

# Welcome to the 2011 Lean Transformation Summit

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Rookie CEO



## Lean Transformation Summit

*Multiple themes:*

- Frontiers and Fundamentals
- Big Company – Little Company
- Capability Development
- Extended Value Stream
  - System Kaizen
- Rookie CEO dynamic



## Four Companies We Know Well



## Transformation?

To change in condition, nature, or character;  
convert:

- Electricity: to increase or decrease voltage.
- Mathematics: to change the form of a figure without changing the value.
- Physics: to change into another form of energy.



## LEAN?

MIT Study – “*The Machine That Changed the World*”

- “LEAN Production”



## LEAN?

MIT Study – “*Machine That Changed the World*”

- Lean Production

Toyota Production and Management System

- Ford’s Flow plus Deming’s PDCA plus TWI plus more...
- Things you can see on a drive-by...
- Things that require deeper observation...

Anyway, it’s not about Toyota



## LEAN?

MIT Study – “*Machine That Changed the World*”  
Toyota Production and Management System

Does **not** mean “mean” or simple cost-cutting, downsizing, outsourcing...

**Does** mean system thinking, all people engaged in improvement and problem-solving, capability development at the organization and individual levels.

- LEAN → LEARN
- Learn to learn to meet organization purpose



## System?

A group of interrelated, interdependent elements that form a collective whole entity. Changing one component will, perhaps inadvertently but certainly inevitably, change others. The total is greater than the sum of its parts.



## Capability Development?

Learn to learn to meet purpose of the organization.

- Individuals learn to perform and improve their work while solving problems.
- Organizations develop capability for capability development, to improve organization's ability to create value.

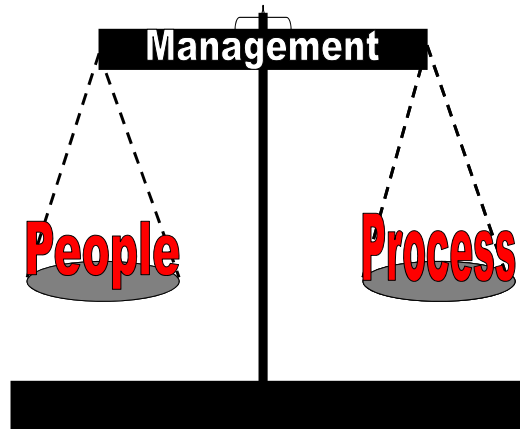


## Every Organization Must Address

- **Purpose** – Provide value to customers (cost-effectively to prosper, etc.).
- **Process** – Through value streams that are designed, operated, improved.
- **People** – By engaging and respecting employees and other stakeholders.
  - Aligning **purpose**, **process**, and **people** is the central task of management/leadership.



# Lean Transformations: Social and Technical



A small manufacturer, working on the fundamentals while taking lean through the extended enterprise.



Taking lean to product development and engineering at the company that invented flow production.



Taking lean to distribution of the world's most widely distributed commercial product.



A young company redefines itself, applying fundamental lean principles in new ways to front line value creating work.

## Assessment and Feedback

Carol Dweck gave different feedback to two groups of test takers.

Group A:

***“You must be really smart at this!”***

Group B:

***“You must have worked really hard!”***



## Praise Results or Praise Effort?

***“You must be really smart at this!”***

→ **Performance worsened!**

***“You must have worked really hard!”***

→ **Performance steadily improved!**

→ **A 30% gap emerged**



## Three Companies You Know Well



## Three Global Icons and...



1971  
We start by selling coffee beans in Seattle's Pike Place Market.



1987  
We add handcrafted espresso beverages to the menu.



1992  
We become a publicly traded company.

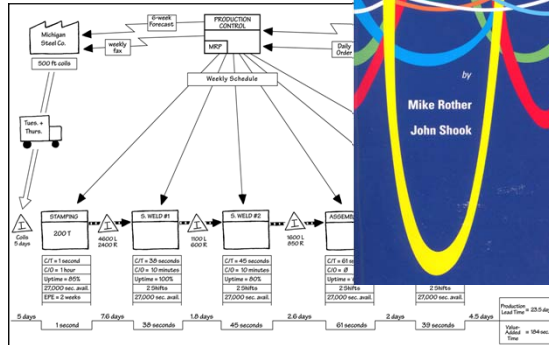


2011  
We mark 40 years and begin the next chapter in our history.





# ACME STAMPING



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## Learning to See

value stream mapping to add value and eliminate muda

by Mike Rother John Shook

foreword by James Womack, Dan Jones

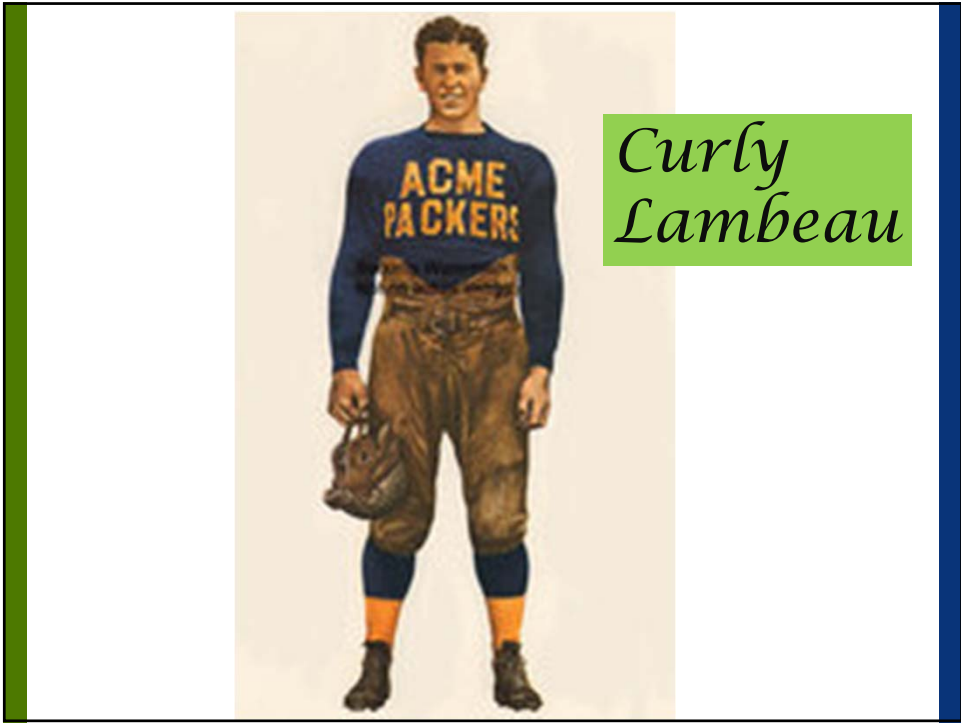
## Three Global Icons and...

Everyone knows the Super Bowl Champion Green Bay Packers. The Packers play on Lambeau Field.



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*Curly  
Lambeau*



