

Implementing Lean Tools is
Important, but it's the Culture of
Change that Unlocks the True
Potential of Lean
It's not the tools.

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What is the process here?

How can I tell if it is working properly?

What are you doing to improve it?

I was recently on vacation with my family...let's apply these questions to that situation:

What is the process here?

To the staff at the hotel, the process was focused on ensuring the best possible experience for each guest. It was all about delivering on the promise of FUN!

How can I tell if it is working properly?

Most hotels would either not measure such a thing or maybe they would send you a questionnaire after you got home. This hotel put real-time measures in place. They asked us and got to know us.

What are you doing to improve it?

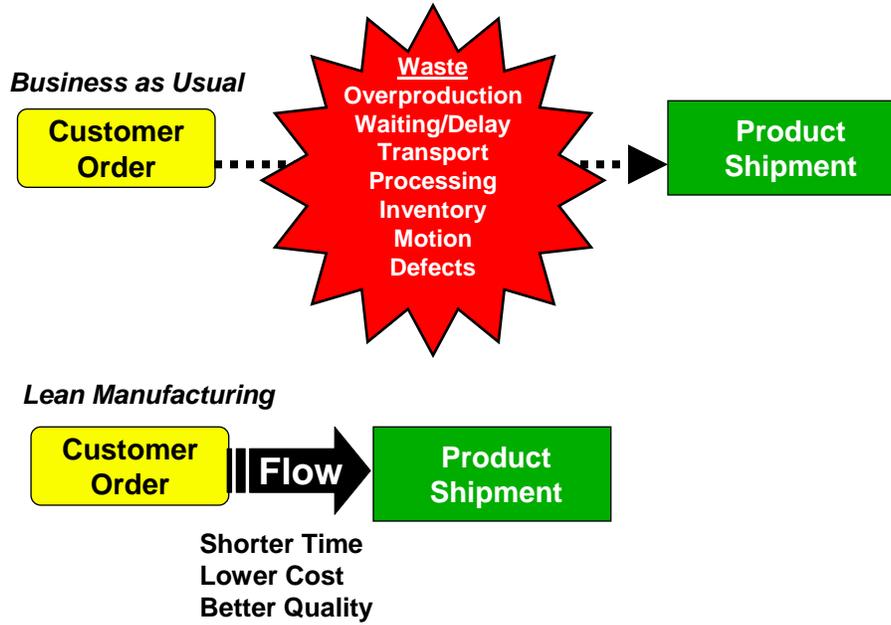
The process was already stable and standardized. Improvement was based on the real-time communication between staff and guest.

"What are your plans for the evening? We have a live show at 8pm"

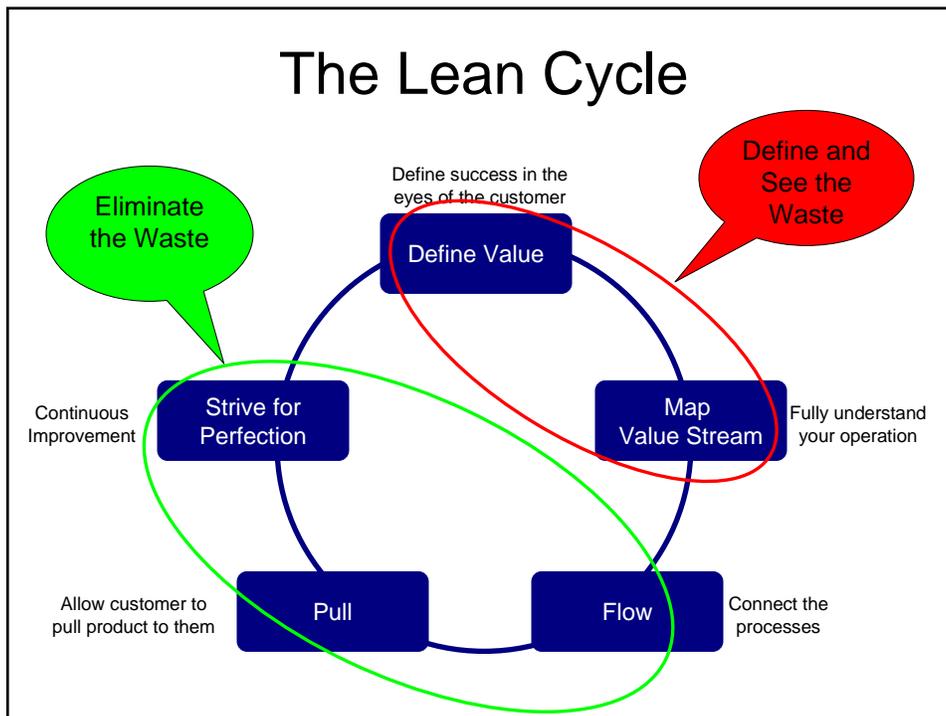
Presentation Overview

- What is Lean?
- What can you do with the tools?
- What fails miserably?
- Lean Culture

Expected Outcome from Lean



The Lean Cycle



The Lean Toolbox

- Just in Time (JIT)
- One-Piece Flow
- Kanbans
- Demand Pull System
- Error-Proofing
- Standardization
- 5S/Visual Factory
- Proactive Maintenance
- Right-sized machines (with jidoka)
- Kaizen
- Theory of Constraints
- Total Productive Maintenance
- Value Added Analysis
- Design for Manufacturability
- Production Preparation Process (3P)
- Six Sigma

Which tools has your company implemented?

What can you do with the tools?

