

Volume 14, Issue 44 October 29, 2007

Important 2007 Dates to add to your calendar...

- Oct 29-Nov 2nd, AME International Lean Conference** Chicago Contact: www.ame.org
- Nov 1st, 9-12pm. HPM Lean Practitioners' Exchange.** Host: COM DEV Space, Cambridge
- Nov 5th, HPM Management Training: Session 1, University of Waterloo**
- Nov 12th, HPM Management Training: Session 2, U of W**
- Nov 13th, 9:00-12:00 HPM 5S SIG.** Host: Tempress, Mississauga
- Nov 20st, 10:30-4:30 HPM Board Meeting.** Host: Nexans, Fergus
- Nov 27th, Building a Lean Culture: David Mann,** Host: RIM
- Dec 5th, 9-5:00 HPM Share Showcase.** Location: Father David Baur Centre, Waterloo
- Dec 10th, 9-12:00 HPM Supervisors' SIG.** Host: Hammond Manufacturing, Guelph
- Dec 11th, HPM Management Training: Session 3, U of W**
- Dec 17th, 12:30-4:30 HPM Health & Safety SIG,** Host: Velcor, Brampton
- Dec 19th, HPM Management Training: Session 4, U of W**

HPM -Lean Practitioner Exchange(SIG) ~ Nov. 1

COM DEV – Cambridge



Here is an opportunity for HPM Members to expand their perspectives by simply being exposed to Lean Best Practices that exist within the membership of HPM. You will visit a member who does Lean differently than you may... hence the ideas and opportunities you walk away with will be up to you. Com Dev will conduct a tour of the Multiplexer Business Unit in Cambridge. As well, they will show-

Australia-Canada Lean Culture Exchange Yields High Value

According to the 11 Australian Mfr-delegates, it was a "**Great exchange – and of high value**". Session facilitator, HPS's **Bob Kerr** mused – "**The exchange was excellent – it revealed once again that our issues are almost identical.**" 24 people filled the room from both HPM and AfEE members looking for ways to help accelerate their journey to World Class. "**When change meets culture – culture trumps it every time,**" stated Australia's **Gary Kerr**.

Attendees appreciated Hammond's Frank Dolinsek's presentation on '**High Performance Relationships**' - a self-developed approach to altering internal culture. He showed how they are attacking their cultural issues in 3 countries as they prepare to meet their competitive challenges head-on. Frank reiterated that 'tools can distract us from what is really important . To Frank the real issues are the vision and the people. Once united and focused – the tools are easy to apply rapidly and an acceleration toward the vision takes place.

"The interaction was first rate," according to Bob, "It was great and rapid - with an openness that caused reflective thought." **Rockwell's Cynthia Bruns** shared her, and her company's, extensive experience in altering culture and what worked and what did not.

A key question raised was, "what do you do when you report to someone who is not aligned with the right culture? ' The consensus was that you must stay true to your direction – but must comply. Your integrity will require you to raise the issue and help the person you report to understand that a better decision may be possible. An illustration was shared where the person - after speaking to the boss took the case openly further up the line for a resolution. Such issues diminish as cultures begin to align with the vision and business objectives. Bob reported "**High value was taken away by attendees, who reported their intent to apply some of the thinking & ideas expressed.**"

case a recently adapted approach for **developing their Annual Improvement Plan whereby improvement opportunities are identified in their end-to-end value stream map and then subsequently ranked from a project hopper.** These tools facilitate focusing their efforts to accomplish bottom-line objectives of On-time delivery, first time quality, and optimum cost.

The date is Nov 1th, 2007 9am -12:00pm and the location is at **COM DEV on 155 Sheldon Drive, Cambridge, ON N1R 7H6.** Safety Shoes are Mandatory, Safety Glasses- are not **Security Requirements:** All participant registrations are not be received and submitted to Com Dev 48 hrs prior to the event. A maximum capacity is 15 participants, or equal representation if necessary of only 1 from each company, can be accommodated

"Leveraging learning for customer success"

Making World Class Make Sense

Ten Years & Counting

A close look at why the Weekly Update has featured Jim Womack as our main source!

There is no question about it now. ***Lean is the dominant force shaping manufacturing's evolution.*** And this dominance will continue for a few years to come with China, India, Indonesia, and other 'emerging manufacturing powers' enthusiastically accepting it and ingesting it.

There has been no other sustained source of consistent manufacturing know-how that has been available over the last decade as there has been from the Lean Enterprise Institute – an educational organization founded by Jim Womack and Dan Jones.

When handed the job of facilitating HPM, my first requirement, it was suggested, was to 'keep an eye on World Class - and what it means.' It was given to me by Samuel's Rick Balaz with a twinkle in his eye. I remember feeling a bit subdued by the scope of the job ahead and wondering if HPM was going to ask me to look at World Hunger shortly thereafter as well.

However, over the last 12 years we have visited hundreds of companies - both international and national - and have watched the slow transformation to global competitiveness first-hand. What has been obvious to so many is the confusion we have had to endure caused by so many competing vendors shouting for attention to buy their apparently very different solutions. However, when vendors sell their wares, they do by stressing their differences - and not their similarities, which certainly makes the world a more complicated place... Especially if you are trying to make a living and meet a payroll while trying to decide what the right next step should be.

