



LEAN MANAGEMENT JOURNAL

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LITTLE, BUT LEAN

Investigating the implementation of lean in smaller organisations

Organisations featured in this edition include: Toyota, NHS Blood and Transplant, SCGM, Zingerman's Mail Order, Black Widow

IN THIS ISSUE:

Family value: Family owned and run Black Widow manufactures vehicle storage solutions in Australia. *Jason Oliver* explains how family ties and dynamics can influence a lean implementation

Mailed to order: To be small often means to be nimbler and more responsive by nature. *Tom Root* discusses how US-based Zingerman's Mail Order adapts to fluctuating demand

The future of social housing: One of the biggest challenges that social housing in the UK faces is streamlining the maintenance of buildings. But lean can help, says Cardiff Metropolitan University's *Nick Rich*

From 84 to 48: *Will Stirling* reports on Toyota's challenge of increasing volume by 40% at its Deeside plant in the UK without significant capital investment

The Healthcare Watch: NHS Blood and Transplant must ensure a reliable supply of blood and blood products to hospital around the United Kingdom. *Joy Furnival, Debbie Carmouche* and *Vaughan Sydenham* explain how lean is helping the organisation deliver





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We are all familiar with the saying “Good things come in small packages”. My favourite version, I have to admit, is the Italian one. Not surprisingly, it has to do with wine. *Nella botte piccola c’è il vino buono*, we say back home – “Good wine comes in small casks”.

We live in a society where more is too often considered better than less.

Consumerism is our mantra, and we seem to be naturally drawn to think that the bigger the action we take, the house we live in, the statement we make, the money we earn, the better it is.

However, **when things don’t work out, the only big thing we are left with is our disappointment.** A simpler, more humble and spartan way of living would do us good.

Size is not necessarily everything. Just ask the Trojans: I bet they were very happy with their big present at first, until they figured out it was the vehicle for the city’s demise. I think we can all agree in saying that a hobbyhorse would have been better for them!

In business, too, we tend to think that larger organisations have a better chance to succeed.

They have access to resources, both human and financial. They are less vulnerable than their smaller counterparts. We often hear that lean is more easily applied in large enterprises, and that their size makes streamlining and standardising processes a pressing need.

“ **Lack of resource can represent a big incentive to start a lean journey** ”

But smaller organisations have a couple of aces up their sleeves when it comes to lean.

First of all, they are naturally nimbler and more responsive entities. Secondly, in a small environment where everybody knows everybody, it is much easier to develop shared goals and nurture the creation of a culture of continuous improvement.

And, of course, lack of resource can represent a big incentive to start a lean journey.

In this issue, *Lean Management Journal* features a case study of an Australian family-run company called *Black Widow*, which will help us to understand how family ties and dynamics can impact on the way lean thinking is implemented.

We also speak with Zingerman’s Mail Order, based in Michigan, who will discuss the challenges posed by a volatile employment base to an SME trying to lean out.

In every area of the world, small and medium sized businesses outnumber large companies and corporations. **In the European Union alone, over 20 million SMEs represent 99% of businesses.**

Imagine the untapped potential these companies represent. Even if there were only a small percentage increase in the number using the guidance of lean thinking to thrive, the gains in terms of innovation, productivity and growth would be incredible.

Here’s another task for the lean community then: encourage more SMEs to realise the potential of lean.

Happy reading,

Roberto Priolo
Editor, *Lean Management Journal*

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On singling out followers



Joseph Paris, Founder of the Operational Excellence Society, reflects on Willi Schneider's article, published in the latest issue of LMJ, and expresses his view on followership.



In the May issue of Lean Management Journal, there appears a very well-done article by Willi Schneider entitled “Singling out followers” which goes on at length about the importance of having followers as much as leaders in an organisation.

Whilst Willi does a great job discussing the importance, characteristics, and roles of followers in an organisation, he does not delve into how followers are built. So please indulge me in my effort to supplement.

In my experience, the key elements to building good followers are communication, respect, and trust.

■ **Communication:** The first most important factor to consider in building good followers is to define a proper strategy – one that is clear and concise such that everyone can understand where the organisation is headed and the role they are expected to play.

I am not referring to the platitudes and politi-speak that one might find in a mission statement. Such garbled communication is mostly of value to the marketing department and analysts and the meaning does not translate well to the rank-and-file of the organisation.

I am referring to the type of communication that is direct and to-the-point, one through which, regardless of what role a person plays in an organisation, they understand completely where their leaders intend to lead them. As Albert Einstein famously said, “If you can’t explain it simply, you don’t understand it well enough.”

■ **Respect:** The second most important factor in building good followers is for those in leadership roles to demonstrate respect to those they intend to lead, and thereby having the opportunity to earn the respect of those who will follow their leadership.

This is the essence of the “servant leader”; one who believes in a cause greater than themselves – one who “takes all the hits” and concedes the glory of achievement to those he leads.

A follower needs to know they are more than just a number, or staffing, “bodies”. In this age of Wall Street and Human Resources, companies do themselves a great disservice when they refer to their people as “headcount”, not to mention its either increasing or decreasing. When someone leadership expects to have as a follower realises they are just a statistic, all aspirations of a leader building a follower are lost.

Baltasar Gracian is reported to have said, “Respect yourself if you would have others respect you.” To respect an employee and to build a follower, a leader must: lead from the front and not issue edicts from behind a desk, be empathetic to the personal and

professional needs of those they intend to lead, build within the employee a “pride in ownership” such that the follower is vested.

- **Trust:** And this third most important factor in building good followers is to build trust. Some might argue that it is the first most important, and perhaps it is. But trust cannot exist without communication and respect coming first - and both communication and respect can exist without trust - therefore, I believe its rightful place is third.

