



Pragmatic Steps for Leading Lean

Productivity, Inc.

In recent conversations with manufacturing and service industry leaders, lean managers discussed problems they face as they work to advance operational excellence in their organizations. The sticky issues will likely come as no surprise; they include ones most of us are already aware of and have encountered for years:

- Lack of real engagement with top leadership
- Difficulty sustaining a process focus
- No consistent systems for developing talent from within

As one lean manager put it:

“The main problems are internal in nature; for example, real engagement of the top levels of the organization to support and realize the value of operational excellence; and the adoption of process thinking and structured problem solving as opposed to traditional functional approaches and cost-cutting.”

Ironically, these same issues are key requirements for sustaining lean initiatives, but they were raised by managers in the context of a question about problems they encounter that fall *outside* the scope of their lean or operational excellence initiatives. Moreover, process focus and development of internal talent are elements that the initiative itself should be designed to address.

Here are several pragmatic approaches lean leaders can follow to counteract these problems, working within the purview and scope of their improvement efforts.



RE-EXAMINE THE VALUES BEHIND YOUR LEAN EFFORTS

Technical improvements and results can be powerful, but the ability to sustain comes from the social—or cultural—changes in the organization, which don't happen quickly.

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Typical rationales driving operational excellence initiatives include things like cost reduction, improving efficiency and effectiveness, and even propelling growth. You might figure that's just obvious. Yet the impetus for your initiative can have a telling effect on the outcomes you achieve over the long term. It's not a bad idea to dig a bit deeper and re-examine the big ideas that are driving you forward.

While elimination of waste, cost reductions, and increased capacity are typical and important results of lean initiatives, taking a narrow view of the initiative's purpose as a cost-cutting mission doesn't yield the most sustainable results. Lean and operational excellence managers say,

"Lean has 'been around' for four or five years, but efforts are plagued by 'productivity initiatives' (quick cost-cutting projects and programs). Lean has been equated with cutting people or other resources."

"Some people believe in the triple bottom line, but not everybody. Projects are judged on ROI—and waste is just money."

Technical improvements and results can be powerful, but the ability to sustain comes from the social—or cultural—changes in the organization, which don't happen quickly. In a recent interview, David Mann, author of *Creating a Lean Culture*¹, said it's "like sands falling to the seafloor, which accumulate over time and become part of the texture of the organization." That's the true competitive advantage—and the element that's difficult to replicate.

Lessons from a Personal Lean Conversion

Mark Schilling, Director of Fiber Cement Operations at CertainTeed Corporation, started out as a lean skeptic. As a manager who'd already achieved significant success improving operations, he complied "professionally," at first, with his company's president-driven effort to "do lean, or else." Rather than taking on full ownership of what he saw as a bureaucratic system, he delegated the lean work to one of his production managers. As he watched his group begin to transform over the next six to eight months, he witnessed surprisingly positive changes not only in operational results, but in his group's spirit and level of engagement as well. He was eventually sold on lean, personally took up the charge, and has since been a change-leader at eight different sites over the last 10 years.

His insights are clear and powerful:

"For many of us, the proof is in the results, and I'm no different. Through turnarounds, startups, and just plain improving competitiveness, I've witnessed the power of integrating the workforce into the decision-making process."

"A 'proud' work force will dig into issues deeply and sustain systemic gains in a way that is not possible by developing audits and checklists. An employee at an 'employer of choice' wants the group to succeed and finds ways to make operations more competitive. Ideas come from all corners, without management-intensive idea systems, because we gather input by building a culture where people hold management accountable for considering their ideas. They—not just managers—are key members on the teams that decide what to do."

"This all adds up to a site becoming lean, versus doing lean events, lean things. It's vastly different."



Schilling attributes the success of change initiatives he's led to more than just successful use of lean methodologies. He says it's the development of a proactive and collaborative work environment that goes beyond what is typically viewed as the scope of performance improvement, extending to team interviewing, community involvement, and new equipment design.

Reconsidering what the scope of your initiative is, why you're doing it, and the power of the social changes that are achievable, can have a positive impact on sustaining efforts and developing the talent of your work force.

ENGAGE TOP LEADERSHIP IN A WAY THAT'S MEANINGFUL TO THEM

Creating a culture of improvement is not a short-term, isolated project, and the sustained support of top leadership is critical to maintaining traction over the long haul.

So what does engagement mean for senior executives? What is it we want them to do?

