



Lean Transformation
Summit 2013

Focus & Accelerate Your Lean Efforts By Using Your Transformation Model to Guide Capability Development.

John Shook
Chairman & CEO
Lean Enterprise Institute

Four Companies Making Things Better Through Lean



Lean Transformation Summit 2013

The State of “Lean”

- We’re out to change the world.
- To use Lean Thinking & Practice to make things better.
- We’ve won some battles, maybe even some wars.
 - Auto industry...
 - Healthcare...
 - The news this week...

Lean News this week...Monday’s NY Times “Cuts Give Obama Path to Create Leaner Military”



Lean News
this week...
Sunday's
Orlando Sentinel

“Lean’
construction
methods...”



Sunday's
Orlando
Sentinel

Lean
Construction

A new floor every 3 days

The 19th floor was built Tuesday, Thursday and Friday last week (wind halted work Wednesday). The floor was divided into thirds so that the form, steel, mechanical, electrical, plumbing and concrete workers did the same thing at the same time each day, moving from 1 section to the next. Here's how the 19th floor took shape.



Columns



Section A
Tuesday: Concrete poured for 19th floor.

Thursday: Columns built on 19th to support 20th.

Friday: Forms for 20th installed.

SOURCE: Batson-Cook Construction Co.

Forms



Section B
Tuesday: Forms for 19th installed.

Thursday: Concrete poured for 19th floor.

Friday: Columns built on 19th to support 20th.

Concrete



Section C
Tuesday: Columns built on 18th to support 19th.

Thursday: Forms for 19th installed.

Friday: Concrete poured for 19th floor.



PHOTOS BY BATSON-COOK (TOP) AND STEPHEN M. DOWELL/ORLANDO SENTINEL SHINIKO R. FLOYD/STAFF ARTIST

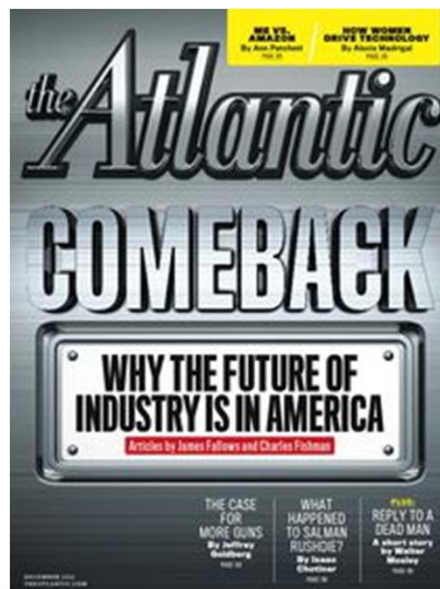
Learning Sessions



Explore the latest
In Lean Practice...

- **A3 Problem Solving**
- **Lean Thinking?**
- **A3 Deployment**
- **Coaching for PDCA**
- **Innovation Kata**
- **Leader's Role**
- **TWI at IBM**
- **OPEN SPACE**

Manufacturing's Next Chapter



Re-Shoring?

- **Offshoring** → **Reshoring**
- **Reshoring** → **Rightshoring**
- **Rightshoring** → **Leanshoring**

Manufacturing's Next Chapter

- What happens when we decide to reshore operations that we had offshored? When operations go far away, capabilities go with them.
- How does an organization identify needed skills? How does it go about reacquire those needed skills?

Art's Byrne's Question

“So, why isn't everyone doing this...?”

Some whys...

“So, why isn't everyone doing this...?”

- Don't want to do it...
- Various constraints (regulatory, Wall St...)
- Don't know what it is...
- Don't know what to do...

