



Lean Enterprise Academy

LEA e-letter – 12 May 2008

Lean Consulting

Dear Lean Community Member

Some time ago I worked alongside a team of super sleuths from a large consulting firm who were very skilfully looking for opportunities to cut costs – unnecessary activities and surplus heads when compared with their benchmark data from other clients. Our mission was very different – to engage some of this brainpower to create a process out of a set of activities in three locations to speed up the engineering changes on a large project that was way behind schedule. I was impressed by their skills and they were fascinated and enjoyed the intellectual puzzle involved in creating this process and the war room to coordinate the flow of work.

But my reflection on their original and ongoing mission was what it revealed about traditional management. The reason top management spends such large sums on these super sleuths is that this is a powerful way of challenging the budgets of departmental and function heads or business unit managers playing the traditional game of bidding for resources in the annual planning round. On the one hand department heads are rewarded for “making their numbers” each quarter and on the other hand how they do this is up to them – so don’t pry into how they do it. Which is why the dream of an all seeing financial control system is so appealing to top management – and so are the services of these outside sleuths. This is just one example of how traditional consulting models are a product of traditional management practices.

Recently I also meet several top managers who want to hire a seasoned lean expert to head a team to deploy lean across their organisations. This form of deployment is another characteristic of traditional management – and the way Six Sigma was rolled out at GE and elsewhere – as a central staff driven change programme. The obvious danger of this approach is that it is seen as another wave which will come and go so it does not matter if experts come and do it for us or even to us because things will revert to normal again when they go.

It does not matter whether these are internal experts from a central expert group or from an outside consulting firm, the results are similarly difficult to sustain. And yet despite the rhetoric this is the way many are trying to implement lean in their organisations or in their clients. However trying to sell a different path of lean implementation to traditional managers is an uphill struggle, particularly if they believe lean is something for operations to do that does not mean they have to change their own behaviour in any way. So it is easier to sell a lot of Rapid Improvement Workshops and hope they will learn.



Lean Enterprise Academy

LEA e-letter – 12 May 2008

So if lean involves a fundamentally different management model it also means a very different model for implementing lean (maybe implanting lean is a better word) and a very different way of using outside experts and consultants. I am now convinced that we should think about every lean intervention as an experiment as well as an opportunity to build lean knowledge amongst those who will run the process.

Top management has to grant permission to conduct the experiments and to act on the results. The initial experiments ought to focus on primary value streams that reach the customer and involve the relevant departments, like marketing, logistics and operations. A value stream manager needs to lead the team to learn to see real demand, to see the verifiable net benefits from the investment in this experiment and to create the future state process design and action plan. And the value stream manager also needs to engage every manager, section leader and employee in a dialogue with their superior using A3 thinking to solve problems that contribute to realising the plan.

Just like a scientific experiment we need to be prepared from the start to be able to evaluate the success of the experiment and to write up and reflect on the results. Outside experts and Senseis should be judged on how good they are at asking the right questions to guide this learning process rather than how many Kaizen events they can run.

Yours sincerely

Daniel T Jones
Chairman, Lean Enterprise Academy