

THE LEAN MAG



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#12 August 2022

DO YOU
KNOW
IT ALL?

ASK.

SEE

UNDERSTAND.

LEARN.

IMPROVE.

Editor's (quick) note:

The mood is good! Summertime, vacations, relaxing, but also... learning time!

If you already had a time off, I hope it was enough to recharge and refocus! :)

This is another edition with great topics and also a new addition to the regular contributors' panel – check it out on page 11.

One cannot execute a strategy without knowing what to do, how to do it, and a continuous improvement (self and organizational) mindset — fact!

All these and more to read on theleanmag's latest edition.

Enjoy your reading.

Pedro Monteiro

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LEARNING AS THE BEST RETURN ON INVESTED EFFORT

When I ask an organization about their learning strategy, they almost always show me a training plan. Those are not the same thing. Training is about conveying what you already know to

additional people. Learning is about discovery. Problem solving is built on learning. Innovation requires learning. Strategy depends upon learning. Training is a converging, standard-setting process. Learning is an inconsistent, divergent, break-some-eggs process. They are not the same thing.

Learning strategies are about achievement through discovery. There is no one right way, no tool or technology, or single leverage point that leads to success. You will need to combine the right behaviors, methods, and capabilities in order to make learning strategies effective and sustainable. Organizations

should be building out the culture (that drives behavior), the systems (that provide methods), and the training and coaching (that builds capabilities) to help enable forward-moving learning. Individuals can be just as successful at leaning into these critical ingredients with or without the organization's support.

Regardless of your role, a timeless example of learning-driven success comes from the achievements and journey of the Wright Brothers who achieved not just man's first true flight but also helped build an entire new industry. Through examples and quotes extracted from David McCullough's treatise *The Wright Brothers*, we will first look at three lessons for organizations, and then three lessons for individuals from the experiences of Orville and Wilber Wright.

Organizational Lesson 1: Leverage what is already known

How many truly new and unique ideas and solutions are truly left? Almost every idea builds upon others, even when done subconsciously. In most organizations, almost every person needing knowledge to solve their

next problem does not first seek what is already known, either internally or externally. That is both expensive and a bit depressing. We use terms such as “institutional knowledge” yet rarely do we put serious efforts into ensuring that it is put to good use.

This isn't just about having some systems to capture and distribute knowledge, as while systems can help, these solutions only work as well as the behaviors and capabilities of everyone engaged with them. This is much more about human to human interactions, which are only enabled by the processes and structure. However, it still begins with the individual who has a need or a problem to solve. When they have to dig a hole for the first time, do they just grab whatever tool is nearest and start digging or do they ask others about the right tool and approach to properly plan for the task?

The Wright Brothers knew that they needed an efficient path for learning, not just a brute force approach. McCullough shares “Before beginning their process of experimentation and exploration, Wilber Wright wrote to the Smithsonian Institute ‘I wish to avail myself of all that is already known.’ This is in addition to reading and studying birds at length.” The Wright Brothers had a goal of achievement in mind, and had no hesitation to ask for help, build on others' knowledge, and stand on the shoulders of those who came before them. They knew that there were no extra points tacked on to their achievement if they leveraged the knowledge of others.

Organizational Lesson 2: Value the grind of the process, not just the achievement

The process of creation, innovation, and developing solutions to problems of all sizes is filled with mundane effort, persistence, and grind. The eureka moment is often celebrated, and that day's story is told, but less often we tell of the long journey of failed experiments, preparation, study, and more. If we don't value the process and all the underpinnings of discovery but

instead only value the outcome, the culture will be insufficient to sustain people through those trials and tribulations.

The Wilbers understood this, and not just the two brothers but the family and most of the people they surrounded themselves with. As McCullough writes “Their nephew Milton, who as a boy was often hanging about the brothers, would one day write, ‘History was being made in their bicycle shop and in their home, but the making was so obscured by the commonplace that I did not recognize it until many years

space, encouragement, funding, resources, and more to ensure that those raw ingredients are available to those who choose to avail themselves of the labor of pursuit of discovery and innovation.

Organizational Lesson 3: Create a self-reinforcing ecosystems of creation

Learning and creation often happen within an environment that helps encourage and enable it. You want to create a whirlwind of people creating, solving problems, trying ideas. This is not about removing the shackles of risk, constraint, or cost,

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*Learning is about discovery.
Problem solving is built on
learning. Innovation re-
quires learning. Strategy
depends upon learning.*

later.” It is difficult to overstate the importance of their nephew's observation, because the celebration of the Wright Brothers primarily focuses on that one historic flight in Kitty Hawk but this is a massive distortion of history. Nearly an entire year of labor would go into preparing for the annual trek to Kitty Hawk, and this was simply the final manifestation of long-hours, study, and effort, which included everything from lots of sewing to building their own accommodations when they got to Kitty Hawk.

We think of Steve Jobs on stage presenting the first iPhone as an image of innovation, but it's really the lab coat, welder's mask, blistered fingers, caffeine-fueled late nights, waiting, preparing, and all the less glorious tasks that all make up the ingredients of breakthrough success. Organizations can create

but encouraging more and more creating and testing of ideas. Too many organizations try to pare down and focus the process of learning and creation too quickly, in an effort to reduce risk by only putting energies where they know there will be a valid payoff. It is very difficult to know, in advance, exactly which efforts will produce a positive outcome, which ones will be an outright failure, and which ones will produce learning that can be used again in the next effort.

Because of this, organizations are better off creating momentum of the pursuit of progress while monitoring, although not attempting to control, the ratios between success, failure, and learning-outcome success. The first ratio is to look at how many failed experiments are not generating any learning, because if they are at least accomplishing that, then they are not truly failures.

If that ratio is healthy, then pay attention to the net outcomes of success. I don't believe the ratio is terribly useful here, as it will ebb and flow in unpredictable patterns, but instead are those collective efforts producing a suitable set of outcomes?

The Wright Brothers were beneficiaries of being caught up in that whirlwind of discovery, both at a national and local level. As described in the book: "The times were alive with invention, technical innovations, new ideas of every kind. George Eastman had introduced the "Kodak" box camera; Isaac Merritt Singer, the first electric sewing machine; the Otis Company had installed the world's first elevator in a New York office building; the first safety razor, the first mousetrap, the first motor cars built in America - all in the dozen years since Orville started his print shop and Wilbur emerged from his spell of self-imposed isolation."

In the Wright Brothers' backyard, Dayton, Ohio, this was even more true: "Then, too, there was the ever-present atmosphere of a city in which inventing and making things were central to the way of life. At about this time, just prior to the turn of the century, according to the U.S. Patent Office, Dayton ranked first in the country relative to population in the creation of new patents. The large factories and mills of Dayton kept growing larger, producing railroad cars, cash registers, sewing machines, and gun barrels."

The point is that while the Wright Brothers' specific act of invention may have been an act of will power (and genius), the *pursuit* of that invention was not. Pursuit of invention was normalized, and happening all around them. They could move forward without fear of ridicule or personal expense. Even their business, the famous bicycle shop, likely benefited from their pursuit of flying not because of functional leverage but because customers loved the idea of buying from the two brothers pursuing the accomplishment of invention.

While you may not be able to do much about the community environment you find yourself in, and even less about the time period in which you live, you and your organization can create an ecosystem that encourages and celebrates the pursuit, regardless of the accomplishment.

Personal applications of the lessons

Not everyone is in a position to transform at their organization. In fact, not everyone is even in an organization, as the many freelancers and solo-entrepreneurs find, to worry about or be able to follow the three strategies outlined above. What can be learned from the example of the Wright Brothers at an individual level. After all, they weren't operating out of some division of a large corporate enterprise. Engaging in a deliberate learning strategy, which can range from tapping into those who have already explored a topic, to focused problem solving, to experimentation, greatly accelerates and improves your pathway to success. Organizational boundaries, and budgets, are not the

limiting factors that many make them out to be. The following three lessons can help an individual achieve success through learning.

Personal Lesson 1: Value learning above all else

Valuing learning above all else means that learning is its own reward. This means that we should care more about our learning opportunities than traditional measures such as status and pay. After all, what is the value of a higher paycheck if your future prospects are limited because of a lack of learning.

If a pay cut or less glamorous role leads to greater opportunities to learn, then it is worth that cost, or loss. If a problem isn't the "fun" project but leads to greater learning, then it is a great trade-off. When I first arrived at Chrysler, every young engineer wanted an assignment on the Viper program, as few cars in the world were more exciting than this. However, because of this dynamic, most participants had very little responsibility. I selected to work on the just-about-to-launch completely-new minivan. There was so much to do, and this program was so important, that I had 20 times the responsibility of most of my peers, and that accelerated my learning, and ultimately my career. An example from the Wright Brothers: "Years later, a friend told Orville that he and his brother would always stand as an example of how far Americans with no special advantages could advance in the world. 'But it isn't true,' Orville responded emphatically, 'to say we had no special advantages...the greatest thing in our favor was growing up in a family where there was always much encouragement to intellectual curiosity.'"

This quote says a lot not just about the value of intellectual curiosity, but that it's not just a natural trait but a cultivated capability. There are no guarantees that the pursuit of learning generates the same kind of accomplishment as Orville and Wilbur, but where capital or position or other advantages are less, that intellectual curiosity can be just as powerful a personal advantage for success.

Personal Lesson 2: Professional success almost never comes overnight

Professional success, and almost any other kind of success from creative talent to physical fitness, almost never comes overnight. When it does, there is almost always a good bit of luck involved. Learning is a long-term play, with a long-term view of success. The first person to get promoted quickly loses their advantage if they fail to maintain a high rate of learning. This is similar to the young athlete that grows faster than their peers, leveraging their height or strength early on and therefore diminishing their development of other traits, only to watch other kids catch up and surpass them. The Wright Brothers demonstrated this long-term view of success. "In their visits to Kitty Hawk, beginning with a glider before adding an engine, were always about recognition that this was a long-term learning journey.



He was there to learn, not to take chances for thrills. “The man who wishes to keep at the problem long enough to really learn anything positively must not take dangerous risks. Carelessness and overconfidence are usually more dangerous than deliberate accepted risks.”

Taking the long-term view to learning involves managing those risks, and your safety, in smart ways while maximizing your learning. That safety could mean physical safety, as it meant certainly for the risks the Wright Brothers were taking. That safety could also mean emotional safety, being free from ridicule and taking risks that those around you will continue to support. Even something as simple (albeit not easy) as a family support system to continue to encourage you forward can be meaningful. Finally, professional safety could mean anything to having a base job, or degree, to cover your downside while you take entrepreneurial risks on the weekend, or could mean knowing exactly how far you can push within your job without immediate risk to employment or prospects. If you’re no longer at the company, then you may not be there to achieve the vision you set forth to achieve. Take the long-term view of success, even if that requires elusive patience.

Personal Lesson 3: Have theories and test them

Critical to personal learning, or learning how to advance your project or cause, is that you must have theories, hypotheses, and ideas, and then proceed to test them. The ability to learn is not just about taking in preexisting knowledge. That’s more about memorization. The ability to learn is about understanding cause and effect, and ultimately to be able to either predict outcomes reliably or to understand why

things are happening as they are. This is about putting ideas forward, even if just on paper, and then testing those theories against reality. That is the path to true learning.

The Wright Brothers personified this pursuit. “With characteristic understatement, Wilber summarized by saying they were able to return home [from Kitty Hawk] “without having our pet theories completely knocked in the head by the hard logic of experience, and our own brains dashed out in the bargain.”

In addition to the recognition of the long-term view outlined in Personal Lesson 2, he demonstrated that their knowledge was on theory until they could really see how it stacked up against reality. More is made of the story where the tables and math and models that they started with, provided by others, had not gone through such rigor of reality-based testing and therefore were only assumed to be correct. Even though they had not yet truly flown, they knew what they knew, and that was cause enough of celebration. This testing, and therefore validation and invalidation of so-called knowledge, was the foundation on which all further accomplishment would be built.

While many of you may not have the aspirations of accomplishing something as world-changing as the Wright Brothers, we all want to be better at what we do and valued for what we accomplish. Learning is the cornerstone of that accomplishment, the Wright Brothers provide a litany of lessons for us, whether as organizational or as individuals. ■



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by *Cynthia J. Young*, founder of *CJ Young Consulting, LLC*, a knowledge management consulting firm, which, through a human-centric focus demonstrates that having a knowledge management mindset supports overall organization health.



PLAYING THE WAITING GAME

Lily Tomlin asked the audience in her 1975 Saturday Night Live monologue, “How come when you’re *last* in a line that isn’t moving, and someone comes and stands behind you, you feel a **lot better?**”

Waiting. No one enjoys waiting. Think about when you book a flight. If you want to save time on waiting in line, you are willing to pay to get in the airport’s pre-check line. You buy advanced tickets to the movies. You may even pay to not stand in line at theme parks. Time is money and money is used to pay for less waiting time daily. So, what can we do to eliminate wastes other than throwing money at the problem? How do we play the waiting game and win?

As one of the eight wastes of lean, waiting is a frustrating waste to work with. If you consider waiting in a line you may see the impatience and sometimes the anger and frustration building in the people waiting in the line. In business, waiting to make decisions or to obtain

necessary parts for a project can cause losing the confidence of a customer and their business. It can also cause lack of confidence of your upper management and of the team supporting the project.