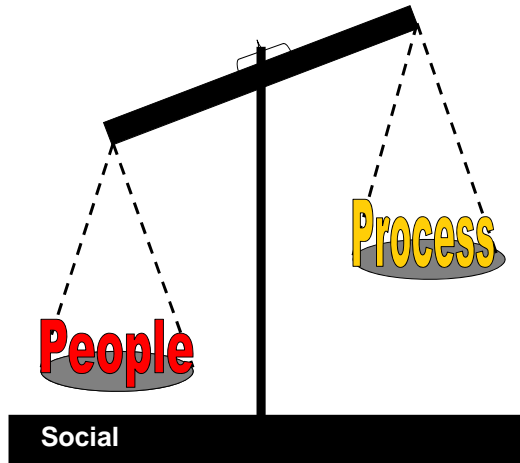
First, A Simple Definition of Lean Thinking & Practice

Systemically develop people and continuously improve processes to provide value and prosperity while consuming the fewest possible resources

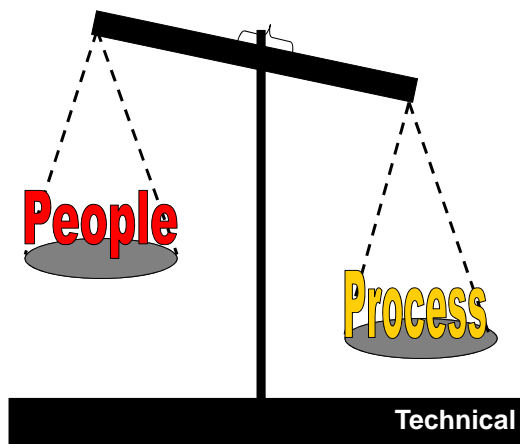
What is Lean Thinking & Practice?

- **Technical or Process Side - Seeing with a new perspective**
 - Value → Customer
 - Flow → Lead time Reductions
 - Elimination of Waste, Overburden and Instability
 - Closing gaps between current and target conditions
- **Social or People Side – Seeing with a new perspective**
 - Improving the way people work through engagement in problem solving, continuous improvement and innovation
 - Always learning, improving, evolving as individuals and organizations through challenging to make things better

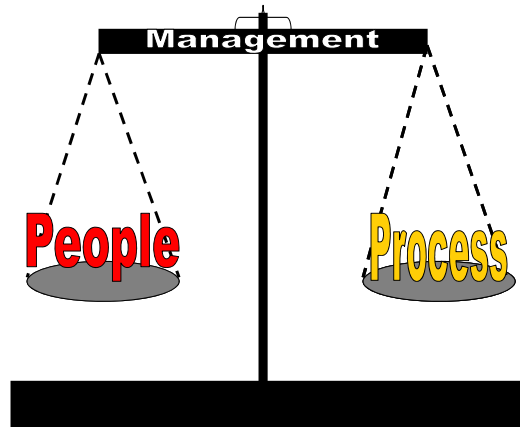
Lean Transformations: People and Process



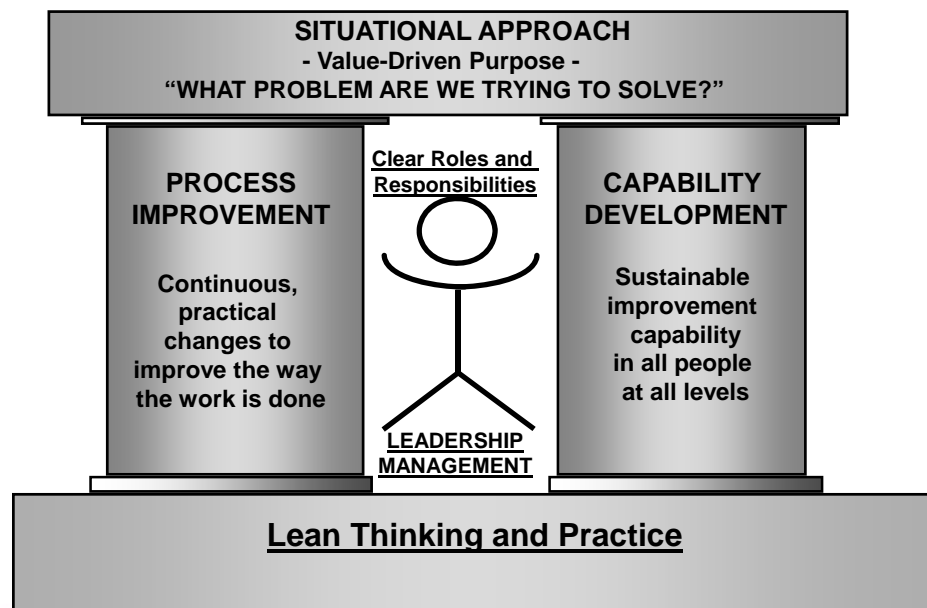
Lean Transformations: People and Process