- Clean and organize your shop (1 day later...)
- Build right size machinery
- Install visual queues (that you call kanban)
- Display colorful charts and graphs
- Install andon lights (what now?)
- Run kaizen events (again and again...)
- Map your value streams (pricy wallpaper)

It will look like Lean!

What you can't do with the tools alone?

- Align all functions towards a common goal
- Develop your people
- Simplify your operations
- Standardized work
- Improve every day, hour, minute
- Achieve a long term vision
- Sustain the gains

So what Lean really is...

- Customer satisfaction
- Flexibility with mix and volume
- Gemba (go to the work) attitude
- Produce people before you produce parts
- Never bypass a problem, use kaizen (continuous improvement)

Source: *The Gold Mine*
Balle, Balle 2005

What is Culture?

- “The way we do things around here”
- Values, beliefs, and behaviors
- A collection of habits and practices
- You typically do not notice your own culture until it is violated

What is Lean Culture?

- Constructive discontent
- Start with what you can change or affect
- Understand problems before debating solutions
- Teach rather than just solve problems yourself
- It's not only a “Just do it!” mentality – it takes thought, too

The Toyota Perspective

As presented by John Shook
former Toyota Manager and current Lean Enterprise Institute
Senior Advisor

Toyota on “the numbers”

Leaders at Toyota, like leaders anywhere, want to see measurable results

But they know that the financial result is a result of a process.

They also realize that the financial results reflect the past performance of that process.

Far better is to **create a process that can be managed right NOW.**

Toyota on “the blame game”

Good Toyota leaders don't jump to conclusions or solutions – they try to first size up the situation and then ask “Why?”

This focuses on the work and problem at hand, avoiding finger-pointing seeking of where to place blame.

It also **keeps responsibility with the person doing the work.**

This is what truly engages and empowers the workforce.

Toyota on “problem hiding”

All actions at Toyota revolve around planning and problem solving.

It is assumed that there will be problems, that everything will not go according to plan.

No problem is problem.

For the system to work, problems must be exposed and dealt with immediately.

Hiding problems will undermine the system.

Toyota on PDCA

Toyota would say this is essentially the P-D-C-A management cycle they learned from Dr. Deming

Yet, many companies find this difficult to do on a consistent basis.

Why?

One major reason is the way we lead and manage.

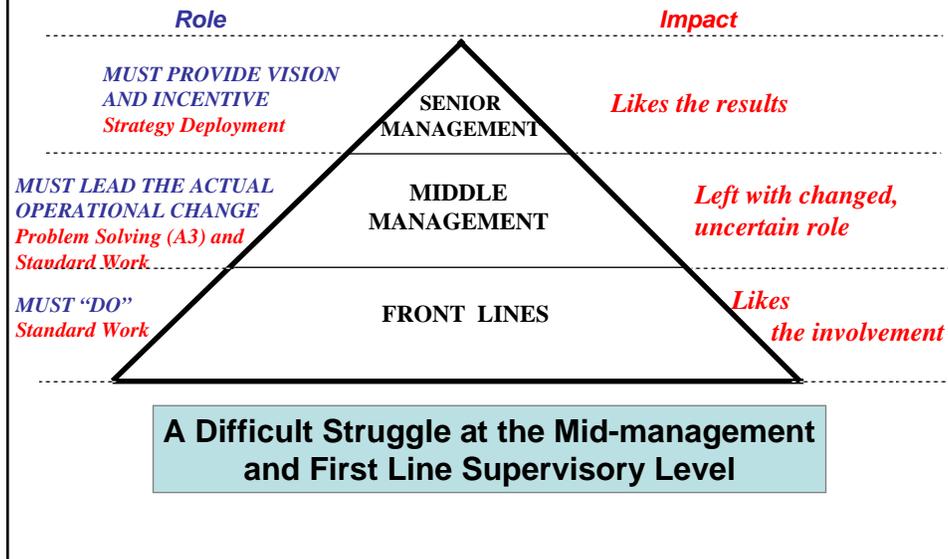
Leading and Managing

Dictator Style “Do it my way...”

Empowerment Style “Do it your way...”

Lean Style **“Follow me...and
let’s figure this out
together”**

Toyota on Leadership Levels



Tips to create Lean Culture

- Management must commit (time, resources)
- Middle management and supervisors must understand their role (supervisor standard work)
- Management must demonstrate the right behaviors and expect the same of their employees
- Leverage successes (help them believe)
- Goal alignment to Lean (yes, everyone)

You have made significant progress when...

Managers and supervisors spend:

30% of time fighting fires

70% of the time teaching (PDCA)

The Reality

Many organizations never commit to a culture change

Instead they relied heavily on a subset of the Toyota Production System

Three Phases of Lean Transformation

3/16/2007

Good Involvement

Simple Kaizen

Aim: Plant floor waste elimination

Characteristics: Fun, freewheeling

Activity: Focused teams and events

Good: Lots of activity, front line involvement

Typical Problems: Drive-by kaizen, no systematic rooting out of causes of waste, no system

Unfocused

More Systematic System Implementation

Aim: Create a system to eliminate waste *systematically*

Characteristics: Big programs

Activity: Linking of the tools, CD or intranet creation, assessments, scorecards

Good: System awareness, involvement of some non-production functions, some corporate-wide awareness

Typical Problems: Bureaucratic, not "fun", slow, middle mgt stuck in the middle

Big Program

DNA Shift

Enterprise Transformation

Aim: Survival

Activity: Customer focused, systematic elimination of waste

Characteristics: Disciplined, demanding, steady, long-term focused

Problem: Disciplined, demanding, steady, long-term focused

Good: Helps organizations achieve goals, solving problems, engaging all levels

DNA Shift

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Questions?