



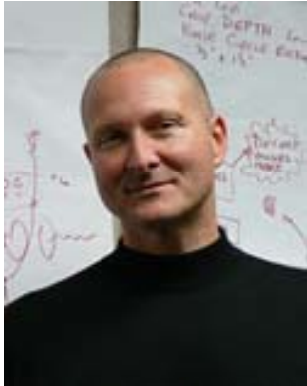
Integrating Leader Standard Work with Visual Management Tools

with Joe Murli

Housekeeping

- To enlarge slides, use the magnifying glass icon just beneath the slides and to the right on your display console
- To adjust the sound, use the volume control on the console or on your computer
- To ask a question, type it into the box at the bottom of the console and hit “submit”

Today's Presenter



Joe Murli

- Began his lean journey in 1985 at United Technologies
- Led drive to win Shingo Prize as director, NA Operations, Ensign Bickford
- Part of the lean transformation of Pratt & Whitney
- GM of Chengdu Aerotech, China's first lean aircraft parts supplier
- Doubled on-time delivery, cut lead times 88% as VP of manufacturing, Kamatics Div., Kaman Corp.
- COO, Sterling Collision Centers, first national chain of lean body shops
- Teaches "Integrating Visual Management Tools and Leader Standard Work" and "Management Standard Work" for LEI

Visual Management & Standard Work Workshops

Integrating Visual Management Tools and Leader Standard Work

- Feb. 2-3, San Francisco

Management Standard Work

- Feb. 1, San Francisco
- March 8, Dallas, pre-Summit workshop, Lean Transformation Summit

The logo for the Lean Transformation Summit features the word "Lean" in blue, "Transformation" in green, and "Summit" in green. A stylized blue figure of a person with arms raised is positioned above the text, with a blue arc below it.

Lean Transformation Summit

March 9-10, 2011 ■ Dallas, TX

“Frontiers and Fundamentals”

- Register by Jan. 28, Save \$400
(Past attendee? Save \$100 more)
- Acme Alliance, Coca-Cola, Ford, Starbucks
- Keynotes by John Shook, Jim Womack
- Pre-conference workshops, Learning Sessions, Panel Discussion, Networking
- Details: lean.org

What is Lean?

An organization of people that have developed the ability to relentlessly reflect, seek out waste, and eliminate it while simultaneously improving the customers experience

Lean Leadership

- Setting of direction
- Developing organizational capability

Chairman Fujio Cho

Three Keys to Leadership

- Go See
 - “Sr. Mgmt. Must spend time on the front lines.”
- Ask Why
 - “Use the “Why” technique daily.”
- Show Respect
 - “Respect your people.”



What are the Characteristics of a Lean Organization?

- Small groups of people diffused throughout the organization continually examining their processes and eliminating waste
- Many stand up meetings at all levels
- An extraordinarily visual physical environment (not virtual)
- Evidence of process improvement pervasive throughout the enterprise
- Highly predisposed toward elimination of inventory and encouraging flow
- Problem solving and decision making pushed down into the organization

Lean Leadership True North

The process of reflective learning led by management keeps the organization on track to its true north despite the short term influences

Current Performance



Purpose

Vision


Mission

Transients


- Economic fluctuations
- Materials disruptions
- Technology changes
- New customers
- New markets
- Regulatory changes
- Etc.

Lean Leadership


Building Organizational Capability




5 Whys



Fishbone Analysis

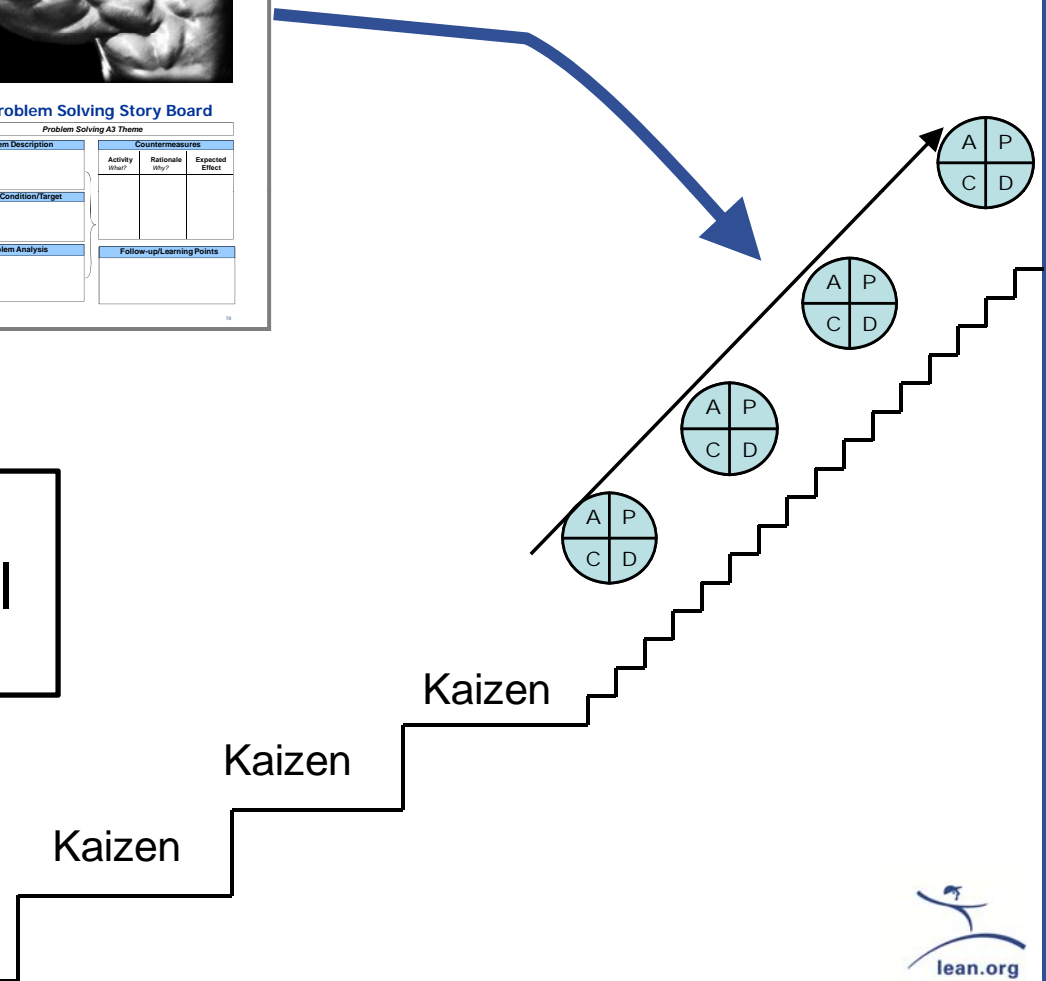




A3 Problem Solving Story Board

Goal/Focus: Problem Solving A3 Theme			
Problem Description		Countermeasures	
Activity What?	Rationale Why?	Expected Effect	
Desired Condition/Target			
Problem Analysis		Follow-up/Learning Points	

Combination of People,
Process, and the Physical
Environment



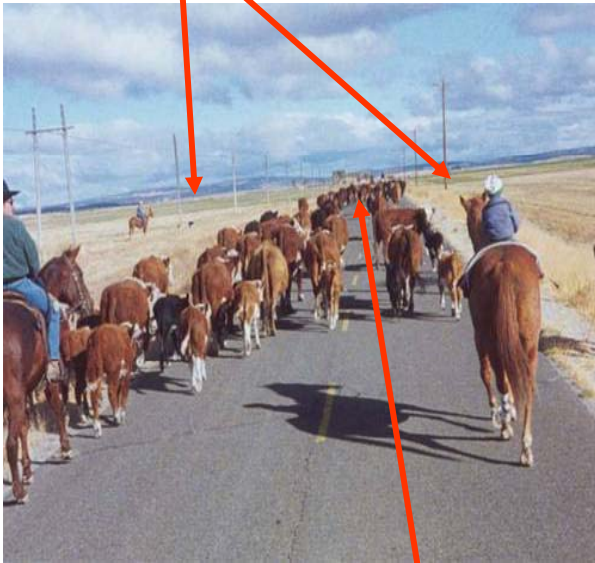
What is Visual Management?

