

# The Habits of Lean Leadership

Sammy Obara  
Honsha.org



Lean Summit 2019



# honsha.org Corporate Responsibility



*"Honsha promises that a high sense of satisfaction comes with making a difference in the lives of others. They also promise a new level of respect working with those who have already made such missions their own mission for life. I cannot measure how my respect for these special individuals and organizations has grown and crystalized because of my experience in Lean For Hope. Thank you."*

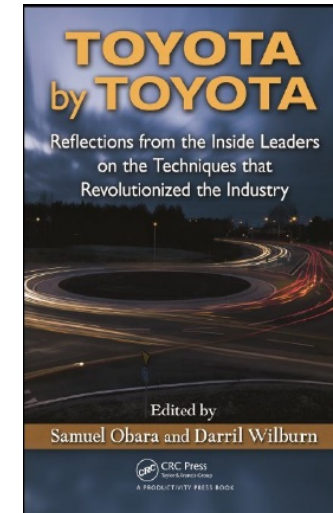
*Toni Davies  
Ph.D. – President at Davies Consulting, Inc. and LFH envoy.*



Wise Madness is a non-profit organization that takes young kids off the streets and provides them with guidance and mentorship to help make wise decisions and to navigate through the crazy life we all live. Honsha provides Wise Madness with financial support and uniforms for the kids



AME – Associação Missão Esperança (Brazil)  
Honsha helped improve the logistics methods for the distribution of medicine to remote villages in the devastated and poor areas of East Timor. When the Democratic Republic of Timor-Leste was just four years old Honsha helped its government by conducting seminars and coaching sessions aimed at supporting service organizations.



Toyota by Toyota Book  
All proceeds from the sale of this book are destined to help social purposes such as the ones on this page.  
Honsha extends its gratitude to the following co-authors who have agreed on forfeiting their revenue share.: S. Ansuini, G.Damiani, C.Fukamizu, R.Kitazuka, G.Lane, R.Martichenko, P.Muller, A.Norval, S.Obara, B.Plummer, A.Smalley and D. Wilburn.

# The Leadership Challenge

- **Changing habits: where does it start?**
- **Thinking, acting, habits.**
- **Can you change the way others think?**
- **3 Easy and Immediate Actions**

# Habits of a Lean Leader

3+ Vj g{ "etgcvg"ngcp"cy ctgpguu0

4+ Vj g{ "etgcvg"vj g"pggf "vq"ko r tqxg0

5+ Vj g{ "guvcdnkuj "uvcpf ctf u"cpf "utwewtg0

6+ Vj g{ "gpuwtg"eqo r nkcppeg0

7+ Vj g{ "kpukm"c"ugpug"qh"wti gpe{0

# What are the Odds...

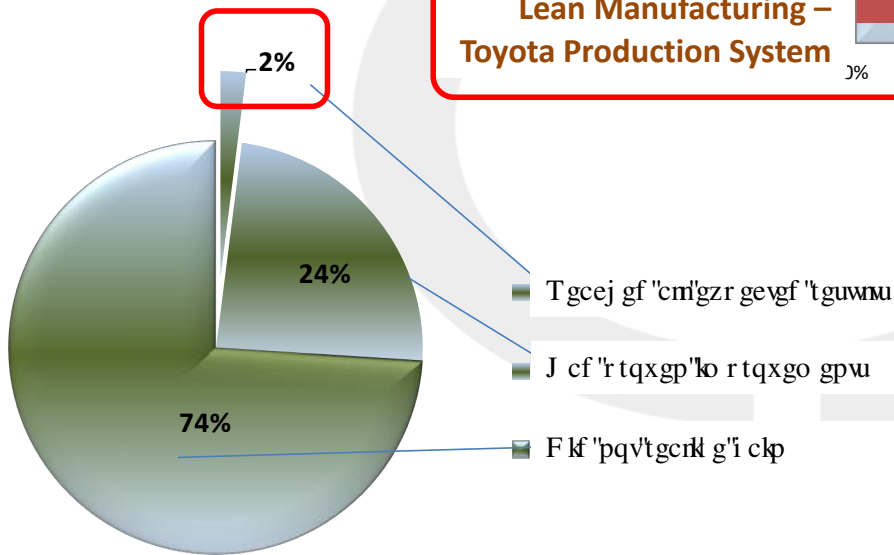
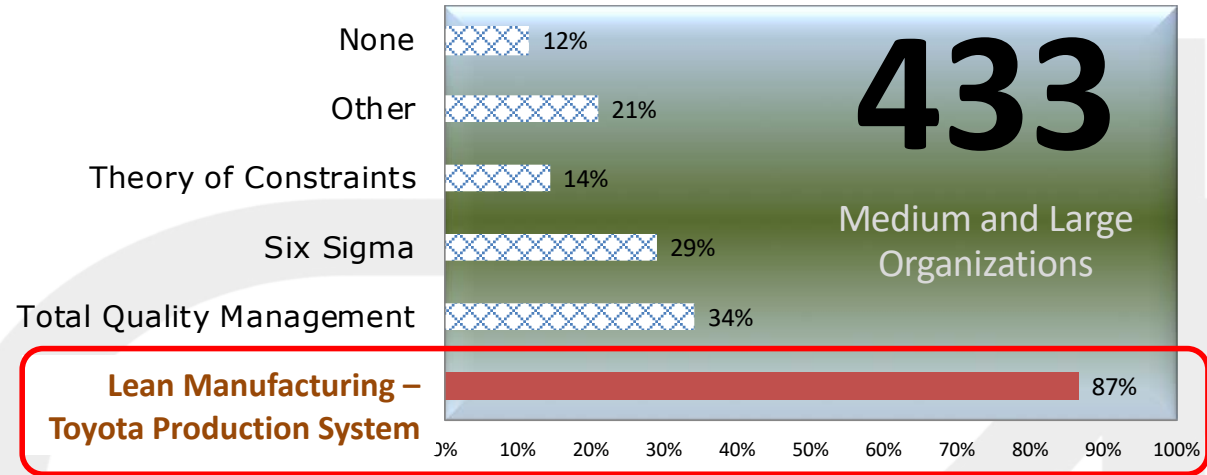


...lean will work here?



## Methodologies in Process Improvement

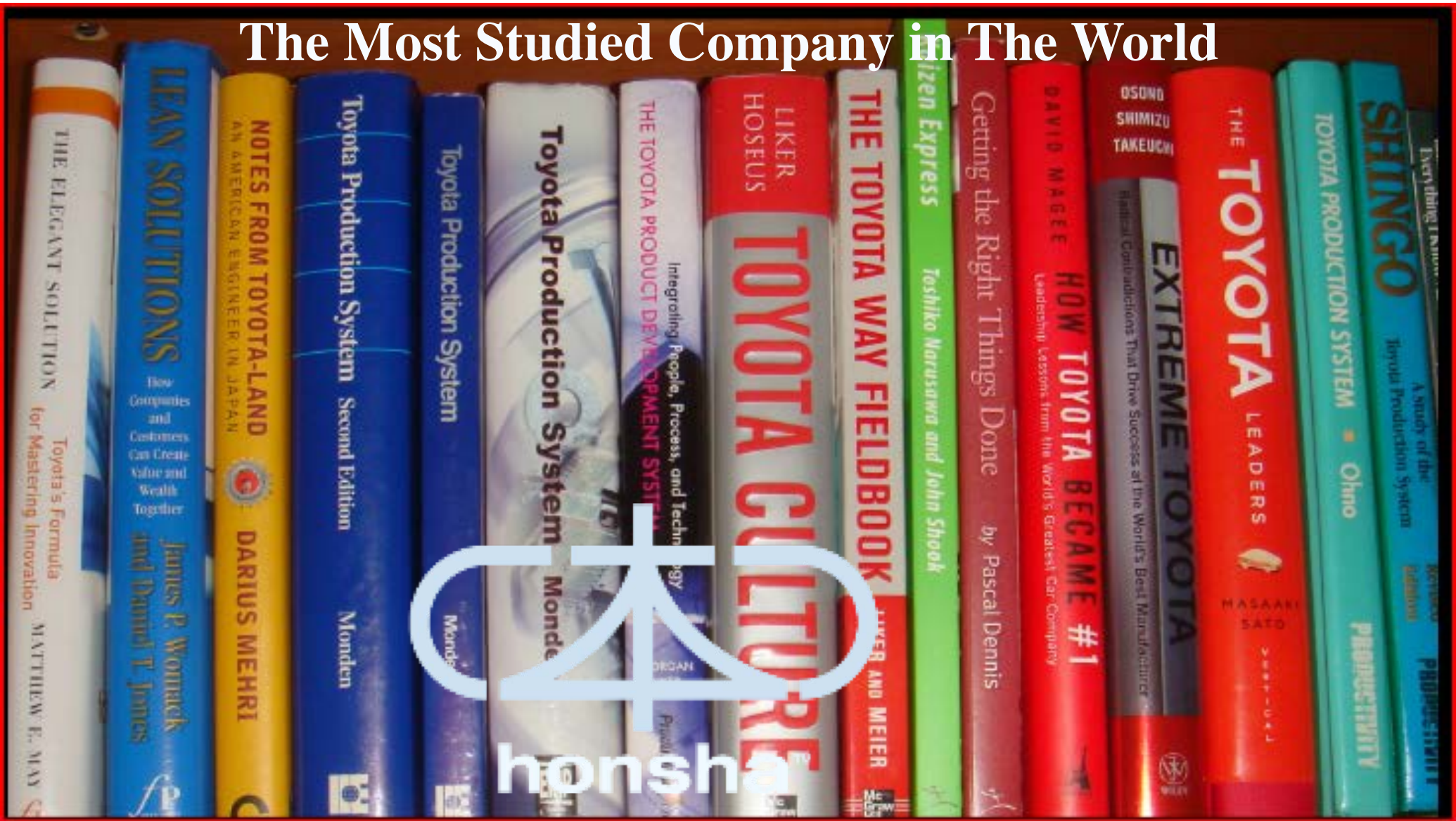
Multiple Answers Allowed



**7**  
Reached Expectations

**426**  
Did Not Reach Expectations

# The Most Studied Company in The World



Rishabh

# Why lean fails so often

**Forbes**

Why Lean Programs Fail --  
Where Toyota Succeeds: A New  
Culture of Learning

FEB 5, 2011 By Steve Denning



**Why Lean Programs Fail**

By Jeffrey Liker and Mike Rother

Toyota's success has inspired tens of thousands of organizations to adopt some form of a lean program. The term was introduced in *The Machine That Changed the World* and later in *Lean Thinking* as a new paradigm that was as monumental as the shift from craft-style mass production. The focus of lean is on the customer and the value stream. You can say it is a pursuit of perfection by constantly eliminating waste through problem solving. Certainly an organization that is truly dedicated to becoming lean is on a path toward excellence.