People & Process Balanced by Management



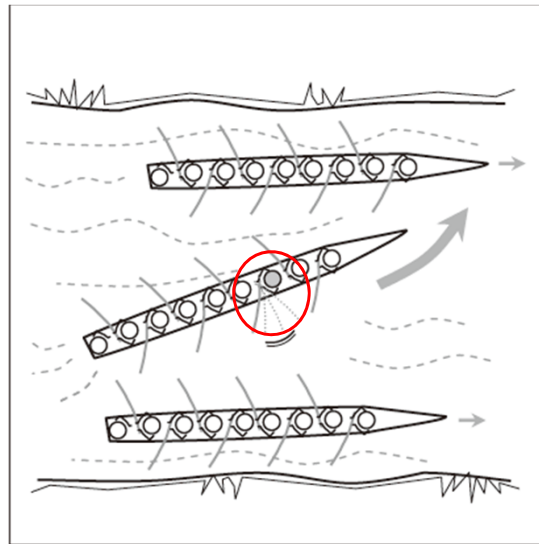
Lean Transformation Model



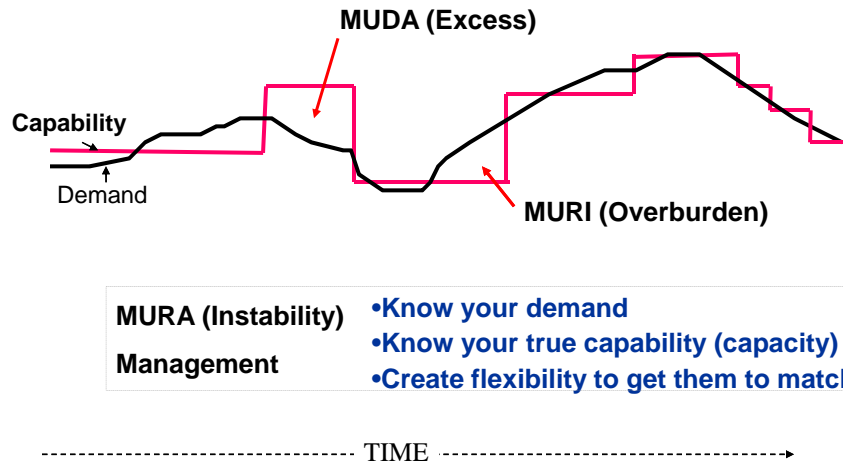
Transformation Questions

1. What is the *purpose* or what problem are we trying to solve?
2. How are we improving the actual work?
3. How are we building capability?
4. How does the management system support the new way of working? What role should leadership take?
5. What basic philosophy or thinking is driving this transformation?