Whether we want it or not, we expect some sort of time to be waiting. We just don’t want to wait for what we or our organization need whether it’s waiting on the arrival for a part and especially for a decision to be made. Part delays are sometimes out of the hands of the organization when there is a single source for the part, but decisions are different. Good, bad, or indifferent, a decision can be made. The challenge is getting enough data, information, and especially knowledge to make or advise someone on the decision to make. When decisions are delayed or not made, a process can come to a halt.

Making the decision really comes down to how confident the person is in themselves and their knowledge and understanding of the process or project to make the decision. If they don’t make the decision, the waiting continues causing delays further down the line of the process. The process could also come to a halt and

with that, the process or project cancelled.

So, how can you improve your decision-making to reduce the waiting time in the rest of the process or even just the next step in your process?

Write down what you know. When you write what you know it helps to set aside those items so you can quit thinking about them. It prevents wasting time on revisiting those items and not getting anywhere in your decision-making.

Write down what you don't know. Writing down what you don't know may seem counterintuitive, but it can help you track your thoughts, so you discuss them with others.

Brainstorm with your team. By sharing your decision-making challenges with your team through brainstorming, you are sharing with your team where your concerns are and giving them unspoken cues to allow them to share ideas. You are showing you trust your team's experience and their capability to problem solve. You are also sharing the explicit knowledge you have allowing them to work with everything you have to make the best decision with minimal time spent. By sharing your thoughts and ideas with your team, and the timeline to make the decision, it builds your team up for the challenge to make the decision and reduce any further waiting.

Talk to someone who managed a similar project. This is something that if not done before starting the project may become a lesson



learned for you later. When you talk about your decision-making challenge, if this was something that had to be decided in the prior project, find out how the priorities were set and what other insight they had to make the decision. What did they know that you don't? Was the decision made as part of the planning process?

Once you've done all of this, you may find out that no one is sure what the best decision is and to prevent waiting any longer, make your

decision. It may not be the 100% solution, but you've gone through the thought process, have deadlines to meet, and the wasted time spent waiting may cause more harm than good.

By sharing knowledge at the onset of the project and as needed during a project, wait times are lessened. While it would be a perfect world if every leader or manager had the requisite knowledge and insight to make decisions the moment they are needed to be made, it's not a guarantee. While elimination of wait times may not be possible, it is possible to reduce the wait times enough so there is not a negative affect to the overall process or project.

Remember that working though a decision doesn't have to be done on your own. Include your team or others experienced in the process to share their experience and know-how. By involving others in the decision-making process, you minimize the waiting game and the frustration. ■

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Whether we want it or not, we expect some sort of time to be waiting.

by **Mark DeLuzio**,
*pioneer of Lean and the
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 operations metrics have
 flatlined.*



THE LEAN TRILOGY

I have seen hundreds of companies attempt to transform their business through the application of Lean philosophies and methodologies. Most of these businesses had initial success but eventually “flatlined” in their operating and financial metrics. The reasons for this are many, however this article focuses on the primary root cause of false starts and failed transformations.

What is the Lean Trilogy?

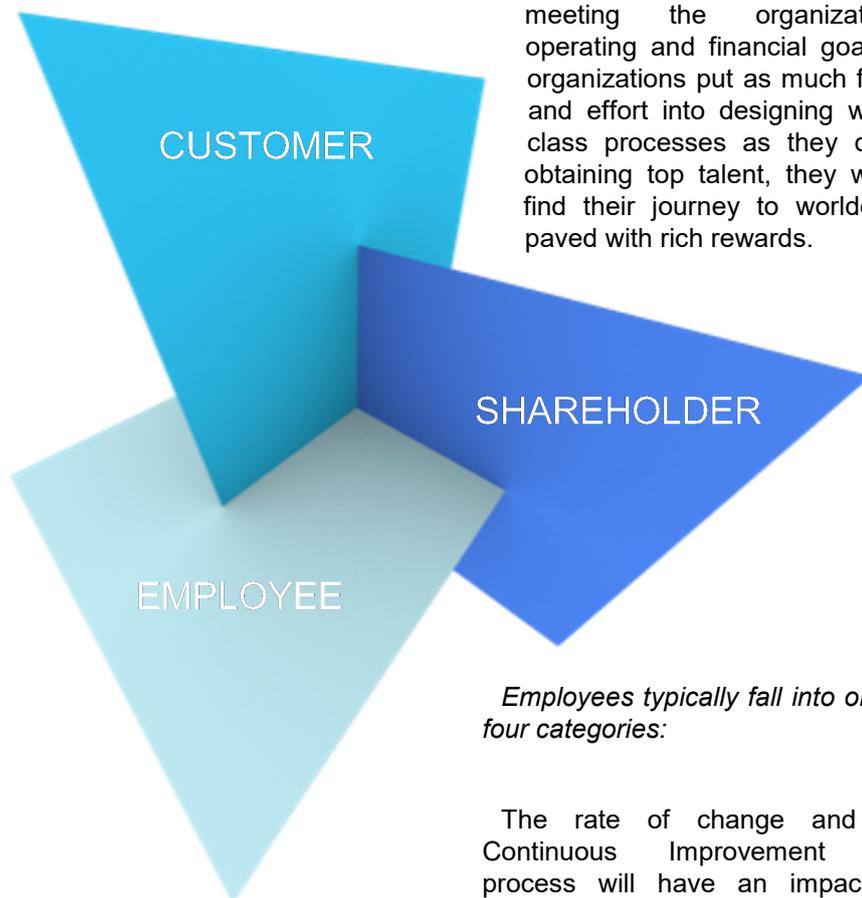
The Lean Trilogy characterizes the equilibrium that needs to exist between three primary stakeholders: the Employee, the Customer and the Shareholder. If the requirements of these three groups are not met, the Lean Transformation will fail.

I recently spoke with a rather large financial institution that started a transformation quite a few years ago. They were speaking with me to gain my perspective regarding their path forward after a rather failed attempt to cut costs. Their primary focus for doing a Lean Transformation was to take cost out of the business thereby improving profitability. As I listened to them describe their situation, they used the word “cost” over a

dozen times as the primary objective. Never once did they mention the customer or their employees. The person I spoke with reported to the CFO, which further reinforces the fact that they have a cost mindset to satisfy shareholders, and rarely considered their customers and employees.

This particular company stated that cost cutting is one of the CEO’s main initiatives and that they were looking for someone to lead this transformation. The person they were looking for would report to the person who is in charge of Lean for this particular company. I told them that they already have the person in place that should lead the transformation, the CEO. They continued to insist that the CEO is committed. I told them, “Who wouldn’t be supportive of lower operating costs?” Is your CEO and leadership team willing to satisfy other stakeholders, namely Customers and Employees? They responded by saying “Well of course.” I had my doubts.

The tone for a Lean transformation needs to be set from the very top of the organization. This is exactly what Art Byrne did at Wiremold. Byrne, A. (2013) *The Lean Turnaround*. McGraw Hill.



The CEO must not only verbalize his commitment to the Lean Transformation, he must show it in his actions. Art Byrne talks about participating on Kaizen teams, attending Kaizen reportouts, self-education and even leading a Kaizen event. If the CEO delegates away his responsibilities to a staff position within the company, the Lean transformation will stall and eventually fail. The CEO must be as committed to the process of the transformation as he is to the results! Let's take a look at the three stakeholder groups.

Employees

Many seasoned Lean practitioners that I have encountered view Lean as a set of tools and methodologies and do not fully comprehend that a Lean transformation is all about people. Understanding the WIFM factor (What's In It For Me?) is crucial in gaining employee buy-in and support. Employees' attitude toward their superiors, company, customers and work need to be a positive force that can be aligned to the goals of the organization. Processes must be designed so that ordinary employees can succeed in

meeting the organization's operating and financial goals. If organizations put as much focus and effort into designing world-class processes as they do in obtaining top talent, they would find their journey to worldclass paved with rich rewards.

Employees typically fall into one of four categories:

The rate of change and the Continuous Improvement (CI) process will have an impact on people.

It has the potential to motivate or demotivate and employees will oscillate between effective and ineffective as they are going through the learning process. Leaders must have tolerance and allow employees to make mistakes, always focusing on the process and not the individual. A well thought out process will not allow for errors. People in general want to do a good job and working in an environment where problems are minimized has a direct impact on the motivation and morale of the employee.

As leaders, we want all of our people to be in the ME quadrant. As employees oscillate between ME and MI, leadership must provide air cover and encourage, recognize and reward those employees with the will to make positive change. Ineffective employees must be provided the proper training to succeed.

Employees in the DI quadrant need to either change or leave the organization. You will find that DI employees are not only found in the rank and file, but in all levels of the organization from the CEO suite to the janitor. It has been our experience that these naysayers represent about 10% of the

organization. Employees in the DE sector need coaching to get them motivated. Studies have been done that correlate the level of satisfaction with participation in Kaizen events. The higher the involvement in Kaizen events, the higher the level of job satisfaction and morale.

I have seen this backfire, however. A Vice President of a midsized manufacturing company attended a Kaizen report-out on a Friday afternoon. The team made great progress, however the VP second guessed the team and told them that they should have done this and that. The team was totally demoralized. Subsequent Kaizen events were not met with the level of enthusiasm required to significantly change the organization. This Vice President eventually failed at his job and was replaced.

What happens when a Kaizen team reduces the headcount required for a particular work area? Are the employees laid off? Are they reassigned? The joke in the marketplace is that LEAN means Less Employees Are Needed. Unfortunately I have seen companies make the mistake of tying headcount reductions to the Lean Kaizen process. How can you ask for employees ideas then lay them off when they "Kaizen" themselves out of a job. How much success will you have with subsequent Kaizen efforts? Having a game plan in advance is crucial. Some companies, like Wiremold, had a No Layoff Policy as a result of Lean. They opted to reassign and retrain workers, insource where possible and place excess headcount on Kaizen improvement teams. Of course, as there was attrition, those employees did not need to be replaced. However one must think about Lean as a growth strategy. I call it "Profitable Growth through Operational Excellence." As your quality, lead-times, delivery and overall value proposition improves, the Sales force should be able to leverage this operating excellence into profitable growth. This needs to be a part of any Lean strategy. In doing so, the excess headcount will take care of itself as the company profitably grows.

Customer

We hear companies focus on the “Voice of the Customer” (VOC). Many times, companies make the mistake of thinking they know how to satisfy the customer without ever asking what is important to their customers. In my early days as a General Manager of Asian Business, my team was delivering 100% on time with 100% quality. When I went to Japan, I expected my customer to give me accolades for such excellent performance. Upon our visit, we were told that we ranked 106th out of 110 suppliers. What we didn’t realize was that we were being graded on our responsiveness to their various inquiries and requests. Because of the 12-hour time difference between the East Coast and Asia, we were always delinquent. Lesson learned: Do not assume you know what is important to the customer! Ask him!

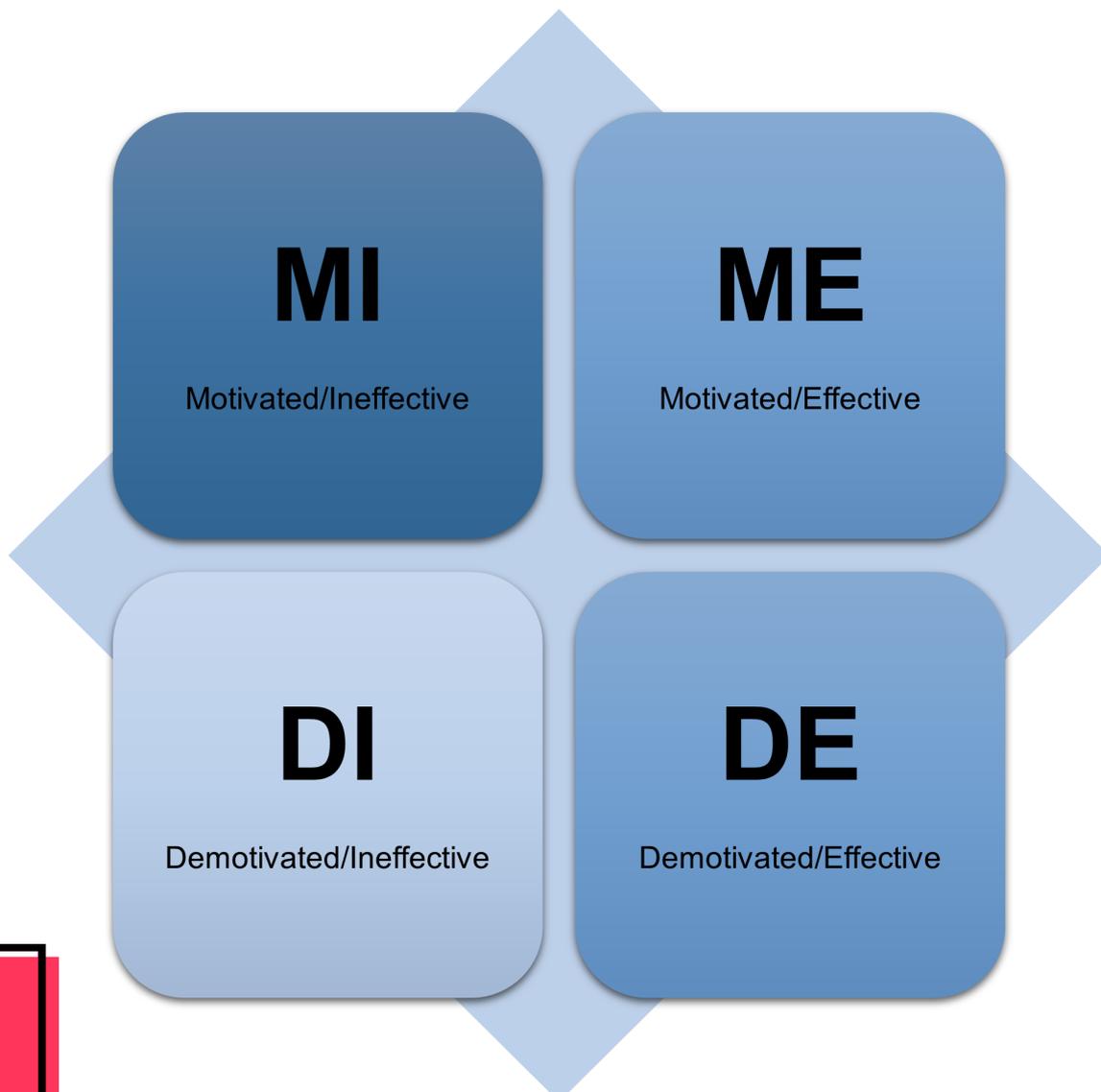
In the final analysis, there are good customers and bad customers. Customers that have unrealistic expectations or fail to operate ethically could cost you money. It is important to understand the value that customers bring to your business. You may need to decide not to do business with a group of customers if employee and/or shareholder requirements are not met.

Shareholders

I have worked with many clients who only consider the shareholder objectives in their decision making process. If you take care of your employees as well as your customers, shareholder requirements are usually achieved. Actions to satisfy your employees and customers are usually the drivers that will deliver satisfactory results to shareholders. Keep in mind that at times, the requirements of the three stakeholders (Employees, Customers and Shareholders) may have trade-offs, and that what is good for one group may not be good for another. An example is the selling price of your products. If we reduced the selling price by 50%, our customers will be happy, however our shareholders will be negatively impacted because of this action. So, we must drive to optimize all three stakeholder groups, knowing that tradeoffs at times will be necessary.

Summary

In the final analysis, the long-term success of a company’s Lean transformation is maximized by satisfying the needs of all three stakeholder groups. Strategic plans need to address these areas and leadership must be prepared to objectively measure their success. Additionally, a formal feedback process needs to be in place in order to monitor the company’s success in terms of Employees, Customers and Shareholders. ■



by **Jeffrey Liker**,
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developing the people
and process using lean
principles.



LEAN IN A HIGH-VARIABILITY BUSINESS

EXCERPT FROM THE BOOK BY
Eduardo Lander, Jeffrey Liker, and Tom Root

THE JOURNEY OF ZINGERMAN'S MAIL ORDER



Our story begins during peak production in December 2003. As founders, our vision for ZMO was to bring the quality, artisanal food of Zingerman's to our clients across the United States. Our success exceeded our expectations, growing every year, often by double digits. And yet, serious problems were surfacing that could threaten sustainable, profitable growth.

Over the years we have been frustrated by a number of common misunderstandings about what Lean is, what the journey is like, and how to advance. Often these



misunderstandings come from the way people simplistically talk and think about Lean. It is as if it is some concrete thing that you insert into an organization and step back to watch the results. If there are problems it means you are doing it wrong, or maybe your consultants are not very good at it. You get deluged with new terminology, maybe feeling a bit overwhelmed. But senior management wants results, and they want them fast, so you madly deploy this Lean stuff across the enterprise, as quickly as possible. It is like a race. Some things stick and most do not. To make matters worse it is

refer to this as a mechanistic approach to Lean deployment.

Another perspective views the organization as a living system with interacting parts and constant exposure to the environment, which is dynamic so it's hard to predict what obstacles you will face next. Just when you think you have it solved new challenges arise from the market, competitors, government regulations, and every direction you turn to. In fact, it is not surprising that there are problems implementing lean. In fact, the lean tools themselves (e.g., visual management, kanban, standardized work) are designed to surface problems. Toyota has a simple perspective: we cannot predict the future so the best we can do is try out our ideas and learn from what happens. When you look at your organization in this way you see Lean through a different lens. The goal is to make your processes and people into a more adaptive system so you can navigate through all the complexity and uncertainty to regularly achieve your goals. This is how Toyota views things and they summarize the Toyota Way as continuous improvement and respect for people. Each person becomes a partner in struggling to learn and

We have, at a small company called Zingerman's Mail Order (ZMO). Now you can too...

Lean in a High-Variability Business is a graphic novel that tells the 15-year story of Zingerman's Mail Order as they improved their processes and developed their people through Lean and Kata.

Our purpose is not to provide a 'recipe for implementation'—quite the opposite. We want you to get a feeling for the struggle, for the learning process. We explain and demonstrate many Lean tools within the context of the journey and how they were adapted for this particular business which is characterized by high variability everywhere. And you get a ringside seat to the human drama of transformation and learning. It is written so that it can provide insights to experienced Lean practitioners and be read pleausrably by executives, managers, associates, and even some of your family members. The book provides a 'tour' of their current operation and then goes back to recount their journey, highlighting how solutions evolved through multiple cycles of refinement. The last part covers the explosion in engagement and improvement efforts that came with the introduction of Toyota Kata.



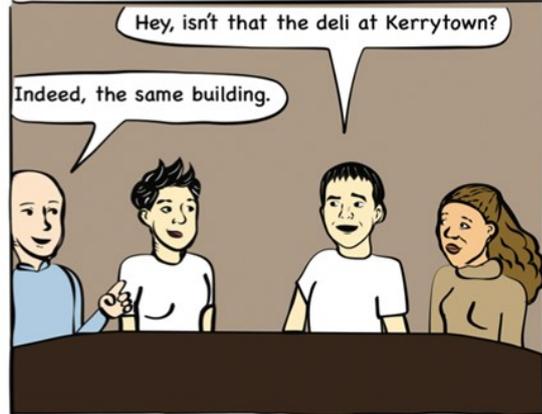
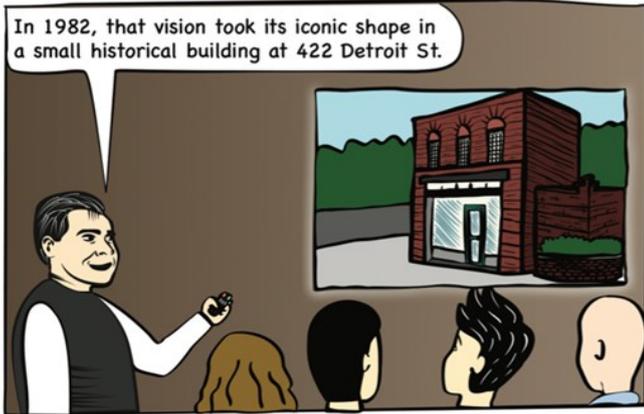
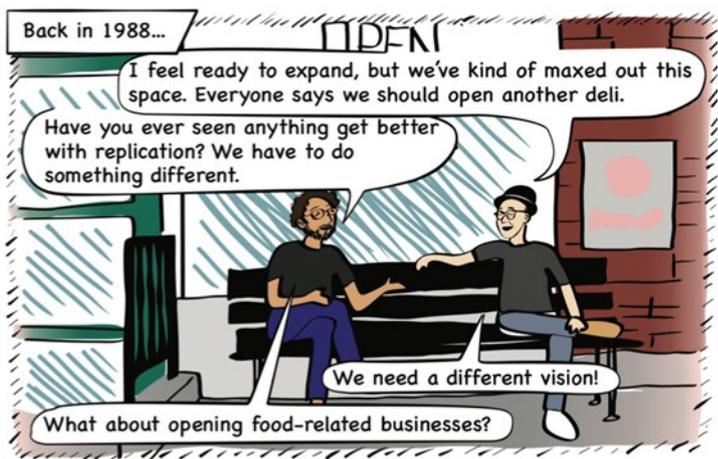
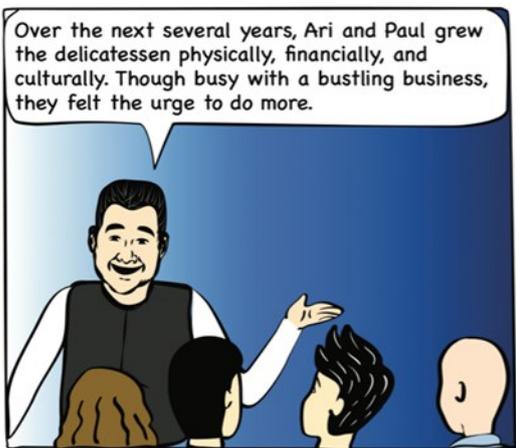
difficult to apply all the Lean concepts exactly as Toyota does because unlike Toyota, you do not make vehicles on an assembly line with one-minute cycle time repetitive jobs. What was management thinking when they suggested this Lean stuff? We

adapt, and specific tools are used in very different ways throughout the company to accomplish their goals.

To most people this all makes sense, but few have experienced it.

Come join us for a sneak peek...





A real problem and a fortunate discovery

Now, where was I? Oh yes... for ZMO, and for me personally, Christmas 2003 was a turning point. Let's listen in on one of our management meetings that holiday...



TOM

Tom Partner

I realize we are all very busy in the Christmas season, but we have been thinking about where we are headed as a company.

Betty Manager

Mo Partner

Toni Partner

We have been very successful and the partners owe every team member a personal debt for their energy and commitment. That's the good news.

BAD NEWS

COST ↑

PROFIT ↓

The bad news is that our costs are going up and profit margins are going down. Since we all share in the profits, it even hurts our wallets. As you know, our goal is sustainable growth so we can keep our loyal, hungry customers happy and provide employees a stable and fulfilling job.

Fast Movers

Don't go too far we won't stay here long!

MO

Our biggest problem is we're constantly moving to bigger spaces just to serve the Christmas demand.

We've been doing it every two years... Heck, we just moved here and it's already tight!

Did you see they ran out of space for gift boxes? Last night they had to stack them in the office... and this is only our second Christmas here!

Fortunately, ZMO found Jeffrey Liker and his student Eduardo Lander. Eduardo was looking for a site to do his dissertation research focused on lean in high-variability businesses. This was action research and the goal was to lead them through a transformation and document the process. Fourteen years in ZMO was considered a lean benchmark and giving tours. Let's listen in...



Essentially, ZMO is a gift business, so we sell a lot of gift boxes and baskets. Our highest seller is called the Weekender. It contains some of our most popular items like a loaf of bread, a brownie, some salami, peanut brittle, and a sour cream coffee cake.

Sounds delicious!

Indeed... We ship so many of them that we have a work station dedicated to its assembly. This little single-person station contains all the products and materials you need, plus a work surface on which to build the gift box.

What do you mean by dedicated station? What's the alternative?

For gift boxes not prepared here, items are picked on the line, and the box is put together at the assembly station... we'll see that later. Now, one of the issues with assembling products here is that we cannot open them later to check that they have the correct items. At the line we have check stations where EVE helps us confirm that we're sending the customer what they ordered. But it would be meaningless to assemble weekenders efficiently here if we took them apart later to check them.

Yes, I can see how that would defeat the purpose...

So, here we followed the Lean idea of mistake proofing. Lean says that we should focus on preventing mistakes from happening instead of becoming good at finding and solving them later on.

That seems like the logical thing to do.

It does, doesn't it?

Well, here at the Weekender station we have all the items we need, plus this very expensive, high-tech, card board template for making a Weekender.

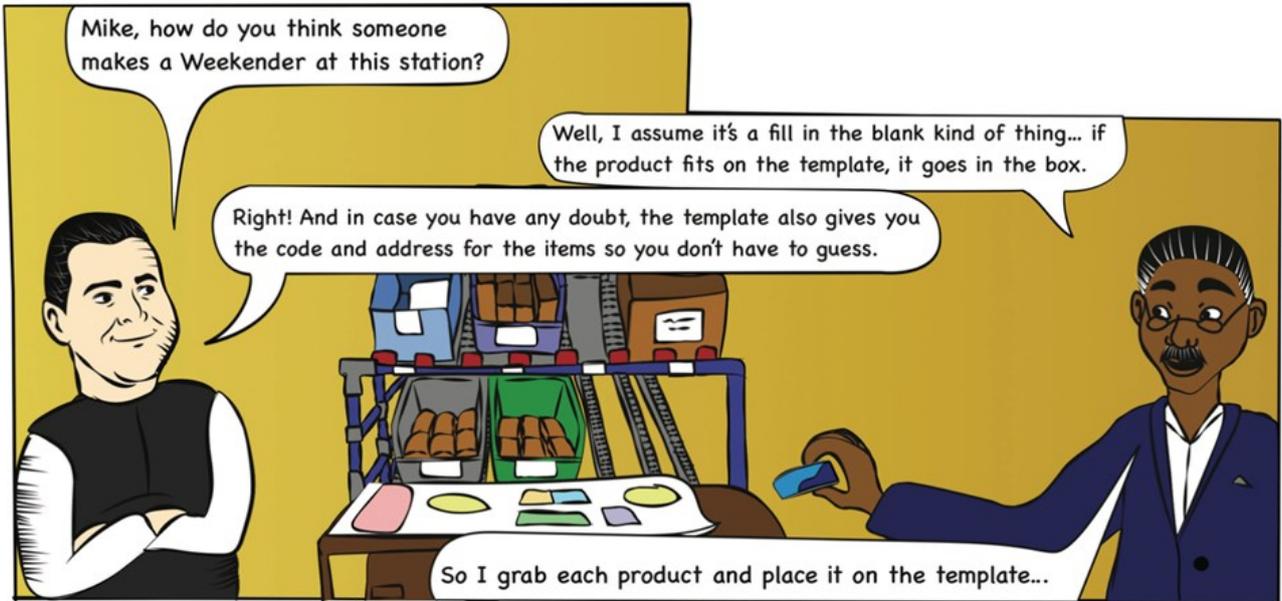
I love their high-tech solutions!

Now, remember how given the seasonality we face, we cannot rely on training or active management in the way a more traditional company would?

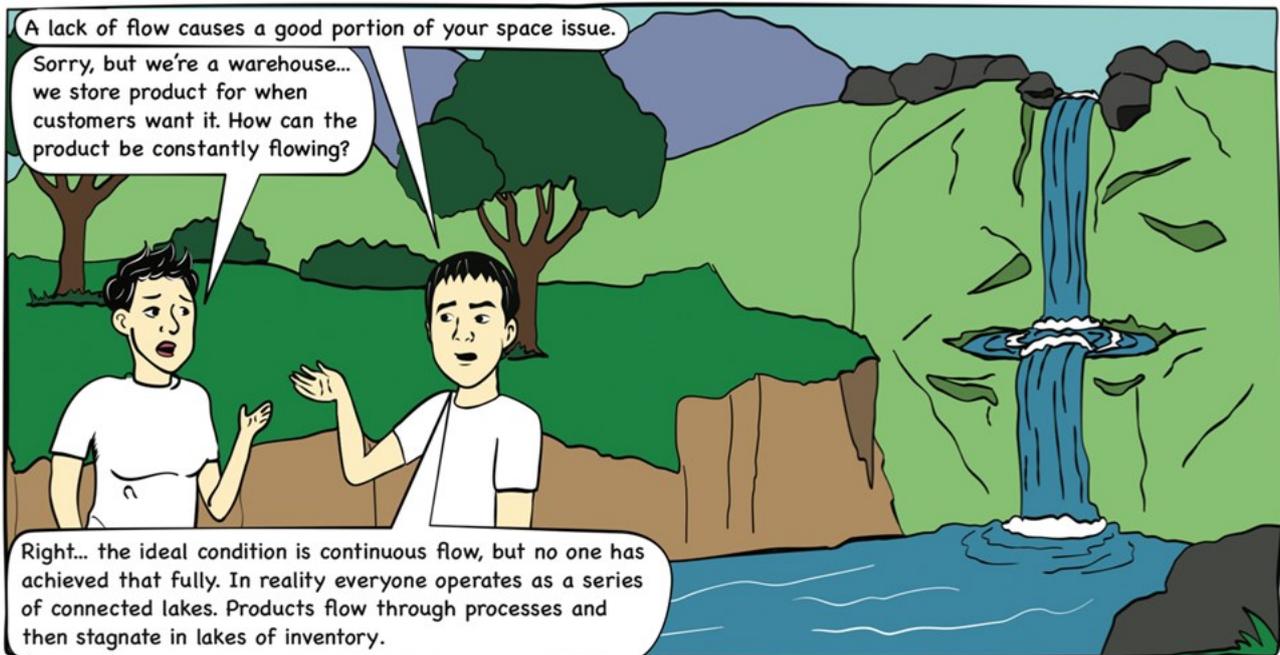
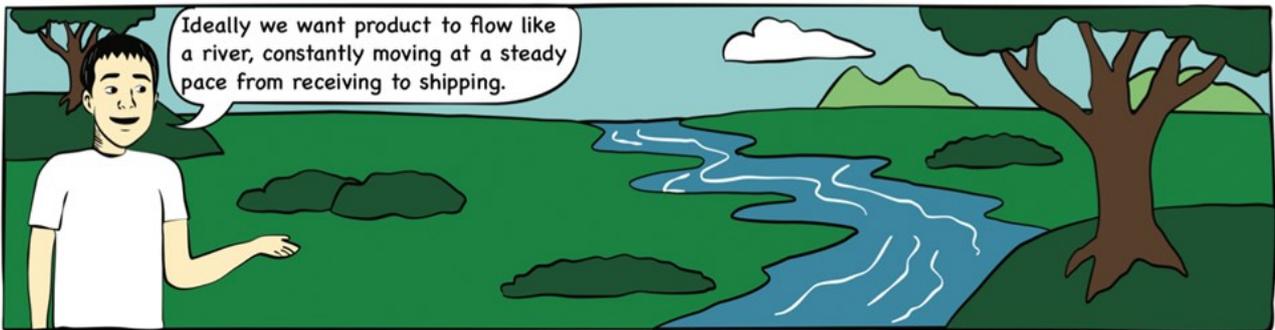
Yes, long training is not an option, and traditional control methods do not work...

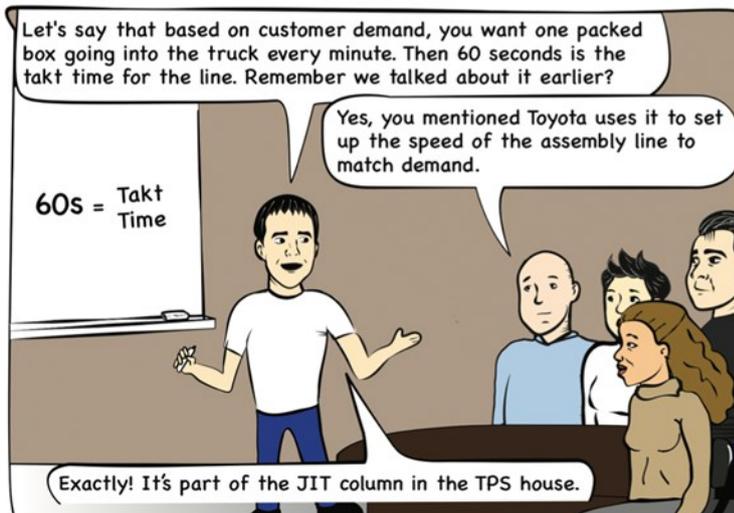
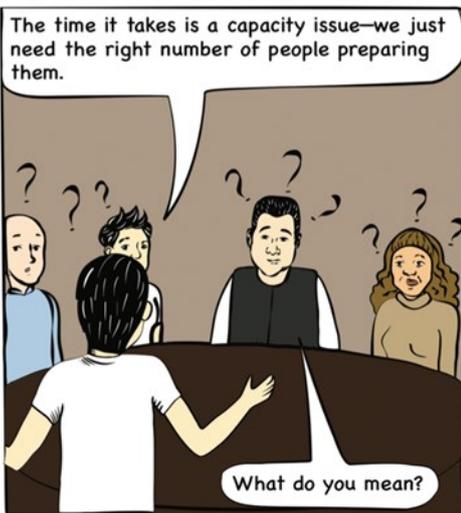
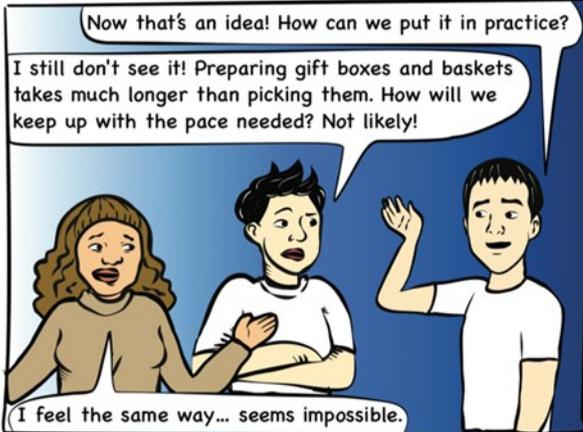
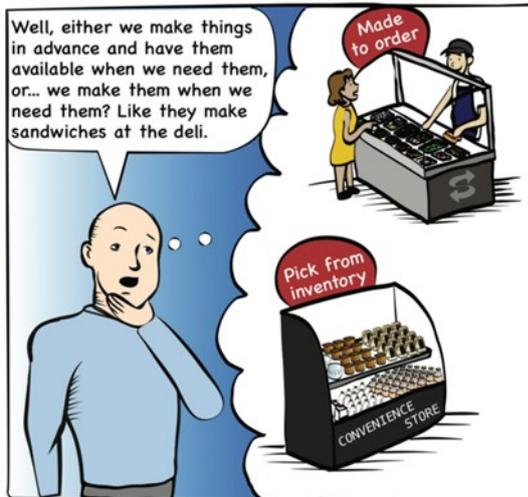
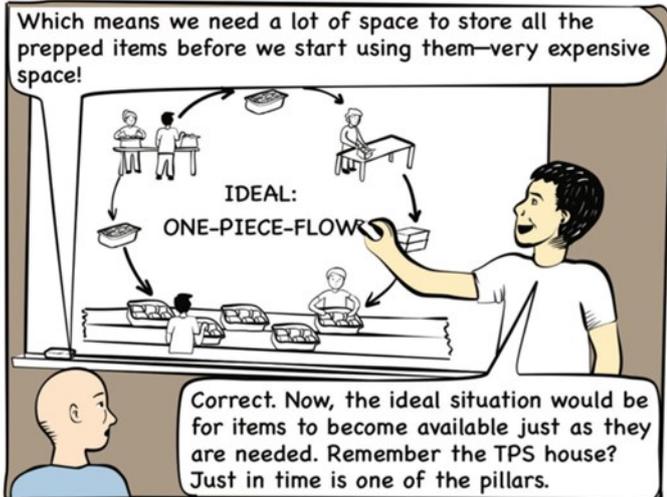
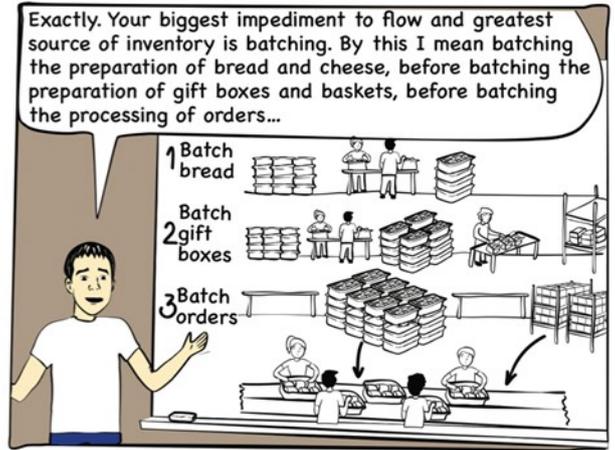
Perfect, you were paying attention! Now, let's see how a systemic approach helps us get superior results here.





Virtually every Lean tool you have heard of is somewhere at ZMO, in the warehouse or in the call center. But it was a constant struggle to get to this point. And Eduardo was learning to coach by doing, acting to a degree as a technical expert but also driving the managers to think through questioning. The goal was to develop the people to take responsibility for continuous improvement. Let's go back in time and look at the transformation process itself...





Now, let's further assume gift boxes on average take 3 minutes to assemble and all your orders include one. With this, we can figure out the number of people needed by dividing the 3 minutes... or 180s of work content by the 60s output rate. And... you will need 3 people making gift boxes to keep the line running at a 60s takt.

$$\begin{aligned} 60s &= \text{Takt Time} \\ \text{Number of people} &= \frac{\text{Cycle time}}{\text{Takt time}} \\ &= \frac{180s}{60s} = 3 \text{ people} \end{aligned}$$

I'm beginning to like this takt time. Simple and powerful! It can help us define the design requirements for the line and its stations. Remarkable...

It sounds simple in theory, but I'm not sure I trust these numbers.

Why not? The explanation seemed pretty clear...

Wait, she has a point. First of all, the result is only as good as the underlying data. If it takes 4 minutes instead of 3 to make a gift box, we would need more people.

As we saw from the tour, ZMO's leadership team came a long way. They learned by doing. The results were stunning. For example, after changing locations about every two years, they have not moved since they began the Lean journey, they have significantly reduced mistakes that affected customers, and have almost doubled productivity. But there was one elephant in the room. They were not very good at engaging team members on the floor. This changed when they started practicing Toyota Kata...

As you can see on the run chart, it can take between 5.6 and 17 seconds per loaf.

That is definitely significant... When you give me numbers, or even better, show me a chart, there's a higher chance we end up with the same understanding of the situation. Now, do you have any idea why we have such high variability?

Well, there's some random noise, which we expected, but there are also differences in the work and how it's done. For example, when a small black tote is used, it takes about 8.5 seconds to set up. The bigger grey ones take about 11.5 seconds.

That's a very good observation, but I don't see it on the board. Maybe it could be an observation on the run chart?

You're right. We should add that.

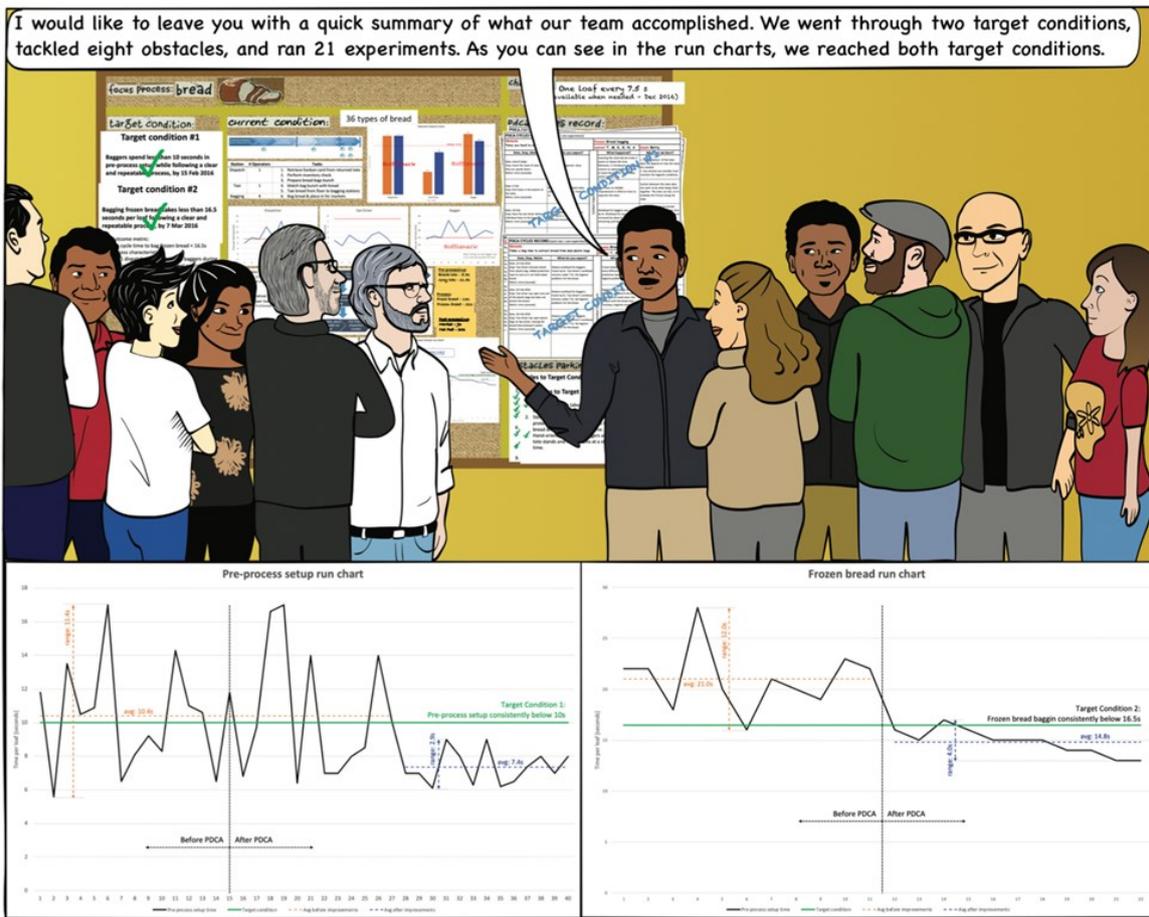
Normally, I would stop the coaching cycle here. We want to have all the relevant information on the board so it tells the full story. Simple sticky notes or hand-written comments on the charts is enough. But let's move on. What obstacles do you think are preventing you from reaching the target condition?

We identified nine, and we do have a document for this. Let me add it to the board...





The group experimented with the totes, first in stacking them upside down and then drilling holes because they noticed they stuck together. Neither worked very well. Two 'failed' experiments, but were they failures? The team was learning that their first ideas were not always correct. They persisted, eventually figuring out they could reallocate work so that the material handler delivered the totes just-in-time and positioned as needed. No more problem with stacked totes! Through persistence and experimentation, the group achieved their goals.



With Toyota Kata team member engagement exploded. They had up to eight teams working on kata projects at the same time, coached by the management team. Team members were lining up waiting for their turn to participate in kata.

The journey is very much alive today. It seems the more they learned at ZMO the more they realized how much more there was to learn. They continue to evolve, and now host courses on lean and kata through their lean lab.

This was a glimpse of the book. We look forward to your impressions, opinions, comments and questions... ■



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by **Joseph Paris**,
 who has devoted his entire career of over 30 years to helping companies become high-performance organizations. Author of “State of Readiness”, sought-after strategist, consultant, mentor, and speaker.



THE 9 QUESTIONS TO ASK

Summary; *Most companies preparing to launch an Operational Excellence Program do not take a moment to contemplate what their program is hoping to achieve, or even if what they are hoping to achieve is what the company truly needs. These 9 Questions, asked of all the right people, help to get your program properly aligned and, in turn, receive the commitment necessary to be successful.*

My firm and I get hired by many organizations to help them design and deploy (or redesign and redeploy is more likely) Operational Excellence (or Continuous Improvement) programs and we have been successfully doing so for 20 years or so. I won't go as far as saying we are the “best”; because what does that really mean? But I am comfortable saying we are darn good at it and have a lot of experience from around the world and across industries.

My experience is most of the firms who hire us actually don't know what it is they want; what they expect their Operational Excellence programs to accomplish in absolute terms. They just know they are in a place that is unsatisfactory and know they need to change. But to what? And how?

Where I start is an assessment. But not an assessment as to how they will design and deploy their operational excellence program, but what business factors they are facing, why they want to change, what they want to change into, and what success will look like.

The assessment I perform will include as respondents; the entire C-Suite, all the Senior Executives, and all the Program Stakeholders. If anyone is missing or wants to “opt-out”, I know that person will be a challenge that needs to be overcome. If enough people want to “opt-out”, then it is a sure sign that the program is in trouble before it even starts.

Before I get into the questions I am going to share below and their importance, it is necessary to understand that – although I am speaking about designing and deploying an “Operational Excellence

program” – these 9-Questions can be adapted to serve as the interview questions for any program under consideration.

Certainly, the term “continuous improvement” (the more elementary form of operational excellence) could be easily substituted to the same benefit. But the terms “health and safety”, “quality”, “sustainability” or and any other term for a business program could also be substituted to similar success in creating alignment and gaining commitment (which is the goal).

Question 1: What is the company’s vision for the future?

This is the first question I ask in my assessment interviews. Is there a crystal clear vision of the future that is universally understood in absolute terms and held by all? The efforts of the Operational Excellence program should serve as an accelerant for achieving this vision.

For example, I was working with a company’s Operational Excellence team and I asked them what the company’s vision of the future was. After a moment of silence, one brave soul volunteered that “They were going to be the Number-1 [fill in the blank] provider in all of Europe.” Of course, everyone nodded their heads in agreement.

But then I asked that they write-down what “Number-1” meant. The person attached for finance wrote “most profitable”, from marketing it was “largest market” share, from logistics it was “100% on-time deliveries”, and so on. Each person interpreted what “Number-1” meant from the purview of their domain. And with such divergence as to what was important meant that alignment could not and would not be achieved. And without alignment, there is no commitment.

I am certain (at least I must assume) when the President of the company addressed its employees and shared that the company was “going to be the Number-1 [fill in the blank] provider in all of Europe” he understood in absolute terms what being “Number-1” meant. But by not being

explicit enough, the President left what being “Number-1” meant to the imagination of the individual employees. And they naturally internalized the meaning to be from what was within their purview.

Not a good foundation for gaining alignment.

Question 2: Did you ever hear of the term Operational Excellence?

I ask this rather simple “softball” question to disarm the person I am interviewing and to gauge whether the people with whom I am speaking have ever heard of the term. Rarely (if ever) has a person shared that they had not; especially since they know I am interviewing them about their soon-to-be Operational Excellence program.

Question 3: What does Operational Excellence mean to you?

This is a great follow-on question. What I usually get is a “word salad”; a bunch of words all mixed together. Sometimes someone will give some formal definition they might have memorized, but when I ask what it means, they are usually at a loss. In any case, at the conclusion of all the assessment interviews, there is scant commonality amongst the respondents of what Operational Excellence means to the company as a whole.

Question 4: Do you know that there is to be an Operational Excellence program launched at

your company?

This is another softball question that serves two purposes; i) to remove some of the anxiety that might have built-up from the struggles answering the previous question by giving them an easy one, and ii) to actually determine if everyone has been made aware that an Operational Excellence program is going to be launched at the company.

Almost always, everyone knows that an Operational Excellence program is to be launched; especially since they know I am interviewing them about their soon-to-be Operational Excellence program. But this is not always the case.

At one company where I was conducting assessment interviews, the Director of Human Resources was not aware that an Operational Excellence program was being launched. I found this both odd and alarming since the success or failure of such a program depends upon the engagement of the people, and this being the domain of Human Resources.

Question 5: What do you believe are the program’s success factors, ambitions? How can you tell if you are winning?

This is another great follow-on question. And again, I usually get a “word salad”. Many, but not all, will offer some tangible KPI. Some will offer a description. But again, at the conclusion of all the assessment interviews, there is scant



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“

My experience has been that if there are much more than three strategic initiatives that a person is working on for the year, they are going to have a difficult time prioritizing and completing them.

commonality amongst the respondents of how the success of the program would be determined or what it is supposed to accomplish.

Question 6: If the Financial Times [or some prominent or local newspaper] were to dedicate a special “extra” edition to the success of your program, what would the headline read? What would some of the stories be about?

This is probably the most powerful question in the series of questions asked during the assessment interviews. It causes the respondent to distill their “word salad” to a headline that consists of only a very few words.

Think of all the famous headlines; “Kennedy Slain”, “Man Walks on the Moon”, “Nixon Resigns”, “Reagan Shot”, “Berlin Wall Tumbles” and so on... Each told the story without need for further explanation for the reader to understand what had happened.

Of course, there are always articles that support the main headline. And each article also has its own succinct headline. What would some of these supporting stories be about?

There might be some commonality in the headlines (even if not worded precisely the same), but most of these are very high-level (think, “The company achieves being Number-1...” fill-in-the-blank) and not indicative of any real alignment existing. And there is usually a lack of commonality amongst the respondents of what the stories might be about.

Question 7: What are the three most important strategic initiatives you are working on this year?

This question is simple enough and the respondents usually can share their top-three strategic initiatives that they are working on for the year. But sometimes, they start sharing that there are more than three strategic initiatives they are working on for the year (sometimes many more) and they are finding it a challenge to list just the top three.

My experience has been that if there are much more than three strategic initiatives that a person is working on for the year, they are going to have a difficult time prioritizing and completing them. In fact, they run the risk of not completing any of them.

And if the Operational Excellence Program isn’t one of the top-three strategic initiatives that the person is going to be working on for the year, the chances of them committing to the program are close to nil (unless something changes). This is not to say that the person will be against the program, just that you will not be able to count on that person to allocate any resources or attention. Plan accordingly.

Question 8: What is slowing you down or in your way?

This is an opportunity for the respondent to share the challenges they are personally facing in accomplishing their strategic initiatives for the year. The source of the friction might be external to them (ex. lack of support, resources, and so on), external to the company as a whole (ex. supply chain issues), or even themselves (ex. competing priorities, personal issues, and so on).

Question 9: What questions do you have of me?

After all of this, there will no doubt be questions that the respondents would like to ask me, and I give them the opportunity to have those questions answered. Some of the questions will be more transactional and forensic; clarifications, timelines, and the like. Some will no doubt betray a level of anxiety; what is expected of me? I have so much to do already, how will I fit this into my already overburdened schedule? How will this effect the prioritization of my efforts, and so on.

The transactional and forensic are usually straightforward to the extent that they can be known at this point. Remember, this is the initial assessment and discovery. As such, some details will not be known and it is essential to be completely transparent as to; what is known, what is believed, what is thought, and what is unknown.

Similarly, when it comes to commitment. I like to tell concerned respondents that my approach is to “not give someone something else to do unless I take something away.” It’s only fair. After all, it’s not like anyone has a lot of free time on their hands; at least not that I have ever seen.

What’s next?

This is the challenge. My experience has been that the expectations of the Operational Excellence program – the challenges faced by both the individual respondents and the company as a whole as well as what is important and what is not (as) important – are going to vary greatly. And we must always remember; if everything is a priority, then nothing is a priority.

What I must do is find the “golden thread” from among the responses; the business factors and challenges faced, and the aspirations that are most shared among the respondents. I present this as the “lighthouse”, the goal of the program and where the emphasis might be first applied.

Before proceeding further, the senior leadership must agree that the lighthouse represents the course to take and that progress towards it is the desired outcome. If not, we must do further analysis until agreement is reached. Without this agreement, there will be no alignment. And without alignment, there will be no commitment. And without alignment and commitment, only doom awaits.

And it is critical to note that this lighthouse is not fixed nor permanent (it also should not change too often). A quarterly review should be conducted to ensure (at the highest level) that the major business factors and success factors on which the Operational Excellence program is based has not changed. In addition, a deeper annual review should also ensure the efforts are properly aligned to the lighthouse.

It is imperative to finish anything that is started. There is nothing that can erode confidence in an Operational Excellence program faster than the continuous resetting of priorities. You don’t want to be the one at the annual review who tells senior leadership that many efforts have been initiated but nothing was completed because of redirects. Senior leadership will only hear “we didn’t complete anything”. Don’t allow yourself to be in the position to deliver that message.

Once we understand the lighthouse (the desired outputs or outcomes), then we can start working on the plan (the required inputs). The design work is done. Now it’s time to engineer and build. ■





Júnior Empresa Lean de Aveiro (JELA), a non-profit organization, is composed by students of Engineering and Industrial Management of the University of Aveiro (Portugal) and whose main purpose is to put the Lean Philosophy into practice. It holds events and workshops about Lean in the academic community, with several successful editions and many renowned speakers. It also has an important role in the business environment, implementing projects related to continuous improvement on the industrial sector.

JÚNIOR EMPRESA LEAN DE AVEIRO

O PENSAMENTO NA PRÁTICA

RENAULT PROJECT

This is another semester of greats projects for Júnior Empresa Lean de Aveiro.

This year, we will have the full pleasure and happiness to collaborate with Renault, on a project whose objective is to optimize the workspace, through the implementation of Lean tools, namely, Visual Management and 5S.

After an initial training, provided to collaborators, the first technical visit to the company was carried out, in Cacia. Members of JELA's Operations Management Department were there, able to initiate the action plan.

We consider these first visits very enriching for the team involved and we will continue the work we started, always with the commitment to do more and better.



"This was a challenge truly accepted by the team, which we were really excited about, once we could apply the Lean philosophy. Actually, there's no instruction manual to conclude a project, but with critical thinking and the creativity of the team, it's possible to achieve the goals that we set."

Marlene Agra, Team Leader

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by **Gary Kapanowski**,
University lecturer and
contributing editor and edi-
torial board for the *Journal
of Cost Management*. Gary
has extensive experience
using metrics and balance
scorecard, earning awards,
and is and invited speaker
at conferences and
workshops.



IMPLEMENTING PERFORMANCE METRICS FOR CULTURE

Performance metrics have been an aspect of business reporting and control from the days of the early industrialists in the 1800's and even dating to the Roman empire for producing weapons for the military. Performance metrics start with the process that creates the metric, i.e. the people and tasks associated with generating the metric. New metrics may be required for new tasks and processes and potentially change transformation involving breaking past habits. For this analysis, objectives is used concurrently with the organization's mission and vision for clarity purposes.

For most people, a habit can be formed withing 20 days¹. Implementing a process requires constant monitoring to assure the process is being followed as intended. I will discuss the successful ways a change transformation can occur for performance metrics.

Drucker Approach

Peter Drucker was considered the first management consultant. His mentorship for corporation was considered a privilege and a badge of honor. One of his first questions to a prospective organization was to interview the CEO to test their understanding of their own organization. He wanted to see how each CEO understood their industry and organization. One question was if you could do it all over, would you still be in this industry with this company? If the answer was no, he would not help and let the CEO know that they now have their answer to their problem. The same can be said on performance metrics. Each organization must know their performance drivers, what generates revenue / profit. For the first part of performance metrics is to see what the organization is currently using and ask for each metric why are we using it. Each metric needs to trace to the revenue stream or objectives of the organization. The drivers of the organization. the next step is to identify if the metric is a leading or lagging for the performance. Leading will provide a signal of what will happen so you can adjust before an unfavorable event occurs. Lagging will provide a historical



Thus, using the established performance metrics as a value of lean on the organization is a hidden aspect of valuing lean.

perspective for trend analysis and overall industry performance for competitiveness. The Drucker approach will provide the foundation of where we are with performance metrics and what needs to be improved.

TAIL WAGGIN THE DOG

There is an adage of the tail wagging the dog meaning the smallest or an insignificant aspect of the process can move the entire process. For selecting metrics, an understanding of the metric and how it can be applied can move the organization in unsuspecting ways, even against the objectives of what the metric is linked to. Have a thoughtful and honest discussion of the leading and lagging metrics needed to understand your organization and how you will achieve your objectives. Improvements in the process can be realized by routinely reviewing the process steps which might affect your metrics. Recording the dates of the process improvements will identify the value of lean in your organization as they reflect in the

performance metrics. Thus, using the established performance metrics as a value of lean on the organization is a hidden aspect of valuing lean.

SUSTAIN THE PROCESS

One way to verify the process is working as intended is to audit the process. Walk the steps of the process. Physically see what people are doing. Make notes of the tasks performed and how long it takes to do each task. Verify against the assumptions of the process if tasks are added or dropped. One example is a metric for cycle time or labor time for a specific task. To meet the metric, the employee might try to charge their time to another program and not the one they are working on to meet the metric goals. Also, the employee might reduce time or eliminate tasks for the operation to complete. The activity might not be detected initially and avoid defect detection by current statistical process review but will eventually end up in warranty cost increases.

Another way to audit the process is to involve random timecard reporting audits. The random aspect of sampling timecard provides another aspect of control on the issue for misreporting or under reporting time to achieve favorable metric results. For organizations that have ISO 9000 certification, routine audits of process are required for maintaining your certification.

BALANCE SCORECARD

Putting together the performance metrics that connect the organization objectives is now commonplace. As identified by Dr. Kaplan, driving the organization forward requires the tasks for each person in the organization connect to the objectives for personal connectivity and to drive the right performance as required by the objectives². Bringing the connectivity of the task and person to the organization's objectives will assist with the culture working together and focus on achieving the objectives.

CULTURE

When looking at the environment in business, culture is mentioned immediately. For any type of transformation change including processes for performance metrics, the culture needs to be understood to weigh the difficulty and risks involved. In a broad or macro view, does the culture agree with the change and willing to follow the process steps. With the early answer to the culture, the performance metric team will be able to place a timetable and overall success rate for implementation.

Establishing a group culture will out produce the sum of the individual parts³. By building the culture around a specific set of skills, the collective group creates interactions to complete the task effectively and efficiently. There are three identifiable skills used by these teams that stand out from the others namely: Establish purpose, share vulnerability, and build safety⁴. Each skill works together starting with establishing purpose to build group connection then channeling into action. By detailing the narratives create shared goals and values, purpose is connected for everyone involved. Sharing vulnerabilities explains how habits of mutual risk drive trusting organizations. Building safety explores how signals of connection generate bonds of belonging and identity.

James Clear also notes that its not necessary to change a person to change their behavior. Just change their environment. Sometimes by moving people around the process can affect their behavior. Flex scheduling or process rotation can have the same impact as moving to a different department or new location within the organization.

Coyle, Daniel, The Culture Code, Banton Books, 2018.

Coyle, Daniel, The Culture Code, Banton Books, 2018.

LEADING CHANGE

Another aspect of identifying performance metrics includes potential change in the process or work definition / identity of people in



the organization. Many organizations experienced a lack of success in transformation change. In *Leading Change*, Kotter identifies the eight common mistakes made in unsuccessful change transformations: Allowing too much complacency, failing to create a sufficiently powerful guiding coalition to implement change, understanding the power of vision, under communicating the vision by a factor of 10, permitting obstacles to block the new vision, failing to create short-term wins, declaring victory too soon, and neglecting to anchor changes firmly in the corporate culture⁵. To counteract these common mistakes, an eight-stage process is identified to assist organizations for successful transformation implementations: establishing a sense of urgency, creating the guiding coalition, developing a vision and strategy, communication the change vision, empowering employees for broad-based action, generating short-term wins, consolidating gains and producing more change, and anchoring new approaches in the culture⁶. The overall implication for the organization is to encourage an open mindset approach to the daily tasks to be best suited for accepting change and creating change⁷.

ATOMIC HABITS

When implementing performance metrics, its essential for each person in the process to review their steps and look for improvement, even a small amount like 1%. The cumulative long-term effect will be noticeable and meaningful. A daily 1% improvement will yield 37% over a year⁸. These small wins produce the confidence needed to continue the full implementation and sustaining process of change and eventually produces good new habits to produce the change needed for the performance metric to work properly. Habits are the compounding interests of self-improvement and successful change transformation⁹. The problem is that the slow pace of change and transformation makes it easy for a bad habit to return. I like to use

the movie 12 Commandments when Moses left the group and they quickly returned to their old ways of practicing religion. Another good parable is the Sorites Paradox stating that one small action can have significant effect on the macro environment.

There are several ways to encourage good new habits in a process of individual. One is to have the specter of review or accountability. Instituting routine or random audits of the process of individual tasks will provide assurance that the process is correctly followed. The downside is if the audits are not random or institutionalize to occur routinely, the organization will not achieve transformation though empowerment, encouragement, or motivation but will result in unsuccessful process improvement, unnecessary variance, and excessive administration costs.

Another way is to build good habits using the science of habit formation: cue, craving, response, and reward¹⁰. To start a new habit is to make a specific plan for when and where they will perform the new habit. Creating a monthly plan of action for each day along with a checklist is a great start. The four basic steps include making it

obvious, attractive, easy, and satisfying¹¹.

SUMMARY

Treating success as not as goal to reach or a finish line to cross but rather a system to improve or a continuing process to refine is a more realistic and proven successful approach over many years by organizations and individuals alike. Bad habits repeat not that you or your organization doesn't want to change but you have the wrong process for change. ■

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FROM MANAGER TO LEADER WITH 3 KPIs

Although every company's portfolio of metrics should be well thought out, support your executive strategy and have a strong relational logic between the underlying lead and lag KPIs, we believe the motor of your KPI machine should be fuelled daily by those doing the work; your process owners!

In other words, if Senior Management is still having difficulty cascading strategy and developing a sustainable KPI management reporting discipline across the company, it should not stop your team leaders from leveraging the magic of KPI management to make their lives easier.

With this in mind, there are 3 key areas every team leader should address prior to closing their shift. The procedure should not take more than 15 minutes on average and give insight into the following 3 areas:

1. How their client (internal & external) received their output
2. What variation brought unexpected bottlenecks to their work day
3. Where time was dedicated enhancing company value

In short, what we are about to explore is relationship management and the importance of measuring the efficiency in every touchpoint that a team is responsible to maintain. This includes relationships with staff members, clients and vendors. The first two are very simple and reported in binary format as either pass or fail. The third involves reflection to understand in which areas of business time was dedicated throughout the course of the day. Managing this may take a few minutes to confirm but is a fundamental task that every team leader and process owner should perform prior to closing their workday and pays enormous dividends when looking back to perform regression analysis.

1. Start with the complaints from those you serve

As Jack Ma says, "Opportunity lies in the place where

the complaints are". Whether you manage a team of 5 or 500, very few things should be more interesting to you than the opinion that those you serve have of you. Stated simply, this KPI is the first indication of your customer's level of satisfaction and in cases of underperformance, if this log is kept well, you will be in a good position to begin approaching problems in a constructive way with your 'customer' whether internal or external.

For those working in areas of Customer Service, this KPI is most likely managed by your ERP to a super level of detail with a wide variety of reports available. For the rest of the company however, most cross-departmental complaints if not officially logged as an issue are less documented and often more subtle. It is here where you have the opportunity to formalise the capture and analysis of any inbound feedback, observations or straight-out complaints that arrive verbally or electronically from the people you are serving. In doing so, you will be in a better position to improve your processes and the relationships that support them.

Each team should put together a list of the most common complaint categories so that if a complaint comes in you can quickly identify;

1. *When & who the complaint came from*
2. *The complaint type*
3. *Details & notes explaining as much of the event as possible*

Once you have your complaint types agreed, use a bar chart together with a Pareto chart to review and report monthly complaint totals by type in your team meetings with the plan to eventually take the discussion to your 'client'.

Addressing this on a routine basis will allow you to be more proactive to prepare for difficult discussions with those you serve and demonstrate that you have their best interests at the top of your agenda.

2. Misunderstandings, incidents & missed commitments

This KPI offers arguably the best insight into how well

your communication standards are. For our team it has been a life-saving KPI allowing us to remind our clients, vendors and even staff members where our relationships need to be improved. Unlike the first KPI (Complaints) which is aimed at pinpointing where you can improve your process delivery model, this KPI is two-sided and identifies where leadership skills and management's intervention in managing your relationships may be necessary to resolve conflicts and disputes. It may also point to where further investment opportunities are necessary to improve the efficiency of your value chain and be your entry point to flag issues whose root causes are still mysterious, lack clarity and logic. Excessive confusion resulting in on-the-job disputes are captured here and later reviewed with the intention to determine what part of the business process needs to be improved or in cases of personality clashes, opens the discussion with management to be more proactive in conflict resolution areas.

This KPI is very efficient in identifying the frequency in missed or postponed commitments and puts your team in a good position to justify how lack of attention to planning and details is costing your team time and energy. As the expression goes; "the squeaky wheel gets the oil". When reported correctly, information of such is a stepping stone to approach conflict and less-than-pleasant situations that very often are invisible to Senior Management.

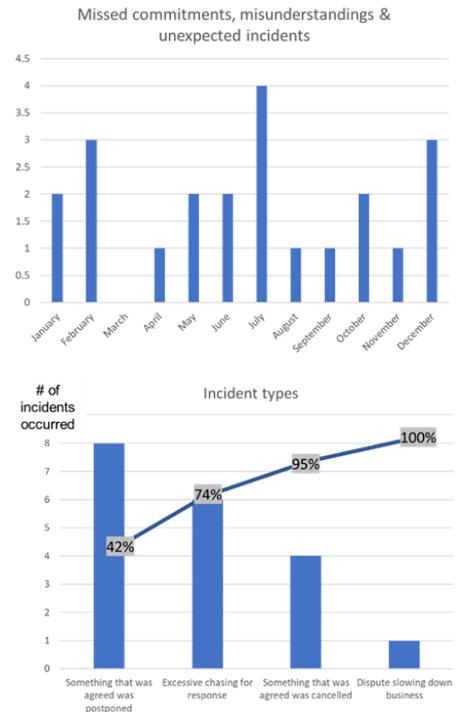
For each business relationship a team leader manages, an individual KPI should be created which identifies:

1. *The day in which an 'incident' was reported*
2. *Incident type*
3. *Details & notes*

Using a bar chart to show frequency & volume together with a Pareto chart to show root causes, this simple but powerful piece of information will help you drive root cause analysis discussions with your team while being more objective when engaging your business

partners to improve your handoffs.

EXAMPLE OF THE 'MISSED COMMITMENTS' MANAGEMENT REPORT



There are many examples of how this KPI has made our company stronger and forced our collaborators to be more observant and appreciative of our efforts. Of the most common pain points managed with this KPI include being able to highlight to clients, vendors and sometimes staff:

1. *Projects agreed that were later cancelled*
2. *Meetings postponed or cancelled*
3. *Product downtime for unplanned issues*
4. *On-the-job disagreements leading to heated debate often resulting from poor planning*
5. *Excessive time required for assistance resulting from poor planning*
6. *Excessive time chasing & following-up*

3. Hours dedicated to creating value and resolving issues

Out of the three crucial KPIs in relationship management, this one is the one which usually takes the most daily effort in that it is not binary like the prior two (e.g. pass/fail).



Instead, this KPI requires that the KPI owner takes the time at the end of each day to stop and reflect on how much time was spent on each activity performed. In doing so, the team leader is forced to calculate in which areas his resources were dedicated attaching figures of the time elapsed, something that will become increasingly difficult the longer he waits.

In capturing this daily, the company will be paid great dividends in moments of contract negotiation and resource management as most vendors have annual price increases and are not always aware of where their pitfalls have cost you extra time.

Some KPIs in this category that allow us to better manage our staff, vendors and clients include:

1. Product downtime
2. Hours spent working on a project
3. Hours spent in meetings with a particular client or vendor
4. Unbilled hours working on client projects
5. Hours spent resolving an issue or fixing product bugs
6. Hours worked by staff (particularly important for salaried personnel who expect annual salary increases)

The clock is always ticking and the more control your process owners have of their minutes, the better position you will be in to put a value on everyone's time and offer suggestions for improvement.

In closing

Developing daily discipline to anything new is always difficult without the right motivation and often proves unsuccessful. The key lies in simplicity and the immediate value one's time commitment will yield.

Our team tracks over 120 KPIs on a daily basis most of which are completed at the end of one's shift. Although this number may seem

“

The clock is always ticking and the more control your process owners have of their minutes, the better position you will be in to put a value on everyone's time and offer suggestions for improvement.

overwhelming, the truth is that once a daily discipline is established the effort becomes minimal and an enjoyable way for each process owner capture, review and reflect on the day's activity. The time spent completing this exercise which usually doesn't supersede 15 minutes ensures that each team revisits open issues while allowing team leaders to be proactive and wiser in planning next-day activities.

The efficiency offered by the 3 KPIs mentioned in this article is that they are standard across the

company, can be assigned immediately to anyone responsible for managing relationships and are valid regardless of whether or not your C-Suite has formalised company strategic objectives. ■

DEVELOPING

A MULTISITE

PROCESS

MANAGEMENT

SYSTEM

by **Mohamed Saleh**,
Lean & Six Sigma
practitioner with extensive
experience in healthcare,
manufacturing, supply
chain, network optimizati-
on and enterprise infor-
mation systems.



This great resignation has left organizations operating at the bare minimum staffing levels resulting into concerning degrees of employee burnout. Such factors demanded attention to building more effective empowered teams that are capable of solving complex problems within a management system redesigned to distribute desired leadership behaviors and promote its practices to quickly attract and retain its people.

Within organizations lives a set of management systems that enables it to achieve its results and competitive advantage. Workers today fall victim to these systems and are the very reason workplace environments are broken and cultures are distressed. An array of studies, including my own have pointed to the Toyota philosophy and principles as a noteworthy study. Unfortunately, observations and site visits have resulted into emulations of the visible tools, that are often

bastardized and misused. However, the bigger concern lies with not emulating all that you couldn't see, the culture, the required thinking, behaviors, and disciplined rituals. In prior theleanmag editions, I outlined 12 sociocharacteristics of organizations that will often either accelerate or impede adoptions to new cultural rituals. Copying the tools and not the thinking and behaviors behind it would be like setting up a new gym and copying equipment with no understanding of the need or required thinking and discipline behind it. If you are working out to lose weight, then copying the tool might give you that short term results. If you're working out to be fit, then you are creating a thinking routine, that will require additional components such as your dietary system of what you eat and sleeping habits and thus cherry picking becomes counterintuitive to the cause. This thinking routine, choreography is what is often referred to as "kata" and that is what is often missed when individuals emulate Toyota. Common system within organizations is its strategy deployment system (Innovative engine to grow and align the organization) and the daily management system (performance engine to effectively support and run the business).

The daily management system consists of a visual board that teams can sync up and huddle daily. These huddles foster an environment of psychological safety where scrutiny and command and control have no room, yet tiered from front line to regions, to service/product lines to business units. This tiered structure is designed to enable organizations to communicate, remove barriers and pivot in a very agile and nibble manner. It also enables the thinking routine that demands a depth of understanding when problems occur and a thorough diagnosis of the problem, without blame through a scientific problem-solving approach. This is then fueled by leadership practices, often called leader standard work, that provide the venue to demonstrate these behavioral rituals to promote leading with humility and respecting every individual thinking.

Most Huddle boards today, have a section for improvements, however, after the ideas are tested, it becomes challenging to scale. There are a few different ways, however, for the last two decades, I had established a framework with Dr. Ibrahim Saleh and Professor David Stec that has allowed for greater engagement and more effective scaling. The process goes as follows:

1. Select a Service Line/Product Family/Institute and focused Disease types
2. Outline the Value Stream Map
3. Identify Advocates for each role to be representatives/super users/process owners within each area

Operational Pillars: Leads/ Advocates	Medical Oncology Physician						Medical Oncology Nursing						Genetics						Pharmacy						Lab Medicine		Research		Bio Specimen	
	Rad Onc. Physician	Rad Onc. Nursing	Rad Onc. MAA/Clinical	Rad Onc. Therapist	Rad Onc. Physics	Rad Onc. Dosimetry	Medical Oncology Physician	Medical Oncology Nursing	Infection	Nursing Education	Rehab	Registry	Palliative Care	Genetics	Navigation	Survivorship	Psychosocial	Nutrition	Integrative Medicine	Our-Ready/Education	Smoking Cessation	Pharmacy	Lab Medicine	Research	Bio Specimen					
Hospital 1	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	
Hospital 2	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	
Hospital 3	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	
Hospital 4	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	
Hospital 5	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	

4. Identify Process Managers to oversee each pillar to become the gatekeeper to updating Standard Work and the representative to leading those pillars efforts

Operational Pillars: Leads/ Advocates	Medical Oncology Physician						Medical Oncology Nursing						Genetics						Pharmacy						Lab Medicine		Research		Bio Specimen	
	Rad Onc. Physician	Rad Onc. Nursing	Rad Onc. MAA/Clinical	Rad Onc. Therapist	Rad Onc. Physics	Rad Onc. Dosimetry	Medical Oncology Physician	Medical Oncology Nursing	Infection	Nursing Education	Rehab	Registry	Palliative Care	Genetics	Navigation	Survivorship	Psychosocial	Nutrition	Integrative Medicine	Our-Ready/Education	Smoking Cessation	Pharmacy	Lab Medicine	Research	Bio Specimen					
Hospital 1	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate		
Hospital 2	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate		
Hospital 3	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate		
Hospital 4	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate		
Hospital 5	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate	Advocate		

5. Establish a cadence for the Process Managers “yellow boxes” to initially meet together with the Service Line Leadership team on a monthly basis. This Executive team session allows for standard work updated to communicated bottom-up, barriers discussed and new top-down initiatives. Let’s say for example a new initiative is to no longer mix chemo in outpatient offices that have hoods but to move the mixing into the hospital setting and then transport them to the offices. This most likely will at minimum impact the medical oncology Nursing pillar and Pharmacy Pillar. Both Process Managers would leave that meeting and conduct a joint pillar meeting with all their advocates on how best to achieve that. Similarly, if an idea comes bottom up, it would be reviewed by the Pillar, tested in an additional location and then the Pillar





Within organizations lives a set of management systems that enables it to achieve its results and competitive advantage.

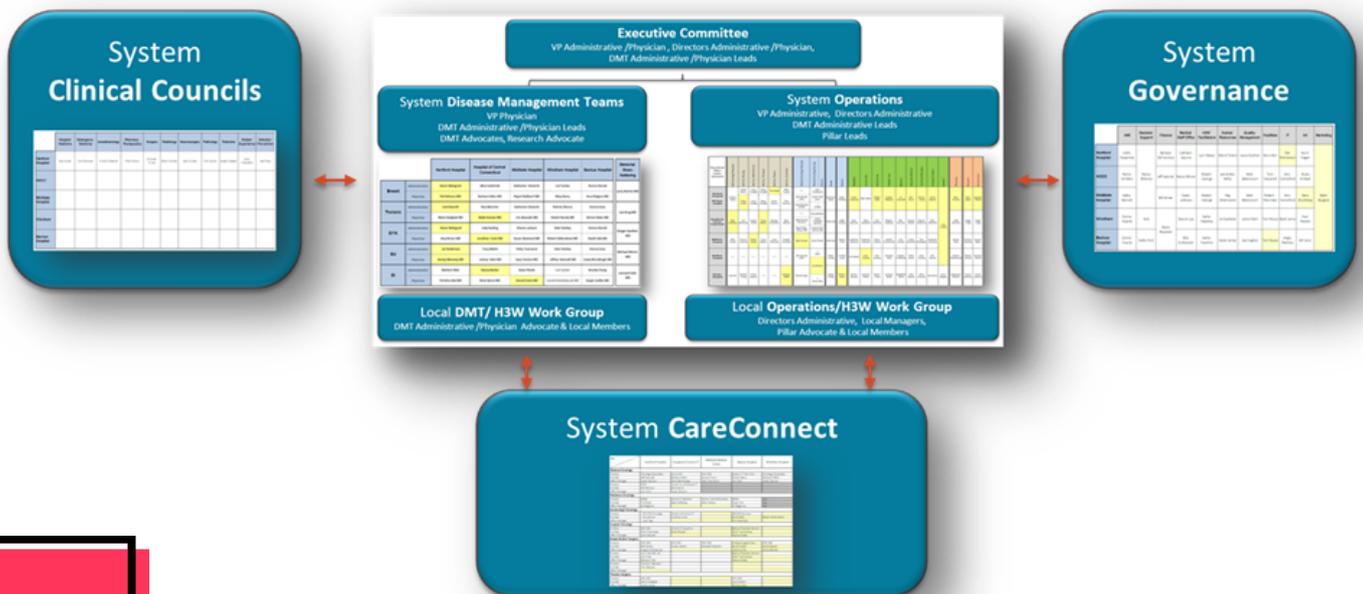
Leading the Pillar Call/Meeting

- New**
 - Define/Clarify the problem
 - Collect Measurements
 - Break Down the Problem
 - Analyze the Root Cause
 - Develop Countermeasure/Collect Ideas
- Started but Not Piloted or Implemented**
 - Pilot Countermeasure(s) - Run Small Scale fast feedback experiment
 - See Countermeasures through/Verify Results
 - Update Standard Work/Change Log
- Implemented "90 Day Review"**
 - Obtain one Suggestion Card/Office by Office Meetings/Huddles
 - Pilot Suggested Countermeasure(s)
 - See Countermeasures through/Verify Results
 - Update Standard Work/Change Log
 - Standard Work Deployment Abridged

Advocates would be responsible to educating and hardwiring that into the practice

This framework also allows for succession planning of emerging leaders as well to tie back to each area, what standard work observations to observe for, resetting to the skill matrix with this new standard and potentially an impact on performance metrics. Overall, this approach advances the teams knowledge threshold and performance. Often, in healthcare setting additional frameworks, such as Disease management teams, governance teams, system councils and Electronic Healthcare committees would need to be established.

This process management framework has become a significant game changer and has resolved one of the biggest challenges leaders face as they deploy daily management, gain engagement and idea generation but then struggle to manage the variability emerging among practices. This also has shown to grow leaders more rapidly than other approaches and has resulted in greater staff retention. ■



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THE READER'S CORNER

by **Nadja Böhlmann**, with a consultant background Kaizen Promotion Office at Teknos, who strives to help employees to be encouraged to question their own actions and to wanting to change them accordingly.



WHAT IF WE JUST BREAK DOWN THE WALLS OF LEAN AND AGILE?

What I like most about “Lean” or Kaizen is that when you apply it in the correct way and in the way it usually was designed to be implemented, you can make people's work easier and less stressful. To me that is the main thing about it. The second thing is that - at least to me - when having Kaizen in place and processes are harmonized it all appears like an orchestra. Every method or tool can be applied of course alone, however without connecting them to a holistic thinking driven by leadership and individuals at the same time, one method might fail. My motivation is wanting to make people's work lives better by avoiding unnecessary and absolute nonsense work steps.

