear as conflicting. Communication is key.

Q: If the dollars saved does not spark leadership to take lean steps to really start engaging people, what else would you suggest?

A: This is a question that would require a lot more context and specifics to answer, but I can try to answer how I would look at it. First, if there are true dollars savings and people are not getting behind, a direct inquiry as to why is important. There can be some valid reasons. For example, the dollars saved might be soft savings (that doesn't make them not real) but the organizational situation, or possible culture, will only value hard savings (the budget is now lower). The second question or issue is around the topic of engagement. This is even more likely the issue. Many managers believe they are very supportive. They are 100 percent behind the lean efforts. The problem is that behind is still behind, but engaged likely means out in front. They might be very interested in what lean can do for them but not really know what they should do about it. One last thought is that dollars saved does not excite everyone even if they value it and even if they are measured by it. Still consider the emotional element. If people are leaving the office at 7 PM feeling they got nothing done, could lean help them leave at 5 PM feeling like they made a difference. Sometimes a vision like this is much more compelling and engaging than just saying we saved some money.

Q: We have a minimal amount of experience in lean. Therefore, we will have to get some support from the outside. Some will "help facilitate" over an extended period of time, others will come in for 6 months and drive it (for a cost). What is the best type of consulting to use?

A: That is an important question, and one I feel a little biased and uncomfortable answering. Nonetheless, here's what I do believe. There is no recipe, no three-ring binder approach to lean. If someone brings you an approach and says "here is the best way to implement lean," please, run away. There is no one right approach. The closest there is to a right approach is that there may be a right approach for you. Each company has different needs, different business conditions, different cultures and different capabilities, and your lean transformation strategy should reflect that. For example, a company near bankruptcy has different needs than a company making record profits. An international conglomerate has different needs than a family-owned tool distributor. Continuing down that line of thought, you also have to find a consultant that fits your needs. Do you need an army of people to hold your hand, or an advisor to give you occasional input and feedback? The personalities and styles of both the consultant and the company do matter. Know thyself, or know thy company, and find the right fit. Regardless of the right fit, I do believe a couple of things about consulting. First, they should transfer skills and knowledge. If they are continuing to execute the same

tasks for you year after year without you learning and developing, they aren't doing their job, and neither are you. Also, a consultant has to be willing to walk away if they don't think you are willing to move in the right direction. If everything you ask or suggest the consultant agrees with, you are either brilliant and always right, or they aren't willing to tell you the truth. And last and perhaps most important, never, never abdicate your lean journey and company direction to the consultant. The consultant should only help. You must lead your own team, your own company. No one can do that for you.

Q: Our company is struggling with how to measure our worker's continuous improvement activities. Is this something that should be measured, and if so, how would we measure it?

A: Know that you are not alone - this is a common question and a challenge. Many people don't like my first answer, because it's not the answer they are looking for, but it's the right answer. The most important measurement is engagement. You have to engage and evaluate how people are thinking, working, engaging and improving. If you can't look your employees in the eyes and understand their thinking. Now you can supplement that engagement with metrics, but it will only help, not replace, real engagement. If you are going to measure employee involvement in continuous improvement, never, never tie



financial incentives to metrics of people behaviors. Measure things that indicate progress, either forward or backward. You can measure number of improvements, speed to closer, total dollars, percent of people participating, but any one of those can be misleading.

Q: Should you quantify all lean upgrades in order to know what you accomplished or how well you are or are not doing?

A: One at a time, yes. When we talk about lean rules, one of those rules is improve through experimentation. That means even for a small improvement like changing a form or moving something, it starts with a hypothesis: "if I do this, I expect to get that." You then try it and find out if you got the result you expected. Two things happen when you do that. First, you find out if it was indeed an improvement. Second, you just tested your knowledge, which is how learning occurs. In case that sounds familiar, that is basically what PDCA, or Plan Do Check Act is all about. You can add improvements up if you want to or can, but if you improve through experimentation properly, you will know if you are making progress.

Q: How can I succeed in a lean implementation without upper management support?