- A system of planning, control, and continuous improvement that integrates
- Simple visual tools that enable understanding at a glance
- &
- Management standard work that ensures process adherence and continuous improvement



Visual Management & Leadership Standard Work: *Drive Standards and Detect Abnormalities*

Look Here ...



Not Here ...

- 5 cowboys to drive 1000 cattle
- Should take one look and understand the situation
- Clearly differentiate between what is “Normal” and “Abnormal”
- Detect what is “Abnormal”

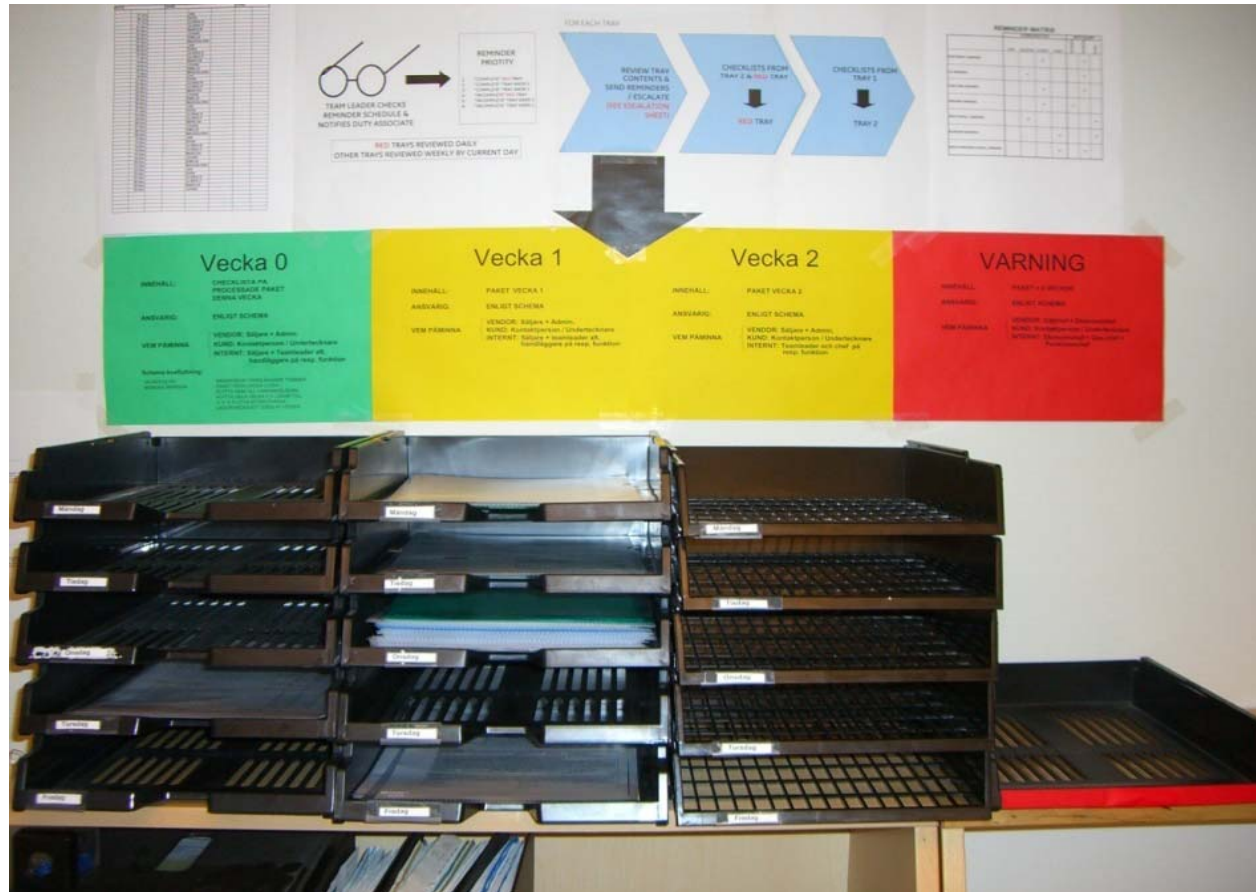
What is normal or abnormal here?



What is the well marked “trail” in your business?

Attributes of Visual Management Tools – Understanding at a Glance

Which stack requires immediate attention?



