



LEAN MANAGEMENT JOURNAL

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LEAN

SUSTAINING THE LEGACY

Uncovering the challenges and successes of applying and sustaining lean.

Organisations and interviews featured in this edition include:

Industry Forum, The Karen Martin Group, Paychex, Arbed Solutions, Jeff Liker, Joseph Paris, Karen Martin, Karyn Ross, Sarah Lethbridge and John Bicheno.

IN THIS ISSUE:

The folly of sustaining the gains of lean: Jeff Liker highlights the value in “relate, repeat and reframe” in maintaining a lean culture.

The lean generation effect: Karyn Ross and her teachers, Mary Osmolski and Leslie Heckler, underline the importance of mentoring in consolidating a legacy of lean within any organisation.

It’s a marathon, not a sprint: Joseph Paris, discusses the perennial problem of attempting to apply lean strategies, whilst failing to engage in honest conversations that ensure the company works in unison.

Cafés, restaurants and lean: Sarah Lethbridges tackles the anti-café and the increasing popularity of lean in the restaurant sector.



J. Tudor

EDITORIAL

Commissioning editor

Victoria Fitzgerald
v.fitzgerald@sayonemedia.com

Managing editor

Callum Bentley
c.bentley@sayonemedia.com

Contributors

Tim Brown
Sub-editor
t.brown@sayonemedia.com

DESIGN

Art editor

Martin Mitchell
m.mitchell@sayonemedia.com

Designers

Alex Cole, Nick Bond,
Katherine Robinson,
design@sayonemedia.com

In order to receive your copy of the *Lean Management Journal* kindly email v.fitzgerald@sayonemedia.com or telephone 0207 401 6033. Neither the *Lean Management Journal* or SayOne Media can accept responsibility for omissions or errors.

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Dear readers,

Stephen Hawking commented that nothing in the universe is perfect, perfection simply doesn't exist. If perfection doesn't exist, then why do so many people embark on a journey to perfection, when the destination is impossible? We all know the answer is not the destination that holds the rewards but the journey of learning to continuously improve.

As April approaches, many organisations are coming towards the end of the financial year, a time that brings copious amounts of metrics and targets to review and report on. What is often overlooked in this cycle is a system of reflection and recognition of the journey. Managers and leaders need to reflect on achievements and experiences during the year, reflection that is imperative for everyone involved in the journey. So while you may be compiling the report and reviews of data, spend time reflecting and recognising the journey everyone has made during the year.

If you are like me, you love cooking and eating out, so I read with interest this month's article "Cafés, restaurants and lean" from LMJ's editorial board member *Sarah Lethbridge*. The article provides a good illustration, comparing Gordon Ramsey's Kitchen Nightmares to a lean intervention. Firstly, Gordon would experience customer value first hand by having a meal, then he'd continue by cleaning down the kitchen (5S), following this he would focus on a simplified menu and on quality by creating strong relationships with excellent suppliers etc. Not sure how Gordon's management style would go down at Toyota but the similarities are clear.

Historically, connotations of the term lean were often negative, the concept of lean was frequently associated with "head count reduction". In this issue we have an article on the aerospace industry, which reports "some defence companies have also been anticipating defence budget cuts by reducing staff, cutting overhead costs, and getting lean". Oh dear, we still have some way to go!

I find explaining lean management is similar to explaining parenthood to someone who doesn't have children. It's not just about changing nappies, cleaning up vomit and dealing with teenage temper tantrums, it's the journey.

I recently visited Edinburgh Napier University, my first lean site visit in higher education. As a former FE/HE lecturer I was personally interested in the cultural aspects of applying lean in the sector, and delighted by the visit. I have visited manufacturing plants in 2013 that are at the same evolutionary stage as Napier, have excellent engagement with some key teams, with elements of good visual management, problem solving and understanding of where the value streams are. Stephen Yorkstone at Napier is a regular contributor to the journal and we look forward to more insight from Stephen and his team in 2014.

I am eagerly putting the final preparations to this year's LMJ Annual European Conference. This will be the fifth time I have been involved in preparing the best practice case studies, exciting times! So don't forget to put 25 and 26 June, Heathrow, London in your diary now.

Editorial director, Jon Tudor

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"If you don't move forward-you begin to move backward" – *Jeff Liker* highlights the importance of "relate, repeat and reframe" in maintaining a lean culture within any organisation.