A: First, recognize that few companies start with upper management support. Sometimes, but very rarely, it starts with the senior management. Slightly more often, someone in senior management gets the journey started. Much more often, someone else needs to get them there. If you want upper management support, then part of your job is to do whatever it takes to gain that support. That being said, you also can apply lean to your own job and your own sphere of influence, whether that is just you, a team, a department or a process. You have to deliver results anyway,



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YOU MUST BE A LEARNER FIRST. LEAN IS ABOUT HOW AN ORGANIZATION LEARNS, BUT ORGANIZATIONS ARE MADE UP OF PEOPLE, SO HOW PEOPLE LEARN WILL DRIVE THE SUCCESS

why not use lean to do so? You will make things around you more effective. You might get upper management support because of those results. And hopefully you will also learn, which is all the reason any of us should need.

Q: How to motivate people to implement lean when we are cutting overtime by implementing lean?

A: You can't, at least you can't motivate people when taking their money away. If you can replace that overtime pay with incentives tied to the profitability of the company, then you might have something. But if people take home less money, they will not be happy with the result. Some organizations hate overtime, but many seem to revel in it based on the increase in pay. If you have no room to change the incentive system, then you will have to accept their point of view, and motivation will not be part of it. The best thing you can do is move through the transition as fast as possible, let the dust settle, and rebuild from there.

Q: If my company only focuses on short term profitability, how do you apply lean? It's easy to apply lean tools but it's hard to change the culture in a short time.

A: I would say it's very hard to change the culture in a short time. But short term results and long term culture change do not have to be mutually exclusive. You need a long-term vision of the culture change you want. As you work on the problems and processes that are required to deliver those short-term results, do it in a way that builds the culture one step at a time. It's slow and steady but it works.

Q: How does one learn to be a lean leader?

A: My first suggestion is to kick out the crutch. What I mean is to develop as a lean leader you need to leave your comfort zone and it helps if you have

something to force you out of that comfort zone. A crisis will do that but you can't create a false crisis so you might find another way. Take on a new role that you are not really prepared for, sign up for a near-impossible challenge or remove whatever security blankets you have around your process. Next you have to begin by applying lean to your own work. Between what you learn and what you demonstrate, only by practicing lean on your own work will you become an effective lean leader. You must be a learner first. Lean is about how an organization learns, but organizations are made up of people, so how people learn will drive the success of lean. Regularly experiment and reflect on your own work. Finally, engage people from where they are and help them move forward to their own idea of progress. Don't stand in a field asking for everyone to join you. Don't ask people to make an impossible leap. Don't ask them to give up their own pursuits to join yours. Take your knowledge, skill and vision from lean and help the person move forward from where they currently are.

Q: Do you have any specific recommendations for an organization that is taking lean to non-manufacturing operations?

A: The main reason lean has had so much more activity in manufacturing rather than business processes is that in

general, manufacturing is much easier to see and much easier to measure. You can count parts coming off the end of the process by the minute and physically see a change as you make it. Also, in many organizations, manufacturing represents a large percentage of the overall population and cost. That being said, lean has always applied to business processes, and that is nothing new. It's the 'how' that matters most. First, don't just copy the manufacturing solutions. For example, if 5S is about organizing your tools and materials so that you have what you need and can spot problems quickly, how does putting a label around your stapler and pencil contribute to that? Your primary tool is information. Get that organization. Spot problems quickly - what's missing, what's out of place, what's a problem. Second, the concept of directly observing work is even more important and harder. You can't observe the process of "closing the books" like you can "load the machine." You must develop the skills and principles of observation more deeply and make more strategic use of observation tools such as process mapping (and value stream mapping is rarely, but sometimes, the right mapping tool). Second, the concept of standardization is also harder and often rejected: "we don't do repetitive work." Yes you do, the output just isn't standardized. Consider a legal contract review. That's a process. The size, issues, players and about two dozen other variables are always different, but the process you and the organization should go through can be standardized, just as an author has standard work for how they



develop an idea into a final product. Finally, because business processes are inherently less visible, you have to work hard to make them visible. Develop signals, triggers, metrics and visual management for how the work is done. The visibility is so that you can see problems as they occur and see improvements as you make them. This is challenging work, but the standard is still the same - to be able to walk into an area and tell it's status at a glance, and know what is needed.

Q: Why does Toyota share what they do so openly?

