



# **Welcome to our Webinar**

**The presentation will start shortly**

# LEA Webinar

## *Lean Transformation Framework*

D.Brunst, D.Marriott, P.Watkins  
November 17<sup>th</sup> 2021

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Welcome to our Lean Transformation Framework webinar.

We are pleased you are able to join us today.

My name is Peter Watkins. I am a Senior Coach at the Lean Enterprise Academy,

I am joined by David Marriot also a Senior Lean Coach, and David Brunst our CEO who manages the activities at LEA.

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# LEA - Purpose & Approach



## Our Purpose:

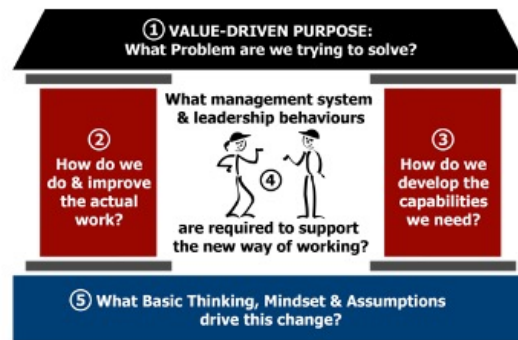
**We are a not for profit organisation, established to help customers become self-reliant on their lean journey. Through research, products and services we provide better, faster and cheaper ways to learn and improve.**

## Our Approach:

### SELF RELIANT CUSTOMERS



### LEAN TRANSFORMATION FRAMEWORK



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Many of you will be aware, but for those that are new to LEA, Dan Jones founded The Lean Enterprise Academy in 2003.

Dan is author of many lean books and set LEA up as a not-for-profit organisation.

Our purpose is to help people become self-reliant on their lean journey.

RETURN

We have products and services that we offer to customers based around 3 key value streams – Learn, Teach & Coach and Share.

At the intersection of each of those processes is our “Lean Learning Journey” platform where we are writing down, in a usable form the key knowledge required to learn and implement lean.

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The learning materials are organised around the Lean Transformation Framework which we both research and develop with partner organisations and you will learn more about how you can use the LTF today.

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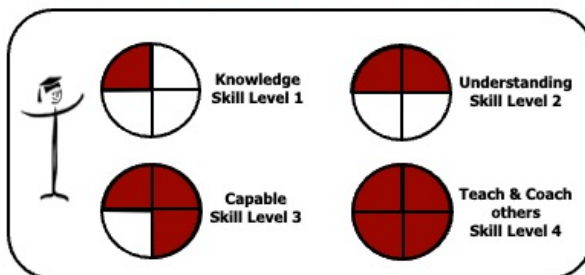
# LEA - Learning Lean



*"Give a man a fish and you feed him for a day. **Teach** him how to fish and you feed him for a lifetime"*

– Lao Tzu

## Skill Development – 4 Levels



## Online/On Site Support



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The materials and processes that we develop are based on a fundamental principle – “Give a man a fish and you feed him for a day. Teach him how to fish and you feed him for a lifetime.”

## RETURN

We have done a lot of research to understand how to learn lean most effectively.

We know from practical application that skill/capability development is best described as a journey. A guided learning path, progressing from awareness and knowledge of a subject, through understanding, being capable and finally to being able to teach and coach others.

## RETURN

We have always offered onsite support to help people on this progression, but in 2019 we started to develop a plan to offer this online.

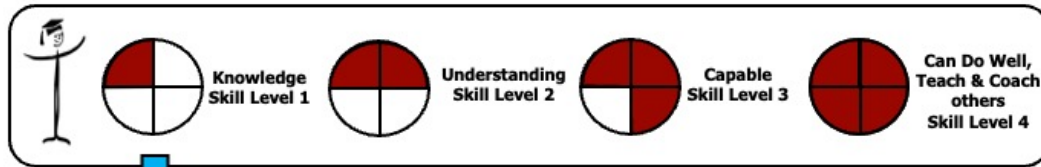
During the corona virus pandemic we have accelerated this activity – developing a new website, an online platform in which to develop modules and a process for conducting support remotely.

As lockdown eases we will combine the online learning material publishing and remote coaching at short intervals with onsite delivery at the gemba (Place of Work)

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# What is your Lean Journey?

## Lean Learning Journey – Skill Levels



**Today**



- To become capable you must practice.
- We offer online & onsite Teaching and Coaching of subjects that can be organised around the LTF.

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To put today into context, the materials are all about Knowledge – Skill Level 1.

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However, you can develop understanding by learning yourself online, using our lean learning journey platform courses.

We have a plan to create a Lean Transformation Framework course and this webinar is part of that development process.

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To become capable however – you need to practice.

This is best done on real issues, at the workplace. We offer teaching and coaching for this and we offer a process to help you (once capable) to be able to train and teach others in your organisation.

This approach mirrors what we know from the way excellent lean companies like Toyota develop capability. It is simple and effective. It uses a Plan-Do-Check-Act methodology at each stage. RETURN

# Webinar Agenda



## ■ Agenda

- **Background to the LTF**
- **Introduction to the Lean Transformation Framework**
- **Teach Poster Concept**
  - **Purpose**
  - **Process**
  - **People**
- **Q & A**
- **Lean Transformation Framework in Practice**
- **Summary / Q & A**
- **Optional Discussion**

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With the Introduction out of the way, let's move onto today's content.

First David Brunt is going to explain the Background and introduce the Lean Transformation Framework.

He will hand over to David Marriott to explain our the teach poster concept, before providing an introduction with myself on the LTF work in terms of purpose, process and people.

We will then take questions.

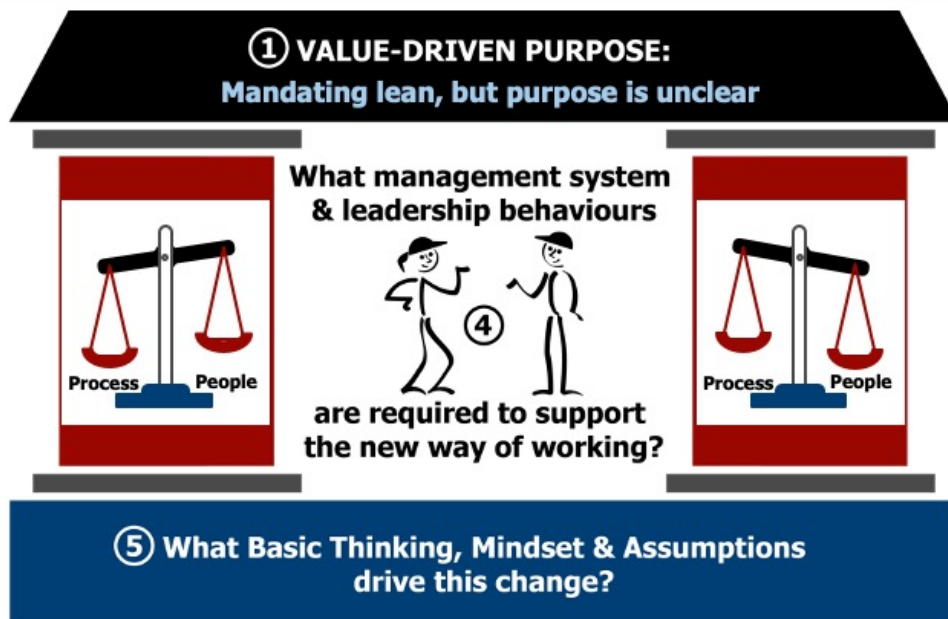
Dave Brunt will share some insights around using LTF with our partner organisations.

We will have a discussion and Q and A session at the end.

Let me now handover to David Brunt to get us started.