Engaging and sustaining the active interest and support of senior leaders and sponsors is a common problem, especially when improvement initiatives are not driven from the very top of the organization, or when there are changes in leadership. It's also a problem that reliably leads to a failed initiative. Creating a culture of improvement is not a short-term, isolated project, and the sustained support of top leadership is critical to maintaining traction over the long haul.

A simple anecdote of David Mann's captures the crux of the problem. Commenting on their lean initiative, a senior executive said to him, "You know, after about 18 months what happens around here is that we lose interest, our attention drifts, we get distracted by the next big thing. Without a way to keep us engaged, we'll move on to something else and then we'll never really get the benefits. If you want this to last, we need to figure out a way of doing that." There will always be a next big thing. Someone will always come along with an internal program or project. Interest will wane and resources will get drawn away, leaving lean believers stranded across the organization in a failing initiative that will eventually die.

Mann has a helpful way of framing the problem. In his experience, many lean implementers think engagement means "learning what we learned and doing what we do." But that doesn't fit with the roles of most senior managers. In most cases you'll have no chance of getting, say, the chief administrative officer of the corporation to work out the elements of a heijunka system. So what does engagement mean for senior executives? What is it we want them to do? And how can that be conveyed to them in a way that makes it personally meaningful and a good fit with their managerial responsibilities?

The Executive Gemba Walk²

Mann's answer to these questions: We want them to become competent in and reinforce application of the lean management system. That is, we want them to do the "management things" and not necessarily the "technical things." If the management system is healthy, it will sustain implementation of lean tools and be the engine that drives further improvement, ensuring a healthy production system. What we want them to do is to assess the health of the management system in their areas, or in other areas of the company. Executive gemba walks can be instrumental in moving toward that goal, if the walks are focused around the elements of the management system that supports the production system, and are styled in a repeatable, structured process that leaves the executive in control and responsible for their own learning.

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As Mann, who was lean initiative leader at Steelcase, and his team worked with senior executives in gemba walks over time, especially with executives not directly responsible for manufacturing operations, they experienced difficulties. Execs eventually started cancelling their walks half the time, putting the lean efforts at risk. So, the team took a step back, rethought the purpose of the walks, and found a way to make them more personally meaningful to these senior leaders, who were their executive sponsors, in their own terms. They decided to structure each gemba walk around one or two diagnostic questions on one of their lean management standards. As documented in Mann's book, the management standards include key processes such as leader standard work, visual process controls, and standard accountability processes.

This structure sets up successful gemba walks in a number of ways: it gives senior leaders a specific task for which they are prepared, making them confident, active during the walk, and comfortable in their role. The time walking to the gemba site is used to brief the executive on the lean application in the area. After the gemba walk it's time for a critical debriefing, when the lean leader compares notes with the senior executive on his or her assessments of the standard in question. This short session provides what Mann referred to as a "90-second teachable moment." Most senior executives are bright, quick studies, achievement-oriented, and competitive. They want to get things right. That means there is a good chance the executive will be a one-trial learner and by the next gemba walk will have closed any gaps and learned to see what the lean leader sees.

Assessing the Management System Supports the Production System

For executives who think, "Why do I have to do this? This is a waste of my time. I have a whole team of managers that are supposed to be doing this," this approach provides a different take. Assessing the health of the management system at the place where it is being applied provides an important and meaningful task to which the executive can relate. It's not just an idle exercise; it's an activity that respects their limited time and that equips them to actively support the management system, which in turn supports the production system. It enables them to assess the management structure below them and diagnose the presence of any broken links in their chain of command. These "broken links" represent managers the executive might need to teach or coach. It's also an opportunity to reinforce expectations and to ensure the organization is carrying out the designated strategies and its tactical activities.

Engaging leaders does give you a better chance of staying the course. To keep them engaged you've got to find a way to do it that is meaningful to them, that they can master, and that they're interested in mastering, Mann says. In turn, that helps make it possible to move from a cost-saving mentality to a capability-building one, and provides a much better chance of policy deployment being effective throughout the organization.

SWIPE A LESSON FROM INNOVATION LEADERS

Part of becoming an employer of choice, of generating that hard-to-quantify energy and drive in the work force, is a sense of mission that goes beyond making or saving money—a mission that is about being the best, about making a significant impact and contribution. While you may not be able to move the needle on your organization's overall mission, your personal attitude and mission as a leader can make a difference, and can influence others in the organization over time, both above and below you in the hierarchy.



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Answering a question at a presentation about his latest book, *Steve Jobs*³, Walter Isaacson commented that the work is certainly not intended to be a how-to management treatise. As he states in the introduction, “[Jobs] was not a model boss or human being, tidily packaged for emulation. Driven by demons, he could drive those around him to fury and despair. But his personality and passions and products were all interrelated, just as Apple’s hardware and software tended to be, as if part of an integrated system.” And, his “passion for perfection and ferocious drive revolutionized [at least] six industries.” His unswerving drive for excellence, not just to make profits or satisfy customers but to make a dent in the universe, was dictated by his internal vision and values. The way he got it done was nothing if not consistent with his own personality. Every leader has to find that way for themselves. A sense of striving for that level of excellence is a big part of what makes an organization the “employer of choice,” and you really can’t fake it.

Endless Tweaking, Endless Editing

True lean initiatives are founded on a similar drive for excellence, in fact for perfection, coupled with the living concept that becoming lean is about a continuous series of iterations. It’s about truly understanding that the job is endless, and about making that a stimulating endeavor. Expecting to attack a process once, perfect it, reach a new status quo, and then sustain the gains indefinitely is not the objective. The process of doing that in a continuum, as a part of everyday work, is the goal.

Pixar’s incredibly successful strategy for film production involves continual experimentation during development—an iterative process of drafting, critiquing, editing, and redrafting over and over. As Pixar’s president and cofounder Ed Catmull put it, it’s a process of “going from suck to nonsuck.”⁴ And it’s a process that never really ends. John Lasseter, Pixar’s chief creative officer says, “We don’t actually finish our films, we release them.” At the heart of the message, and the process, is a mission of striving to achieve excellence based on strong internal values. The process fundamentally requires getting past the idea that you’re not going to make mistakes. Wrong moves, false starts, and ideas that don’t pan out are inseparable and positive elements of striving toward perfection.

Similarly, in a recent article in *The New Yorker*, Malcolm Gladwell characterized Steve Jobs’ genius, along with that of other great innovators, as a brilliant knack for refining and perfecting others’ inventions—of “tweaking.”⁵ He says, “Jobs’s sensibility was editorial, not inventive. His gift lay in taking what was in front of him...and ruthlessly refining it.” In his recent presentation, Isaacson agreed, saying that Gladwell had captured a core point about Jobs in his brief article.

These notions and processes are undoubtedly familiar to lean leaders—continuous tweaking in response to changing circumstances on an endless journey driven by strong values. But it’s worth asking to what extent each of us really believes in these fundamentals and behaves accordingly. How often do we truly align our improvement strategies with our overall organizational mission? One lean leader put it this way:

“It has been difficult to deliver improvements that are truly customer oriented, not just customer considerate, and innovative. To some extent this is a limit of how lean has been ‘translated.’”

It helps to find that sense of a larger mission in our operational excellence initiatives, and to demand it from those we work with. The key is to do it in a way that recognizes the inevitable mistakes that come with true experimentation, and in a way that is true to your own personal style. That can be a hugely rewarding means of reinvigorating and recharging lean efforts. It’s inspirational and worth noting that these same ideas permeate the drive behind world-changing innovations and hugely successful company strategies.

THE KEY TO SUCCESS

The key to success is building leaders. Once you have that, you can build everything else. In general, we tend to go on tool overload. We have lots of resources, but no way for people to navigate as to what is appropriate to use and how.

A lean manager described the key to success quite succinctly:

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In tandem with working on issues that build leadership across the entire organization, it's important to consider how you scope your initiative. Set a scope that's broad enough to engage top executive sponsors, and to excite and develop your internal talent.

¹ Mann, David. *Creating a Lean Culture: Tools to Sustain Lean Conversions*, 2nd edition. (Productivity Press, 2010).

² Gemba is a Japanese word that means the actual place. A gemba walk is a visit to the site where value-added work is taking place to examine processes first-hand and identify opportunities for improvement.

³ Isaacson, Walter. *Steve Jobs*. (Simon & Schuster, 2011).

⁴ Sims, Peter. “*Pixar's Motto: Going from Suck to Nonsuck*,” *Fast Company* (March 25, 2011).

⁵ Gladwell, Malcolm. “*The Tweaker*,” *The New Yorker* (November 14, 2011).

David Mann and Mark Schilling, among other top leaders, will be presenting and interacting with participants at Productivity's Lean Leadership Forum, January 31-February 2, 2012, at Kiawah Island Resort, South Carolina.

For further details visit www.productivityinc.com/conferences/leanleadership/

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Productivity Inc. • 375 Bridgeport Avenue, Shelton, Connecticut 06484 • www.productivityinc.com
1-800-966-5423 • (203) 225-0451

