

Lean Enterprise Institute

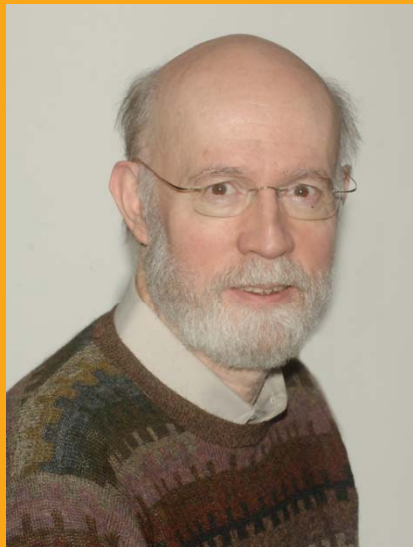


***The
Power of***

***Purpose
Process
People***



*A webinar with **Jim Womack**
Presented by the Lean Enterprise Institute*



James P. Womack, Ph.D.

- founder and chairman of the Lean Enterprise Institute, a nonprofit training, publishing, and research organization founded in 1997 to help companies create value and eliminate waste.

Co-author of:

- ***The Machine That Changed the World*** (Macmillan/Rawson Associates, 1990)
- ***Lean Thinking*** (Simon & Schuster, 1996)
- ***Seeing The Whole: mapping the extended value stream*** (Lean Enterprise Institute, 2001)
- ***Lean Solutions*** (Simon & Schuster, 2005)

The Power of Purpose, Process, People

“How Can I Be A Toyota?”

We ask three questions:

What is your purpose?

What processes achieve your purpose and how lean are they?

How do you engage your people to agree on your purpose and create lean processes, with fulfilling work, to achieve the purpose?



The Big Gemba Walk

Take a walk through the core activities of the whole, extended enterprise:

Product and process development.

Supplier management.

Customer management and support.

Fulfillment from order to delivery.

General management system for the extended enterprise. (“What do managers do?” “How do managers lead?”)



Purpose

“To make money and grow!”

Successful organizations solve customer problems by providing what customers want, when they want, where they want, cost effectively.

Note: Cost reduction is the wrong end of the telescope; value maximization by solving problems is the real customer desire.



Process

A process (= value stream) is those actions that must be taken properly in the proper sequence at the proper time to create value for customers by solving problems.

What are the key end-to-end processes in your organization that create value for customers?

What are the support processes that make these primary processes possible?



What's a Lean Process?

Every step is:

Valuable – as judged by the customer.

Capable – a good result every time.

Available – ready whenever needed.

Note: Capability x availability = stability.

Adequate – just enough capacity.

Flexible – able to switch quickly at low cost from one product/task to the next.



What's a Lean Process?

Steps and links are coordinated by:

Flow – in adjacent, process sequence.

Pull – through some type of authorization from each down-stream step for the next up-stream step to take some action (when flow is impossible.)

Leveling – through heijunka at one pace-maker point in the process.



What's a Lean Process?

Velocity is maximized; lead time is minimized.

Muda, mura, and muri are eliminated!

Muda = any activity that consumes resources (including time) but creates no value for the customer.

Mura = variation in the operation of a process not caused by the end customer.

Muri = overburden on equipment, facilities & people caused by mura and muda.



People

How do you engage people at every level?

- ✓ Teach them to see the process.
- ✓ Give them problem-solving PDCA skills.
- ✓ Push responsibility to the level of action.
- ✓ Introduce end-to-end metrics.
- ✓ Create frequent problem-solving loops.
- ✓ Make the abnormal immediately visible.



What's the Gap?

What is the difference between the current offerings of the enterprise and the customer's purpose?

What's the difference between the performance of the key processes addressing customer purpose and the needs of the customer?

There is always a gap. (Even at Toyota!)



Lean Transformation

How can you transform your enterprise to close the purpose gap and the performance gap?

Try **lean management** and **lean leadership**.



Lean Management

The tools:

Strategy deployment. (To decide what few initiatives are important.)