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## Background: Common Failure Modes in Lean Transformation

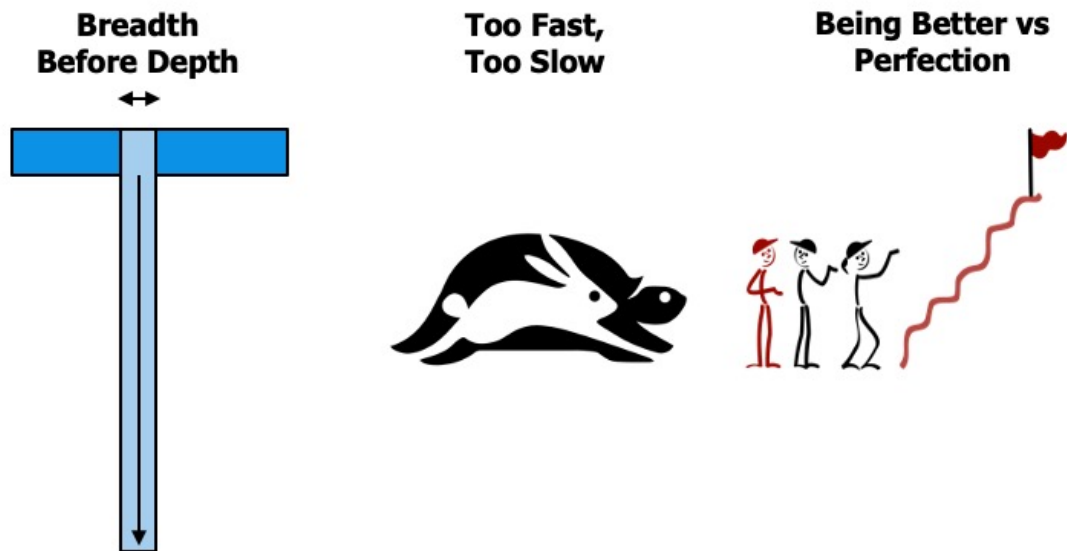


Thanks Peter.

One of the things we are trying to do with the LTF is be conscious of the potential failure modes of applying Lean Thinking & Practice so we can avoid them. There are lots of potential failure modes, but here are some which we see frequently. RETURN Firstly saying we need to do lean, but not being clear on the purpose for doing so. RETURN Secondly focusing on the technical and ignoring the social, or focusing on the social and ignoring the technical. RETURN



## Background: Common Failure Modes in Lean Transformation



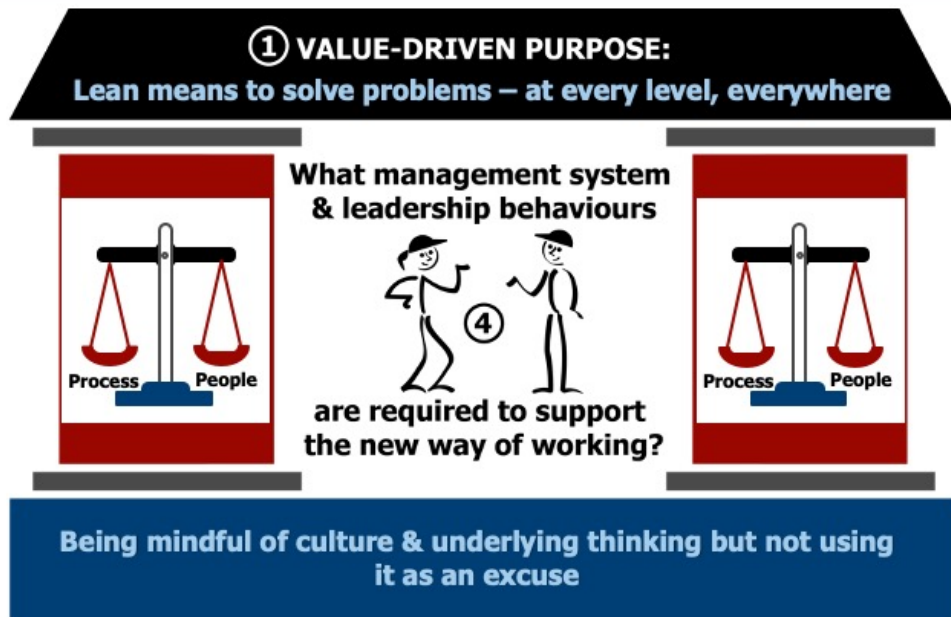
Going broad before going deep – the inch, deep, mile wide view vs the inch wide mile deep view RETURN.

Trying to go too fast - Outstripping ability to develop capability vs going too slow and losing sense of urgency and excitement. RETURN

Letting perfection be the enemy of better or Settling for better instead of striving for perfect

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## Background: Common Failure Modes in Lean Transformation



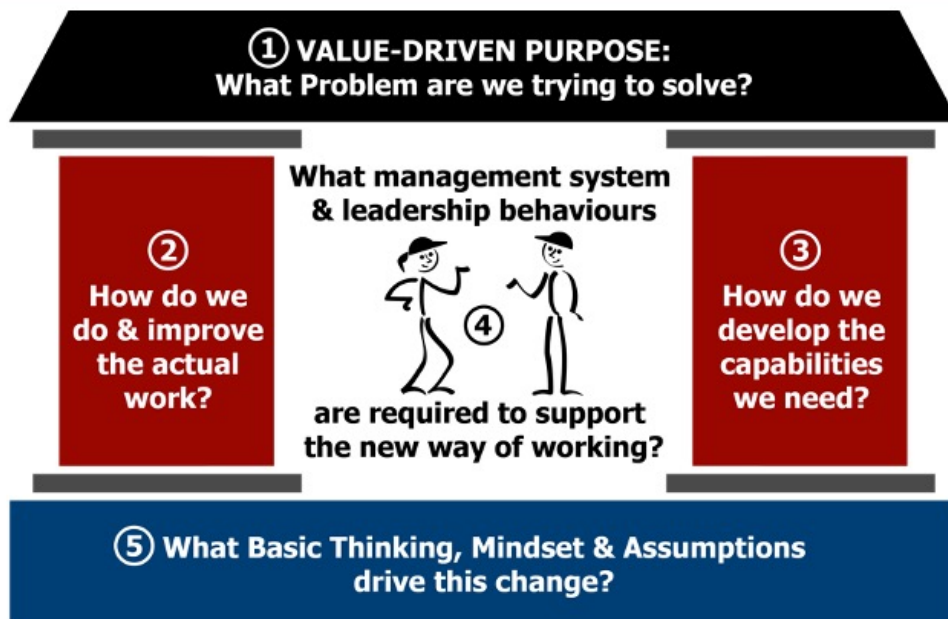
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Not being mindful of “culture” or underlying thinking or being overly cautious of “culture”, so it becomes an excuse. RETURN

Losing sight that “lean” is a means to solve problems - At every level (fractal), in every activity. RETURN

## What is the Lean Transformation Framework?



John Shook first shared the Lean Transformation Framework in January 2014.

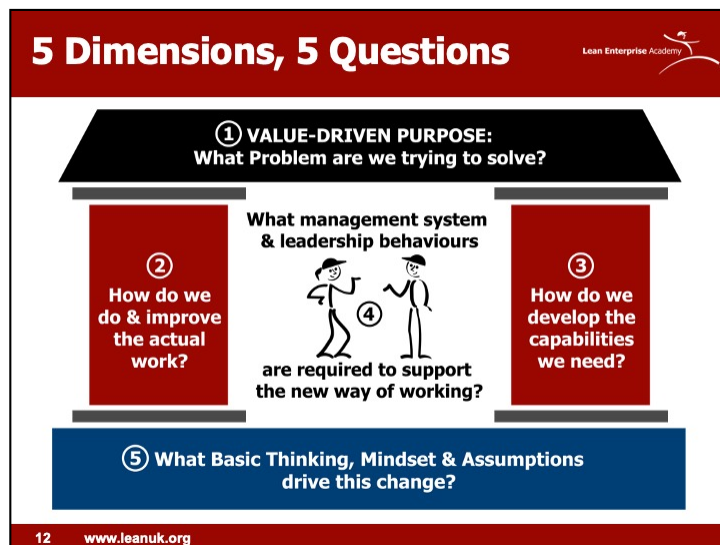
It was an attempt to articulate the critical dimensions to be addressed when applying lean thinking and practice to a situation.

However, we had been researching the ideas for a few years prior. The research started with the question – how can organisations and individuals be more successful in using lean thinking and practice to transform?

There's been a long history of looking at how to use lean thinking and practice more effectively. At times the lean community has overly focused on tools or on the social side of change. Initially the work focused on the process and people elements (the pillars of the house) and we incorporated the purpose/problem to solve element (the roof) shortly after. John incorporated element 4 – the management system and leadership behaviours and 5 – the basic thinking element in the early 2010's. By 2012 we had several organisations actively experimenting with the framework, recognizing that success requires balancing each of these 5 dimensions.

To explain lean transformation framework we've borrowed the house metaphor from Toyota. The house comprises foundations, two pillars and a roof. Of course many of your organisations are aware of Toyota's Production System House – and many firms have tried to emulate or build their own versions – often by copying the elements. However the transformation framework is very different in its intent.

Instead of listing the tools and techniques used or even the principles of standard work, jidoka and just in time for example we are seeking a way to communicate the questions one needs to think about when embarking on a Lean Transformation.



The lean transformation framework contends that the successful implementation of lean thinking and practice requires change on 5 dimensions. Lean thinking has a point of view on each of those 5.

