



LEAN MANAGEMENT JOURNAL

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READY, SET, GO!

This issue answers questions commonly asked by companies starting out with lean, highlighting potential obstacles and frequently-missed opportunities.

IN THIS ISSUE:

Are consultants the way to go?: GKN's *Peter Watkins* offers you a guide on the pros and cons of seeking external help.

Yeolean, Yeolean, Yeoleeean: *LMJ* meets Yeo Valley, to discover the main mistakes the company made when it first started implementing lean.

Show me the evidence: In one of the two articles on healthcare contained in the Process Focus, *Sarah Powell* of the Royal Surrey County Hospital explores the role of evidence in making sure medical staff fully commits to change.

Made in lean Italy: This new regular section looks at the application of lean principles in different countries and areas of the world, to understand what we really mean by 'culture' when we talk about business improvement. In this issue, *LMJ* travels to Italy.

The Fifth Column: In the first of a series of regular columns touching on the most controversial issues facing the lean community, *John Bicheno* discusses 5S.



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LMJ IN CONFERENCE

This section features reviews of the events LMJ attends. Find out what goes on in the lean community by reading about some of the most interesting conferences and seminars.

OPERATIONAL EXCELLENCE SOCIETY LAUNCH EVENTS

Warsaw and Munich; November 8 and 10

It is very easy to like Joseph Paris, and not just because he is a great entertainer. As chairman of consultancy firm XONITEK, founded in 1985, Paris is constantly involved with operations management and his idea to create the Operational Excellence Society is one that deserves praise and recognition. The inaugural meetings of the group were an occasion for him to explain his proposal: the creation of chapters based in different cities and formed by business leaders, practitioners and consultants who gather once a month to discuss the issues they face in their businesses and industries with the aim to find solutions.

It is certainly a valuable and ambitious undertaking whose main difficulty is likely to be keeping people engaged (we all know a thing or two about this, don't we?). Enthusiastically addressing, and entertaining, a crowd on the top floor of a skyscraper in Warsaw's business district, and two days later in a business club in Munich, Paris told attendees of the potential of the OpEx Society and shared stories on the importance of concentrating on improvement (he prefers to call it "deliberate" rather than "continuous") as well as stories on bad management.

He said that years ago he spoke with a client who was complaining about his business. When Paris asked him what was keeping the business from growing, the man replied: "The reason is that I am surrounded by the lazy and the stupid." Paris then asked him: "Is that your policy, to hire the lazy and the stupid?" The man said: "Of course not, we hire the best people from universities and we poach the best staff from our competitors." Good point: it is all too common to point fingers and blame workers, when the reality is that many times businesses struggle because of narrow-minded, short-sighted or simply inexperienced leadership. And this is an area where the OpEx Society can help.

After the presentations, both rooms saw people from different industries (including lawyers, manufacturers, consultants, service providers, students, lean coaches) share their experiences in a successful networking event. Paris' idea proves that it doesn't really matter what sector we operate in, the problems we face are likely to be the same. In Munich, as I took part in a vigorous discussion on whether to reward employees for their achievements within a lean programme together with Paris, two guys from a manufacturer operating in the food sector and a couple of consultants, the potential of OpEx Society became clearly apparent. The access to a veritable lean brains trust has a tremendous potential value, and it will be interesting to see how this project evolves in the future.

For more information search for the [OpEx Society](#) on [LinkedIn](#).

MAKING LIFE SIMPLER FOR CUSTOMERS SEMINAR

Cambridge; November 24

When I first checked out the agenda for this seminar organised by consultancy oee, I thought: "They must have some pretty good speakers lined up if they can afford to put Dan Jones up first." I was right, as the contributions brought on stage by each of the speakers made for an impressive learning experience that left me both fulfilled and eager to further explore the adoption of lean within banking and financial services.

