

Lean Enterprise Academy



LEA e-letter – 18 August 2008

Changing Gear with Lean

Dear Lean Community Member

I am convinced that it is a mistake to roll lean out across an organisation using traditional change management techniques. They may work for a while – but beyond a certain point they can become a hindrance to further progress. Just as we have to rethink the design of key processes and the role and behaviour of lean managers, so we also have to rethink the change management process to deliver lasting results with lean.

This can be seen most clearly in the most active sectors embracing lean in the UK today – consumer goods, all kinds of service providers (financial, utilities, telecoms, IT etc) and the public sector including healthcare. All of these are well into the first phase of lean and face a big challenge if lean is to really make a lasting impact.

The characteristics of the traditional change model are very familiar. Many of you will have used them to deploy Six Sigma through your organisations. Top management is convinced that the deployment of a set of new tools may improve the performance of their business. They hire outside experts and train an internal staff group to fan out across the organisation to identify and run as many projects as possible using one best way and probably with lean using week long rapid improvement events or Kaizen blitzes. The early results generate lots of good stories, and employees become truly engaged and enthusiastic as they identify and eliminate low hanging fruit in their areas. This builds credibility for the methods and techniques. All well and good.

But the flip side is not so rosy. Improvements are not so easy to sustain once these experts leave on another assignment, as they inevitably will. With only loose direction from top management it is difficult to trace the results from these islands of improvement to the bottom line or to better customer service. And no one really checks to evaluate the true success of these rapid improvement events. We recently did an assessment of a hospital that had done 93 Kaizen events. The success rate was less than 20% and none of these had impacted the core A&E process that really kept the CEO awake at night! No wonder they were looking for a change of direction.

The next phase of lean starts with top management learning to see the vital few actions, on the right products and service lines and with the right customers that would have the biggest impact on the performance of the organisation. In the hospital getting the chaotic flow of patients through A&E under control is the key to establishing stability and a common rhythm across the rest of the hospital. From then on all improvement activities should be resolutely focused on just these vital few projects.



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These projects must also be end-to-end and maybe even involve key customers and be focused around a clear business problem or opportunity. This could be selling more product by marketing, planning, production and logistics working together to improve on-time delivery by producing and shipping more frequently in line with demand.

Absolutely critical to the success of these projects is a cadre of lean value stream and line managers with the right skills to build agreement between all the involved parties on the right course of action and then to see it through. Because lean removes all the buffers between steps these lean project and line managers need to also spend a lot of their time developing and focusing the A3 thinking and problem solving skills of employees running the process.

The core of a lean transformation model is the use of the scientific method to define key business objectives and to develop the planning and problem solving knowledge of employees. However unfamiliar the language it is right to think of lean as a series of controlled experiments. For any experiment you need to clearly define the (in this case business) problem you are seeking to solve, with a clear way of measuring success or failure. As well as identifying the root causes a good experiment will not just pursue one possible countermeasure but several. And most important of all you spend time reviewing, writing up and reflecting on the lessons learnt, successful or not. If we are honest none of these are common practice in business.

Yours sincerely

Daniel T Jones

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