Trust is in large part based on a confidence one has in someone or something which has been previously tested. Sometimes, the trust is earned based upon prior experience, and sometimes it is thrust upon by circumstance and having the need to trust. As Ernest Hemingway once said, “The best way to find out if you can trust somebody is to trust them.”

A follower is always naturally suspicious of a leader because - let’s face it - there is a long history of followers being lied to, taken advantage of, or generally mistreated by their leaders. Therefore, a leader should not expect “instant acceptance” and followership when they are first placed in a position of leadership.

To build trust in a follower (and aside from effective communication and demonstration of respect as noted above), a leader must be consistent and fair. Followers need to know that their leaders will be dependable and steady in the manner in which they demonstrate their leadership skills – and the followers need to know that the leader will treat them fairly and with neither favoritism nor neglect with respect to one another.

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Another necessity for building trust is supporting the followers in what is required of them for their present responsibilities as well as supporting their career growth. For instance, how often have we heard (or have even been told) that; “You have to do 10% better next year, but there is no budget to help you.” Being “Yo-Yo” (You’re On Your Own) is now way to build followers. Every strategy needs a plan, and every plan needs logistics before one can think of execution. Logistics are the support.

And trust is a two-way street – always respect the chain-of-command. It does not serve anyone when a follower skips over their leader’s head without first going to the leader - nor does it serve anyone when the leader throws a follower “under the bus” when things go bad.

Although trust is difficult to earn, and so requires considerable time, it is very easy to lose. It can happen in a flash. To build a follower, you must be consistent and steady, balance the expectations with the support offered, spread the glory and take the hits, and most important, never lie – even when the truth is difficult to accept.

Of course there are a plethora of other requirements to build good followers (and good leaders), but the three listed above are the most critical in my opinion – and I would argue that most of the others likely fall under one or more of the above.

In the end, a leader is not a leader by rank, or heritage, or title, or fortune. A leader is a leader because people are willing to follow. In *Leadership Secrets of the Rogue Warrior*, Richard Marchinko states: “If a leader looks behind him and sees nobody following, he is no longer a leader – he is just another [hapless man] out for a walk”.

EVENTS

There is currently an expanding pool of events available for the development of the lean community. They offer both general and sector specific opportunities to renew your enthusiasm and gain new perspectives through communicating with lean contemporaries.

UPCOMING LEAN EVENTS INCLUDE:

LeanNHS

June 20, London, United Kingdom

LeanNHS is a free forum for NHS employees who are interested or involved in the operational improvement process within NHS. It provides them with a platform to share their work, success and challenges with peers.

LeanNHS, sponsored by Kinetik Solutions and LeanExecutives, is a quarterly event taking place in London and Birmingham, UK, alternatively.

For more information, please visit leanmidland.org.uk and leanlondon.org.uk

IN2:INTHINKING NETWORK 2013 FORUM

June 19-23, Los Angeles, California

The 12th annual forum is themed The Art of Reflection: Connect – Inspire – Act. The event was formed in 2001 by a group of students of the work of W. Edwards Deming and related theorists, including Russell Ackoff, Edward de Bono, Tom Johnson, Peter Senge, and Genichi Taguchi.

The aim of the five-day Forum is to continue to elevate the consciousness of individual and collective thinking. Join in order to learn, connect and improve how you work, learn and think together.

Registration fee: \$400. More info at www.in2in.org

OPERATIONAL EXCELLENCE SOCIETY

Just over a year ago, the Operational Excellence Society only had a couple of chapters. Today, with 2,500 active members and several chapters located around the world, this not-for-profit organisation has been growing steadily.

There are active chapters in London, Dubai, Ciudad Juarez, Warsaw, Abu Dhabi, Cologne, Frankfurt, New York, Atlanta, Munich and Monterrey.

Type in the following link (<http://goo.gl/jMdqB>) for a full listing or contact Karolina Redzicka, Operational Excellence Society Liaison at RedzickaK@xonitek.com

THE MANUFACTURER OF THE YEAR AWARDS

Entry deadline: July 31st

This competition is specifically designed to acknowledge and celebrate the strength and diversity of UK manufacturing. The awards aim to spread best practice, inspire others and show the important role UK manufacturing plays in today's economy.

We know success is achieved by organisations of all shapes and sizes and believe that every business should have the opportunity to be recognised and to showcase its talent.

For winners, finalists and those highly commended, the experience from judging day, the thrill of the awards ceremony, the internal and external PR opportunities and the recognition gained from existing customers and peers are all fantastic well-being factors that result from entering an awards programme.

ENTER NOW

Entry into The Manufacturer of the Year Awards is straightforward, simple and free*. Whether you have driven innovation in your company, taken on a recent sustainability project, have an inspirational leader or made significant improvements to your working practices, we want to hear from you!

ENTRY IS FREE*

Entering The Manufacturer of the Year Awards programme could be the single most cost effective method of motivating your team and recognising their achievements. With a range of categories to choose from, entering is free* and simple, and there's no limit on the number of categories you can enter.

SHORTLISTED COMPANIES

After the first round of judging by industry experts, the top scoring companies in their category will progress to the second round of the competition. These shortlisted companies will be announced in September and invited to present to the category judging panel at a Judging Day in October.

** All categories are free to enter, EXCEPT the World Class Manufacturing category, which will involve a half day site visit for three judges who will assess the nominated plant. Companies that are shortlisted for the World Class Manufacturing category will be asked to pay a small contribution of £450 towards the judge's time and travel expenses. This is the only category that will have a site visit and fee.*

There is no cost to submit your entry for this category and only those companies who are shortlisted for the World Class Manufacturing category will be required to pay the judges fee.

UPCOMING LMJ EVENTS INCLUDE: