

# Lean Enterprise Academy



LEA e-letter – 12 December 2007

## The Truth about Lean

Dear Lean Community Member

Lean thinkers always take the time to reflect on what works and what does not. This yields very powerful insights. Some things really work as you expect and the results are evident for all to see. But other things you think ought to work just don't. In my experience this is often because we are reading what we want to see into our perception of what Toyota actually does. Once we realize that what they actually do is quite different from our initial expectations then we can begin to see the right way forward.

On the other hand I also see common misunderstandings distracting us from doing the right things over and over again. I am reminded of this by questions I am asked at Lean Summits around the world. This prompted me to summarize my answers and my conclusions on what makes a successful lean transformation.

The first conclusion is that the only lean things that stick are those done by the organization themselves, not those done to it by outsiders. Consultants can help you learn but it is an illusion to think they can do it for you. Moreover lean progress only lasts if it is led by managers who have clearly defined the business problem that needs to be solved, have understood enough about lean to know how lean can help to solve that problem and who have then developed a plan of action that they will lead and follow up on.

The skill of the lean thinker is to help to solve this specific business problem by using the right tools in the right places in the right sequence to achieve the desired improvements in value stream performance. Whether the specific business problem has been achieved should be clearly visible to everyone.

This contrasts with applying lean tools everywhere to eliminate waste or traditional cost cutting by removing heads from departmental budgets. Neither of these fundamentally changes the processes that create value for customers. Toyota knows from long experience that performance improvement that lasts is the result of improving processes.

The second conclusion is that lean can only really be learnt by doing, not by training in a classroom. Lean knowledge is learnt through successive learning cycles solving ever more difficult problems. It requires a common visual language for planning and problem solving and it needs mentoring and reflection.



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For the organization this means being able to capture the learning from every lean initiative, probably on an intranet available to every employee, so that this knowledge can be accessed quickly in bight sized chunks just when it is needed. At Unipart they talk about learning at 10 and doing by 11. This common knowledge base is essential to spread best lean practice across a dispersed organization.

The third conclusion is that there are many layers of lean. There is always much more to learn and do. Once you improve the quality, delivery and free up capacity in your existing process you will see new opportunities for redesigning it next time. Ultimately you will be able to use the capabilities created by lean processes to offer additional value for customers at a price your competitors will not be able to match.

But there is a real danger in this iterative learning process. Once you have done the first successful project you think you know lean! A classic example of this "instant expert" problem is in healthcare. Two years ago there were almost no experts in lean healthcare in the UK. Yet there were 86 expert bidders for a recent tender to help a big hospital!

Listen to any lean pioneer and they will tell you that what they learnt in year one was tiny compared to what they learnt by year four. By this time they realize how much more there is still to learn - and they are still learning in year twelve!

Fourth it is important to find the appropriate trigger points to overcome the mental models blocking lean in different situations. A non machine-paced environment or a complex product mix in process manufacturing is very different to discrete fabrication, machining and assembly. Likewise an office, a call centre or a service and repair environment needs different starting points.

Fifth lean changes the whole organization, not just operations. The opportunities are even greater in the office, in planning processes, in new product introduction and engineering change processes. And it changes top management behavior as much as it does the shop floor. This is why it really is a new business model. The true significance of what Toyota has done is that it is a market disrupter in a mature market. Would you not want to be the one to shake up your industry?

I wish you a happy Christmas and a successful New Year.  
Yours sincerely

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