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#### **What Problem are we trying to solve?**

Lean always starts with the customer. Asking what value we need to provide. The question "what problem are we trying to solve?" is fractal, like a snowflake. It applies equally to a whole organisation, a team or an individual. How are you doing organisationally and individually with this question? Does your organisation have a clear purpose? Do individuals have clear line of sight to it and understand their Contribution to that Purpose and what problems they should be tackling?

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#### **How do we do & improve the actual work?**

What is the work to be done to solve the problem? This is also fractal - from individual, standardised work level to value stream or enterprise value stream level. Have you defined your current state, what your target (future state) is and what steps and experiments are needed to close the gaps between current and the target or future condition?

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#### **How do we develop the capabilities we need?**

Having defined the work to be done, we now ask what capabilities we need to do and improve the work to provide the value. Capability development is needed on (at least) two dimensions: Capability to do the work and capability to improve the work.

RETURN

#### **What management system & leadership behaviours are required to support the new way of working?**

The design of the management system and leadership behaviours is key to designing the work and developing the capability. We have shared our views on Management Systems for Performance and Improvement in our last webinar. They are intrinsic to sustaining progress and further improvement. Are you asking specific questions with a view to this, linking back to the purpose of the organisation?

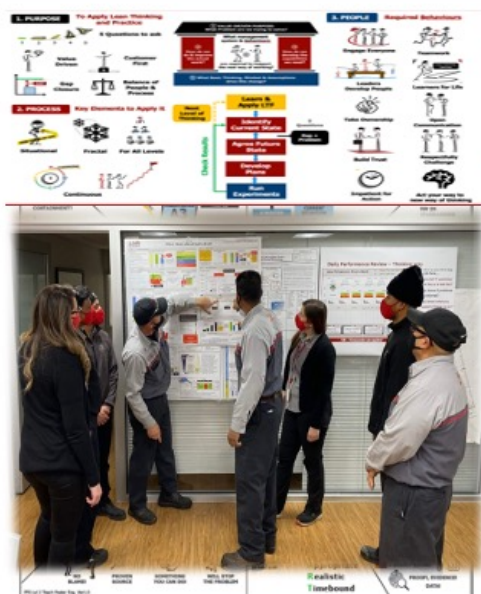
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**What Basic Thinking, Mindset & Assumptions drive this change?**

The final question challenges our basic thinking or assumptions about how we do things and conduct ourselves. With Lean Thinking "it is easier to act your way into a new way of thinking, than think your way into a new way of acting." Uncovering your basic thinking, mindset and assumptions helps articulate the thinking, mindset and assumptions needed. Ohno described TPS as a "revolution in consciousness" developed not by grand design, but by problem solving and designing experiments. TPS the Thinking Peoples System.

With the background covered, I'll now hand over to David Marriott to walk you through our teach poster method.

# Teach Poster Concept



## ■ Why do we use a Poster?

- Can be taught by leaders in the workplace or online without the need for a training room.
- Structured in to defined areas making it easier to remember.
- Pictures are remembered easier than words & create more interest and discussion.
- A poster can be put up in your workspace for future reference, not hidden on a pc.

Before getting in to the presentation, I'd just like to spend some time on why we use the teach poster concept.

For a sustainable Lean Transformation, we are strong believers in the concept of "Leaders as Teachers".

That is Leaders who take the time to teach and coach their team, on the job to develop their capabilities rather than relying on separate function(s) to do it for them.

As you know, the benefits of doing this are huge in terms of advancing your lean journey better, faster and cheaper, the challenge is however how to provide materials that enable leaders to do that.

After many years of research and experimentation, we have found that this Teach Poster concept works best.

Rather than a 100 page PowerPoint slide deck, we have tried to distil the subject matter down on to one piece of paper – a bit like an A3!

<Auto Animation 41s>

This is much less daunting for the leaders to use and also much more informal than sitting down in a class room looking at a screen.

All the Posters have a similar layout and structure making them easier to follow and remember.

And as you can see images/pictures are used over words to stimulate interest and discussion.

A facilitation guide is written for each poster covering the "Important Steps", "Key Points" and "Reasons" for each of the images to assist the Leader when starting out to Teach.

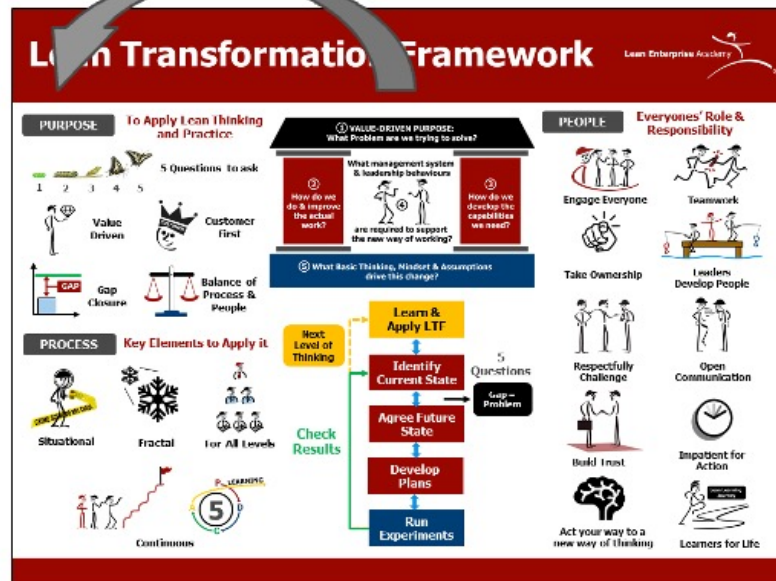
Finally, the Poster can be put up in your workspace for future reference rather than being hidden on a pc.

# Lean Transformation Framework Teach Poster



Work through:

1. Purpose
2. Process
3. People



Ok, so we are going to go through the upper portion of the Lean Transformation Framework Poster.

For all our topics we always start with the Lean Transformation Framework and then cover Purpose, Process and People.

Having already explained the LTF, we will look at the Purpose, Process and People elements of the LTF itself.

Frankly speaking, developing this this has been quite a challenge over the last few months in order to not get bogged down in tools and methods but try and remain at a higher level. So, let us share our thinking and we welcome your feedback.

Purpose positions the subject and why is it important.

Process the conditions and considerations required to apply it.

And People the roles and responsibilities required to make it happen.



# Purpose

## To Apply Lean Thinking and Practice



## 5 Questions to ask

So, what is the purpose of the LTF? In short the LTF helps any of us apply lean thinking and practice. It gives us a better understanding of the factors required for a successful lean transformation. What do we mean by transformation? There are a few definitions regarding the term but this caterpillar – butterfly picture paints a thousand words.

Transformation is about a marked change – that could be in terms of form, nature, character or appearance. In a business context transformation is about profound change that orientates the organisation in a new direction and takes it to an entirely different level of effectiveness.

The LTF doesn't provide a recipe of do's and don'ts, telling you what should be implemented. Instead, five questions, not five answers are used to help you apply lean thinking and practice to your unique situation. By tackling each dimension through addressing questions, we avoid the lean no-no of prescriptively giving solutions as is typical of "lean implementation approaches."

Thus, we can have a dynamic approach to transformation in which each organization, team or individual creates its own unique approach, one that helps them achieve their unique purpose through practical utilization of the deep wisdom embedded in the lean practices that have evolved over decades

of rigorous PDCA.

# Purpose

## To Apply Lean Thinking and Practice



**Value  
Driven**



**Customer  
First**



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Of course, we are concerned with change using lean thinking and practice and so the framework is grounded in a unique set of principles. Lean principles that have a specific point of view. The first of these is that lean is value driven. This is illustrated in Lean Thinking, Jim Womack and Dan Jones' book identifying the principles behind lean thinking.

**Define value precisely from the perspective of the end customer in terms of a specific product with specific capabilities offered at a specific price and time.** As the late Taiichi Ohno, one of the creators of the legendary Toyota Production System, put it, all industrial thinking must begin by differentiating value for the customer from *muda* – the Japanese term for waste

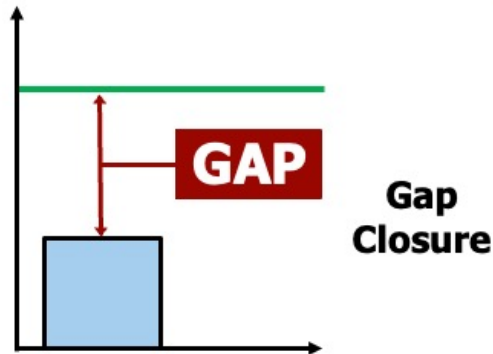
While seemingly straightforward, this step is actually hard to carry out and for a very simple reason: for any product more complex than a tooth- pick and for any service more complicated than a haircut, value must flow across many companies and through many departments within each company.