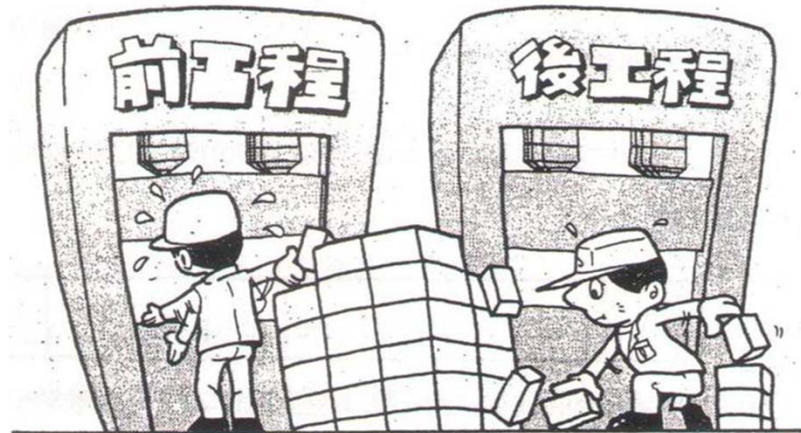
Total System Efficiency



**The challenge of any business:
Matching capability with demand**

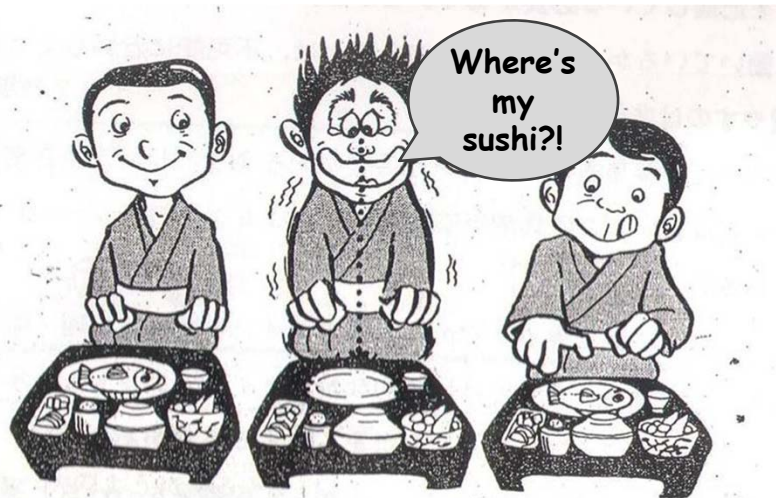


Don't overproduce; don't pass on a defect



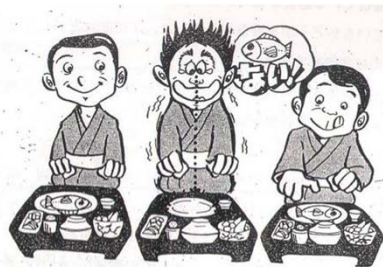
The following process is the customer

One-piece flow...



Don't "starve" the customer

Together...

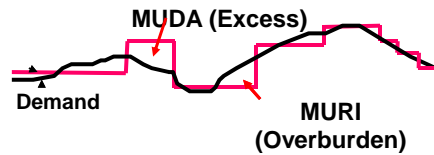


... smooth,
uninterrupted flow

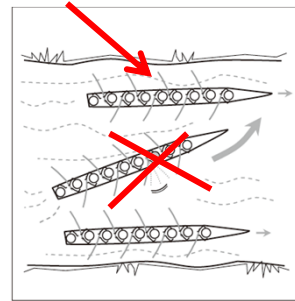


Lean Thinking, problems, questions and solutions

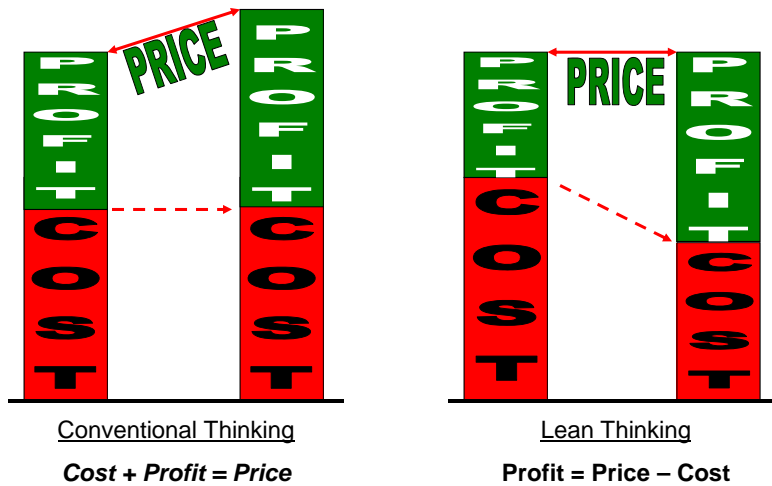
In the face of a reality that's like this:



How can we be more like this:



Cost Cutting Vs. Systematic Total Cost Reduction



A related question I often get...