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It is often said that lean is something that an organisation "is" not something that they "do", lean Six Sigma black belt *Karyn Ross*, along with her mentor *Leslie Heckler* and her mentor *Mary Osmolski* share their unique journey that spans three generations of lean and how valuable questioning is when upholding a measurable change in business.

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INTRODUCING YOUR
EDITORS

Our experienced editorial board members contribute to the journal providing comment against articles and guiding the coverage of subject matter.



**PAUL
HARDIMAN**
Industry Forum,
United Kingdom



**RENÉ
AAGAARD**
Telenor, Denmark



**RENÉ
AERNOUDTS**
Lean Management
Instituut, The
Netherlands



**JACOB
AUSTAD**
LeanTeam,
Denmark



**BILL
BELLOWES**
President,
In2:InThinking
Network



**DAVID
BEN-TOVIM**
Flinders Medical
Centre, Australia



**JOHN
BICHENO**
University of
Buckingham,
United Kingdom



**GWENDOLYN
GALSWORTH**
Visual Thinking Inc.,
USA



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HARDER**
Commonwealth
Bank of Australia,
Australia



ALICE LEE
Beth Israel
Deaconess
Medical Center,
USA



**SARAH
LETHBRIDGE**
Cardiff Business
School, United
Kingdom



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LIKER**
University of
Michigan, USA



**JOSEPH
PARIS**
Operational
Excellence Society



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RADNOR**
Loughborough
University, United
Kingdom