Although each entity along the route may or may not define value for the end customer, it certainly will define value for itself – to turn a profit, to advance the careers of those in each department, to utilize existing production assets fully, and so forth.

When all those definitions of value are added up, they often conflict with or cancel out one another. Consequently, failure to specify value correctly before applying lean techniques can easily result in providing the wrong product or service in a highly

efficient way – pure muda.

## To Apply Lean Thinking and Practice



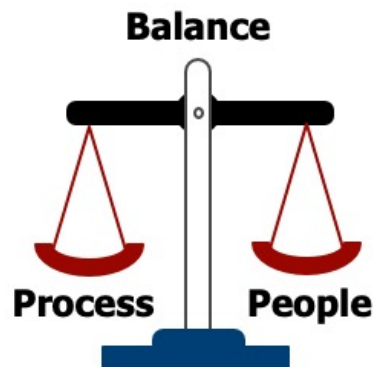
Lean thinking also has a point of view regarding problem solving. Problem solving entails grasping the situation to understand where we are – and then understand where we want to get to – a target condition or conditions – for a set of factors (in this case the 5 dimensions of the LTF) that help us explain what we are trying to change.

In other words we need to define the problems we are trying to solve – the gap or gaps between the way things are now and the way they are supposed to be or we want or expect them to be in the future. The gaps we are trying to close.

Gaps should be made visible – this gives individuals and organisations a better chance of closing them. And that's where the Lean transformation Framework comes in. It's a framework for thinking about the transformation we are trying to do.

By posing 5 questions across the LTF we are defining a process to expose gaps, so that plans can be made to make progress across the 5 dimensions.

## To Apply Lean Thinking and Practice



Progress on one dimension over others usually does not end up with a lasting transformation.

We need to avoid MURA (unevenness) and MURI (overburden) when considering the five dimensions and ask all of the questions.

The most common imbalance is between the process and people elements.

Some approaches tend to take a tools based approach blindly applying them to each and every process, regardless of the problems. Others focus more on the people aspects and training to create a “continuous improvement culture” expecting that things will get better. Our experience tells us that it doesn’t and the transformation fails or runs out of steam.

The point is you need to try and achieve a balance across all 5 dimensions as indicated by the different colours of the scale.

## Key Elements to Apply it



**Situational**



**Fractal**



**For All Levels**

Now we will move onto process to review the Key elements to consider when applying the LTF

What we've learned over the years is that each company's, team's or individual's circumstances are unique and therefore we need a situational approach to the transformation.

Being situational means that every application of Lean thinking & Practice is going to be specific and different, as each situation has a different *aim* or purpose.

Being grounded in a common set of principles yet situational in application provides rich opportunity for the development of truly [profound wisdom](#)

This is why asking questions not copying answers that someone else has thought through for their situation is required.

In terms of process, the LTF can be described as fractal.

The questions can be applied to an individual, a team, a site or a whole organisation.

You can start asking these questions at the value creating work level or at the system level – thinking through from customer value.

The same questions apply at all levels, as EVERYONE NEEDS to be aligned and ENGAGED in identifying and solving problems that support the value driven

purpose of an organisation!



## Key Elements to Apply it



**Continuous**

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Lean thinking and practice entails challenging us to reflect deeply on how we can improve a situation, improve the organization, or improve myself (ideally of course, all three.)

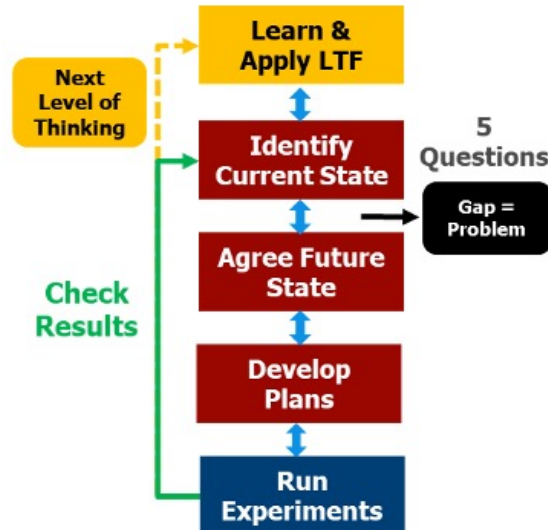
Fundamentally, the process of successful lean transformation rests on applying Plan Do Check Act cycles of experimentation (the art and craft of science) at every level, everywhere, all the time.

The PDCA cycles and iteration provide us with a dynamic approach to transformation in which each organization creates its own unique approach

This approach helps them achieve their unique purpose through practical utilization of the deep wisdom embedded in the lean practices that have evolved over decades of rigorous PDCA.

Learning from the collective experience of the lean community we know that tackling the five dimensions through continually and thoroughly addressing ALL 5 questions is both necessary and sufficient (!) for a successful enterprise-wide transformation.

## Key Elements to Apply it



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As mentioned the process for applying the LTF follows a PDCA cycle.

We start by learning about the LTF, thinking about each of the 5 dimensions, asking each of the 5 connected questions.

Part of that question process involves factually identifying our current state, agreeing the next future state and then developing plans which include the experiments we have decided to make in an attempt to close the gaps between our current and future state.

The process isn't always completely linear, hence the two-way arrows between the boxes on the chart.

Having run an experiment we then check the results and adjust or approach based on what we learnt

Not only does this sometimes result in a new current state from which the cycle starts again, but also this "learn by doing" deepens our understanding, helping us with a next generation level of thinking.

Some call it learning!

## Everyones' Role and Responsibility



**Engage  
Everyone**



**Teamwork**



**Take  
Ownership**

[www.leanuk.org](http://www.leanuk.org)

The people dimension of the LTF is about making clear the roles and responsibilities for everyone.

We know that lean thinking and practice offers a unique perspective on this. There is a unique DNA to lean vs the more traditional organisational roles & responsibilities .

Each of the elements shown are an ideal state. A standard to achieve for the way we should act, think and behave to get the best from lean thinking and practice. We think each element needs to be present.

The first of these roles and responsibilities is that lean involves and engages everyone. It is not a set of principles and practices for a few "experts" in an organisation.

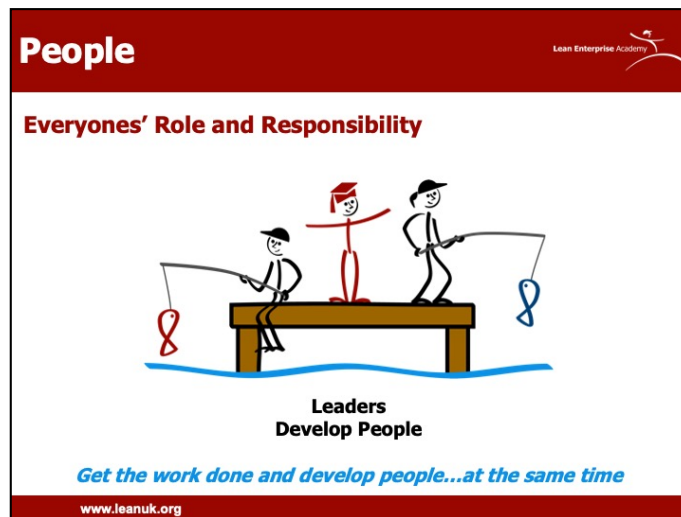
The people "doing the work" needs to be supported by their leadership to involve them in identifying & solving problems that support the value driven purpose

We engage everyone through involving them in teamworking. A lean organisation realises it can achieve more value for the customer by people working together. Together everyone achieves more. Structured teamworking enables people to become self reliant in problem solving and continuous improvement.

To support this thinking the people doing the work should also be described respectfully as "Team Members" rather than employees, operators, workers or staff.

Teamwork, like so many elements of lean thinking is fractal – team work can be in a team, between departments, between sites and across organisations in a value stream.

Good Teamworking also supports individuals to take ownership. Each of us is responsible and accountable for our performance – getting the work done and improving it, at the same time.



**The process of doing the work is integrated with the process of improving the work .** So its the leaders who must ultimately take ownership for developing people to improve the work.

They cannot leave this to those outside the organisation, otherwise the day to day activities and behaviours will not become embedded into the organisational culture  
Leaders set the tone of the organisation.

They must first develop themselves, before developing others. All of us can be leaders though – we can all start by developing ourselves.

People develop activities need to planned around developing skill (rather than one off training activities) and should be focused around identifying and solving the real business problems that contribute to the value driven purpose.

## Everyones' Role and Responsibility



**Respectfully  
Challenge**



**Open  
Communication**



**Build  
Trust**

[www.leanuk.org](http://www.leanuk.org)

Making improvements means we need to continually challenge the way we do the work today, to make the work easier and drive improvement & innovation

Each of us must challenge, but do so respectfully. We must make every effort to understand each other, take responsibility for the challenges.

Respectfully challenging the situation also requires us to be open and honest in our communication with each other

There is no place for blame when solving problems and closing gaps.

Being open and honest, but without blame is one of the ways we can build mutual trust.

Trust is built when the leaders set clear expectations on the required activities & behaviours needed to enable the value driven purpose

Leaders should support and hold people accountable to these expectations through teaching & coaching, recognising and giving constructive feedback , this enables the organisation to create the right culture.

## Everyones' Role and Responsibility



**Impatient  
for Action**



**Act your way to  
a new way of  
thinking**



**Learners  
for Life**

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All of us must be impatient for action to achieve our short term goals, whilst recognising that having a long term perspective gives us the best results.

Achieve the right pace is critical when applying Lean thinking & Practice

Going too fast – leads to the changes in activities & behaviours not being embedded in the culture vs being too slow – where people lose the motivation & momentum to make the change happen

We cannot be passive – we can have knowledge of lean thinking and practice, but must recognise that it is only a “learn by doing” approach that changes our underlying thinking.

“Learning by doing” also requires that you reflect on what you have learnt so far – from the point of the unique situation and also personally .

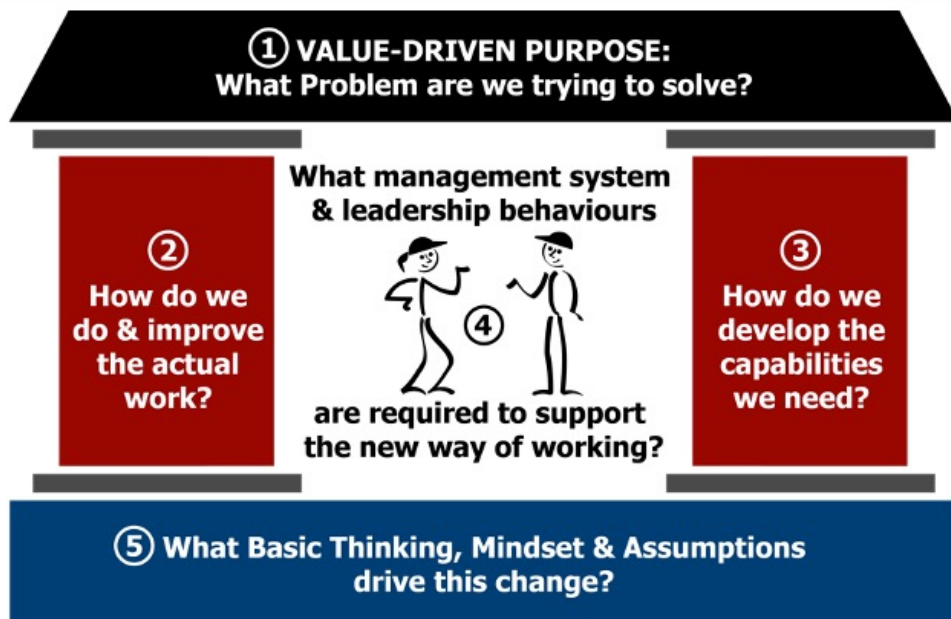
After any improvement activity – we should always ask the question “What did you Learn” – so a deeper reflection can be carried out.

Having the Humility to Learn is a critical aspect when applying lean thinking and practice (nobody knows everything!) . Leaders should learn together with their Team Members to apply lean thinking and practice to their daily work

Through learning by doing, each of us can be "learners for life."  
Everyday can be a school day.



# What Questions Do You Have?



# Webinar Agenda



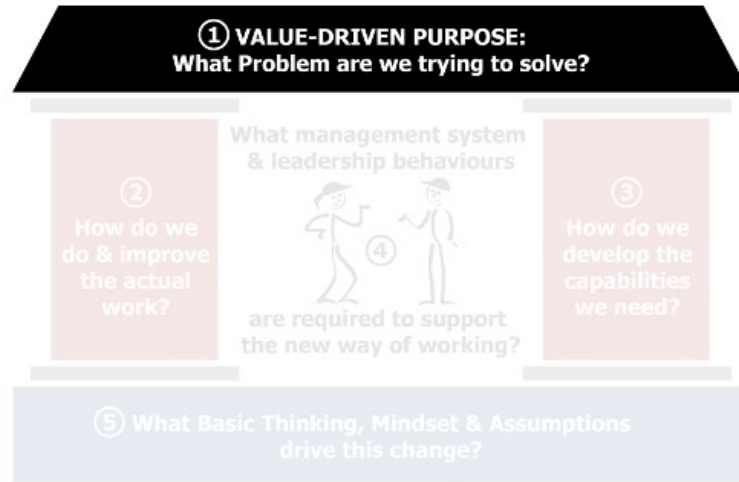
## ■ Agenda

- ✓ ■ Background to the LTF
- ✓ ■ Introduction to the Lean Transformation Framework
- ✓ ■ Teach Poster Concept
  - ✓ ■ Purpose
  - ✓ ■ Process
  - ✓ ■ People
- ✓ ■ Q & A
  - Lean Transformation Framework in Practice
  - Summary / Q & A
  - Optional Discussion

This is the part of the webinar where the theory becomes reality. Let's now take a look at the Lean Transformation Framework in practice.



## 1. Value driven purpose? – What problem are we trying to solve?



■ Go to [www.leanuk.org](http://www.leanuk.org)  
to see the full LTF video explanation

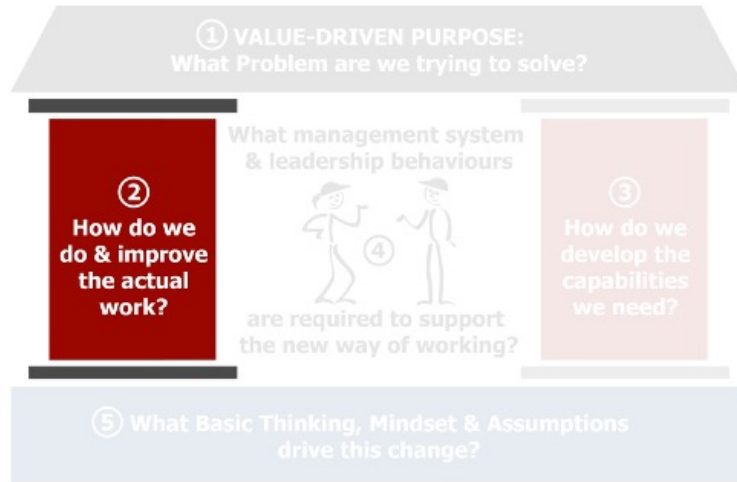
We always start with the question “what problem are we trying to solve?”





Early in their journey the senior team started to think this through using the Lean Transformation Framework. This illustration is from 2013 and is the second iteration of “purpose” that the senior team developed. Using the LTF inevitably led us to think about customer value. In Halfway’s Team X Strategy both customer value and the goals of the organisation are defined. The team settled on “guaranteeing hassle free mobility.” They defined that 100% customer fulfilment was a key to customer value. This is key to starting the transformation as purpose is now defined and gaps are understood at the organisational level.

## 2. How do we do & improve the actual work?



■ Go to [www.leanuk.org](http://www.leanuk.org)  
to see the full LTF video explanation

Next we turn our attention to the first of our two pillars. We have called this “Operational or Process improvement.” It’s an area that’s familiar to lean thinkers. What we are doing here is focusing on the work that creates value for customers. This is often where many lean folks are most comfortable – and what many people see as being lean. But it is really only one element of the system. Here we are asking the question, “How do we do and improve the actual (value creating) work?” With hassle free mobility and 100% customer fulfilment as a purpose value was defined.

# Halfway: Process

Lean Enterprise Academy

Halfway Team-3 Strategy

January 2013 (Version 2)

**Our Purpose**

- Improve & simplify workflow
- Reduce & standardize customer experience
- 100% Customer satisfaction
- High level of service (100% OTIF)
- Low cost
- Quick turn-around time
- Reduce inventory & maintain working capital to mobility

**Customer Value**

- 100% Customer satisfaction
- High level of service (100% OTIF)
- Low cost
- Quick turn-around time
- Reduce inventory & maintain working capital to mobility

**Our Goals**

- 100% Customer satisfaction
- High level of service (100% OTIF)
- Low cost
- Quick turn-around time
- Reduce inventory & maintain working capital to mobility

## Process

- ✓ Stabilise
- ✓ Make problems visible
- ✓ Brilliant Basics
- ✓ Easy to do business with

Focus on Improving :

- (A) Quality
- Delivery
- Controlled compression of Time

By Service (improve CF to 100% F.J.R) :

- Schedule predictable work
- Standard work defined for predictable work
- Keep high volume predictable work in flow
- Staggered bookings & hejunks
- Initiate the service booking

By Sales (improve CF to 100% by OTIF) :

- Plan for every car (make plan of work visible)
- Reduce leaks in Sales funnel (standard work in sales process)
- Plan for every Customer (stage in buying cycle visible)

Increase Number of Customers

- (B) Focus on defendable underserved niches
- Reactivate existing database to fill funnel
- Demonstrate superior skills, knowledge, understanding & visible interest in key niche
- Expand base by access to Finance

33    [www.leanuk.org](http://www.leanuk.org)

Halfway called the work “process.” For both their sales and service value streams this second version of the LTF highlighted the need to stabilize, make problems visible, focus on brilliant basics and be easy to do business with. As an example, the service department worked on while you wait service for predictable jobs.

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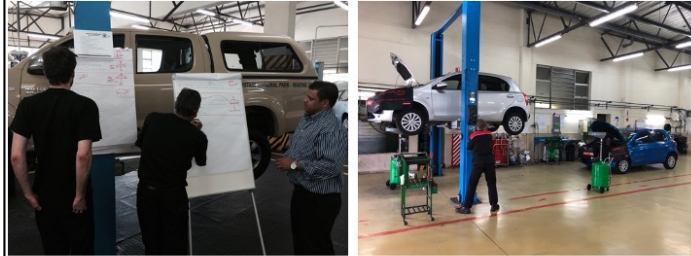
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## Do & Improve the Work



- The people who manage the work learn to improve it
  - To achieve **"hassle free mobility"** for the customer



34 [www.leanuk.org](http://www.leanuk.org)

In some sites that meant 2 technicians working on a car at the same time. Some sites had one bay, some sites used two. The technicians developed standardised work processes to service cars in agreed time, while the customer waits – hassle free mobility. The picture on the left is technicians working on the standardised work early in their journey. The picture on the right is a 2-stage bay for predictable work, 4 or 5 years later.

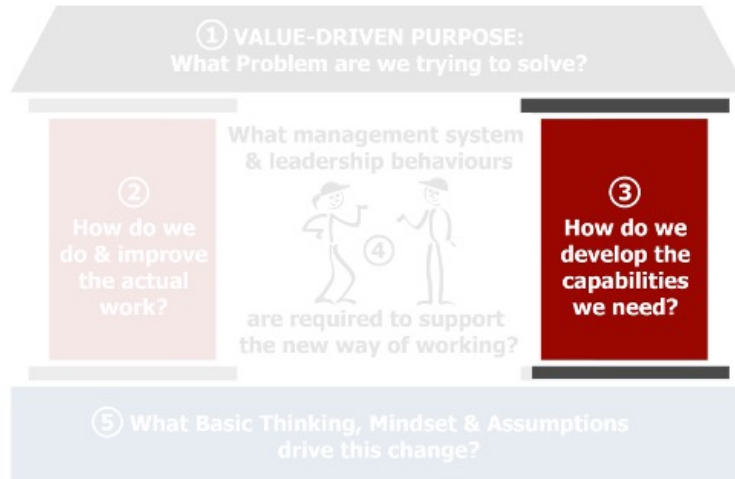
# Two Stage Fixed Time Service

- In Station 1 the work on the floor is carried out in under a 10 minute cycle time (takt = 10 mins)
- The vehicle then moves to Station 2 where the vehicle is raised and the remaining work is carried out

	Cycle Time	Vehicles per Day	Lead Time
Traditional Workshop	Variable	4 to 5	One Day (8 hours)
Fixed Time Service (FTS)	30 minutes	16	30 minutes (60 including valet)
Two Stage (FTS)	10 minutes	48	20 minutes (41 including valet)

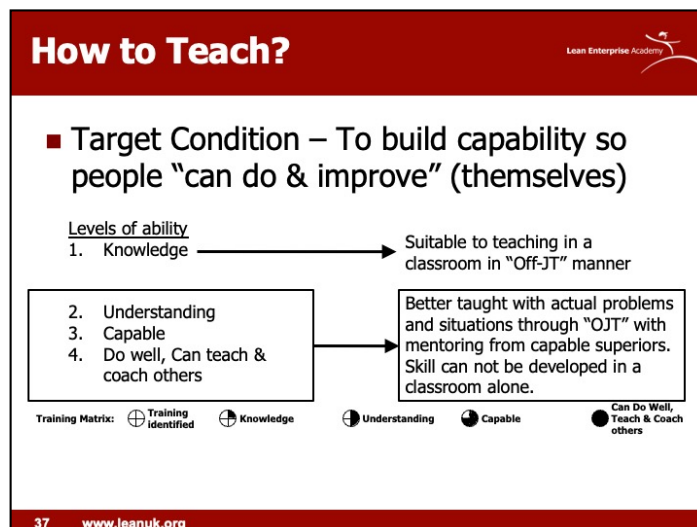
This table shows the improvement. In 2012 one ramp completed 4 to 5 cars/day. That's typical of the industry. By 2018, one ramp and one bay could complete 48 cars/day! More over lead time had been slashed from 8 hours to 20 minutes (door to door at 41 minutes including cleaning the vehicle.)

## 3. How do we develop the capabilities we need?



■ Go to [www.leanuk.org](http://www.leanuk.org)  
to see the full LTF video explanation

However to improve the work we must turn our attention to the second of our two pillars. We call this "Capability Development." Here we are asking the question, "How do we develop the capabilities we need?"



Here our target condition is to build capability so people can do and improve themselves.

RETURN

At Halfway Terry articulated this as trying to develop 1067 problem solvers. Ie everyone in the organization solving problems.

Taking the old skills matrix classifications we can look at ability from level 1 – having “Knowledge” through understanding, being capable, being able to do a job well, teach the job and coach others.

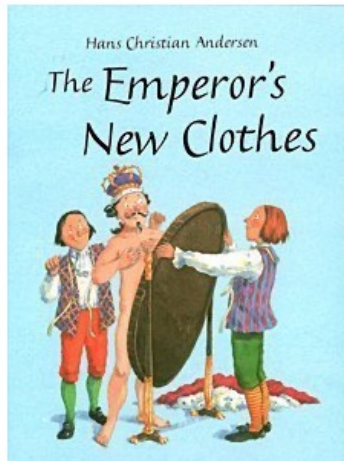
RETURN

Interestingly it’s really only knowledge of work that is suitable to teach in a classroom – off the job training.

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Levels 2 through 4 are better taught with actual problems and situations on the job with mentoring from capable superiors. You can’t develop skill just by sitting in a classroom – you have to practice.

# A Great Story, Unfortunately not Fictional!



- Lean Certification
  - The 21<sup>st</sup> Century version of The Emperor's New Clothes
- Developed by people with **little** real world experience
- Certified by people with **no** real world experience
- Sold to the organisation & improvement director as **justification** that the organisation is doing something
- Real purpose is to **build reliance** rather than building internal capability to solve problems yourself

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[www.leanuk.org](http://www.leanuk.org)

Capability development is significantly different to what most teams that say they are doing lean actually do.

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Often the focus is on certification rather than capability development.

RETURN

The competency systems are judged by an outside body – often developed by people with little real world experience,

RETURN

certified by people with no real world experience

RETURN

sold to the organization and improvement director as justification that the organization is doing something. RETURN

The real purpose behind these schemes is to make profit for the certification provider. This is done by building reliance on outside help rather than building capability internally to solve problems yourself.



At Halfway, Terry O'Donoghue realized that the target condition is to build capability so people can do and improve themselves. That's the development of 1067 problem solvers. Everyone in the organization solving problems. In addition to the problem solving activities, the example also highlights the spreading of the team leader concept to implement standardised work, the process they would use to align people to the purpose and the process for developing basic skills.