A: First, I do not really know the answer, I can only really speculate based on conversation and observation. It may

very well be that they regret going as far as they have in this regards, I don't know for sure. But first, I believe that they know that the real essence of what they are all about cannot be copied. You can copy tools, but you cannot copy how people think. We have always said that lean is not born from what you see but from how we think. It's easy to copy the stuff you see at Toyota. Hundreds of companies have walked their lines, seen something powerful like the andon cord. They measure how high to make, what color to make the lights and what music to play. But the dance of engagement between the team member, the customer, and the team leader, the supplier of help, that is understood in how they think about that work. You can't

copy thinking, and Toyota knows this. Second, I believe they get better at understanding themselves with every tour, every visitor. Through the questions and need to articulate, it forces them to think more about what they do and how they do it. I believe this is the benefit for any company providing a tour. While your tour for your benefit, they benefit as well. I encourage one award-winning company who was going to host a tour for a conference to hand-out 3x5 cards and ask every visitor to leave them one idea to improve. Even if only 20 percent of them are worthwhile, imagine how useful that feedback can be if acted on.



Lean Quick Tip

By: Andy Carlino

RSR Inc, one of the world's largest lead processors, has found a simple means to deal with two common organizational issues; company communication and surfacing problems.

The first issue, and a common lament in most organizations, is the quantity and particularly the quality of the communication from the shop floor to management and back. The concern is not as much with input as it is with feedback. In interview after interview we hear both management and the shop floor comment on how often communication is "one way". The second issue is the inability to routinely surface the small day-to-day problems that repeatedly plague an organization. Most organizations have

mechanisms to surface and certainly respond to the big problems. However, our assessments have shown time after time that most organizations do not have the mechanisms, the signals (andons), to surface the small problems. Experience has proven that it is often the small problem or a combination of the small problems that results in the big problem.

RSR's answer—erasable white boards and a flat screen TV. In all 3 of the US plants, RSR has mounted erasable white boards in locations that are impossible to miss by the workforce. Each employee is instructed in the purpose and use of these white boards. Anytime before, during, or after any of the 3 daily shifts, the employees are encouraged to identify and post on the whiteboard any issue, concern, problem

or improvement suggestion that will impact safety, productivity or the general wellbeing of the organization. Each morning, before the start of the first shift, the plant manager responds to every comment on the whiteboard and the whiteboard comments and plant manager responses are broadcast and continuously scrolled on the flat screen TV located in the lunchroom for all to see. Then the process starts all over again the next day. The positive comments from the employees regarding the whiteboards and TV are overwhelming. This is a simple, although not always easy, solution that requires two conditions. First; there must be a structure and rules for the use of the whiteboard and second; the plant manager or his representative must respond every day.

OFTEN IN OUR TRAVELS

WE COME ACROSS MANY

WONDERFUL THINGS OUR

CLIENTS ARE DOING ON

THEIR LEAN JOURNEY

AND IT SEEMS ONLY

RIGHT THAT WE SHARE

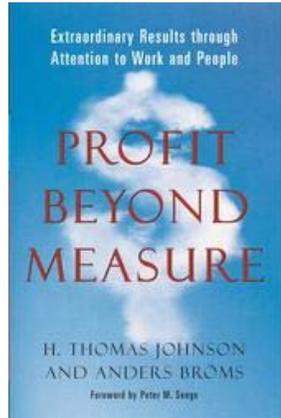
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Lean Book Reviews



Profit Beyond Measure: Extraordinary Results through Attention to Work and People

By **H. Thomas Johnson and Anders Bröms**

Book description: what's the key message?

Profit Beyond Measure establishes “True North”, or the ideal state, for the growing lean accounting movement, a growing sub-set of lean. Tom Johnson, the lead author, has a rather aggressive view having stated that “it is time to take the accounting out of management.” Although extreme and not necessarily adopted by other lean accounting authors, there is no question that Profit Beyond Measure sets the standard. There are two primary messages that best summarize the content of this book. The first is MBM, or Management by Means. This is a direct counterattack to MBR, or Management by Results. MBR focuses on quantity. It focuses on the outcomes of processes, using motivation, incentives and trial and error to achieve the desired outcome. In contrast, MBM focuses on relationships and processes. Means are ends in the making. If you get the processes and relationships right, you will get the desired outcomes.

The middle of this book explores

three examples, two based on companies and one solution set, based on the concept of Management by Means. The first is titled Product to Order and focuses on Toyota. Johnson’s over 30 visits to Toyota help him relate the concept of Management by Means to Toyota’s production system. He discusses concepts including jidoka, takt time, standardized work, just in time and Heijunka, but not in great detail. He equates the Toyota Production System to a living, organic system. Perhaps the most revealing section of this chapter focuses on Management accounting at Toyota in Georgetown versus in Japan, explaining that the Toyota Production System in Japan succeeded in spite of their traditional standard cost systems, and took the time to design a new system when launching in the U.S. The next chapter is Design to Order, and it focuses in on Scania, the Swedish heavy truck manufacturer, as a case study. The case places a heavy emphasis on modular design, which by itself is not that original, but emphasizes the design and management system designed around the modular design as the key to their sustained success, which the company truly has had. The next chapter, Assess to Order, returns to the primary author’s roots with a focus on measurement systems. This chapter is significantly more theoretical than the previous two chapters. A section heading “moving managers from targets to pathways” gives you a good idea of the message, but it focuses much of its time on analysis by order-line, which is almost a unit-by-unit, not average unit, costing system. The details are sorely lacking, however,

and while helpful conceptually leaves many of the details to the reader.

The final section of the book brings it all together with an emphasis on living systems. The most valuable element of this are the principles of living systems. While applying these principles is no trivial task, they could be used in organizational and process design and management. The first principle of living systems is self-organization. A living system is able to organize itself naturally towards its objective. From the book: “creative energy continually and spontaneously materializes in self-organizing forms that strive to maintain their unique self-identity.” The second principle of living systems is interdependence. Everything is dependent on something else. Every action has some reaction. And you can’t just do “your thing.” In the words of the authors: “interdependent natural systems interact with each other through a web of relationships that connects everything in the universe.” The third principle of living system is diversity. This is not in the human-resources sense, although that would be included, but diversity of all kinds. Diversity is a positive outcome of natural systems and the relationships build within. As stated in the book: “diversity results from the continual interaction of unique identities always relating to one another.”

How does it contribute to the lean knowledge base?

Tom Johnson, along with

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Robert Kaplan, rocked the world of managerial accounting in 1987 with the book *Relevance Lost*, declaring that the practices of accounting that had served managers for decades were no longer appropriate and useful. Since that time, both authors have pursued the solution, albeit in very different trajectories. *Profit Beyond Measure* represents Johnson's path of study. The influences on this study are very clear. It is dedicated to Dr. Deming, a long advocate of a focus on systems. The foreword is written by Peter Senge, who popularized the concepts of organizational learning and systems thinking. Going forward, this book will ultimately influence many others. Few use it as a guide for implementation, but it is an important and popular thought starter. Tom Johnson is considered a founding father of the popular movement of lean accounting, and this book is the primary reason why.

***What are the highlights?
What works?***

The central highlight, and

benefit, is that this book uncovers a valuable perspective that will help any lean thinking that can not be found as well articulated anywhere. This is not to say this is "the" lean book, but it is unique. The relationship of lean to living systems, accounting / measurement systems and Management by Means can not be found elsewhere. The use of both case studies, Toyota and Scania, are useful. And the frameworks, concepts and language introduced here are some of the most original thinking on the topic available.

***What are the weaknesses?
What's missing?***

There are two primary weaknesses. The first is the redundancy of the same points being made over and over again. While repetition is the key to learning (we all remember our multiplication tables) this overdoes it. Most readers will "get it" by chapter 1 and while the rest of the book has value, too much of it gets tiring. The second is

the lack of any practical advice on "what do I do?" This was never meant to be a how-to book, but there is a very large chasm between the theory of the book and the user being able to apply it. Some guidance at least would be helpful.

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

You should not read this as your first lean book, nor should you read this if you are not ready for its message. This book will not "sell you" on the concept. If you aren't curious about living systems and lean, you are not likely to finish it. Read this as an intellectual pursuit and most importantly, work towards integrating the knowledge gained into your existing frameworks rather than attempting to apply it directly.



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What Does Culture Have To Do With It?



By: *Melissa Curtis-Hendley*

You're a lean specialist that just returned from an outstanding benchmarking visit. You saw a whole new way of engaging leaders and front-line employees in your lean transformation. Best yet, you acquired a new set of tools that you are certain will work in your operations. Everyone is going to be as fired up as you are.

After a few months trying to copy what you saw, the successes have been limited. The new ideas you brought have been met with waves of apathy, or in the worst case outright rejection. Common refrains like: "We can't do that here", "We're not like them", and "We've been down that road before and it just doesn't work", are heard in meeting after meeting. Sound familiar?