There was a good reason to invite Jones to be the first speaker. His engaging presentation looked at the current status of lean based on a changed customer base, and set the scene for the rest of the seminar. Jones discussed Tesco's lean strategy (and how it led the retail giant to reach the number one spot in the online shopping market in South Korea thanks to the deployment of visual stores set up in subway stations where people can shop using their smartphones to scan the barcodes of products) as well as the use of lean techniques in hospitals – see the Process Focus section for more information on lean in healthcare.

It then was the turn of oee's managing consultant Chris Hallmark, who gave an insight into a very bad customer experience he had with a telecommunication firm while trying to get back online after his phone line had been disconnected (we all have one of those stories). His enlightening presentation helped the audience understand what companies shouldn't do, and offered several tips as to how they can actually make life easier for customers.

After lunch (discussion at tables inevitably focused on the debt crisis in Europe - after all, it was a room full of bankers), Joseph DiVanna proved to be the perfect antidote to what is usually the sleepest slot at conferences, the one right after eating.

DiVanna gave a very interesting and lively presentation on how banks around the world are changing. He has been working with banks for several years and has a very good idea of what they think of themselves, of what customers think of them and what the examples of best practice in the sector are. He showed pictures of so many examples of customer-focused banks that we were all left with our heads spinning: an interesting case is m pesa, in Kenya, which transformed the way payments are delivered by enabling people to pay for anything using their mobile phone (it now controls 65% of all the transactions taking place in the country).

Closing the one-day conference was Alan Mitchell, strategy director of Ctrl Shift, a firm that is developing a new way to offer value, by giving information (and therefore power) back to customers. Its approach is based on the fact that consumer power is on the rise, and empowering consumers is a fast-growing business opportunity. To achieve this Ctrl Shift helps organisations understand and track the many different manifestations of the control shift (definitions of value, uses of information, etc) and find new opportunities within these shifts.

LMJ LEAN DIRECTORS' SEMINAR

London; November 30 – December 1

Get a bunch of business leaders, a couple of consultants and an expert in visual management in one room, and you can expect some serious brainstorming. This LMJ seminar provided a great opportunity for attendees to learn from the experience of successful companies, to share best practice and answer questions.

Jon Alder of Rexam, for example, explained how the consumer packaging company produces 60 million beverage cans a year, throughout its 80 sites where it employs 19,000 people. The task sounds daunting to say the least: so many different cultures, so many processes, so many people to involve. Yet, thanks to the Lean Enterprise programme and a committed leadership, Rexam is enjoying almost zero errors in its operations. It has four plants (three in Brasil and one in Austria) running for the Shingo Prize, and is hoping to have all of them competing in the future.

Alder's humble attitude really struck me: he stressed that Rexam is "not there yet" and more work is needed. "Do we have engagement at all levels? If we walked away today, would lean stick around?" he asked before concluding his presentation.

It was then the turn of Bo Steffensen from FLSmidth, a supplier of systems and services for the global cement and mineral sectors. The company's lean journey started six years ago, when China entered its market (today it has a 32% share). FLSMidth saw in lean the only solution to differentiate from competitors and create more value for its customers: it is concentrating on lead times, with the target to dramatically reduce engineering time. Starting with the pyro department, Steffensen explained how it once took the company 13 weeks to start working on a contract after it was received: he's now asking his employees for two weeks.

Other presentations included consultancy TBM discussing the importance of standard work (which is one of the two most important principles taught to Toyota employees) and an interesting case study on PattonAir, presented by business excellence manager Phil Brown. The business, which supplies components to companies in the aerospace sector including Rolls-Royce, touches and manages 35 million individual parts per year, and has managed to reach levels of less than 100 defective parts per million, after starting a lean programme focused on strong leadership, careful selection of customers and suppliers and the development of people at all levels.

Concluding the event was an information-rich presentation by visual management expert Gweldolyn Galsworth. She said that without visibility (which she sees as a language) no company can ever hope to achieve alignment, empowerment and, eventually, excellence: humans are visual beings, and what we see changes our feelings and attitude. The workplace should be like a road, which is full of dangers and therefore full of signs.