## 4. What management system and leadership behaviours are required to support the new way of working?



■ Go to [www.leanuk.org](http://www.leanuk.org)  
to see the full LTF video explanation

In the centre of our house our focus is on leadership and management. In particular we think about what management system we need and the leadership behaviours required to drive the transformation. This is tricky – there are elements of these dimensions within the transformation that aren't as easy to see as perhaps understanding and improving the actual work to be done. But some elements of this are well known. One example is the the process for developing and deploying strategy – using hoshin kanri within the management system. A second example would be managing teams using processes such as daily team meetings or managing projects using oobeya rooms. It's also possible to define what leadership behaviours we need. What's more difficult to do is to understand how well this is being done on a daily basis. We ran (and Halfway continue to run) a series of experiments not only to develop daily team meetings but to build their effectiveness. Early experiments focussed on visualisation, standardisation and heijunka. Part of the team meeting activity is around visualisation – but in particular developing PDCA in the visual management. The visualisation should start the process of highlighting problems. We've done some formal problem solving – through A3 training – but – at the gemba we've been looking at the way leaders interact with their teams to develop problem solving capability. To do this we've videoed team meetings and then watched them back with the people. It gives an insight into group dynamics and also the strengths and weaknesses of the meetings.

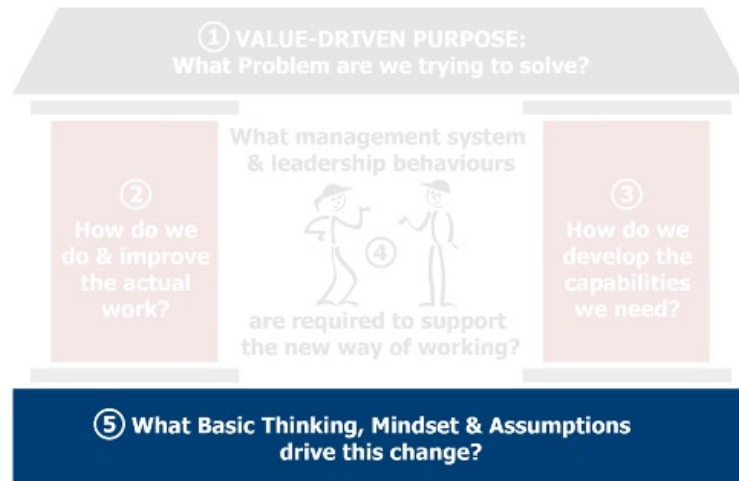
# Management System



These are stills from a couple of those videos. The large picture is focusing on new car sales deliveries. The inset picture on the sales manager conducting a one-on-one sales performance review. Basic improvements in the management system, when connected to the other 4 dimensions in the LTF resulted in a 500% increase in monthly sales!



## 5. What basic thinking, mindset and assumptions drive this change?

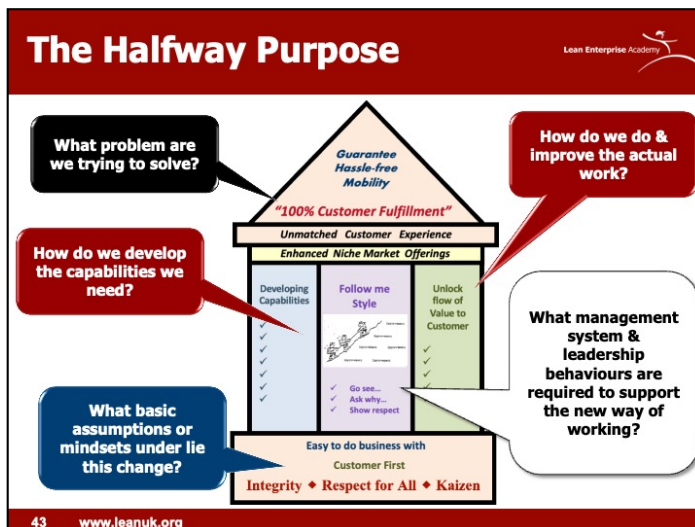


■ Go to [www.leanuk.org](http://www.leanuk.org)

to see the full LTF video explanation

For the foundations of the house we refer to the basic thinking – the assumptions and mindset that underlies the entire system – and drives the transformation itself. This is really about the basic beliefs we, as individuals have about the way the transformation works. These beliefs and mindset constitute the culture of the organisation. To use a practical example – the senior team at Halfway believed that the people closest to the work know most about it – and that we need to harness their knowledge so that problems can be solved by the people doing the work. Remember Terry’s task of creating 1067 problem solvers. This thinking leads to the design of experiments to test that hypothesis and develop people at all levels. If the thinking were not aligned in that direction – and the assumption made that actually only a few people should be coming up with solutions, then we would have a very different approach – perhaps we would develop a boot camp to train a select few on advanced lean techniques, create a continuous improvement organisation and identify “projects” that would give a return – but that wouldn’t necessarily develop the organisation thoroughly.

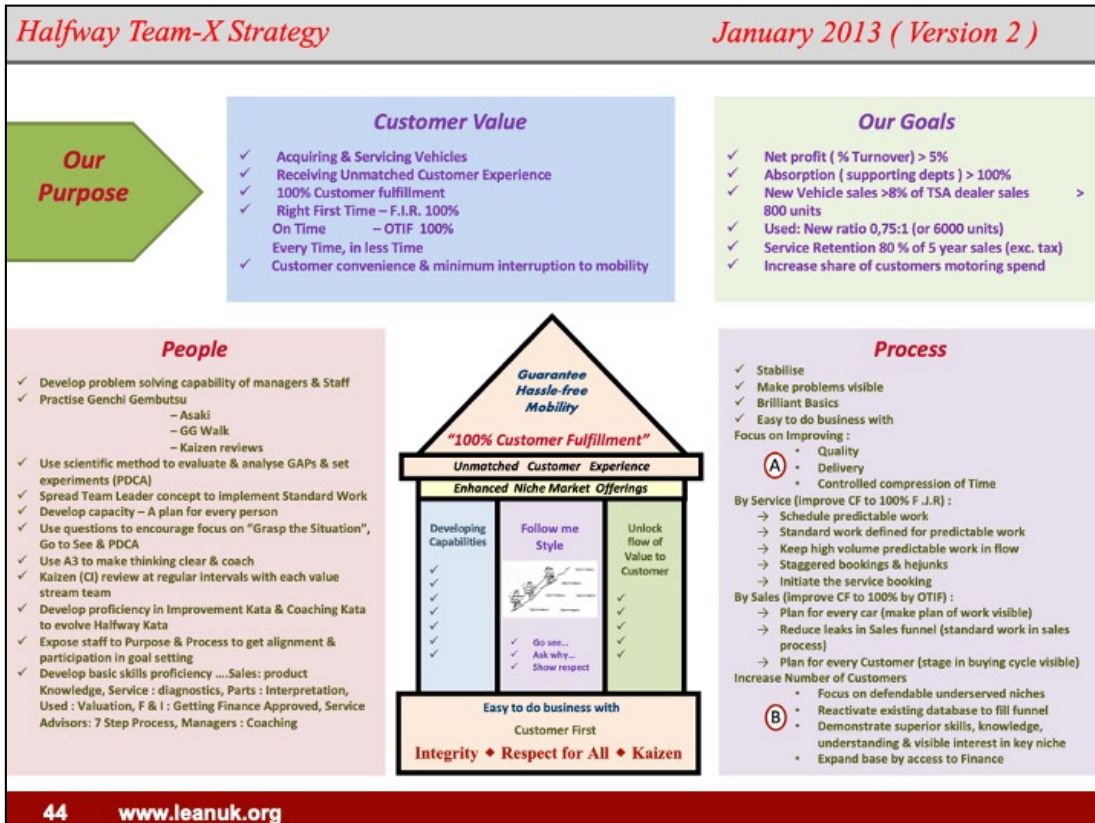
It isn’t always so easy to see and connect the underlying thinking with what we do or what we would like to do. For example, typically the underlying thinking in the dealer is to “upsell” – sell work in addition to that which the vehicle is booked in for. If the organisation now wants to focus on hassle free mobility and customer trust, lots of work must be done to undo the upsell thinking.



Working through each of the dimensions produced the "Halfway House." Very different in its intent from the TPS house – but based on some universal questions. What problem are we trying to solve? RETURN How do we do and improve the work? RETURN. How do we develop the capabilities we need? RETURN What management system & leadership behaviours are required to support the new way of working? RETURN What basic assumptions or mindsets under lie this change?

Each of these questions is applicable to all organisations – from a developer and manufacturer of products, to a public service organization, to a retailer – you can apply these questions to a car producer, the fire brigade, or a seller and servicer of cars.