A3 analysis. (To solve cross-organization, horizontal problems.)

Standard work with standard management and kaizen. (To sustain & improve.)



Lean Management

The thought process:

Separate authority (a vertical concept) from responsibility (a horizontal concept.)

Assign clear responsibility to someone for the health of every process.

Reward everyone touching the extended value stream for optimizing the whole.



Lean Leadership

Not charisma (or heroic fire fighting.)

Not bureaucracy.

Not “do it my way”.

Not “do it your way (but be sure to make your numbers)”. But instead...

“Let’s get agreement on our purpose and the processes that achieve our purpose.”

“Let’s transform processes together.”



Lean Leadership

3 attributes of lean leaders at every level:

- **Go see:** Visit the point where value is actually being created; verify the situation.
- **Ask why:** What is the problem? What are possible countermeasures? Why is one countermeasure the best?
- **Show respect:** Assign clear responsibility for every process & problem; ask questions about people's work.



Lean Leadership at 3 Levels

- **Senior management** sets direction with strategy and feedback loops.
- **Middle management** solves horizontal, cross-cutting problems with A3.
- **Front-line management** stabilizes processes & steadily improves them through standard work and standard management with kaizen.

Note: All involve Plan-Do-Check-Act; “management by science”.



Lean Leadership In Action

What's needed to make lean leadership effective?

- ✓ Employee who takes responsibility for defining & solving the problem.
- ✓ Supervisor who can mentor employee along the path of discovery & resolution.

Note: It's all about dialogue – a continuing conversation between manager & subordinate or a responsible person & all of those touching a process.



Lean Leadership in Action

Once someone takes responsibility, you will need a method for:

- ✓ Clearly determining the problem.
- ✓ Identifying and evaluating alternative countermeasures.
- ✓ Implementing the chosen countermeasure.
- ✓ Evaluating the results, adjusting, and sustaining.

A3 is an excellent tool if used properly.



Lean Leadership Check List

Do you:

- Ask Five Whys or One Who?
- Show respect by asking questions rather than giving answers?
- Make sure every leader is a teacher manufacturing new leaders?
- Dig into the details (“go see”) to a point that the root cause of the problem/gap is clear? (Turn hunches and data in facts.)



Lean Leadership Checklist

Do you:

Ask for alternatives, not one countermeasure?

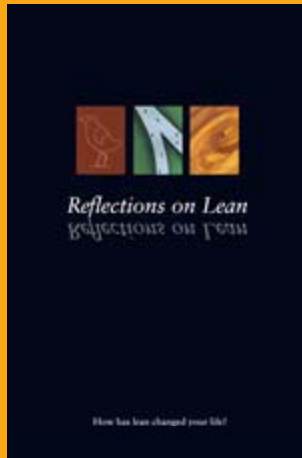
Ask about additional countermeasures in case things don't go as planned during implementation?

Assign responsibility to “manufacture” authority for transformation through detailed discussions with every function, department & person touching processes?



New Website Feature

Reflections on Lean



**Interactive
Version with
Video**

A screenshot of a web browser displaying an interactive version of the book 'Reflections on Lean'. The browser window has a title bar with '62-63' and navigation arrows. On the left side of the page, there is a sidebar with navigation buttons: 'PREV' and 'NEXT'. Below these are several utility icons and labels: 'print', 'view thumbnails', 'bookmark page', 'email to a friend', 'switch to small view', and 'help'. The main content area has a dark red background. On the left, there is a quote in white text: 'My personal project is to work with leaders to accept their responsibility in all three areas ... to set a clear Purpose, to create Processes that make it easier to work to get better results for the customer and ... to take their responsibility seriously to build People rather than just building products.' Below the quote is the author's name and title: 'Michael Brassard, President, Lean Learning Materials, Lean Enterprise Institute, USA'. On the right side of the main content area, there is a video player showing a man with glasses and a beard speaking. Below the video player is a play button icon and the text 'play video'.

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