Lean Transformation
Understanding the Hidden Rules of Engagement

April 2010
Jim Luckman
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”
About the Speaker

- Jim Luckman
- LEI faculty member; facilitator of Transformational Leadership, an experiential program for lean leaders
- Past president & CEO of iPower Technologies
- Former plant manager & director of a research and development center at Delphi Automotive
- Leadership coach & advisor to businesses making company-wide lean transformations
- Development team member for LEI’s Mapping to See: A Value-Stream Improvement Kit for the Office and Services
Purpose of the Webinar

• Understand the hidden drivers of our culture
• Learn how to look for cultural problems to solve in your organizations
• Understand a model to create a problem solving culture
Lean Transformations Experiences

• Transformations have not lived up to expectations
  - Not sustainable
  - False starts
  - Long implementation cycles
  - Poor results
  - Confusion
  - Frustration
  - Anxiety

• What is happening?
  - Delegate the work
  - Continue with the actions within the existing system
  - Expect quick results – mostly cost reduction

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What is Lean? A New Paradigm

“Good Thinking”

Executive

Manager

Supervisor

Team Leader

Team

“Good Products”

Strategies
Business Objectives
Financial Performance

Goals
Ops/Project Plans
Budgets

Action Plans
Production Schedules
Targets

Assignments
Rates/Due Dates
Standards

Problem Solving by Level

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PDCA Management

Firmly Grasp The Current Condition

- Adjust as required or standardize
- Develop a Hypothesis
- Measure the results
- Implement the Plan

Act
Plan
Check
Do
What is limiting your lean transformation effort?
Culture and Systems

We need a different way of thinking about problem solving when it comes to changing the culture
Limits to Growth

Performance Improvement from Lean Effort

Time
Systems Model for Lean Transformation

Unquestioned Assumptions

Value Streams

Patterns

Problems
Two Paradigms

Blanket Solutions Thinking

Problem Solving through rapid small experiments
Question

What are the Unquestioned Assumptions that drive each Paradigm:

• *Blanket Solutions*

• *Problem Solving ?*
Definition of Culture
by Edgar Schein

“A **pattern of assumptions**, invented, discovered or developed by a given group, as it learns to cope with the problem of external adaptation and internal integration, that has worked well enough to be considered valid and be taught to new members, as the correct way to perceive, think and feel …”
Systems View of Problem Solving

Unquestioned Assumptions → Attitudes, Values, Norms → Results from Value Streams → Culture: The Way of Life for the Organization → Behavioral Intentions → Value Stream Performance → Actual Behaviors

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Unquestioned Assumptions That Drive Complexity

- Blanket solutions
- Use of CI specialists to solve organizational problems
- Not building capability of others
- Missing opportunities for learning

- Focused on the final result, not on the problem solving process

- Failure is not allowed
- Employees feel the need to justify their actions
- Someone else caused the problem
- Rationalization of data

- Fragmented actions
- Lack of organization wide strategy
- Silos

- Metrics and status reports are the primary management tool
- Deferring to the person of highest rank

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Question

How is your Lean Transforming Going?

Which of these unquestioned assumptions best describe your company’s culture?
Unquestioned Assumptions that Drive Continuous Improvement

Let’s Identify the problem and solve it together

Focused on the means to achieve great results

Process oriented

Leadership

Systems Thinking

Learner

Processes and people are aligned to achieve organizational goals

Internalize

Create an environment where it’s OK to fail

Leader as Teacher

• Go See
• Mentor people to develop problem solvers

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Question

How is your Lean Transforming Going?

What can you do to encourage a shift in thinking committed to driving continuous improvement?
What is Lean?

“The key to success is to have a production system that highlights problems and a human system that produces people who are able and willing to identify and solve them.”

From “Toyota Culture” by Jeffry Liker & Michael Hoseus
The Systemic Approach to Culture Change

Learn the Art of Problem Solving

Solve value-stream problems from within and expose and remove culture barriers

Problem Solving and Learning Culture

Leaders learn to create the environment for problem solving

Grow the learning across the organization
Creating a Plan for Change and Experimentation
PDCA Management

Firmly Grasp The Current Condition

- Adjust as required or standardize
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Act
Plan
Check
Do

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A3 Thinking

Title: What is the problem we are addressing?

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<th>Future State</th>
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A3 Sheet

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Practice the Change

Process Oriented

Result-oriented

Learner

Knower’s

Defensive

Systems Thinking

Fragmented Thinking

Command & Control

Internalize

Leader as Teacher

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Thank you!!
2 ½ day simulation for developing lean leadership skills

Check lean.org for details
Next Steps

• Transformational Leadership training at lean.org, click Education

• Visit the Webinar Library and other free resources at lean.org

• First annual Lean Healthcare Transformation Summit, June 9-10, Orlando

• Workshops for lean in healthcare, administrative, and manufacturing processes
  • Seattle, May 11-13
  • Indianapolis, June 22-24
Questions and Answers