



Lean Transformation Summit 2008



What if every Process in your Organisation was Lean?

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Who are We?



- 300 lean leaders
- From 16 countries – 31% visitors to the UK
- From 157 different organisations: -
 - 36% in Manufacturing
 - 20% in Services
 - 12% in Healthcare
 - 9% in the Public Sector
 - 13% in Consulting
 - 10% in Education

Why this Summit?



- I heard your **frustrations** with lean: -
 - We have only achieved a fraction of the potential results from lean
 - It is hard to engage top management and to spread across and beyond the organisation
 - Lean is difficult to sustain over time
- This Summit brings together the best lean experts to address these questions
- And to create a vision of the ***next stage of lean***

Frontiers of Lean



- Is no longer about tools, RIEs and chasing Muda
- It is about sustaining **lean processes** and developing **lean problem solvers**
- Which requires a very different form of **lean management** and **lean leadership**
- Which we can only learn to build through a very different **lean transformation** process
- Resulting in new capabilities to transform each industry through a **lean strategy**

The Recession



- Is a great **opportunity** for lean!
- The gaps in performance that need to be closed just got bigger
- And the business context is shifting markedly
- The choice is to **accelerate** lean or wither away
- There is no more time to waste!
- And no more time for excuses!
- Now is the time to take speedy, decisive **action**

The Business Problem



- What are the **performance gaps** we need to close as a business?
- Ask CEOs and top managers what keeps them awake at night
- Ask employees what frustrates them most in their work
- Observe how your customers use and access your products and services
- What are the **value stream opportunities** to close these gaps?

The Opportunities



- What are your main **value streams**?
 - Core value streams
 - Support value streams
- What improvements in which value streams with which customers and suppliers would make the biggest contribution to closing these gaps?
- How to see and select your **vital few** – you can't do everything!
- Let's look at some examples

Discrete manufacturing



- Lots of plant level improvementsbut.....still **very long supply chains**.....for example
 - 26-97 weeks, 256 steps in 21 plants on 4 continents and tens of thousands of miles
 - to do 200 minutes value creating work!
- What you don't map you can't see – and if you don't do the lean maths you can't see the cost!
- Now is the time to do joint value stream analysis with chosen suppliers to explore **co-location**

Consumer Goods



- **Out-of-stocks stuck** at 92% as manufacturers still make to forecast with 100+ day supply chains
- But some retailers and suppliers are now growing sales of fresher products, making every product every week not every 12 weeks, getting 30% extra output and meeting every order 100% on time in full with no invoice errors
- And using this to respond to the market more quickly, to develop new **multi-format** business models and to integrate local suppliers

Healthcare



- Many hospitals now meeting the 18 week and 4 hour waiting targets – **you don't need queues!**
- Some are realizing that variation and surges are driven by the system and most patients flow through the same steps down a few pathways
- Can create stability by seeing demand, a plan for every patient, visual management and synchronizing support activities and discharge
- Potentially **doubling throughput**, and reducing errors and infections at lower cost

Service and Support



- Many support processes are long, complicated, full of errors and **outsourced!**
- But there are many good examples of lean:-
 - Cut calls by 80% by fixing broken processes
 - Eliminate invoice errors to speed payment by 60 days
 - Cut insurance renewal time from 63 days to 2
 - Service response time cut from 5 days to 2 hours
 - Engineering change time from 90 to 3 days
- The **potential here is huge** - and will allow us to do so much more for our customers

Lean Value Streams



- We now know how to **design** lean value streams in all kinds of circumstances
- And the **tipping points** to unlock old mental models saying it can't be done here
- And the **sequence** of steps to create the stability to begin the lean redesign path
- The challenge is to design the right sequence of **actions** to bring this all together quickly
- While building the capabilities to **sustain it**



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