- “John, I can’t get my people to do this...”
 - “John, I can’t get my boss to get it...”
 - Okay, so what do you do...?
- Only one way...

Leadership

- Yes, “leadership” is important. Obviously.
- But, never let perceived lack of leadership be an excuse to not do what you can.

Leadership

- Yes, “leadership” is important. Obviously.
 - But, never let perceived lack of leadership be an excuse to not do what you can.
 - Lean culture is a no blame culture. That is famous.
 - It is also and equally,
 - no excuses, and
 - no whining.
- The “waste of unnecessary whining.”

A doctor has two patients...

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“To get better you must do these things.
If you agree to do them, I will treat you.”

Patient A Treatment Plan

Patient B Treatment Plan

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Patient A Treatment Plan

Patient B Treatment Plan

- Stop smoking
- Drink less
- Exercise
- Eat well
- Sleep well

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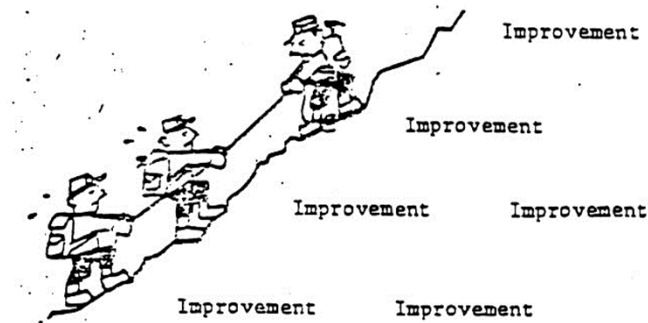
“When you encounter good leadership, follow it. If you wish.
If you don't see it, take it.
If you don't take it, don't complain. ”

Lean Transformation - Our Role...

- “How can you get others to “do *this*”...?
Only one way...
The challenge is not “getting other people to do this”...
The challenge is getting YOU (and me) to do this!

The Lean Leader's Challenge

Get the work done and develop people at the same time



Lean Capability Development

**“Make people
before making
product...”**

Lean Capability Development

**“It’s easier to act your way
to a new way of thinking
than to think your way to a
new way of acting.”**

Lean Training & Development

Core Thinking:

- Every worker an engineer
- Every engineer a project manager
- Every manager a psychologist
- Everyone a leader and every leader a coach/mentor

Leading for Better Lean Decision-making

RESPONSIBILITY-BASED

Focus:
Decide the right thing

AUTHORITY-BASED

Focus:
The right to decide

The Twin Responsibilities of a Lean Leader

Get the job done *and* develop your people...
and accomplish those *at the same time*



How...?

Learning

What do we know about how people learn?

Conceptual understanding through:

- Books, lectures, discussion, etc.

Behavioral change through:

- Experience
- Mistakes
- Experimentation and trial & error

Learning

What do we know about how people learn?

- Lean thinking has *learning* at its very core
- Learning lean means Learn by Doing
- But, not just “doing”
 - experiential-based learning
 - *doing* that is designed for *learning*

➡ Build structured opportunities for people to learn the way they learn most naturally.

Learning

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From Design of Experiment to Design of Experience

- Standardized Work, “Kata”
- The A3 process
- Built into daily work

Lean Enterprise

– the ultimate “social-technical system”

