



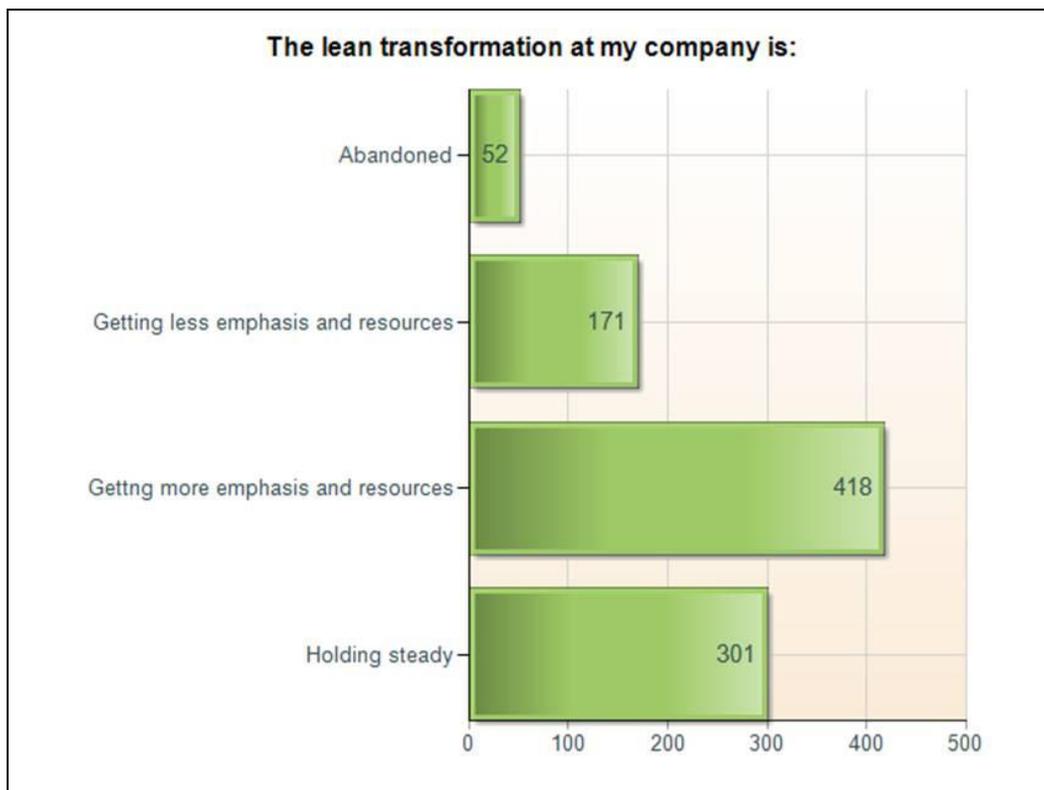
**Lean Enterprise Institute**  
**lean.org**

### **Lean Transformations Getting More Emphasis in Recession, says Survey**

Companies are giving lean transformation efforts more, not less, attention during the recession, according to a survey by the Lean Enterprise Institute (LEI).

Subscribers to LEI's monthly e-letters were asked in March: *Is your company's lean transformation withstanding today's economic pressures or is the commitment to change wavering?* LEI also posted the question on its LinkedIn page.

The majority of respondents to the online poll said their lean efforts were getting more emphasis:



Despite the overall positive results, four participants emailed in additional comments with less sanguine observations:

### **Lean and Six Sigma “Vastly Overrated”**

“Well, all I can say is that lean thinking hasn't saved Toyota Motor Corporation from plowing into severe losses alongside everyone else in this downturn. Tell me how lean helped any of the major automotives to get forecast demand at a 'whole-of-enterprise level' correct. Tell me how lean helped any of them (they all practice lean techniques in assembly now) to keep their assembly and distribution and other resources costs variable. They have all got too many plants, too many employees, and too many dealers/distributors (and now far too much inventory).

“Lean and six sigma are vastly overrated as whole-of-enterprise management systems. They are great for addressing inventory, cycle time, and certain aspects of operational productivity but they don't add anything new when it comes to capacity planning and demand forecasting over the longer term.”

### **Layoffs Stall Lean Plans**

“I see a paradox between executive thinking and actions. Two new clients that have been considering "going lean" since the summer of 2008 have stalled their strategic plans. One has scared and infuriated supervisors by laying off operators while requiring the supervisors to work more hours for 15% less pay. This is not fertile ground for continuous improvement. The other client has delayed deploying lean until "late April" because they are unsure of who will not be laid off. In short, I see the commitment to change wavering. I think it is ironic because a slowdown actually allows more time for problem-solving.”

### **Good-bye to Buy-in**

“At this point in time, as you must be aware, the airline industry is suffering as much as or more than most. Although we are focusing very much on lean principles, due to the enormous strain being placed on us to reduce costs, the guys on the floor are resentful about the hit on their earning capacity and the restrictions being placed on them. As a result there is now a reluctance to participate in many of the lean initiatives that we are looking to get in place. As a result, buy-in and implementation of change is all the more difficult. I am sure that we will persevere with lean but the constraints we currently have has knocked us backwards to some degree.”

### **People Are Ready to Change**

“Many companies are finding different ways to keep people on board doing lean, this is a good sign, but unfortunately, there are a lot of organizations that are cutting lean and continuous improvement efforts. In my country, lean experts are a scarce resource and often, when people let them go, they do not realize how badly it will impact the lean transformation when the economy recovers. This is why I am putting all my energy in keeping the lean activities on schedule. When the situation is the most difficult, people are ready to change the most to save their jobs.”

### **Resources**

- John Shook's [keynote presentation](#) at LEI's 2009 Lean Transformation Summit discusses how the economic crisis will separate the true lean companies from “fashionably lean” companies.

- Read [an interview with Taiichi Ohno](#), architect of the Toyota Production System, about how Toyota struggled to survive an early financial crisis

- LEI's twice-monthly free E-letters deliver insights about lean thinking from Jim Womack and alerts on new web content, including book excerpts. Go to [www.lean.org](http://www.lean.org) to subscribe. (Information is never sold, shared, or swapped.)

### **About the Lean Enterprise Institute**

The Lean Enterprise Institute, Inc., was founded in 1997 by management expert James P. Womack, Ph.D., as a nonprofit research, education, publishing, and conferencing company with a mission to advance lean thinking around the world. We teach courses, hold management seminars, write and publish books and workbooks, and organize public and private conferences. We use the surplus revenues from these activities to conduct research projects and to support other lean initiatives such as the Lean Education Academic Network ([www.teachinglean.org](http://www.teachinglean.org)) and the Lean Global Network ([www.leanglobal.org](http://www.leanglobal.org)). For more information visit LEI at [www.lean.org](http://www.lean.org). Lean Enterprise Institute and the leaper image are registered trademarks of Lean Enterprise Institute, Inc.