Through this last decade the solid rock has been Jim Womack and Dan Jones. I cannot apologize for regularly sharing their thinking with readers of our Weekly Updates.

The credibility is there – and why shouldn't it be? Lean evolved from the largest investigation of a business sector ever undertaken in the world – and it involved millions of dollars and 5 years of international research. In the end it produced in 1988 the seminal book "**The Machine that Changed the World.**" This is a book that to this day should be read. The findings of Womack, Jones, and Roos introduced the idea of being able to produce twice the output with half the effort – and on top of that – deliver it in half the time. It prompted the US Navy and others in the early 1990's to announce the challenge on their websites. With the digestion of the research it was inevitable that by 1996 there would be a publication that would tell folks how to really begin thinking in a brand new way. And in that year "Lean Thinking" was published by Womack and Jones. From that time, the term Lean began to mean something. After all, it was founded on 5 principles and a ton of concepts and ideas that opened the eyes of progressive mfrs.

The power was, of course, in the thinking. What a positive and exciting experience it was for me to be in Harbour Grace Newfoundland this past week in the largest shoe manufacturing facility left in Canada where 65 had tried to make a go of it before. What was exciting is that this plant had ***no intention of implementing "Lean" under that name*** - and instead went to their people and just talked to them as they posed 'radical' questions such as "How can we help you do your job easier?" "What can we do to help simplify what you are doing?... you get the picture.

The result unleashed a torrent of ideas and thoughts which the company enthusiastically supported and responded to. There was no mention of "Lean" or "Black Belts", or "Poka Yoke" etc.... because Dave Gill, who is now VP Operations, knew that by using such terms many employees would feel they are doing someone else's work... and what kind of commitment and sustainable energy is activated when doing that?

There is far more passion and excitement in coming up with your own ideas and having the company help you put them into place. Heck, there is an exhilarating feeling of achievement. If we delve into research, we can find that Hertzberg was trying to tell us this when his research showed that it was 'achievement' above all else that motivates the human being. So what is wrong with 'telling it like it is' so folks can be given the chance of being the architects of improvements? The energy that can come from that can send a man home singing at night to pet the cat instead of kicking it.

Womack & Jones were observers of what worked and what did not. They absorbed what transpired under Henry Ford's Lean thinking and traced what happened as they analyzed how Toyota put it all together after Henry opened his doors to them... and what had happened in Henry's plants as they completely forgot what he had prepared for them to build upon.

They are not consultants. They are educators as they hold a tax classification which takes them out of the theatre of marketing and the focus on differences which are sure to confuse rather than to help and inspire.

So over the years – we have channeled the thinking of Dan Jones and Jim Womack consistently because it's been verified as the right approach - even though we know there will be variations demanded since there ***never will be two companies the same which means there can never be just one solution.*** What could be simpler than the concept of 'walk before you run' – and drawing on & adapting, proven thinking as you move from Good to Great... ***since being good just isn't enough anymore.***

Ten Years & Counting

A close look at today from the perspective of Jim Womack as he scans the 10 years that have elapsed since the Lean Enterprise Institute began its crusade...

Dear Dave,

The Lean Enterprise Institute just celebrated its 10th anniversary with a small, private conference near our headquarters in Cambridge, MA. Surviving for a decade is no small accomplishment for a start-up organization and I take pride in our achievements:

- 14 published titles with half a million copies sold in 14 languages.
- 24 workshops plus a management seminar.
- 13,000 participants educated in the workshops and seminar.
- A series of memorable Lean Enterprise Summits, Lean Manufacturing Summits, and our current Lean Transformation Summits.
- The Lean Enterprise Partners program where we conduct experiments on the best approach to a Lean transformation.
- **Our website at www.Lean.org where 130,000 Lean Thinkers have joined the Lean Community.**
- 69 e-letters from me to the 80,000 individuals signed on to the Lean communities who have asked for them. (Maybe I'll convince the other 50,000 soon!)
- 13 parallel, affiliate organizations in the Lean Global Network in Brazil, Mexico, Spain, France, the Netherlands, the UK, Denmark, Germany, Poland, Turkey, India, China, and Australia.
- As I review this list, I'm deeply grateful to our staff, suppliers, authors, faculty, global affiliates, and partner organizations. And I'm particularly grateful to all of those who have joined the web-based Lean Community. This has been a team effort from the beginning in which I have done only an infinitesimal part of the work.

However, back at LEI, I constantly note that the achievements listed are only inputs that *might* change organizational practices. The important question is: **"What have these inputs created in the way of better organizational performance, the critical output?"** This, of course, calls for the "check" step in Dr. Deming's Plan Do Check Act (PDCA) cycle, raising the questions most of us don't enjoy asking. It's so much easier just to plan and do, and then do some more!

Here's my conclusion about what we have accomplished. We have taken a number of steps which were absolutely necessary by:

- Introducing many Lean tools, starting with value stream mapping.
- Organizing conferences -- along with web-based forums and webinars -- that have brought together good people struggling alone and created a community of Lean practice with enhanced energy.
- Performing useful experiments on Lean transformations.

But these steps were not sufficient. In fact, the amount of change in management practice and organizational performance over the past ten years has been modest. There is still only one Toyota. And I worry whether Toyota will continue to be Toyota as its growth rate seemingly outpaces its ability to grow Lean managers. (What an irony if Toyota becomes more and more like General Motors even as it surpasses General Motors in sales!)

So what do we at LEI -- and in the whole Lean movement -- need to do now? This is the all-important "act" step in the PDCA cycle, the equals sign in the equation.

My conclusion is that we need to describe a new approach to leadership and management that can fully utilize the many Lean tools now available. This can be based in part on Toyota practices:

- The Chief Engineer who oversees the horizontal flow of value toward the customer.
- The vertical function manager who asks subordinates questions rather than providing the answers and engages in a problem-defining and problem-solving dialogue using A3 analysis.
- The complete business system emphasizing management by process (of day-to-day and hour-to-hour activities by everyone touching a value stream) rather than management by metrics (reported at the end of the month, quarter, or year.)

But it is clear that substantial modifications in Toyota practices will be necessary to convert organizations based on Alfred Sloan's management principles. These were developed at GM in the first half of the 20th century and then refined by General Electric in the second half of the 20th century. Mass-production managers who have been taught that their primary task is to set goals for subordinates and measure the results (in "management by objectives" and "management by metrics") in vertical, functional organizations will need a clear transition path toward management by horizontal processes if they are not to lose their way.

So our core mission in the next phase of LEI's life is to provide a simple and compelling model of "Lean management" and "Lean leadership" in "Lean organizations". We need to describe and test a model and a method that managers can follow with good results no matter what their previous training. And who knows, even Toyota may benefit!

We are now on the job and we will keep you posted on our progress.

With high hopes for a Lean leap in organizations in every industry during the second decade of LEI's life,

Jim

Jim Womack
Chairman and Founder, Lean Enterprise Institute
[Note: All 'bolding' was added by your editor]

In response to discussions with several top leaders 2 weeks ago– here are some answers I promised to share:

TIPS: Implementing Lean ~ Middle Management's Roles & Responsibilities

Our tribal knowledge tells us that there are many reasons why Lean – or any other kind of implementation for that matter – fails. Every company's dynamics are different which means there is no room for plug-and-play thinking any more than there is any reason for taking one's eye off the process for a second. Last week we talked about Top Management's roles and responsibilities and to this we add Middle Management's. Some of the major reasons for failure from the middle manager's perspective are:

- **Initially:** A lack of preparation; not providing enough explanation of the terms and expectations to the troops; insufficient time spent to understand what is ahead and the vision to be achieved. Middle managers, in fact all managers, who are not certain of the outcome, are less effective as they will not risk humiliation or embarrassment. If uncertainty about the coming transformation exists, employees will pick up body-language and voice inflection clues. To attract followers, the voice must be clear, consistent, and unhesitating.
- **Initially:** A lack of sufficient involvement of employees in the planning. The more involved folks are the more ownership they will feel in bringing the project home. Does every employee know the outcome? Does every employee know what is expected of him or her?
- **Ongoing:** Visible interest and genuine enthusiasm, accessibility, understanding, attitude, and support are good words to consider

Some of the most significant roles – Especially in a developing 'Team-Based Environment

- ✓ One of the best managerial styles for middle managers (or top managers) is the MBWA (Management by Walking Around) style as it provides the manager with the needed pulse so surprises are avoided and employees with a genuine feeling that 'we all are really involved.'
- ✓ Since they are 'at the Gemba' – where the rubber hits the road – they will make it a routine to 'walk their talk' – and – 'talk their walk' so employees can learn what 'success looks like' and what the expectations are.
- ✓ Must be – and continue to be – system/process thinkers and be committed to building and coaching people in their development of robust processes that are customer-focused
- ✓ Use inclusive language and ensure their conversations – every single day – are filled with elements of the vision to be achieved – and indicators of their support for the 'value-adders' who are bringing that vision closer
- ✓ Must be an advocate for their teams and areas of responsibility - and their progress.
- ✓ Must not forget their role as teachers, coaches, and growers of people... an element of which is the continuous challenging of everyone in a positive manner
- ✓ Must create an environment/climate/envelope - *where employees use straight talk and generous listening in an environment of respect for others and their opinions... Standard work for managers!*
- ✓ In every day conversations – build a no-blame environment that demands accountability but is not tolerant of those who belittle others. The bottom line is to build the environment that will produce a feeling of willingness to do more... A key element in locations where labour shortages abound
- ✓ *Grow people every day - by stretching them (very carefully) where possible – by training and equipping them with the tools and support needed to enable them to contribute with self-esteem*
- ✓ Constantly encourage the definition of processes while establishing system/process standards – *the key to future achievement that forever will be required to Continuously Improve.*