

## Lean Enterprise Academy

*Dan Jones e-letter – January 2012*

### **Assessing Lean Executives**

Lean adds new perspectives to the traditional ways of assessing executive performance, namely Results and People skills, and adds a third process or value stream dimension. These mirror the purpose (results), process (means), people (learning) framework of a lean management system. The lean logic behind this is that you need knowledgeable people running tightly integrated end-to-end value streams and projects to deliver results that will be sustained. In other words, good people running a good process generate good results. This also provides the right basis for redesigning these products, value streams and business models to meet changing circumstances.

A lean assessment starts by gathering the facts by “going to see” the work executives are responsible for – by walking their processes with them, examining the way visual management is being used to run these processes and looking at the quality of the project A3s being undertaken. It also involves gathering the perspectives of everyone involved, including internal and external customers, followed by a dialogue with the responsible executive. This helps to answer the questions whether the management system is in place to deliver the results the organisation needs to achieve, whether management time is being used effectively and whether learning is being captured and shared. It also tells you a great deal about the way executives think, lead and learn.

The lean perspectives on assessing executive performance can be summarised in nine sets of questions: -

#### **Which Results?**

- Can everyone in the organisation relate their actions to the vital few performance gaps that would make the biggest difference to the organisation and its customers? How many projects are underway, are they properly resourced, what progress is being made against plan and have less important activities been deselected?
- Do managers regularly walk and analyse the core end-to-end value streams in order to focus improvement activities on the underlying causes of these performance gaps, rather than the symptoms, such as waiting and waste?

- Are managers taking the necessary actions to use the freed up capacity, cash, capital expenditure, better customer satisfaction and faster time to market to generate additional sales and bottom line results?

### **What management processes?**

- Is there a standard process for managers to visit their value streams on a regular basis to audit the visual management of plan versus actual, to review improvement activities and to unblock issues quickly in order to create process stability and drive the right improvement activities?
- Are value stream leaders responsible for the core end-to-end value streams that cross departments and for gaining agreement from everyone involved on the right actions and the resources required, and for reviewing progress and delivering the results? Is visual management being used to resolve potential conflicts and drive collaborative behaviours?
- Is management effectiveness improving? Are focusing on the vital few and deselecting projects, frequent stand-up project reviews and more stable value streams freeing up management time from meetings, firefighting and communication in order to spend more time on developing employees, improvement and innovation?

### **How much Learning?**

- Is the practice of using A3s for making proposals, solving problems and making plans widespread? What is the quality of the thought processes and dialogues revealed by the portfolio of A3s being carried out and being supervised by the executive and their reports?
- Are learning and "ah ha" insights being captured at the end of every visual management meeting, problem solving and project review? Are these being systematically stored on an intranet so they can be shared by subsequent problem solving activities and projects?
- Are executives managing by "going to see" the facts, being knowledgeable by "asking why" and "respecting people" by enabling them to do their work? Are they leading by mentoring subordinates, setting clear directions and asking questions, rather than by telling people what to do?

This is truly a daunting set of tasks that demand a lot of new skills from executives and that challenge many of their mental models. They are learnt by doing and carrying out experiments, rather than in the classroom. In my experience executives struggle most with clearly defining the business

problems to be solved, seeing whole value streams from end to end, separating the responsibility for managing these end-to-end value streams (the horizontal value creation processes) from the authority over the resources (the vertical dimension of management), and leading by asking questions rather than being expected to know all the answers.

Yours sincerely  
Daniel T Jones  
Chairman, Lean Enterprise Academy

P.S. Have you looked at our new web site yet with links to all the presentations from the **UK Lean Summit** on YouTube – [www.leanuk.org](http://www.leanuk.org) ?