Yet a large [survey conducted by Industry Week in 2007](#) found that only 2 percent of companies that have a lean program achieved their anticipated results. More recently, the Shingo Prize committee, which gives awards for excellence in lean manufacturing, went back to **past winners and found that many had not sustained their progress after winning the award.**

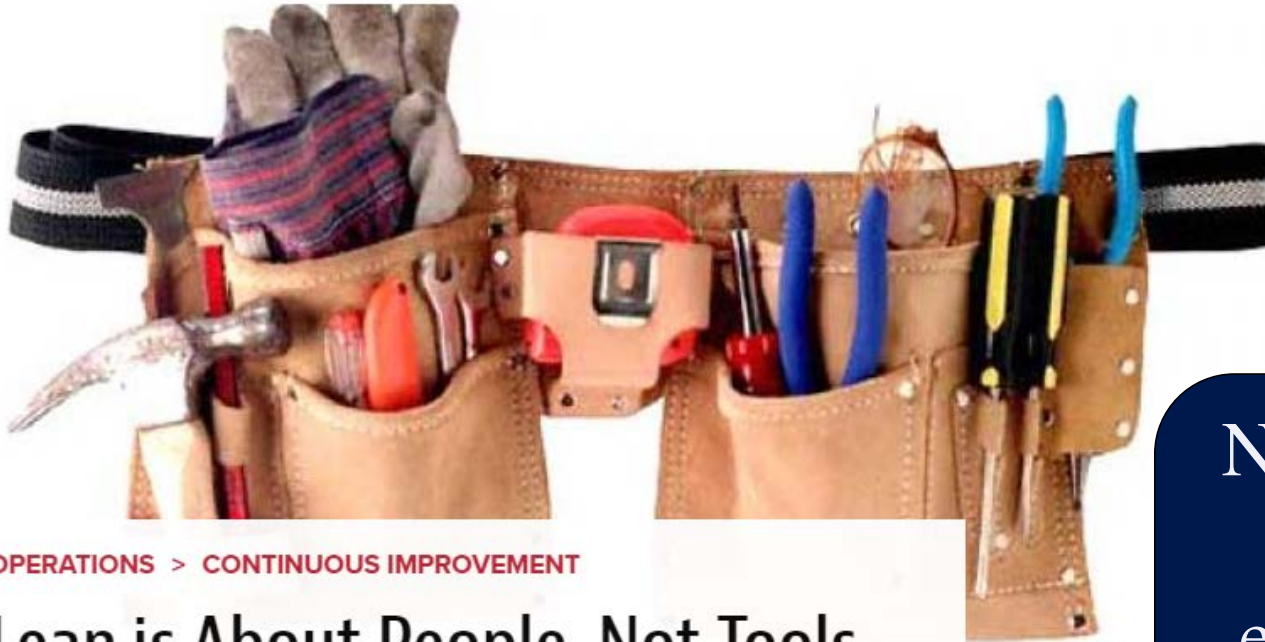
*"We have both concluded from our different journeys and experiences with companies that people have had a fundamental misunderstanding of what the Toyota Production System is in practice."*

**Why Lean Manufacturing Fails**

Mike Thelen 10

During both prosperous and difficult times, successful businesses naturally look for new ways to grow. However, in recent years, as the world economy suffered through one of the worst recessions in history, many companies turned in droves to Lean and other variations of continuous improvement programs to rescue their sales. But how do they really learn during this process?





OPERATIONS > CONTINUOUS IMPROVEMENT

## Lean is About People, Not Tools

What companies fail to learn is that, for their lean journey to be successful, they must not only deploy knowledge of Lean tools, but entirely change the culture of their business.

Ngcf gtu'hckn'kp"  
ngcf kpi "yj g"  
ej cpi g'kp"yj g"  
ewmwtg



*"I'm afraid you've had a paradigm shift."*

# Paradigm Shift

Cy ctgpguu"? 'Rgtegr vkqp

Rgtegr vkqp 'ku'c't guwn'qh' { qwt 'r ctcf ki o 0

# Paradigm Shift

Ecp "{ qw'ej cpi g'vj g"  
y c { "{ qw'vj kpmA

Lcr cp'xu0Y qtrf

**Why would a \$30,000,000,000  
company need to save 1 second?**



**Why should any company need to  
waste an extra second?**

# Waste Awareness



OVER-PRODUCTION



MOTION



INVENTORY



TRANSPORT



CORRECTION

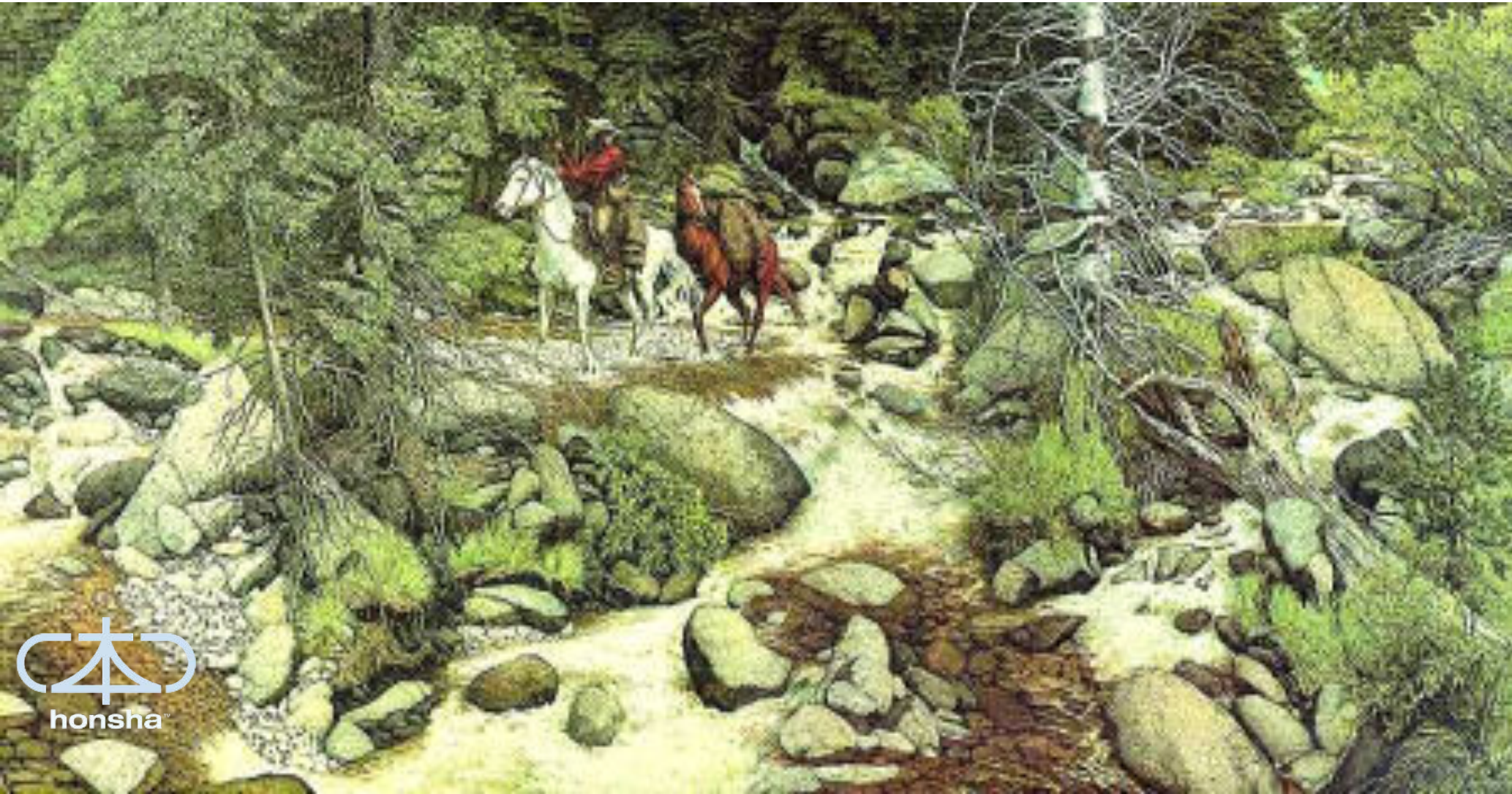


WAITING



OVER-PROCESSING

**WASTE**



# Paradigm Shift

Ecp "{ qw'ej cpi g'vj g"  
y c { "{ qw'vj kpmA



# No Space, No Resources, New Thinking



# Paradigm Shift

F q'vj g{ 'uvm'p g g f 'vq'ucxgA

J qy "o wej "f qgu"c"i cmqp"qh'y cvgt"equvA



**本**  
honsha™

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honsha™

# Paradigm Shift

F q'vj g { 'uvm'pggf 'vq'ucxgA

Y j { 'f qgu'vj g'y qtnf ûu'5<sup>tf</sup>

mti guv'geqpqo { 'uvm'f q'vj cvA

~~Do they really need to save one  
gallon of water?~~



Why should anyone **waste an extra  
gallon of water?**

# Paradigm Shift

Ecp "{ qw'ej cpi g'vj g"  
y c { "{ qw'vj kpmA

Vq{ qvc'xu0Y qtrf



HONSHA.ORG  
**EXECUTIVE DEVELOPMENT  
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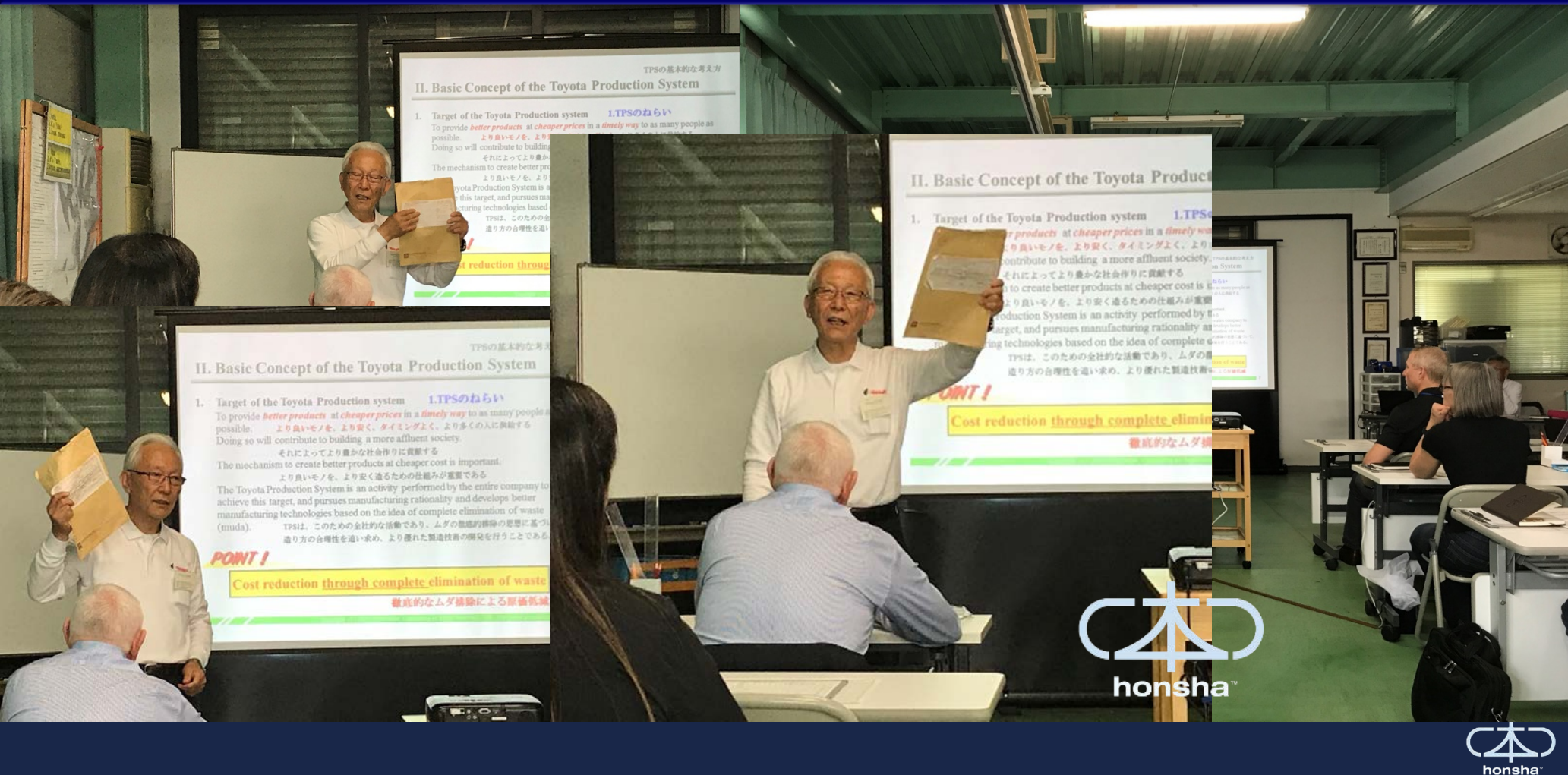


# EXECUTIVE DEVELOPMENT MISSION LEARN LEAN IN JAPAN

[www.honsha.org/jpexecutivemission](http://www.honsha.org/jpexecutivemission)



# Toyota Sensei - Ishigaki san





**Why would a ~~\$300,000,000,000~~ company need to save 1 cent?**



**Why should any company need to waste an extra cent?**

# Paradigm Shift

Ecp "{ qw'ej cpi g'vj g"  
y c { "{ qw'vj kpmA

# Paradigm Shift

J qy "f q"y g"j kpmA "Xu0" "J qy "uj qwf "y g"j kpmA

~~Y j { "uj qwf "Kucxg"lwuv~~

Y j { "uj qwf "Ky cuvg

c"egpvA

c"i cmqpA

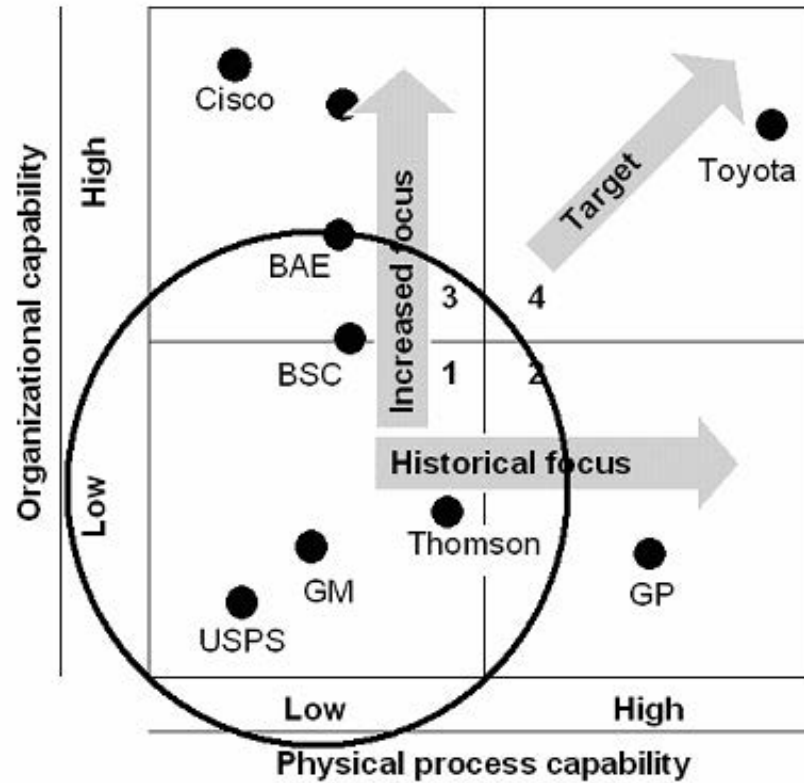
c"o kpwgA

c"uvgr A

Gve00A

GveÁ

# McKinsey&Company



- Must increase focus on organizational capability building
- More awareness of a company's organizational capability will allow for a more effective engagement structure and success

## GM posts record 2Q profit



July 18, 2000; 11:54 a.m. ET

Automaker beats forecasts despite drop in North American share, profits

NEW YORK (CNNfn) - General Motors Corp. reported a record second-quarter profit Tuesday, beating Wall Street forecasts despite some loss of market share in its home market.

Company officials say that, despite some soft North American sales, it is on target to meet forecasts for the year -- and that it is eyeing additional repurchases as a way of continuing to improve share.

The world's largest automaker reported second-quarter income of \$1.8 billion, or \$2.93 a diluted share, versus consensus forecasts of \$2.82 a share, according to I/B/E/S, which tracks analysts' estimates. A year earlier, GM reported income of \$1.7 billion, or \$2.66 a share.

Revenue rose to a record \$48.7 billion in the quarter as the number of vehicles sold rose to 2.3 million worldwide from 2.33 million.



But GM also reported a drop in operating profit in its core North American market.

[SAVE THIS](#)

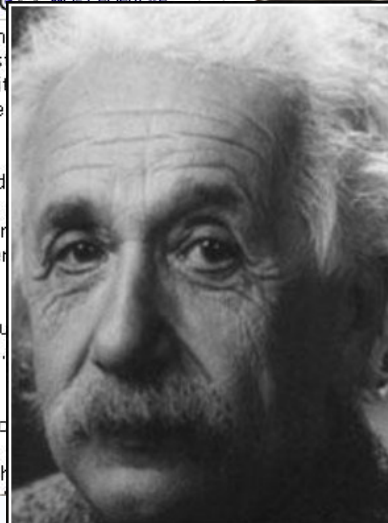
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— ADVERTISEMENT —



The only thing more dangerous than ignorance is arrogance

— *Albert Einstein* —

# BUSINESS

& THE ECONOMY

**DOLLAR**  
ONE U.S. DOLLAR EQUALS  
**PESO** ▲ +0.094 10.792  
**YEN** ▼ -2.09 112.63  
**EURO** ▼ -0.0037 0.6832  
**INSIDE:** Market roundup C2

THURSDAY  
November 8, 2007



THE SAN DIEGO  
UNION-TRIBUNE

Virgin America, praised for its low-cost, high-tech flights.



