

Lean Enterprise Academy



LEA e-letter – 15 September 2008

Lean Action Research

Dear Lean Community Member

Last month I concluded that simply overlaying lean tools and rapid improvement events on an existing management system using traditional change management techniques is unlikely to be sustainable. Indeed if we go no further than this there is a real danger that lean could well become another wave or programme of the moment that would inevitably subside like so many other waves. Consultants would inevitably look elsewhere for the next thing to sell their clients. Meanwhile the gap between Toyota and the rest would continue to grow and we would have missed a huge opportunity.

I get asked to look at lean transformations in all kinds of sectors. And I come to the same conclusion every time – the crucial missing element that determines the likely success or failure is management and leadership. Tools and engaging employees in seeking out waste is not enough. Over the years we have spent a lot of time learning how to use the right lean principles in the right sequence to redesign value streams in all kinds of situations – from discrete assembly to process industries and from transactions processing to call centres and from grocery distribution to flows of patients through hospitals. Finally we are beginning to see lean breaking out of operations to true end-to-end value stream redesign. This is very powerful but even this is not enough. It is certainly necessary but it is not sufficient.

So our challenge is how to describe and create a lean management system that goes beyond what we might call traditional modern management. We have all learnt a great deal from reading about and hearing first hand experiences of how Toyota's management system actually works. This must be the starting point and the continuing reference point for such a journey – but there is still a lot of work to do before we have a functional equivalent and a lean transition path that will create the management behaviour and leadership roles that go with lean. We know this knowledge cannot be generated in a classroom or by desk research. It is also difficult to do through traditional consulting. The only way I know to do this is by engaging in real experiments in real situations and systematically reflecting on what works and what does not. Jim Womack and I were fortunate in being able to observe experiments by others in writing *Lean Thinking*. Now it is time to get involved in what I call lean action research.

Lean action research goes beyond traditional consulting in its intent, its execution and in the reflections on its results. The clear intent of lean action research is to generate knowledge that can be acted upon by others. We can draw on Toyota's example for our questions and

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hypotheses but the problem to be solved is how to make them operational in other organisations. This is very different objective to selling a repeat product to many clients to make as much money as possible. Yes it is more risky and top management has to sanction the experiments and be willing to learn from the results of both successes and failures. But if the joint intent is clear from the outset it can be a very powerful win-win for both parties.

To generate real knowledge about what not only creates progress with lean but what sustains and builds on it over time the execution phase is also very different. Right from defining the business problem to be solved and scoping the experiment it has to be based on a mentoring and do-it-yourself approach rather than an expert led roll out.

The final step is to reflect on the results and to write up the lessons from several similar experiments in order to make them public so others can act on the results themselves. Of course the host organisation for this lean action learning is interested in stealing a march on its competitors. What distinguishes the winners and losers is not the knowledge itself but the ability to act on it over time. Consultants will no doubt play an important role in disseminating these results but only if we are able to create self sustaining exemplar organisations to act as role models for others to follow.

Yours sincerely

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