NICK RICH
Swansea
University, United
Kingdom



**EBLY
SANCHEZ**
Volvo Group,
Sweden



**PETER
WALSH**
Lean Enterprise
Australia

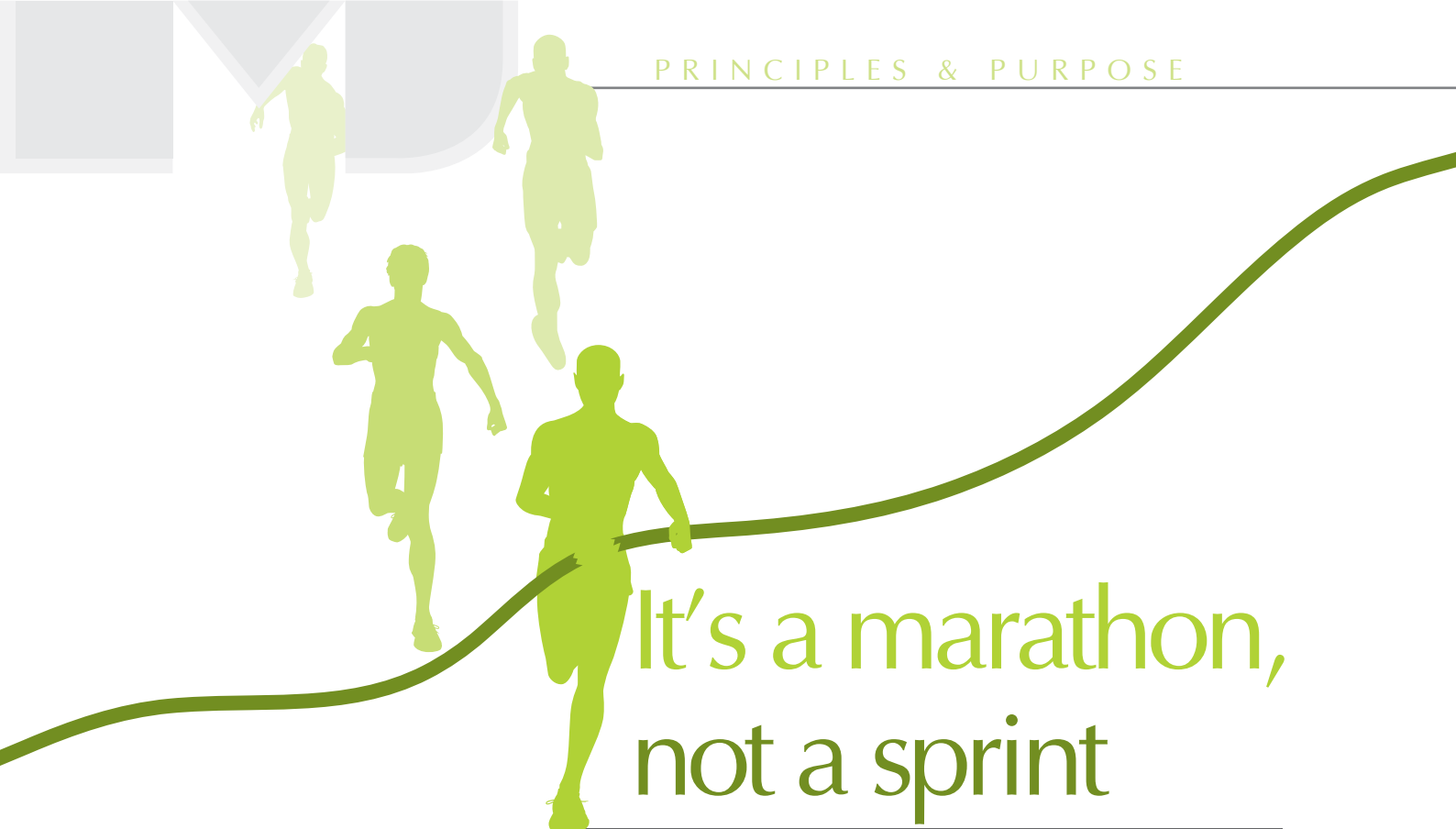


**PETER
WATKINS**
GKN, United
Kingdom



**WENDY
WILSON**
Warwick
Manufacturing
Group, University
of Warwick,
United Kingdom

More information on our editorial board, their experience, and views on lean is available on the *LMJ* website: www.leanmj.com



It's a marathon, not a sprint



What do you want your future business to be and look like? Editorial board member *Joseph Paris* outlines the frank and honest conversations needed to sustain lean, as well as, emphasising the value in planning and preparation.

READ ABOUT:

- Why so many lean journeys are abandoned or fail to realise their potential
- What can be done to achieve and sustain lean
- The importance of planning and preparation for a successful lean journey

We have often heard lean described as a “journey, not a destination” – meaning the pursuit of an optimal business condition is what is important and an ideal state is never to be realised. So why are so many journeys abandoned or fail to realise their potential – and what can be done to achieve a satisfactory result, or even a level of success? How can a lean program be sustained over time?

There is a saying: “Projects consist of scope, timeframe, and budget – I let you pick two, and I get one.”

Assuming everyone is a capable professional and if you specify the scope and timeframe, I will tell you how much it will cost. If you specify the scope and budget, I will tell you the timeframe. If you specify the timeframe and budget, I will tell you the scope.

“ You have to plan for it being a long-term campaign with the pace set for a marathon, not a sprint – and make sure you train, outfit, and otherwise prepare yourself accordingly ”

My experience has been that most programmes are in jeopardy from the very start due to a lack of alignment between leadership and deployment in the mutual expectations set. It is in this regard that more time should be devoted to the difficult and honest conversations that ensure the entire organisation is working in unison.

Specifically, I have repeatedly seen the expectations of leadership over-reach the ability for the deployment professionals to deliver given the support in resources committed and time allocated – and I equally witness the over-commitment on the part of the deployment professionals given the resources allocated by leadership. The conversation goes something like this:

Leadership: We need to drive an additional 10 % EBIDTA over the next year. Can you do it?

Deployment Professional: Absolutely, it can be done.

L: Excellent. What do you need?

DP: We need to hire several more seasoned deployment professionals to act as facilitators – and a few coaches and trainers to on-board the business units.

L: There isn't any budget for that. I need you to deliver with the resources you have. Maybe we can get the business units to allocate some of their budget to the initiative. Can you still do it? We are all counting on you because this is critical for the company to achieve its strategies.

DP: I can certainly try.

L: I am not comfortable with you saying you will try – I need a commitment. I need to know whether you can or can't deliver?

DP: Of course. I will get started right away.

And so it goes...

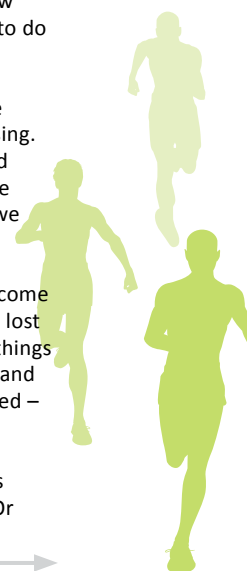
Unfortunately, most lean programs – and continuous improvement initiatives in general – are launched in response to some threat, which has become imminent to the business (human nature is such that we always wait too long to respond hoping it will not materialise, although we knew) or other “disruptor” (such as a merger, or the on-boarding of a new “c-level” executive). Therefore, initiatives are launched under a state of urgency, sometimes with reference to a “burning platform”.

