Staying Lean - Thriving, Not Just Surviving

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Muda (Waste)

Mura (Unevenness)

Muri (Burden)
Top 10 Reasons for Failure

1. Lack of a clear executive vision.
2. Lack of an effective communication strategy.
3. Failure to create and communicate a real sense of urgency.
4. Poor consultation with stakeholders.
5. Lack of structured methodology and project management.
6. Failure to monitor and evaluate the outcome.
7. Failure to mobilise change champions.
8. Failure to engage employees.
9. Absence of a dedicated and fully resourced implementation team.
10. Lack of sympathetic and supportive Human Resources policies.

Source: Lucey, Bateman & Hines, 2005
Kaizen Blitz vs. Lean Management

- **Kaizen Blitz**: Short term gains made. Results could be lost entirely if organizational structure not aligned to support and education level of all employees not increased.
- **True Lean**: Greater, sustained results achieved. Improvement leveled off and eventually stopped due to lack of realizing “true” lean opportunity.

Source: C. Craycraft, Whirlpool
Lean Iceberg Model

1. Strategy & Alignment
2. Leadership
3. Behaviour & Engagement

Lean Management

An urgent need for change

- Substantial Pre-tax losses in 2003 from Global operations
- Business was losing cash from a number of its Operating Plants – Seven Global Operating units
- Relatively Static order book with emphasis towards lower margin products
- New CEO put in place to Lead the business TURNAROUND strategy
- Experienced Senior Management Lean Team appointed to support
The Roadmap to sustainability

Roadmap 1

Lean Iceberg Model

1. Strategy and alignment
   Leadership

2. Behaviour and engagement

3. Process management

4. Technology, tools and techniques

Supply chain integration

ABOVE WATERLINE - VISIBLE
UNDERWATER - ENABLING

Source: Hines, Found & Griffiths, Staying Lean, 2008

Launched
Jan 2004

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Roadmap 1

Strategy Formation and Deployment

- Leadership Structure confirmed and aligned to the Turnaround
- Kicked-off with Top Level Awareness & Strategy Sessions
- International & Regional Management Teams – CSF’s & K.P.I’s
- Lean Message Communicated from the TOP – To help Deployment
Roadmap 1
People Skills and Value Stream Management

• Selection Process to ensure that the RIGHT Coaches chosen
• Extensive Lean Coach Programme – theory and practical
• Lean Coaches developed hands-on experience in Tools
• Steering Team Meeting and Best Practice Sharing Events
Roadmap 1
Internal VSM and Lean Toolkit

- Visual Impact with 5S, TPM & SMED at all sites
- High levels of engagement with site cross-functional teams
- Process stability being used to help introduced PULL systems
- GOLD STAR standards using 6 Sigma set for heavy industry
Roadmap 1
Basic Customer Value and Office Lean

- Customer Value assessments for all businesses
- Sales Acquisition Mapping used to improve order creation process
- Office 5S used to improve sales requisition process time
- Lean Tools and deployment evident in many support areas
Maturity Assessment
Business to business benchmark

The Lean Iceberg Model

- Strategy and alignment
- Leadership
- Behaviour and engagement
- Process management
- Technology, tools and integration
- Supply chain

The Milestones of LEAN MATURITY

Stage 1: Reactive
1. Formal Structure
2. Only Specialists
3. Team Learning

1. Reactive Approach
2. Little/No involvement
3. Adhoc Learning

Stage 2: Formal
1. Goal Orientated
2. Selected Teams
3. Value Stream Learning

1. Driven Deployment
2. Majority Involvement
3. X-Process learning

Stage 3: Autonomous
Key Characteristics
1. Ways of Working
2. Employee Engagement
3. Learning Best Practice

1. Autonomous Habit
2. Full Empowerment
3. External Learning

Stage 4: Deployed

Stage 5: Way Of Life

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Organisational Learning
Lean Maturity Assessment

PERFORMANCE

TIME

EXPECTED
WHY?
ACTUAL

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• The Coaches have become the LEADERS of LEAN

• Real LEAN MANAGEMENT is still an exception

• LEAN is too cosmetic and NOT fully impacting profit

• LEAN still seen as an initiative and NOT given priority

• OEE and Pareto are hardly used to drive improvement

• LEAN is NOT driving changes in management behaviour

• Responsibility and accountability NOT fully deployed
Unstable Iceberg Model

- Enabling Features Not Fully Addressed
- Technology, tools and techniques
- Supply chain integration

Process management

Strategy and alignment

Behaviour and engagement

NARROWING UNDER WATERLINE

Source: Hines, Found & Griffiths, Staying Lean, 2008
The Roadmap to Sustainability

Roadmap 2

Lean Iceberg Model

1. Strategy and alignment
   - Leadership
   - Behaviour and engagement

2. Process management

3. Technology, tools and techniques

4. Supply chain integration

5. Above waterline - visible

Underwater - enabling

Source: Hines, Founds & Griffiths, Staying Lean, 2008

Reviewed
July 2005

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Roadmap 2
Multi-level Leadership and Deployment

- Leadership developed at EVERY level of the organisation (7 Values)
- Clearly defined roles and behaviours for self-managed teamworking
- Re-deployed targets aligning OF / OC / NPI Processes
- Full ‘line of sight’ deployment locked into key processes
• Focus on sustained profitability in strategically selected areas
• Operational performance metrics focus on key value streams
• Aligning supplier and customer processes via ‘CAMBAN’ technology
• Operational capability now leading to sales growth opportunities
Roadmap 2
Customer Value and Supplier Integration

- Detailed Customer Value extending throughout the Supply Chain
- Adapting process to meet with customer and business needs
- Product / Process Development exceeding customer expectations
- Extending the offering and bridging the gap in the Supply Chain
Lowering the Water Level

Lean Iceberg Model

- Technology
  - Tools & Techniques
- Processes

1. Strategy & Alignment
2. Leadership
3. Behaviour & Engagement

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Lowering the Water Level

Lean Iceberg Model

Technology
Tools & Techniques

Processes

1. Strategy & Alignment
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Lowering the Water Level

Lean Iceberg Model

Technology
Tools & Techniques

Processes

1. Strategy & Alignment
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Key Lessons: Integrated Iceberg

Below the waterline:
- Aligned Strategy
- Deployed Leadership
- Behaviour & Engagement

Above the waterline:
- Process Diagnosis & Management
- Technology Tools & Techniques

Sustainable Lean
- Doing the wrong things right
- Lack of vision and inspiration
- Unrealised human potential & habit
- Sub-optimised & narrow CI
- No incremental or step improvement

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Lean Maturity and Organisational Learning

**McGill & Slocum**
- Knowing Organisation
- Understanding Organisation
- Thinking Organisation
- Learning Organisation

**Senge**
- Single loop learning
- Push Lean
- Pull Lean
- Double loop learning
- Learning Lean

**Bessant & Caffyn**
- Ad-hoc
- Formal
- Goal oriented
- Managed Autonomy
- Way of Life

Step change in learning occurs where the organisation can achieve higher results than previously imagined due to lack of knowledge of what was possible.
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• For a full video on Staying Lean see:
  http://www.leanbusinesssystem.com/en/LBS%20Product%20Repositories/Master/KnowledgeAndResources/Webinar13StayingLean