Is or was Agile something completely new to me as a Kaizen Professional?

From the perspective of a person with a „Lean“ or Kaizen background Agile did not sound that revolutionary and “new” as it might have to others who started jumping on the wave some years ago and especially to those who are new to general topics like structured and systematic ways of working or a holistic thinking. Well, if we limit it down to “a way of thinking” agile is not that different to “Lean” or Kaizen. Both are ways of working and guidelines or frameworks that are supporting the growth of knowledge of “how” something can be done or how you look at a situation. It helps to gain knowledge and maybe to gain “control” over a lot of loose ends that are now put into order and you work through it step by step. To me it always seems like there are people following two different gods, trying to defend their believes. If you dig deeper into it, you might find out that there are so many things that are parallel in the way a situation or a problem is handled. A study from 2019 by Jan Fischbach shows very structured the influences people had on each other back in the days and I need introduce you to his findings in the three following pictures, that say more than a thousand words. The study took more than 5 years and thanks to it, the Scrum

guide carries the words “Scrum is based on Lean thinking” in it.

I got in touch with Jan in 2021 and I wish I had known about his study and his research already a while ago.

Back in 2018 I very often wondered, okay “what’s the point?”.

I read different studies and papers from around the world to find out THE difference, just for me personally. If you moved the focus from: where in the process both ways of thinking are applied and moved it more towards: *what do both ways of thinking want and why*, you get to the meta level. After my research for my own Masters’ Thesis and interviews with different experts from both “Lean” and agile communities, the only thing that differentiates both that was left over was how both ways of thinking developed, what drove the development in the second of their development. This is what Jan’s and my approaches have in common, the period of development and the influence.

The perspective I had all the time when digging deeper into the topics was: *How did they even develop to what they are now?* Also, the level of complexity plays a role here. It is not said that when there is a complex environment that you should be using agile only or Kaizen only. What both totally have in common after I looked at both from a different angle are the following:

- sense of urgency and an initial trigger to start it all
- the development of principles to ensure one way of working
- the existence of a certain mindset
- employees as most important factor who
- work in cross-functional and self-organized teams and create value
- both seek for efficiency and want to increase customer satisfaction.

I also had a look at “what would be needed in an organization to make it a success. Here is how I broke it down:

- 1.What is the motivation and the main target of using one or the other?
- 2.What is the mindset and how did it develop?
- 3.What are their principles and values?
- 4.What are methods or frameworks?
- 5.How can one or the other be integrated into the strategy of an organization and how can it be connected to target setting systems?
- 6.How is the leadership style in one or the other?
- 7.How is an employee within the environment of “lean” or agile seen?

Of course, one might say “wait what about the tools they use and the way they are used?”.

Yes, I do know and am very aware of all the comparisons of both and should I tell

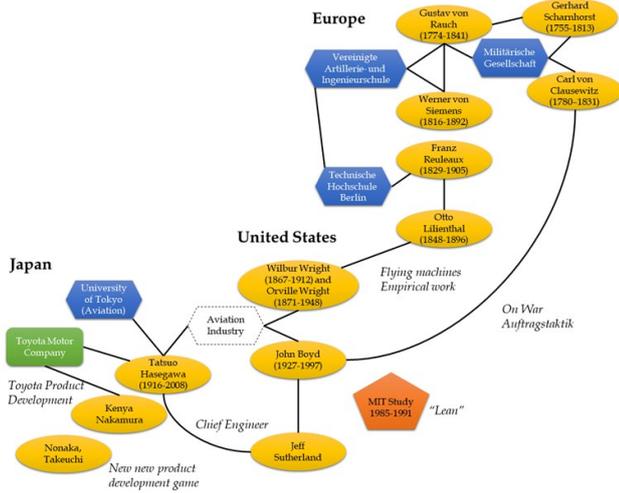


Figure 1- Social network for product owner concepts; J. Fischbach, 2019 – “150 years of Scrum”

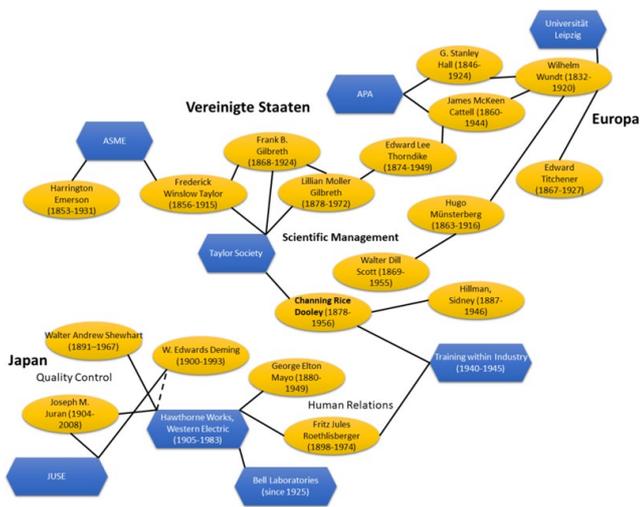


Figure 2- the influence of scientific management on "Lean" and Scrum; J. Fischbach, 2019 - "150 years of Scrum"

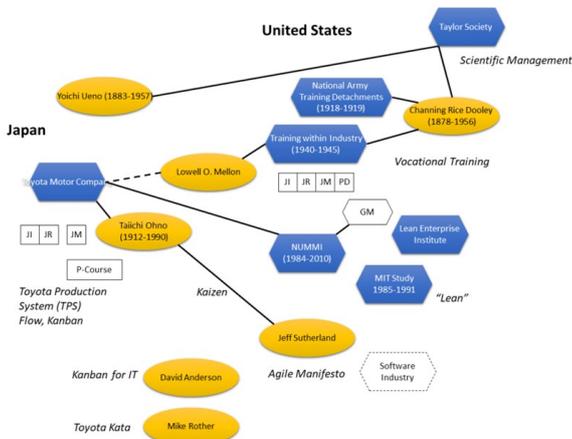


Figure 3- Social network for Scrum Master concepts - J. Fischbach, 2019 - "150 years of Scrum"

you what? In the majority of the cases of those comparisons I found it only came down to comparing “Lean” and Scrum and not “Lean” and agile.

The majority of the papers, studies and articles I read state from the beginning that they would compare “Lean” and Scrum and I often wonder why. Because that would be like comparing only one method from “Lean” with complete agile. That totally does not add up, at least not to me. I also contacted a professor who published a paper, and the reply was that Scrum is the most known of agile frameworks, which is why he chose to do “his” comparison based on “Lean” and Scrum only and taking it for whole Agile. I was a bit stunned and shocked. You cannot look at Scrum and say this is Agile only. There are so many more frameworks that are totally left out in most of those kinds of comparisons and literature and it was really hard to find good literature on other frameworks. And again, this was in 2018. The world as turned 4 times since then, there might be more today.

And to now reply on the initial question: Was Agile something new to me back in the days? No it was not. It also follows a common sense, and the way of thinking is very much alike. It is even proven that some of the actual methods used in the frameworks of agile were inspired by methods of “Lean”. Thanks to Jans’s study connecting the people influencing each other, we today know and understand why.

Well, what else is there to say? Implementing the one or the other is a change of a culture and the way of working as such. All the Change Management aspects one can imagine are and will be happening, if you like it or not. The classic thing: change curve by Kuebler/Ross. Depending on where the people are or how much they feel gravitated towards the topic you can observe their behaviour and draw the line to the change curve. I sat in so many “Agile Barcamps/Conferences” or “Lean Conferences” and I heard so often that Leadership plays a big role and that it is all connected to

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Well, if we limit it down to “a way of thinking” agile is not that different to “Lean” or Kaizen.

change. Change is what the people must deal with. What is most important here is patience and trust. Patience to never give up and trust into yourself and the system that it will work out. What both “worlds” combine is that you must react fast based on the customer’s development and needs. I tend to say that every is company depending on what’s being produced or delivered as service, has their own heartbeat.

Lastly, I cannot help but make the reference to Mari Furukawa-Caspary’s book “Lean auf gut Deutsch” in which she points out how important it is to understand the Japanese methods not only from what they aim for but mostly what the original Japanese word means and how the meaning gets lost the more you translate it from Japanese to English and then from English to another language. This knowledge has an influence on how you will transfer knowledge in the future. It is inevitable to go back to the primary source to understand why things are as they are now and even more to understand why it is making no sense to keep working in silos. Whether they be named “Lean”, “Agile”, “Methods Time Measurement” or even “Six Sigma”.

Currently there is a small group of

people in Germany working together to bring the communities of Agile, Scrum, Methods Time Measurement, BPMN and Lean together.

What we know as of today is: We all want to help organizations to improve and to be better in what they do. Scientifically it is proven, that we come from the same source and direction, now we need to accomplish that in real life. One big step will be next year’s “Lean Around the Clock”, where we’re inviting all the communities to meet each other. Usually, the Lean Around the Clock is the biggest German speaking Lean Event and Lean only. In 2023 we want to offer a wider range of topics on stage and more opportunities to explore all the topics. We already have listings for international speakers from different countries and I’m thankful for being part of the new generation of organizing that event.

Our goal is to start breaking down the walls and to walk open minded into a future that holds partnerships instead of competitor ships in it. You’re happily invited to join the movement.

Tickets for the conference can be purchased here: <https://leanbase.de/latc/anmeldung> ■





THE READER'S CORNER

by **Katie Labeledz** is the President of Learning to Lean, LLC. She has also authored the book "How to Improve Absolutely Anything-Continuous Improvement in Your Home, Office and Family Life."



KAIZEN EVENT A PROCESS IMPROVEMENT PARTY

If you look up the definition of "kaizen" online or in any dictionary it will be defined as "good change" or a "Japanese business philosophy of continuous improvement of working practices, personal efficiency, etc." I honestly don't believe those definitions do it justice.

Kaizen is a **REVOLUTIONARY** change. It's a game changing activity to solve a problem with a cross functional team over a set period of time that is based on a measurable problem statement and agreed upon scope and goal(s). Kaizen moves mountains for any process, in any industry, across the globe. All this being said... these wonderful, earth moving, ground breaking things only happen if a kaizen event is run **WELL**. Running a great kaizen event is an art and each of us that do these on a regular basis have different art forms. I personally like to think of kaizen events as a process improvement party!

Your host of the party is an experienced party planning individual (usually a Black Belt or Master Black Belt).

They don't need to have all the answers, but they do need to know how to organize and facilitate a kaizen event (regardless of the topic). A great kaizen facilitator can facilitate any type of event, in any industry just like a great party planner can throw a mind-blowing wedding and an intimate birthday party.

First we have to determine why we are throwing a party. What's the occasion? The occasion is usually a big, bad and U-G-L-Y (ugly) problem that either has recently developed or has been going on for a certain period of time. You may have tried (unsuccessfully) to resolve this problem on your own, but it's just not cutting it. You feel like you are missing something and just can't get this one over the finish line (cue calling me or sending me an email asking for help).

Just like any other party, we have to know who we are going to invite. The party people for a kaizen event **ALWAYS** include the process owner(s). They are like the owner of the house where you are throwing the party. They need to know what is going on and what changes we are making and have to ultimately approve of them.

The remainder of the “guests” are those that participate in the process, key stakeholder(s) (people positively or negatively impacted by this process and any changes we make), subject matter experts (like a wine connoisseur... they know all there is to know about X topic related to you problem/party) and “fresh eyes” from people not directly related to problem but they typically have great ideas (and are fun to be around).

The party people will work together (with guidance from the party planner) to create a MEASURABLE problem statement. Why measurable? Because we need to understand where we are starting to know whether or not the changes, we make actually permanently solve our problem (or make it worse...yes, that can happen). Think of this measurable problem statement like the formula for how much food/drink you are going to need for the party. You wouldn't want to run out of food within the first 15 minutes, would you? That's why it is so important for the problem statement to be measurable. We also work to create a corresponding goal to our problem statement, because what's a party without a goal (or theme)?

Now that we know the occasion (problem), the attendees, the measurable problem statement and goal (amount of food/drink and the party theme), we work to determine how long this party is going to be held. Is it a one-day party or a week long event? I would love to tell you that there is a mathematical calculation for this, but I haven't found one yet. It's based on the knowledge, skills and experience of your facilitator (party planner). It's better to plan for the party to go a bit longer and be done early than vice versa.

The real magic happens when the party gets started. When I run a kaizen event, my typical agenda includes: establish rules of the road, review problem statement and goal, SIPOC, current state value stream map, ideal state, future state value stream map, reflection and report out. It's fun and exhausting at the same time.

Kaizen events can change you as a

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person. It helps you to look at processes in a completely different way, it allows you to better understand your team members, it changes your appreciation for someone else's (or your own) day to day work and it teaches you new tools and techniques that you can IMMEDIATELY put to great use.

If we can get consistently fantastic kaizen events run around the world, then the demand for them will rise. Lean, continuous improvement and Six Sigma concepts won't be quite as scary to many. Companies will realize that the time and effort

that it takes to run and participate in a kaizen event provides at least 10-fold benefits. It will spark the interest in some to want to pursue their Green Belt or even Black Belt certifications to be able to run these events on their own (with help from people like me!) It will open the eyes of the participants to the unlimited possibilities we have for eliminating wastes in a process. It will inspire others to take these concepts and apply it in their own areas. Let's get your party started





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