SITE LEVELS AND FOR A TEAM EXAMPLE



And here is Version 2 in it's entirety. As we have discussed, the practical results of applying this framework are quite successful – a definition of both customer and business purpose, an articulation of what the organization is doing around these 5 dimensions with lean thinking and practice applied to the situation. Each site was unique. But 500% improvement in sales performance in one site, being able to do the same number of vehicles in 2 car spaces that were done in the whole workshop 4 years earlier and industry leading returns on sales are pretty good benefits.

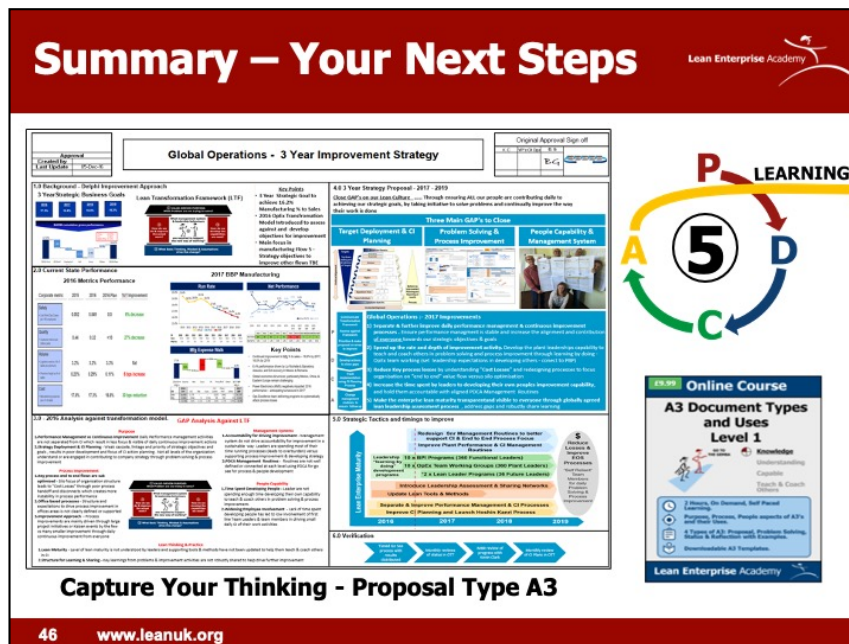
Let me now hand over to Peter to wrap up.



Now you have learnt more about the LTF and its importance in applying Lean Thinking and Practice , what will be your next steps ?

We recommend you start by defining the Problems you need to solve around your value Driven Purpose for your actual level of influence .

Follow the PDCA process to identify the GAPS in your current approach to lean thinking & practice that you need to close to help solve your problems.



To help structure your thinking and develop your plans , you can use a Proposal type A3 to make sure you follow a PDCA process

We have Online Course that explains the different types of A3 Documents that give you an overview and a blank A3 proposal template to use

RETURN FOR ANIMATION

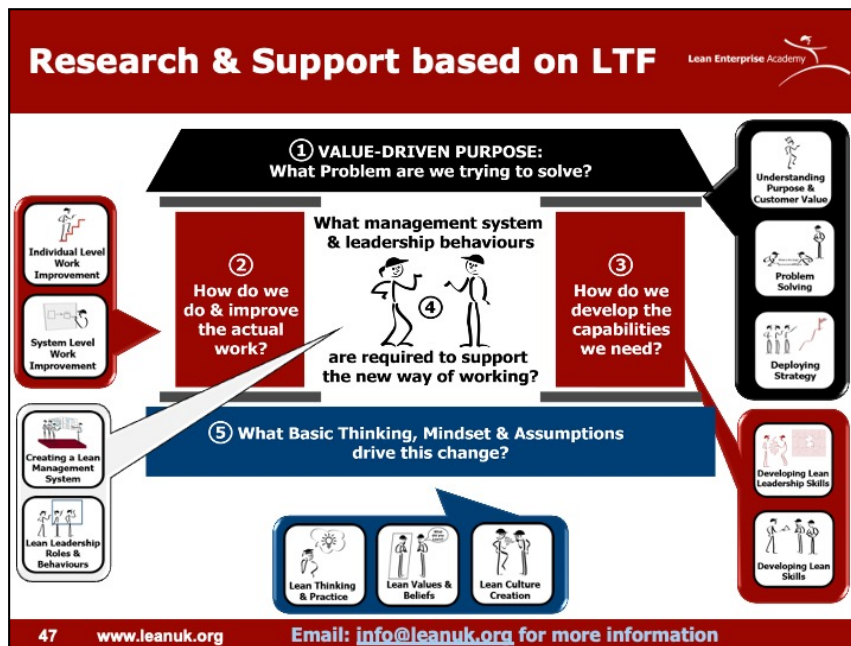
The A3 Proposal Document show here is one I developed for an organisation with over 65 manufacturing plants globally .

Its show how to address the major GAPS in our approach to applying Lean thinking & Practice in alignment with achieving the business results

At first we didn't have a lot of data for our current state analysis, but once we got some basic data it was a real eye opener for senior management.

They discovered how the over focus on process led to in balance on developing people's capabilities, which were especially low in problem solving. This had reinforced a firefighting mindset and added in cost through containment.

By developing a plan of "learning by doing" to make the leader become the teach and coaches of problem solving we closed the GAP on the committed business targets within the first year.



At LEA we partner with companies to help develop their approach and guide them in using the right approaches to solve their unique situational problems.

We are continually researching the application of lean thinking & practice in many different area of the LTF to develop better, faster and cheaper learning processes for our customers.

Our current research projects are supporting customers on:-

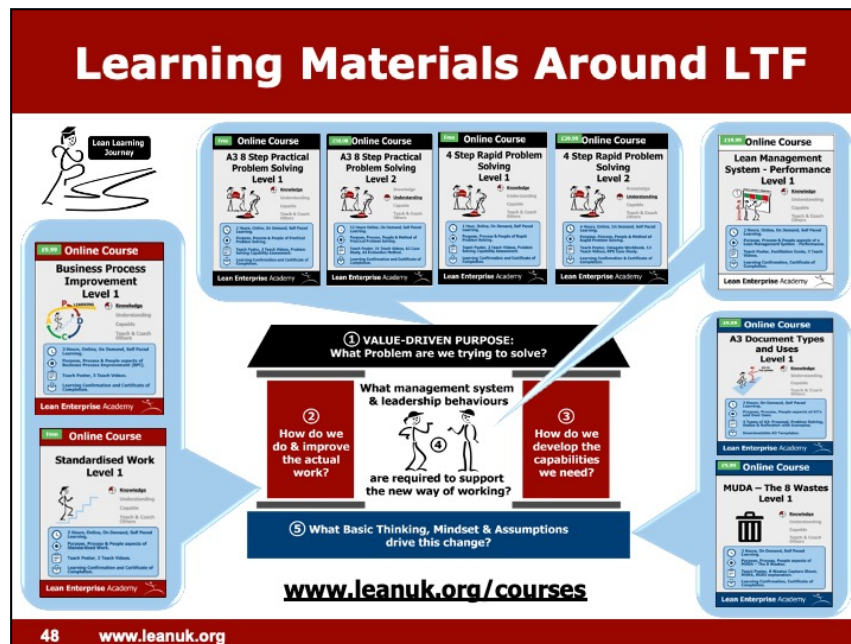
Problem Solving Capability Development of Leaders

Management System - Performance

Employee Involvement Teamworking

If you want to partner with us to further develop your approach for some of the areas shown on the slide, then please contact us directly to so we can draft a proposal based around your situation needs.





To support your Lean Learning journey we have developed some FREE and paid courses for skill level 1 Knowledge and skill level 2- understanding around the LTF Framework for you to use . Some examples of which are shown here and we are adding more each month, why not go to our website today and try out some of our Free Skill level 1 courses to gain some basic knowledge about the different LTF topics

We also provide support online of face to face coached for Skill level 1- 4 on all these subjects - just contact us directly if you want coaching support

We will also be launching a subscription service to our learning platform shortly, where you can gain accesses to all our online learning materials webinars and supporting teach materials. All of the revenue raised will go into developing more learning processes to support you in applying Lean Thinking & Practice

Now we have a questions to ask you !


Question for Discussion

Lean Enterprise Academy

# What GAP's do you have around the 5 dimensions of your Lean Transformation ?

① VALUE-DRIVEN PURPOSE:  
What Problem are we trying to solve?

② How do we do & improve the actual work?

What management system & leadership behaviours  
  
are required to support the new way of working?

③ How do we develop the capabilities we need?

⑤ What Basic Thinking, Mindset & Assumptions drive this change?

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