Personally, I do not like to use the phrase “burning platform”, because I believe it is counter-productive to the pursuit. Let's face it, if you were on a burning platform, would you be more concerned about putting out the fire or self-preservation? Speaking for myself (and I don't believe I am unlike the average person), I would do what I could until the threat level was beyond my comfort zone (which would not be too high in such a situation) – then I would look to escape.

As an example, would you be surprised if I told you the single biggest revenue-day each year for fitness centres and exercise equipment is 2 January? This is the day we all realise that we thoroughly enjoyed ourselves over the holidays and have the additional weight to show for it. We resolve to lose that weight, and even a few pounds more – and we are going to do it by Easter.

For the first week, maybe two, we spend all of our extra time exercising. We even re-allocate time intended for other activities so that we have more time to exercise – because we really want to lose that weight by Easter. However, after a couple of weeks (perhaps even less), we become tired and discouraged. We see we lost hardly any weight, we find other things that are important are sacrificed, and we see the real investment involved – until we just give-up.

So the question becomes; which is more important? Losing weight? Or losing weight by Easter?



The same holds true with the launch of a lean program. You have to plan for it being a long-term campaign with the pace set for a marathon, not a sprint – and make sure you train, outfit, and otherwise prepare yourself accordingly.

How can a lean programme be designed and launched in a manner that maximises its opportunity for success? I offer the following for your consideration:

■ **Define and communicate the vision:** What do you want your future self to be and to look like? Can you explain why it is important to achieve this vision of your future company? Can you articulate the risks and rewards? Can you explain it in the simplest terms (no MBA words) so that even the employees who are the most junior and most distant from leadership can comprehend? Remember, it is not only the analysts on Wall Street that have to understand.

■ **Create a roadmap:** Do you know where you are now? Are you having the serious conversations – open, honest, and frank – with the people who you need to help you get to where you want to be? Are you actually listening to them? Are you establishing check-points along the way to incrementally assess how you are progressing on the plan?

■ **Establish a state of readiness:** As you begin the journey, have you established a culture that will embrace the changes necessary? You have to trust your team is capable to engage the tasks at hand. How are you going to overcome those individuals or structural issues that are a threat to success? If you can't overcome (or it's too difficult), are you ready to make the hard decisions so the risks are mitigated or neutralised?

Have you achieved an alignment in your resources so that the right people are on the bus, not to mention, sitting in the right seats? It is important to never have a logistic in search of a strategy. Before you launch the initiative, have you attained the proper level of preparedness?

Plans are
nothing, planning
is everything //

Dwight D. Eisenhower

■ **Engage the pursuit:** Have you set a sustainable pace or are you setting-up for failure? Do you have enough of the proper resources (talent, time, money) allocated? How are you progressing against your check-points? Are you harvesting wisdom, the sum of all applied knowledge, so you can replicate what is learned – or are you realising benefit and not sharing it so you have to rediscover the knowledge time and again?

Like a rocket leaving the launchpad, the first stage of a programme is going to be very disruptive and consume a lot of energy – it is critically important to be strapped-in and ready. However, the subsequent stages will be smoother as the momentum builds and a rhythm is established.

■ **Continually re-assess:** Pursue your plan, but do not be so blind in your pursuit that you fail to see changes in the business-scape. Maybe there is a new opportunity or threat that must be considered? Make sure you have your eyes open. Has someone moved your cheese? In this respect, the process of planning is more important than the plan itself.

Remember that people will see benefit in a lean programme from a menagerie of lenses – each from their own perspective. The people in finance will evaluate benefit from a financial perspective, the people in production will evaluate based on production velocity and quality and the people in sales will evaluate based on increased revenue. One effort, with many benefits that can be measured.

For instance, in one lean engagement in the oil sands of Calgary, there was an effort to reduce the number of runs the big earth-movers were making. Certainly, there was benefit to be realised by reducing the costs associated with running the equipment (labour, fuel, repairs and maintenance), but soon, others were seeing related benefits. The safety people observed that with more than 30,000 fewer runs annually, the opportunity for injury from operations was significantly reduced. Additionally, the people monitoring the greenhouse gas generation observed that the carbon emissions, as a result of the reduction in runs, were approximately 17,000 tons less.

A lean programme can yield tremendous benefits to your company, to the entire value-chain, and even to the planet. It is certainly important to properly plan and prepare – but it is most important to manage the expectations up-front and to pursue at a pace that is sustainable. Otherwise, the program results will be a disappointment for everyone.