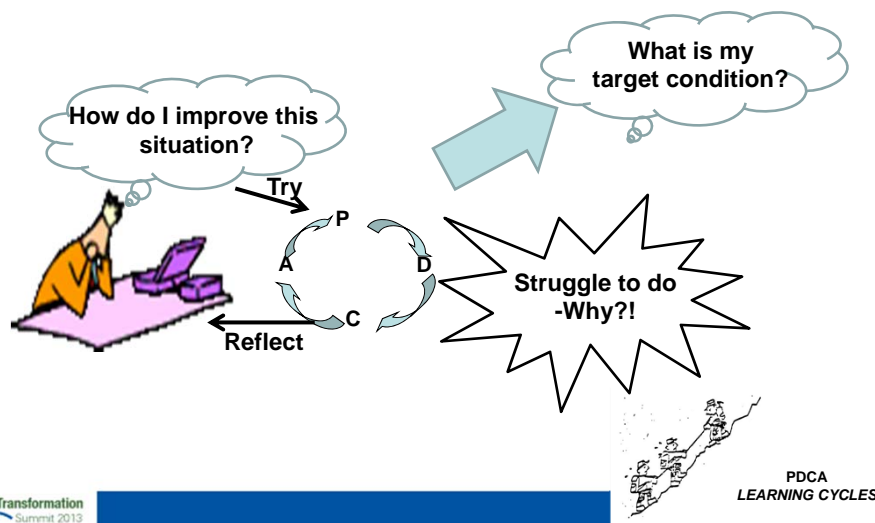
- The process of doing the work is integrated with the process of improving the work
- And...

Lean Enterprise – the ultimate “social-technical system”

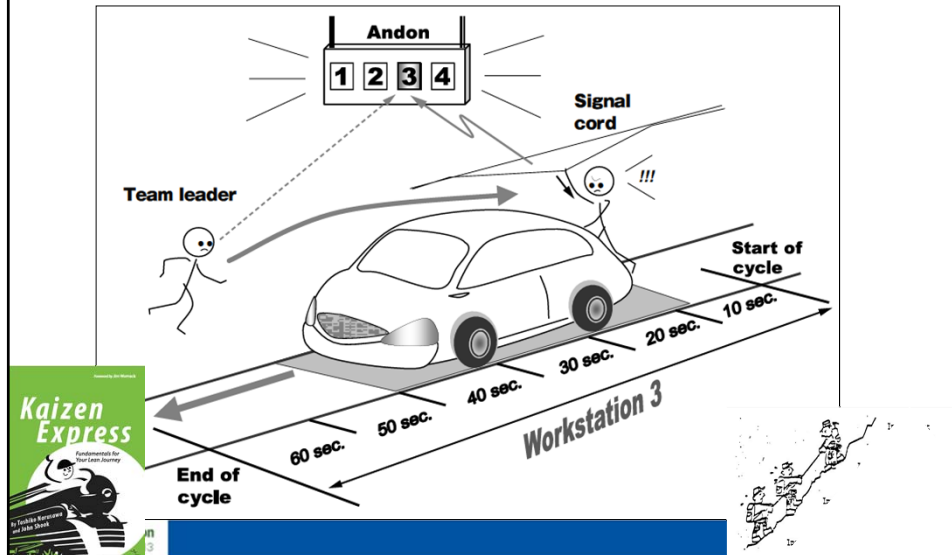
- The process of doing the work is integrated with the process of improving the work, and
- The operating processes ARE people development processes!

The A3 process for deep thinking Self-Learning

→ Individual, deliberate PDCA Learning Cycles



Social-Technical Job Design: Work as Design-of-Experience for learning



Lean Behavior as Habits

- “The objective of *Jishuken* (Kaizen workshops) is to do it so you will do it again.”
-Senior TPS Sensei
- Any time you do anything, you increase the likelihood that you will do it again.
-Habit research

Stop! to Solve Problems and Develop Capability

- Design a work routine – provide training
 - Make success understandable and do-able
- Make it easy to see problems
 - Anything that interrupts the routine
- Make it clear what to do for problems
 - Contain and notify (“neither accept nor pass on...”)
- Make it clear what will happen after notification
 - Help will come within the cycle of work
- Ensure problem-solving and learning
 - Through structured routines for problem-solving and rapid cycles of learning

“Do not interrupt while I am running this play.” This enables me to perform with Less chance of error.
AND:
We can do PDCA by identifying normal from abnormal!



Design of Experience

- What is design of experience and who does it?
- The three roles of Design of Experience: Learner, Coach and Architect.
- Design of Experience requires, in addition to the learner:
 - 1) a designer or architect, and
 - 2) a coach.

→ Who is the designer, or the architect?
They may or may not be one and the same individual.

Great
care for
the
design
of each
job



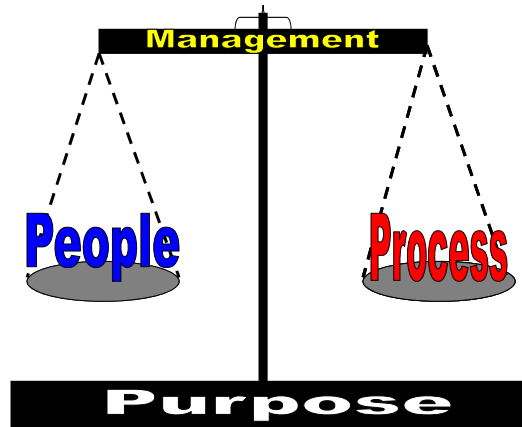
Simple

Easy to
do right

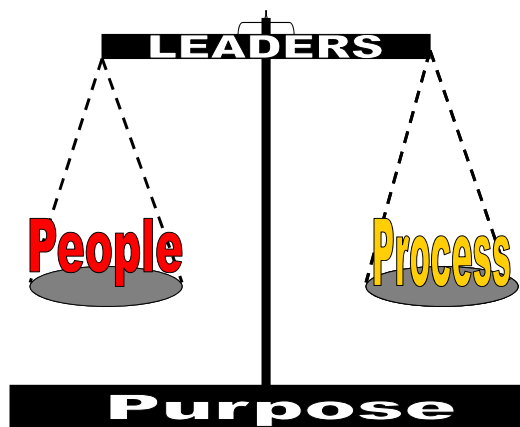
Hard to
do wrong

Easy to
spot
problems

Lean Management: Aligning People – Process – Purpose



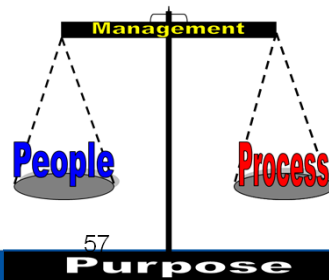
People & Process Balanced by Leaders



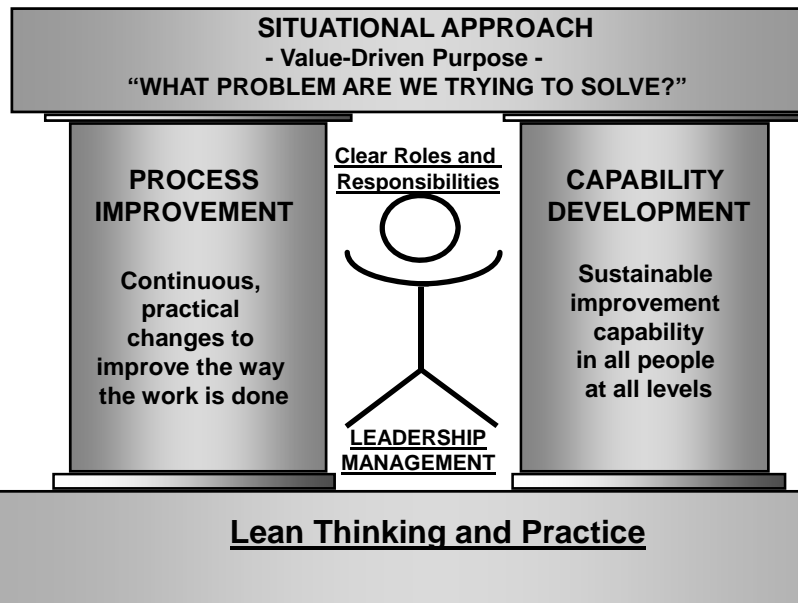
The Key Factor: Developing Problem Solvers

Matt Long of Herman Miller:

“We aren’t just solving problems...
We are developing problem solvers.”



Lean Transformation Model



Transformation Model Questions

1. What is the *purpose* of this transformation?
 - at all levels, macro and micro?
 - What is the approach in this specific situation to transform the organization to better achieve its purpose?
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 - How is the actual work being improved?

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 - What role should leadership take; what role are leaders taking?
 - Is ownership clear, at all levels, all functions?

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