



Lean Strategy:

**Going where your competitors will struggle
to follow**

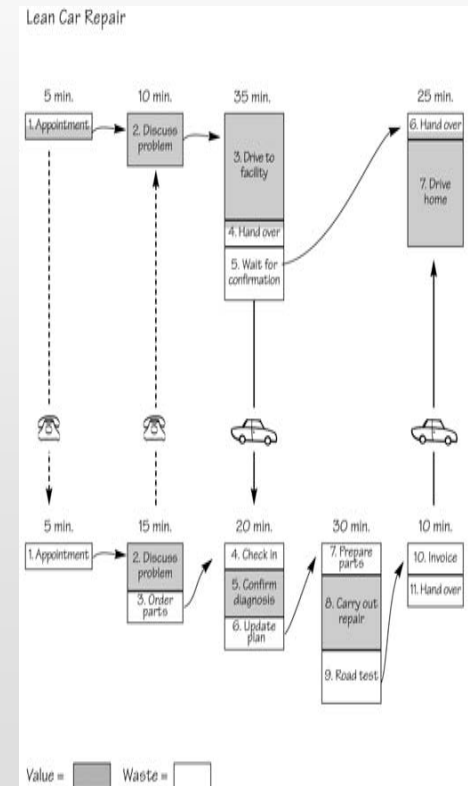
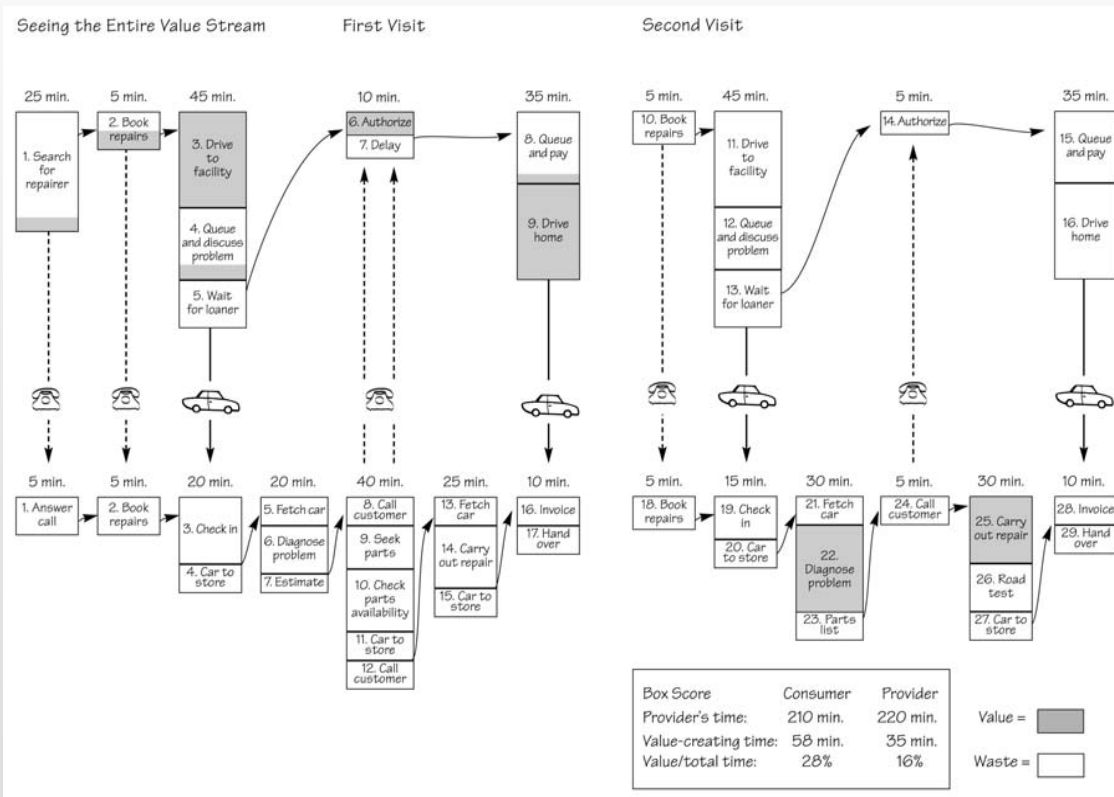
Daniel T Jones

Chairman Lean Enterprise Academy

Toyota



• Is Toyota really customer focused?