## GM sets company record for worst loss in quarter

Shares fall more than  
6%; S&P lowers rating

**By Tom Krisher**  
ASSOCIATED PRESS

DETROIT — General Motors posted a company-record \$39 billion loss yesterday for the third quarter, as a charge involving unused tax credits brought an abrupt end to a string of three profitable quarters for the na-



Wednesday, April 1, 2009

Starliner: The debt-ridden talks take on Detroit, Thomas 68d, 5B

# Moneyline

## Tuesday markets



Index	Close	Change
Nasdaq composite	1528.95	▲ 26.75
Standard & Poor's 500	797.97	▲ 10.34
Brent oil, 10-year yield	2.67%	▼ 0.05%
US 10-year Treasury bill	6.14%	▲ 1.89%
UK bank interest rate (annual)	5.75%	▲ 1.25%
Euro (dollars per euro)	\$1.3781	▲ 0.0121
Yen per dollar	98.07	▲ 1.9800

# GM's new CEO open to bankruptcy

## Henderson's plan will go 'deeper, harder and faster'

By Sharon Sibley Curry  
USA TODAY

DETROIT — General Motors CEO Frederick Henderson said Tuesday GM will do whatever it takes to meet the government's restructuring goals, even if it means a Chapter 11 bankruptcy filing.

Standing on the same stage at GM headquarters where just six weeks ago then-CEO Rick

**Autos** Wagoner laid out what he called a "significantly more aggressive" restructuring plan, Henderson said GM will do more. More plants could close. Dealers could shut down faster than expected. More jobs could be lost, Henderson said the new plan would go "deeper, harder and faster" to meet the goal. And, he added, a bankruptcy filing is starting to seem more probable. "If I was op-

posed to bankruptcy," he said, "I would have said so" as becoming GM's CEO.

Wagoner's Feb. 17 plan called for closing five more plants in the United States than previously announced, bringing total plant closures over the next three years to 14, eliminating 47,000 jobs worldwide this year and shedding 20,000 in the U.S. by 2012.

Wagoner, ousted over the weekend by President Obama's automotive pick,

had long opposed filing for bankruptcy protection as a strategy for cutting GM's debt load and forcing more competitive labor contracts on union workers. He feared a bankruptcy filing would dry up GM's customer base if people fearing the company was going out of business avoided buying its vehicles.

Obama's plan, laid out Monday, calls for the government to backstop GM and Chrysler warranties, which might allay buyer concerns. The companies



Henderson: New CEO at GM.

have gotten a combined \$11.4 billion in federal loans, which have kept them afloat during the sales collapse and have added to GM's \$12.8 billion more.

The auto task force judged the automakers' plans to become viable independent, however, and Obama on Monday gave GM 60 days to meet more aggressive targets before it could qualify. Chrysler, judged not able to stand alone, got 90 days to complete its proposed partnership with Fiat.

Some GM watchers, including Henderson, a Detroit native who worked as closely with Wagoner he said he knew what Wagoner was thinking after a few words, can make the changes.

He "seems to have a very similar background to Wagoner," says Stephen Spring, senior auto industry analyst for Frost & Sullivan. "I'm not sure it's going to make a difference."

Hor





1927

**1991**



1908

**2001**



1972

**2013**



**2019..2020...2021..**



# Step - Urgency

Ecp" { qw'et gcvg'vj g"  
ugpug"qh'wti gpe { A

J qy "ecp" { qw'kpuvkn'c "ugpug"qh'qy pgtuj kr "cpf "wti gpe { 0

# Creating The Need

## The Burning Platform



3+ F kg"d{ 'ht g

4+ F kg"d{ 'y cvgt

5+ F q"uqo gj kpi Á



# “Amazon will go bankrupt.”

Lghh'Dgl qu

BUSINESS INSIDER

TECH | FINANCE | POLITICS | STRATEGY | LIFE | ALL

PRIME | INTELLIGENCE

## 'I predict one day Amazon will fail. Amazon will go bankrupt': Jeff Bezos makes surprise admission about Amazon's life span

Isobel Asher Hamilton



Jeff Bezos predicted to Amazon employees last week that "one day Amazon will fail," according to a recording of an internal meeting heard by CNBC.

Amazon staffers told CNBC that issues such as government regulation and potential antitrust violations worried them.

Bezos added that Amazon's job was to delay failure for as long as possible by focusing on its customers.



Amazon CEO Jeff Bezos. Photo by Drew Angerer/Getty Images

With the company valued at just shy of \$1 trillion and Bezos being the richest man in modern history, the Amazon CEO said his 24-year-old firm was far from invincible.

# FORTUNE

## THE WORLD'S MOST ADMIRABLE COMPANIES



1. General Electric
2. Toyota
3. Procter & Gamble
4. FedEx
5. Johnson & Johnson
6. Microsoft
7. Dell
8. Berkshire Hathaway
9. Apple Computer
10. Wal-Mart



■ Toyota hopes its full-sized truck, the Tundra, will lead a category dominated by Detroit.

**No surprise here: General Electric** is the World's Most Admired Company—for the sixth time in eight years. But the breakout performer on our global list is Toyota. By rising three spots to replace Wal-Mart as No. 2, Toyota became the highest-ranking non-U.S. company in the nine-year history of the international Most Admired list. Japan's top carmaker is churning out profits in a tough industry, earning \$11.4 billion in 2005—more than the next 12 carmakers combined. By the end of 2006, Toyota is set to overtake GM as the world's biggest producer of cars and trucks.

As in past years, the global list was dominated by American companies, which took 16 out of the top 20 positions and 32 of 50 overall. The survey's 8,645 executives, directors, and analysts in 23 countries and at 351 companies (211 outside the U.S.) rewarded companies that delivered results. Europe's top company, BMW (No. 13), is the world's luxury-car leader—overall sales volume grew 5.5% to set a new record. Singapore Airlines (No. 19) jumped nine spots. Nokia hung in there at No. 20, making it the highest-ranking telecom company. And South Korean consumer electronics leader Samsung (No. 27) jumped 12 spots. For the first time that put it ahead of archrival Sony, which fell 19 places to No. 34. — *Telis Demos*

Uqwt eg<'Hqt wpg'b ci cl hpq'! 4228

# Step - Need

Ecp "{ qw'et gcvg'vj g"  
pggf A

Y j cv'ecp'kv'dgA"Ku'f khkewv'vq'uggA""J qy "Vq{ qvc'etgcvgf "  
vj g'pggf "vq'eqpuxcpv'grko kpcvg'y cuvg

# Habits of a Lean Leader

3+ Vj g{ "etgcvg"ngcp"cy ctgpguu0

4+ Vj g{ "etgcvg"vj g"pggf "vq"ko r tqxg0

5+ Vj g{ "kpukm"c"ugpug"qh"wti gpe{0

6+ Vj g{ "guxcdnkuj "uxcpf ctf u"cpf "utwewtg0

7+ Vj g{ "gpuwtg"eqo r nkpeg0

# Habits of a Lean Leader

3+ Vj g{ "etgcvg"ngcp"cy ctgn

4+ Vj g{ "etgcvg"vi et

5+ Vj g{ " "nwti gpe{0

uj "uvcpf ctf u"cpf "ut wewt g0

7+ s g{ "gpuwtg"eqo r nkpeg0

**TGNCP VNGUUN**

# Habits of a Lean Leader

3+ Vj g{ "etgcvg"ngcp"cy ctgpgu0

4+ Vj g{ "etgcvg"vj g"pgef r tqxg0

5+ Vj g{ "kpuh pag"qh"wti gpe{0

6+ Vj g{ "gawcdnkuj "uvcpf ctf u"cpf "ut we wt g0

7+ Vj g{ "gpuwtg"eqo r nkpeg0

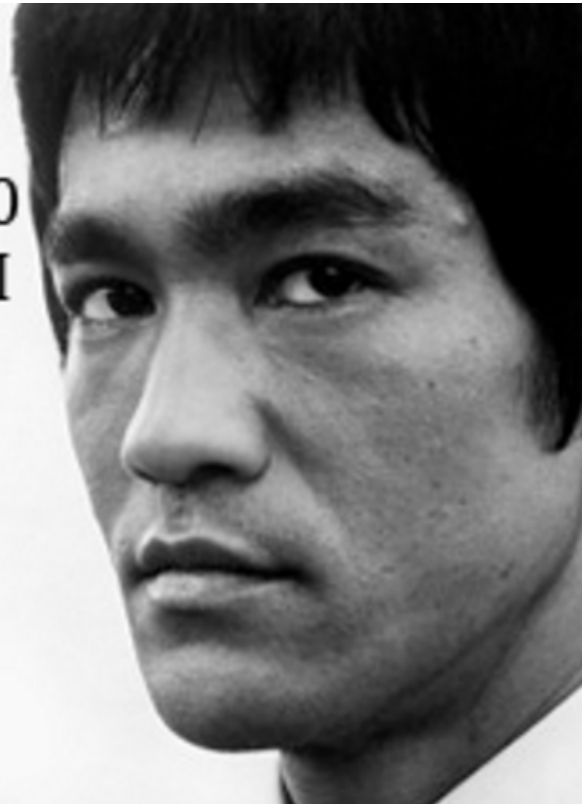
J QY "VQ"O CMG"CNN"VJ GUG"C"J CDKVA



# Vj g'Mcvc'Hcevqt

I fear not the  
man who has  
practiced 10,000  
kicks once, but I  
fear the man  
who has prac-  
ticed one kick  
10,000 times

*Bruce Lee*



**Repeat 10,000 times**

FQP ÎV"  
VJ KPM##



# Learn How to Think Different(ly)

by Jeff Dyer and Hal Gregersen

SEPTEMBER 27, 2011

**Repeat. Repeat. Repeat.** Researchers at Harvard Medical School found that if adults practice associational thinking long enough, the task no longer exhausts but energizes them. Like most skill-based activities, if we slog away at it and practice over and over again, the task becomes not life taking but life giving. And that's when the most creative ideas pop out.



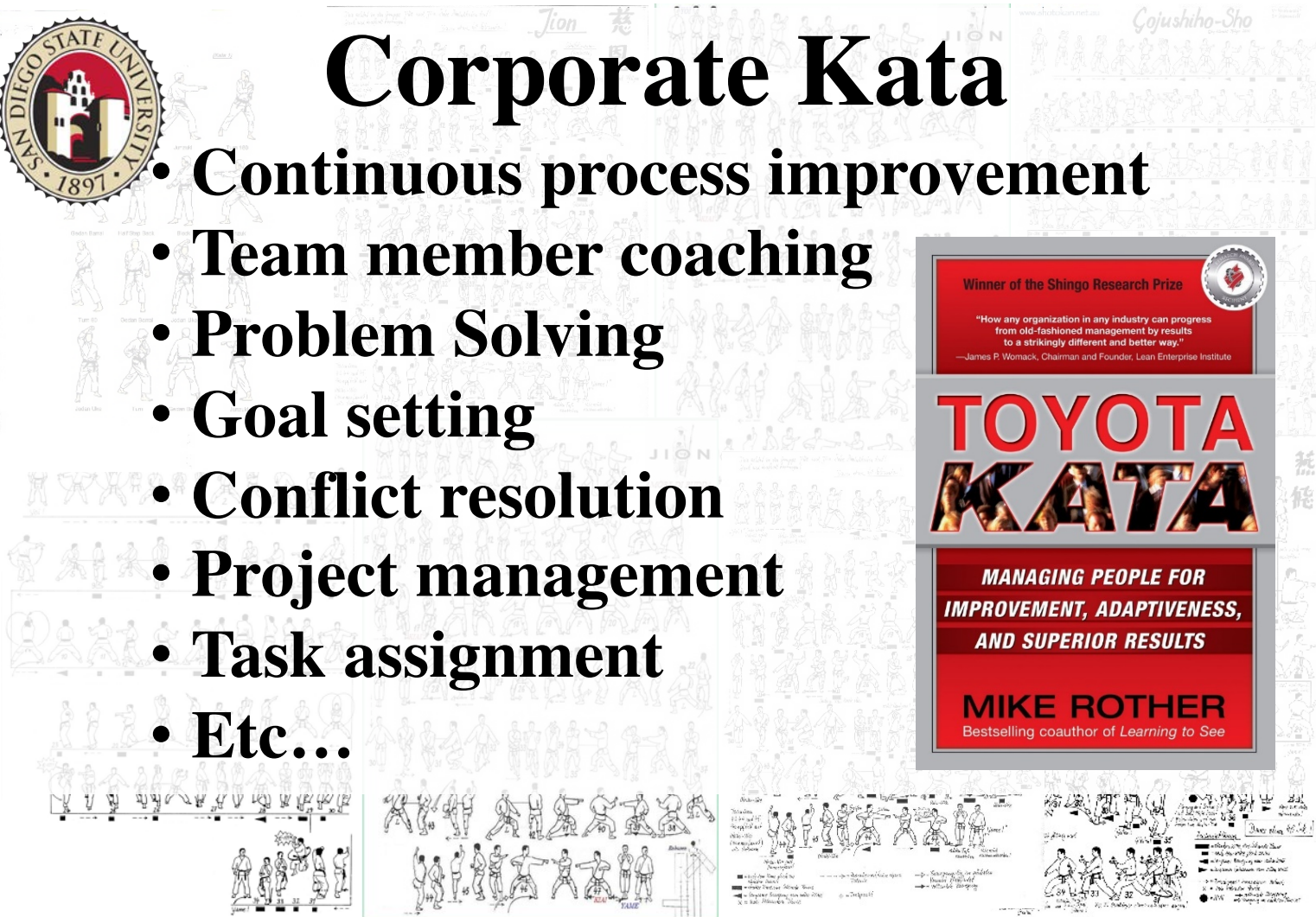
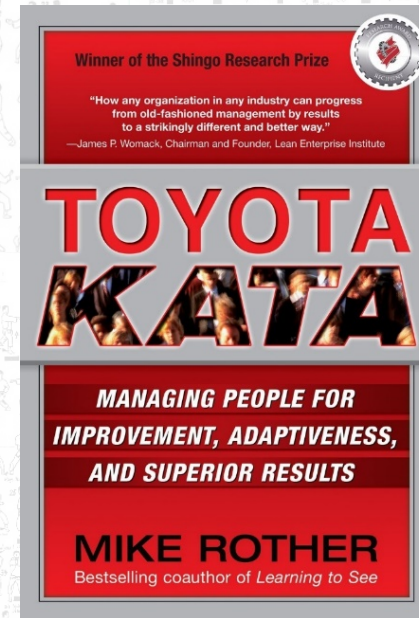
# Vj g'Mcvc'Hcevqt Y j cv'ku'McvcA

- Etgcvf 'kp'yj g'33<sup>y</sup> egpwt { 'kp'Qmkpcy c.'Ler cp0'
- Uwtxkcn'o gj qf <"Dcwg"cpf "j wv<sub>k</sub>pi 0
- Cr r tqzko cvgn { "42"vq'92"o qxgu'kp"c'Mcvc0
- O quv'eqo o qp'Mcvcu<49.'58"qt'76"o qxgu0""F kxkqtu'qh'32: 0
- Cf qr vgf "egpwtkgu'rcvgt"d { "tcf kxkpcn'Ler cpgug"ctv<
- Mcdwnk'yj gcvt.'vgc"egtgo qp{.'mctcvg."cknkf q."gve0'
- Ewttgpvn { "dgkpi "cf qr vgf "d { "hgrf u'rkng"gzcev'uekgpegu."cgtqur ceg'r tqlgev." o kxkct { "tck<sub>k</sub>pi ."cpf "cu"e'y c { "v"uwvckp'ngcp'kpkkcvkxgu0'



# Corporate Kata

- Continuous process improvement
- Team member coaching
- Problem Solving
- Goal setting
- Conflict resolution
- Project management
- Task assignment
- Etc...



# Habits of a Leader...



# Are you a good lean leader?

3+ J cxg" { qw'etgcvgf "ngcp"cy ctgpguuA



4+ J cxg" { qw'etgcvgf "yj g'pggf "vq"ko r tqxgA



5+ J cxg" { qw'kpuvkmgf "yj g'ugpug"qh'wti gpe { A



6+ J cxg" { qw'guvcdnkuj gf "uvcpf ctf u'cpf "utwewtgA



7+ J cxg" { qw'gpuwtgf "eqo r nkcpagA



**Are you repeating that 10,000 times?**



Uco o {"Qdctc  
[uQdctcB j qpui c@ti](http://www.honsha.com)  
 62: /538/5: 25