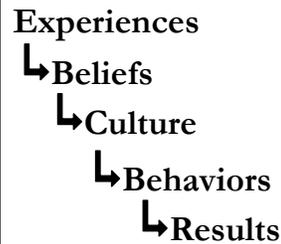
What is missing when seemingly good approaches are not easily disseminated? Charles F. Kettinger once said that 'people are very open-minded about new things as long as they're exactly like the old ones.' The apathy and rejection that you are encountering is more than likely the result of problems that exist in the culture of your company and its natural immune system.

What is Culture?

Culture is a powerful and influential force within an organization. Culture is the human element of the organization...the habits and behaviors that people develop, the relationships that cultivate, and the evolution of how people respond to problems and adversity. Think of culture as an organizational autopilot. Once people arrive at work, they all

behave in unison without any conscientious thought behind their actions.

In a nutshell, culture answers the question, 'why do people do what they do?' We offer the following equation to help answer this question:



Experiences develop our beliefs. Our shared beliefs develop the culture. The culture dictates the behaviors of the people. The collective behaviors of the people create the organizational results. Results are contingent upon the first four factors in the equation occurring in the specific order shown.

Cultural Pitfalls

Working with many different clients in a myriad of industries, we have seen a number of reasons why the culture of the company fails to change. This failure to change has often halted the success of the lean transformation. We will quickly take a look at some of the pitfalls that our clients have encountered as a result of the experiences, beliefs and behaviors that have developed within the organization. We will also provide you with simple strategies to combat these pitfalls. Recognizing that cultural change is a massive topic, our goal here is to simply trigger some thought

starters for you to consider if your lean transformation has been stagnant rather than moving forward toward the ideal state.

Complacency

Complacency is a dangerous cultural pitfall that often halts lean change and success. It is often characterized by statements such as, 'we've always done it this way,' and 'it's been working this way for years.' When the cultural focus is on successes of the past, people see no need for change and no benefit in supporting such a change. To combat this pitfall, acknowledge the successes of the past, but don't dwell on them. Reiterate that successes of the past will not guarantee continued organizational success and stability. If we focused on past success, our culture would still be using typewriters, communicating via written letters and confined to landline telephones.

Accounting, Measurements, Controls and Incentives

We often encounter organizations that are frustrated by their halted success and can't identify its origin. They've trained their people, implemented some tools and still have not experienced any results. The problem may not be with your people, but with your organization's measurement system. The people are working towards the measurements that were established



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LEAN INSTRUCTIONAL
DESIGNER**

long before the change effort began and those measurements run counter to lean. Consider some of the measurements that we have encountered that run counter to lean change:

- Measurements that measure individuals rather than processes
- Measurements that prioritize and reward departmental accomplishments while inadvertently encouraging counterproductive competition
- Departmental goals that are in direct conflict with organizational goals

Consider your organizational goal and then compare each of your measurements, controls and incentives to lean thinking. Are your measurements reliable and valid? Your measurements and incentives may be reliable in the fact that they produce the same results time after time after time; however, they may not be valid in the fact that they are not producing the *right* results.

To illustrate the difference between reliability and validity, consider this common example. The sales depart-

ment has consistently exceeded its monthly sales quotas for the past three months. Although sales have skyrocketed in the past three months, customer complaints of back-ordered products and late deliveries have also skyrocketed. Why? The sales department is achieving its incentive at the expense of other departments by promising goods within an unrealistic time frame. The incentive is reliable in the fact that goals have been exceeded month after month after month; however, the incentive isn't valid because it isn't producing the *right* result.

No Established Vision

Organizations often talk about pursuing the ideal state and work hard to spread this message throughout the organization. Problems develop when the organization works diligently on the message, but has not taken the time to envision what the ideal state looks like. How do you know what you are working towards if you haven't taken the time to define it? What ends up happening is people inter-

preting what 'ideal' means to them and working towards that. Without a common sense of direction provided by the organization, people who should be working as a team will unknowingly end up in constant conflict with one another by focusing on their individual goals rather than the organizational goal.

To combat this pitfall, take the time to define what the organization is working towards. The organizational vision will ensure alignment of departmental and individual goals.

Communication

The organization pulls everyone together for a town hall meeting to kick off their lean transformation. The executives deliver messages such as 'we're all in this together,' and 'your input and involvement will ensure our future success.' With the exception of the occasional memo, the executive team isn't heard from or seen in the months following the kickoff meeting. An employee approaches his su-



**AN
ORGANIZATION'S
CULTURE IS
CRITICALLY
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LEAN
TRANSFORMATION**



What Does Culture Have To Do With It? (Cont.)



pervisor with an improvement idea in which his idea is immediately dismissed as 'not feasible.' 'Talking the talk' occurs often because it is easier than 'walking the walk.' When making this choice, consider the fact that people will follow by example more so than follow verbal direction.

