

**LEA E-letter – 1 August 2006**  
**Right-sized Technologies**  
**Daniel T Jones**

Dear Lean Community Member

I have always thought that lean is much more than improving the efficiency of existing equipment, factories, supply chains, hospitals and service facilities. Lean teaches us to learn to see and improve the processes we are responsible for. It also challenges us to look up and out and cooperate with others to streamline the whole process from end to end, often across several organisations.

But ultimately lean is about re-examining the end product or service being delivered to customers. Does it really meet their needs at an acceptable cost without wasting their time? And is it sustainable and can it continue to generate an adequate return on investment? If we are honest we would have to conclude that in many cases it does not – we are actually delivering the wrong product through the wrong facilities in the wrong place using the wrong equipment. Our business model is actually a relic of the era of mass production and mass consumption.

Recognising this dilemma does not solve it! One of the key constraints may be the technology – which is still being designed by engineers resolutely focused on developing the next bigger, all-singing all-dancing piece of equipment. Other constraints may be the drag of existing assets and careers tied to the existing business model.

However lean engineers are always thinking about developing right-sized tools and lean entrepreneurs are always thinking about how these might be used in new business models that ultimately replace existing providers. We can see similar opportunities in the three great growth industries of our time - transportation, communications and healthcare.

One of the examples readers remember from *Lean Thinking* is the holiday flight to Crete, which took 13 hours door to door for 7 hours of actual travel time. Very little has changed about the process of flying on holiday in the last decade – except you can do it more often, from more places, to more destinations and for a lot less money. You just squeeze your knees between the seats, switch off with a good book and look forward to getting there.

Things have not got much better when we travel on business. In some cases they have got worse – it is a nightmare trying to schedule convenient connections between medium sized cities in Europe - and a growing hassle connecting through massive hub airports. I just spent five days getting up before the crack of dawn and taking two flights via hubs, in order to do a day's work. Smaller jets carrying business travellers are now relegated to distant parking stands and often, after two bus trips and fighting my way through the terminal, I end up boarding the plane next to one I just left! In an exceptionally crazy 70 hour week I did 23 hours of valuable work – and then spent the weekend recovering my sanity!

But help is on the way. Video conferencing is getting better all the time – making some trips unnecessary. But equally the advent of the new very light jets promises to usher in a new era for the business traveller. In *Lean Solutions* we showed how point-to-point on-demand air taxi operations from local airports could save us all a lot of time and hassle. The Eclipse, the Hondajet and others from Cessna and Embrair are just the beginning of the story. Building and financing a viable business model and the necessary air traffic infrastructure come next. However the impact on the existing airlines and airport operators is likely to be profound.

This is a similar story to what has happened in communications – the PC replaced the mainframe and mobile operators are now challenging old telecom monopolies. I think we are on the threshold of a similar revolution in healthcare delivery.

There is a growing recognition that bringing diagnosis and treatment closer to patients rather than centralising them in big general hospitals will improve outcomes for many while saving time and cost. Health entrepreneurs and even retailers are thinking about new healthcare business models. This in turn depends on equipment providers developing smart, right-sized diagnostic and treatment equipment that can be used for self-diagnosis in the home or in local treatment centres. Existing equipment suppliers still seem wedded to bigger machines. Who is going to provide the right-sized technologies to make this happen?

I hope you have a good summer.

Yours sincerely

***Daniel T Jones***

Chairman, Lean Enterprise Academy

**P.S. Dates for your diary this autumn : -**

\* Tuesday 19 September – ***Speech at Health Service Journal Conference***, London.

\* Wednesday 20 September – ***Speech at Manufacturer Live***, Coventry.

\* Monday 2 October – ***Third Lean Healthcare Forum in Birmingham***.

\* 3-5 October – ***LEA Workshops on Creating Flow in Healthcare, Mapping Healthcare Processes, Using the Gold Mine, Lean in Six Sigma, Breaking Through to Flow, Mapping Your Processes and Planning a Lean Transformation*** in Tewksbury, Gloucestershire.

\* 20-21 November – ***Frontiers of Lean Summit*** in Kenilworth, Warwickshire.

I look forward to meeting you at one of these – details on [www.leanuk.org](http://www.leanuk.org).