Toyota



- Yes Toyota is really **customer focused**
- Every employee is focused on improving **quality** and **cost** – and it shows in loyalty
- But in 1990 Eiji Toyoda launched a green drive to explore alternative engine technologies
- In fact they are pursuing **five different** green alternative technologies
- And are two generations **ahead** in hybrids
- The rest of the industry is struggling to follow



Actions

Every little helps

Purpose

Process

People

Walk and map
supply chains

Flow through
stores & DCs

Continuous
replenishment

Take on
primary distribution

Dollies and shelf-
ready packaging



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Walk and map supply chains

Align strategy on flow

Flow through stores & DCs

Common dashboard

Continuous replenishment

Pilot projects

Take on primary distribution

Tesco Operating System

Dollies and shelf-ready packaging

Store training



Actions

Every little helps

Purpose

Loyalty cards

Home shopping

Segment customers

Understand preferences

Convenience format

Process

Walk and map supply chains

Flow through stores & DCs

Continuous replenishment

Take on primary distribution

Dollies and shelf-ready packaging

People

Align strategy on flow

Common dashboard

Pilot projects

Tesco Operating System

Store training

Beyond Fresh & Easy



- The next opportunity is to **integrate** convenience and web shopping plus local water-spiders
- The local store as a **portal** for obtaining everything to pick up or have it delivered
- And a trusted **partner** with whom to plan ahead
- Think of it as Tesco + Google + Amazon + Starbucks or SevenEleven Japan!
- Huge **implications** for Retailers (multi-channel?), Suppliers (make it locally?) and Logistics (who owns neighbourhood distribution?)

Lean Solutions



- This thinking inspired us to write **Lean Solutions**
- In which we proposed a set of **principles** of lean consumption to mirror those of lean production
- And a **methodology** for seeing the consumption and provision streams and their interaction
- Which reveals the win-win **opportunities** for helping solve consumers' problems
- While **saving money** and making things easier for providers

More Lean Solutions



- Other sectors are **beginning** this journey:-
 - Communications
 - Finance and insurance
 - Travel and mobility
 - Healthcare
 - Shelter and construction
- Discovering the **potential** new capabilities opened up by lean
- And new ways of helping consumers solve their problems

Lean Questions

Purpose

Who are your customers?

What do they want?

What is their experience?

Gap between real
and created demand?

What else could you do?

Process

What is total lead time?

Value creating time?

Right first time on time?

Response time?

Capacity and demand?

People

Align strategy?

Value stream
managers?

Visual management?

Make problems
visible?

Develop problem
solving skills?

Future Lean Tasks



- Who is willing undertake **experiments**? – in lean process redesign and lean management
- What can we learn from the **pioneers**? – No one best way! What works and what does not?
- Can we distil common **principles** and **methods** from these examples?
- This is how we will build a solid scientific **knowledge base** for lean management?
- What are the opportunities for exploring **new lean business models**?

The Lean Enterprise Academy

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"Welcome to the Lean Enterprise Academy, the 'do tank' dedicated to pushing forward the frontiers of lean and to spreading lean to every kind of organization."

Daniel T Jones - Founder and Chairman, The Lean Enterprise Academy



What is Lean?

Lean Thinking is a management system pioneered by Toyota, engaging every employee in streamlining the horizontal processes that create value for consumers ... [more ...](#)

- [What is Lean ?](#) (PDF Article - 23 Feb 2008)
- [A Taste of Lean](#) (Introduction Video - 29 Nov 2007)

Our Action Research

We work with organisations of various types at different stages of their lean journey ... [more ...](#)

- Developing Lean in **Healthcare**
- Leaning **Sales and Service**
- Creating **Flow in Batch Production**
- Creating **Lean Supply Chains**
- Developing **Lean Solutions** for the Consumer
- Managing and **Sustaining Lean**

We are also looking for lean pioneers ... [more ...](#)

Downloads

Join the **lean community** to receive monthly e-letters and alerts about the latest articles and events ... [more ...](#)

- [Dan's latest e-Letter](#) (20 Mar 2008) ...
- [Articles and e-Letters](#) (21 Mar 2008) ...
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Forthcoming Events

Lean Business Transformation Summit, London on **21 November 2008**. [more ...](#)

Dan Jones will be speaking at ... [more ...](#)

Book Store - Latest



Creating Lean Dealers shows how lean can transform all kinds of sales, service and repair activities ... [more ...](#)

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Lean Transformation Summit 2008

Thank you for Coming