

Volume 14, Issue 43 **October 22, 2007***Important 2007 Dates to add to your calendar...*

- Oct 22nd 9-12 pm, 5S SIG.** Host: Gerrie Electric
- Oct 24, 8-4:30, HPM/AfEE ~ Canada/Australia Exchange meeting.** Hammond Power Solutions
- Oct 29-Nov 2nd, AME International Lean Conference** Chicago Contact: www.ame.org
- Nov 1st, HPM Mgr Training Initiative** begins
- Nov 1st, 9-12pm. HPM Lean Practitioners' Exchange.** Host: COMDEV Space, Cambridge
- Nov 12th, 12:30-4:30. HPM SIG: Health & Safety.** Host: Velcro Canada, Brampton
- Nov 21st, 10:30-4:30 HPM Board Meeting.** Host: GE Multilin
- Dec 5th, 9-5:00 HPM Share Showcase.** Location: TBA
- Dec 10th, 9-12:00 HPM Supervisors' SIG.** Host: Hammond Manufacturing, Guelph
- Dec 17th, 9-12:00. Lean IT Roundtable.** Host: Gerrie

A Message from Dan McDonnell

Past GE Multilin's Operations Manager – And founding member of the HPM Consortium.

To All Mfg. Consortium Members...

I want to thank you for your contributions over the last 15 years as consortium members who have worked hard to make things better in your companies - while sharing value with others like me. Here is a small expression of appreciation

What I learned with HPM, I continue to use – in fact some of the tools we use at GE in our Erie PA locomotive works were derived from AME events from practitioners. This includes the excellent diagnostic we 'borrowed' from the CDN Regional Lean Conferences in Kitchener & in Edmonton last year.

As the Marketing Chair for the 2008 Toronto Conference, I offer to every consortium member - access to the lowest registration fee for the '08 Lean Conf. to be held in Toronto, Oct.20-24th.

This is 40% off the price, and if 5 or more register from one company, the price is reduced by 45%.

There will never be a cheaper price; in fact, **this price disappears on November 2nd when the AME Chicago Conference closes.** If you wish to take advantage of this, email dhogg@rogers.com for a registration form – or – call/email Edrea at (224)232-5980 X223; etesiorna@ame.org. I hope to see you there and to shake your hand. Dan.

The Next Ten Years of Lean

By Dan Jones

It may be time to think hard about your firm's commitment to Lean Thinking. Dan Jones is one of the two leaders in the world who have been driving change in manufacturing more than anyone else. Jim Womack & Dan are THE two. Here's Dan's projections. You will hear more from him at the '08 Lean Conference.

Dear Dave

Attending the 10th anniversary celebrations of Jim Womack's Lean Enterprise Institute in the USA set me thinking about the next ten years of lean. The lean movement around the world has achieved great things in the last decade. **Among us all we have infected organizations in almost every sector across the globe with lean.** Some are well down the path while others like services and healthcare are in the early stages.

We have figured out how to break the mental models blocking progress with lean in sectors like distribution, process industries, healthcare, construction and the public sector. And we have written down much of the core lean knowledge to enable us to design value streams in all kinds of situations. We have also created a huge army of lean practitioners and lean consultants and have established 14 Lean Institutes in each of the main economies to support the dissemination of lean.

Those who say the glass is half empty rather than half full - and I think this reflects different temperaments - rightly say there is still a huge amount to be done. **They ask how many organizations even remotely approach Toyota's level of lean performance.** The answer is not many. But in most industries outside automotive what counts is using lean to leap ahead of your competitors.

So what are the challenges ahead and what should our agenda be for the next decade? One way to look at this is to imagine looking back from 2017 and asking what we would like to see done by then. Here is my list - I would be interested to hear yours.

"Leveraging learning for customer success"

Making World Class Make Sense

**"Courage is being scared to death
But saddling up anyway"**

John Wayne

First I would like to see one organization in every sector that has progressed far enough in their lean journey to be using lean to change the business model in their industry. By this I mean building on their newly developed lean capabilities to rethink the product, the service, the processes and the location of what they do to serve their customers in a very different way. **A bank that could custom manage all my cash, investments, pensions, insurance policies etc. conveniently with little hassle and for a reasonable price.** A car company who could manage all my needs for personal mobility. A retailer who could search for and deliver all the things I need to run my household etc. Some firms like Tesco are thinking this way - most are still asleep to these opportunities.

Second **I would like to see as large a body of knowledge and publications on lean leadership, lean management and lean strategy as we now have on lean process design and lean operations.** Part of this will involve the systematic evaluation of the different transformation models being used by firms and by consultants, to distil what works from what does not. Part of it involves working out what managing a process-focused organization will involve. In part it will also mean rethinking lean strategy back from the customer rather than forwards from our existing assets.

Third I would like to see lean thinking as a core part of the curriculum - from teaching problem solving in primary schools to teaching lean management in executive education courses. Because lean knowledge is only really learnt experientially this will entail fundamentally rethinking the way education is delivered.

Fourth we have not been very good at reaching out beyond the lean movement to articulate the potential societal benefits of lean. For instance economists and liberal commentators still think management is a black box where firms must be efficient to maximize their profits. They really do not understand the powerful dynamic lean introduces in every sector which transcends arguments about structures and ownership.

The HR community is still suspicious about whether lean enhances or diminishes the experience of work. Again **we need to document those lean work practices and experiences that unlock the enthusiasm we have all**

seen and dispel myths like standardization kills creativity - when done right it does exactly the opposite.

Lean also has a lot to contribute to environmental movements as it is increasingly driven by evidence rather than often incorrect emotional responses. In almost every case a new lean business model will involve less unnecessary human effort, transport, energy use and pollution.

If we can do all this then lean will be well on the way to becoming the dominant business model, replacing the mass production business model developed by Alfred Sloan and Jack Welch.

Yours sincerely

Daniel T Jones

Chairman, Lean Enterprise Academy

PS. We will be launching a new **Creating Lean Dealers** workbook next month and have added the **Mapping to See** training kit, the **Getting the Right Things Done** and **Lean Product and Process Development** books, the **Lean Administration 2** and **Lean Maintenance** workbooks and the CD of the proceedings of the first **Global Lean Healthcare Summit** to our bookstore on www.leanuk.org

Culture Exchange

only a few Seats Left

Call Gabriela: 519-893-6260 to Register

Our guests from Australia – 11 in total – are on a tour of Ontario companies led by Gary Kerr. Their ultimate destination is the AME Lean Conference in Chicago the week after. They are all manufacturers from the Melbourne area and include processing industries, aluminum smelting, large power transformers, cheese products, and foam making.

The Objective – A shirt-sleeve exchange

*To exchange approaches to influencing cultural change that achieved results for operations leaders
To learn from leaders at all levels – to better equip us to achieve results through people.*

8:00	Introduction To the Day's Conversations	Bob Kerr, Facilitator
8:30	Australian Experience	Gary Kerr & Team AU
9:30	Break	
9:45	Canadian Experience Making Change Happen	Cynthia Bruns Rockwell Automation
10:30	Developing High Performance Relationships	Frank Dolinsek, HPS
11:15	Wrap Up	Bob Kerr

Around the room – what one thing will you take away that may work for you or your company?

Registration – Space Limited: 24 folks– First Come.
Call: Gabriela at 519-893-6260 or at gbernardo@hpsinc.ca

In response to discussions with several top leaders last week – here are some of the answers I promised to share this week

TIPS: Implementing Lean ~ Top Management's Roles and Responsibilities

There are many reasons why Lean implementations fail – And some of the major reasons include:

- **Initially:** Lack of a clear & communicated vision that lets everyone know what their contributions are to be. Visions are struck by leaders. But too often they are: 1) Not fully shared and hence not well supported 2) Not thought through – they must be comprehensive and detailed. And, 3) Not positive and inspiring or expressed in words and images that everyone can easily understand & use.
- **Initially:** Lack of visible (unspoken) management support during a time of change when uncertainty may well be reigning and opportunities for humiliation and embarrassment are high
- **Ongoing:** Lack of a clear understanding of Lean by top management and of their roles and responsibilities. Among these, may be the realization that a key role is to visibly support, re-assure, and re-enforce to build confidence. Done well, it does not add a lot of time to a leader's day

Some of the most significant Roles – Especially in a developing 'Team-Based Environments'?

- ✓ **Must be visibly and actively involved** in key team activities; be present during report outs from staff; take the time to talk with and show genuine interest in activities that are new and/or directly aligned with the new vision
- ✓ **Must assume the ownership** and leadership of teams – become an advocate for the teams and what they are to accomplish. Teams – just like people – will pull back rather than experience embarrassment
- ✓ **Must lead by visible example. In lean there is more to it...** To be successful today one must walk their talk **AND talk their walk**. By 'talking their walk' leaders communicate expectations and explain the background for the way in which they walk. While this generates support – it now makes it critical that you do **walk your talk**. From your behavior every day, employees and associates begin to emulate the right behaviors
- ✓ **Must visibly support**, recognize, and promote team activities as 'a raving fan' – and do it in meetings, gatherings, and exchanges in every setting. One must honestly believe the **"Change does not take place by edicts on the wall – but through conversations among people every single day."** The only way to radiate a visually supportive message is by first being convinced oneself. You cannot communicate it effectively – with credibility – if the meaning and belief is not inside you.
- ✓ **Must develop Company Policies to support & equip team-based environment:** One example has been to allocate some money – say \$250 to each team to use to further the goal of their team. This can accumulate only for a limited time – often for 3 around months. If this has not been done before, the feeling it imparts to employees who have never had the opportunity to spend a nickel of company funds can be quite motivating. Other things might include – support for attendance to Lean Best Practice conferences; plant visits, ; special training; mounting a suggestion/Improvement Process; strategies around recognition & Profit/Gains Sharing provided they parallel and support the business; establishment of a Physical Environment or Technical support that shows the company is serious... add a few of your own.
- ✓ **Must provide daily re-enforcement of the Vision** in ordinary conversations with clear objectives, targets, & goals. Conversations that would support this include: *"How can I help you do your job better & easier?"*. Adopting the commitment to *"Enable employees to fish for themselves" so they grow from "having to be fed" to individuals who are growing and each day making the company and themselves just a little bit stronger.*
- ✓ **Look at every question you're asked as an opportunity to grow/coach the questioner.** Giving answers ensures folks will be back again tomorrow. You are feeding them. Instead (if it is not a safety issue) when someone questions you ask: "What do you think?" And if you listen well you will learn two important things. 1) How the questioner thinks which will give you clues as to how much authority you can assign safely 2) What the questioner knows and to what level. Such knowledge will reveal how much or how little training needs to be done – and to what other applications can you assign your resource
- ✓ **Must facilitate development of metrics & monitoring/reporting.** In Lean, metrics are crucial for how can you apply the greatest competitive weapon any organization can acquire – Continuous Improvement – if you have no credible metrics or standards? Metrics jointly developed (where possible) generate sustainable behaviors because only through 'Involvement' do you generate 'Ownership'. And man, do we desire ownership!
- ✓ **Must play a direct role in the process of choosing Team Leaders. Lean defines Leaders as those who have "The ability to generate followers."** To eliminate waste we must all be laser aligned on the business