Are behaviors within your culture consistent with the messages being disseminated? The first step to combat this pitfall is to practice what you preach personally. Another strategy is to take the opportunity to coach others whose actions and messages are in direct conflict with one another.

Bad Systems Beat Good People

A problem has developed on the production floor. The equipment has failed and the production line has now been shut down. What we have often encountered from our clients is their rush to ask 'who' and not 'how.' For some reason, it gives us personal satisfaction to place blame on a person, but at the end of the day, that blame moves us no closer to the ideal state. What we fail to realize when placing the blame is that a person's performance can only be as good as the process that they are using to produce it.

It takes discipline to re-program ourselves to focus on the 'how' rather than the 'who.' To combat this natural reaction, start by applying the Five Why's. Why did the equipment fail? The circuit board burned out. Why did the circuit board burn out? Because the circuit board overheated. Why did it overheat? Because the air filter hadn't

been changed. Why had the filter not been changed? There was no schedule in place to indicate when the filter should be changed.

The Victim Mentality

When discussing change, we often hear responses such as 'we can't do this because of policies and procedures,' or 'we don't have the knowledge or skills to do that.' To combat these pitfalls, provide new experiences for people to gain knowledge and skills. This can be as simple as providing an article to read. As for policies, their intention is to provide guidelines, but they generally do not dictate how you achieve the final output.

When a policy presents a hurdle to your lean implementation, you should challenge its intention and purpose. For example, sign-offs are a typical form of waste that are often built into the policy. We encountered a client that required three signatures before work could begin on a project. When we applied the Five Why's, we discovered that the

intention of the policy when it was established years ago was to ensure that there would always be someone in the building that could prevent production delays. The organization had simply reinterpreted the policy to require all three signatures before the project could begin and was inadvertently creating unnecessary delays and waste. In short, we've never encountered a policy or procedure that specifically prohibits the usage of lean principles.

Final Thoughts

If your lean transformation has not experienced the success that you had anticipated, start by analyzing your culture's effect on your change efforts. Don't get frustrated with the results that you may find. Act upon them and enlist the help of others.

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THAN THE "WHO"**



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The Lean Learning Center was founded in 2001 by manufacturing and consulting industry veterans Andy Carlino, Jamie Flinchbaugh and Dennis Pawley to address the gaps and barriers that are holding back companies from successful lean transformation. In addition to the advanced curriculum, the Center has developed a learning environment designed specifically for adult learning, utilizing techniques that include discovery simulations, case studies, personal planning and journaling. Together, with affiliate Achievement Dynamics, founded by Andy Carlino in 1991, the companies offer a complete array of lean transformation services.

Lean Learning Center Announcements

LEAN VALUE STREAM IMPROVEMENT (2-DAY PROGRAM):

October 29, 2007

This is not just another value stream mapping course — it is called Lean Value Stream Improvement. While building maps is an important part of the process, it is not as important as how to understand, analyze and dialogue about the gap between where you currently are and where you want to be. This course will cover the whole process — mapping, thinking, team views, priority setting and tools for closing your gaps. You will leave not just with an understanding of how to build and utilize value stream maps but you will also have the ability to turn that into a powerful program for change — including all the slides you need to teach, facilitate and lead.

KEY BENEFITS

1. Learn how value stream improvement goes beyond building maps.
2. Be able to lead a team through building tension between an understanding of the current state and a vision of the ideal state.
3. Prioritize your efforts effectively for the 'biggest bang for your buck.'
4. Leave with all the tools (including materials) and knowledge you need for value stream improvement.

DAY 1 – BUILDING TENSION

The first day focuses on building tension of your process—a deep understanding of the current state and ideal state. Using our LeanQuad Production System simulation you will experience building a value stream map, analyzing it and building an ideal state using a lean lens.

DAY 2 – CLOSING THE GAP

The second day will focus on building an effective plan for closing the gap. You will learn methods of analyzing the gap and prioritizing your plans, and you will be able to apply these lessons to the LeanQuad Production System to internalize the lessons. Finally, you will leave with an action plan for applying this powerful

For more visit
www.leanlearningcenter.com