Identification of abnormal?

Do you speak Swedish?
Does it matter?

Attributes of Visual Management Tools

- Provides “understanding at a glance”
- Emphasize graphics rather than numbers and words
- Clear information actionable at the point of communication
- Maintained by those carrying out the work
- Those performing the work are the first to detect abnormalities
- Linked to high level business metrics and objectives

So What Exactly Am I Looking At?



I know something's wrong but where do I start?

Wish I had my reports with me!

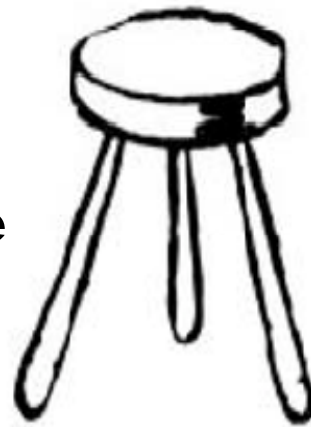


Sustained Continuous Improvement

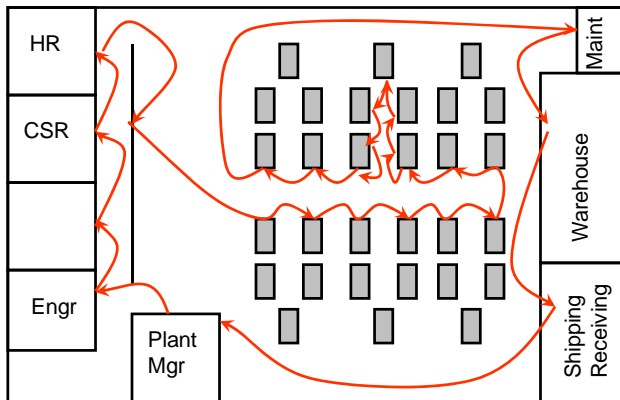
Visual Process Performance



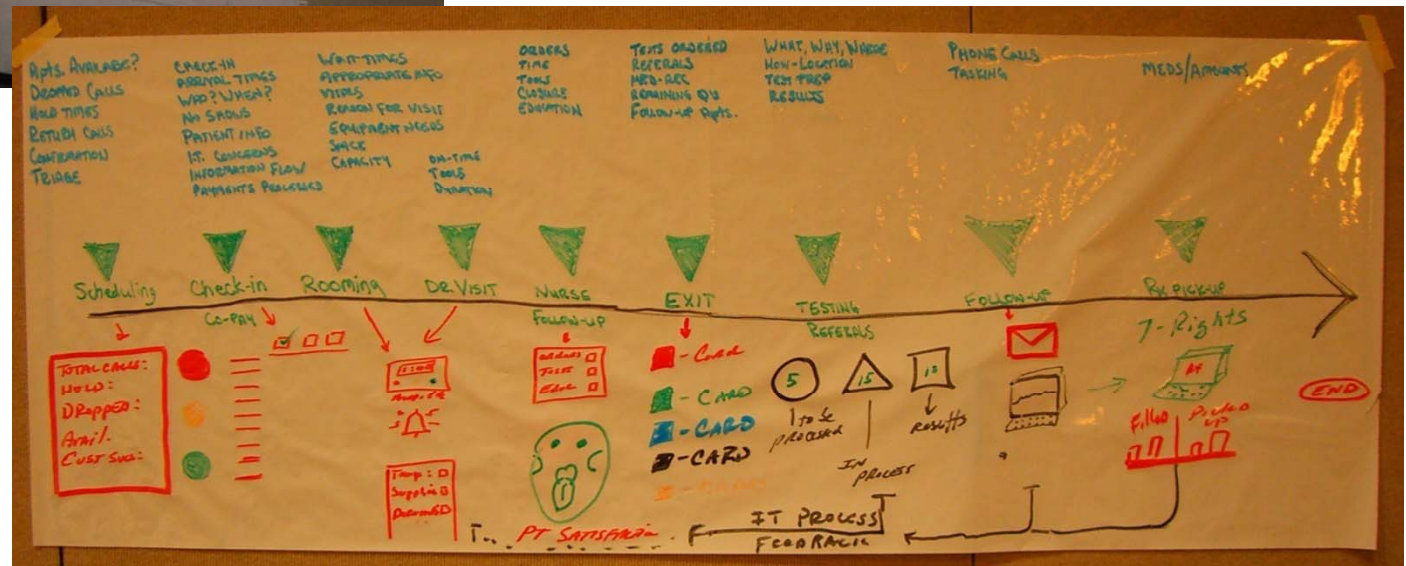
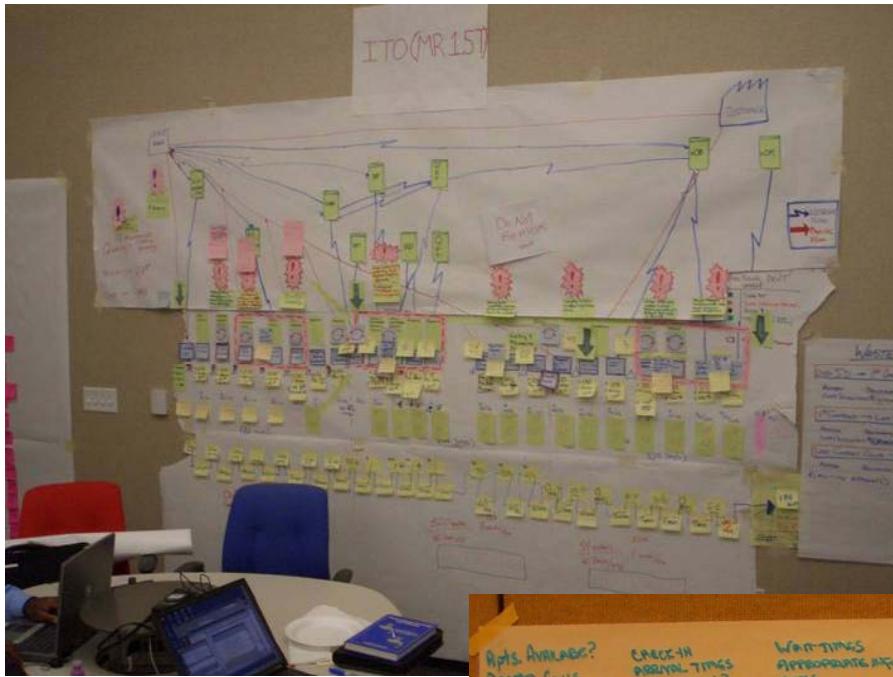
Visual Process Adherence



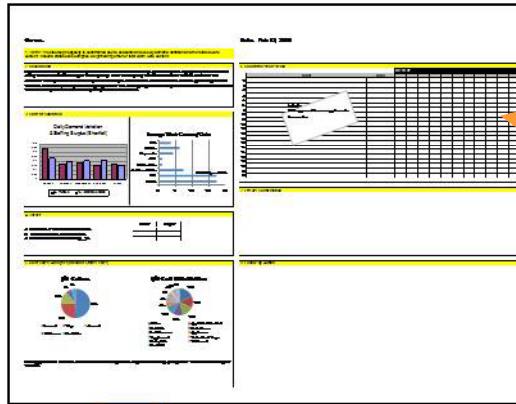
Leadership Standard Work



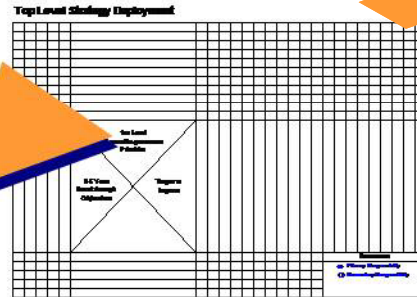
The Pulse Point Arrow



Strategy Deployment Line of Site Charts

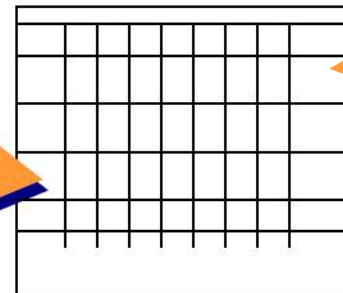


How does my project support the company strategy?



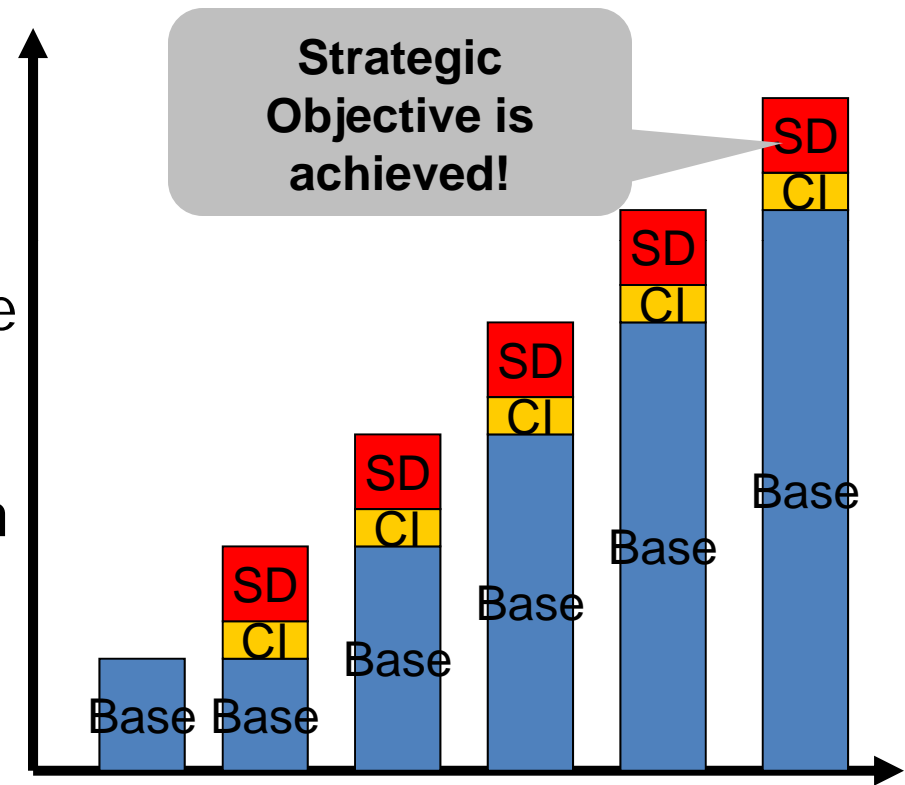
Intuitive visual tools posted in the work area for all to see activities and status

Monthly review identifies abnormalities objectively



Breakthrough & Continuous Improvement

- Breakthrough objectives are reviewed against current market forces and business environment
- Evolutionary changes are made
- New Annual Improvement Priorities are established
- Requirements are flowed down throughout the organization
- Leadership has a structured process approach to manage strategy



Normal day to day business management and improvements are separated from breakthrough objectives

Performance Measurement:

FIRST, What are the Questions?

<p>People</p> <ul style="list-style-type: none"> • How do we care for and add value to our people? • How are we making a personal connection with our people? • • 	<p>Quality</p> <ul style="list-style-type: none"> • How does the customer see our quality? • What % of customers are impacted by errors? • • 	
<ul style="list-style-type: none"> • How well do we meet our commitments? • • <p>Delivery</p>	<ul style="list-style-type: none"> • What is being done to gather information on areas of waste and make it better? • How well are we executing our improvement activities? • How much have we improved so far? • What is the next improvement? <p>CI</p>	<ul style="list-style-type: none"> • Is the cost per unit coming down? • • <p>Cost</p>

Performance Measurements



Gemba Walks

Visual tools should answer the following at a glance:

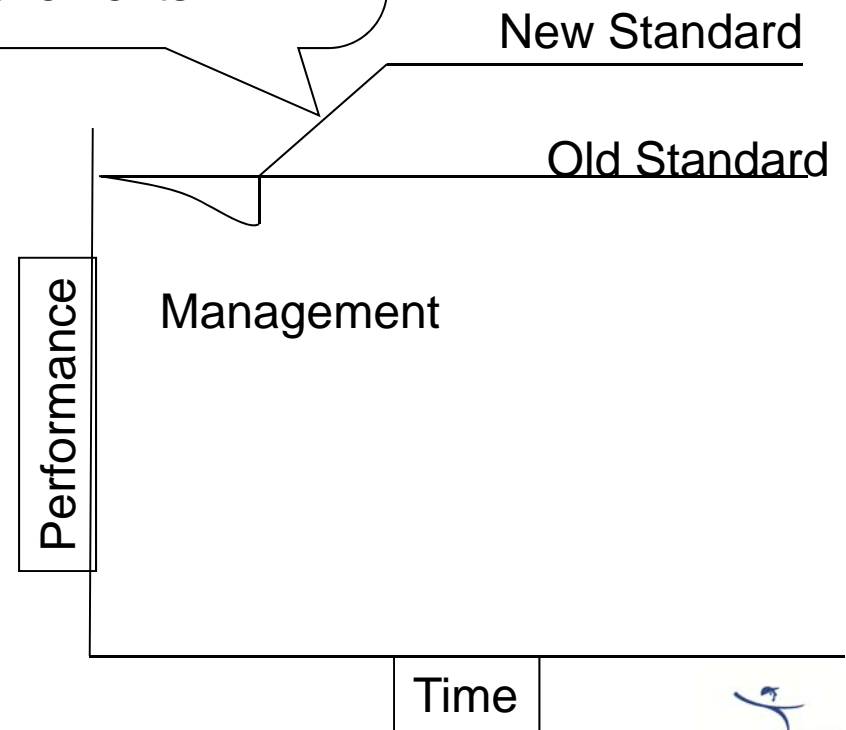
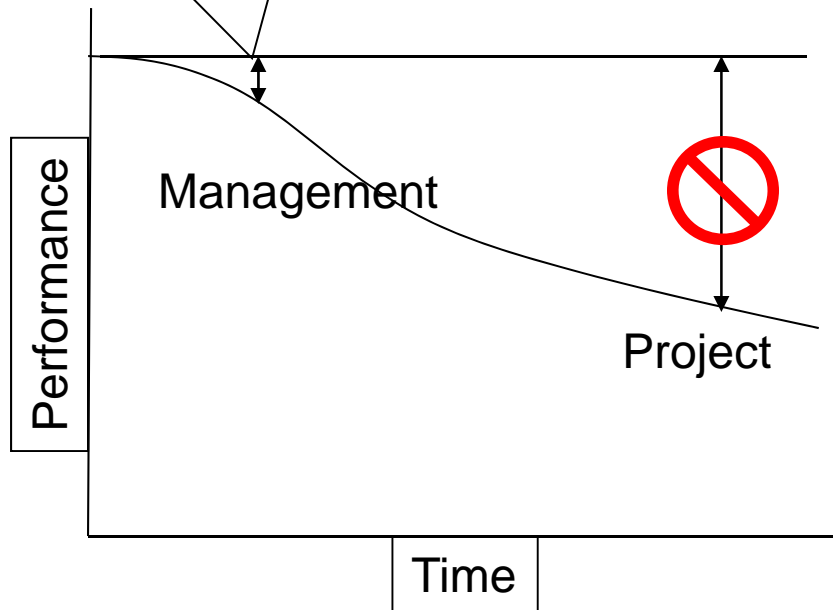
1. What is the work that's being done here?
 2. What is the process?
 3. Is it being adhered to?
 4. Are the business results being achieved?
 5. What is the next improvement that has been identified?
- Visual tools communicate process abnormalities and business performance
 - Management Standard Work assures the proper response



The Leadership Process

- Regular gemba walks
- Observe waste
- Build the “problem solving muscles of the organization”

The process of daily reflection leads to breakthrough performance improvements



Organizational Reactions.....

- Things will appear worse before they get better. Lean exposes waste, that's how it works!
- Not all will accept the change; there are leaders, followers, and naysayers. They will all have to be dealt with
- Lots of excuses as to why it won't work here
- Every job will change

Summary

- Lean leadership is based on setting direction and building organizational capability
- Visual management systems are based on the value stream map and determining which questions need to be answered at each pulse point
- Management standard work is based on walking the gemba, observing abnormalities, asking questions, and supporting the improvement process
- Visual management without management standard work turns into wallpaper
- Management standard work without visual management turns into a social event!

Bottom Line: Attitude is Everything

“If you think you can or you think you can't, chances are you're right.”

Henry Ford



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Questions & Answers