

FOREWORD

Today the effectiveness of lean thinking has been well established. Companies from myriad industries in every corner of the world have proved that the principles are well founded. By posting record profits, while laying the basis for further growth, these companies, led by Toyota, reveal the promise of lean. Yet while these leaders appear enthusiastic and confident, for many others the reality of practicing lean management is a daunting challenge. Much of the technical basis for a lean transformation has been codified in an accessible manner, yet beyond the mechanics, managers often find the basic reasoning of the approach counter-intuitive. The necessary behavioral changes are stubbornly challenging, and often lead to doubts that undermine the prospective leader and team.

Freddy and Michael Ballé's book, *The Gold Mine*, serves to remove these doubts. Readers of this story will find in the all-too-human details of one lean turnaround a helpful reminder that this process takes more than technical prowess. More important, they will be inspired to use their natural talents to lead others to improve.

Over the last 20 years of implementing lean systems, from my position on the Board of GKN Automotive, then later at the helm of the Kaizen Institute, and currently as an advisor to McKinsey & Co., I have had the chance to work with many interesting and exciting people. While professional ethics should prevent me from having preferred clients, principles sometimes bow to reality. Having known and worked with Freddy for more than 10 years, I can say that he stands out as a remarkable combination of knowledge, drive, insight, and impact.

The Gold Mine

Working at the upper levels of the automotive industry is not for the faint-hearted. Freddy has always accepted the challenge of making change in an environment of unforgiving and unremitting pressure for results. He is legendary for the sophistication and intensity of his management of the budget process. But Freddy has never lost sight of his roots: the shop-floor, ground-up approach so critical to lean thinking. Exposing himself to the challenge of serving Toyota, he acquired a detailed knowledge of the specifics of the Toyota Production System that I believe is unequaled in senior management. Characteristically for Freddy and uncharacteristically for a senior manager, he used that knowledge as a means to instruct, challenge, and lead his managers through the lean transformation.

Together with his son, Michael, who has pursued his own successful consulting career, Freddy could have written an authoritative work on the technical aspects of lean implementation in the automotive components industry. Or they could have written what I suspect would be the definitive work on performance management for lean (which I hope that the success of this book will encourage them to do). Instead they chose to write the novel you now have in your hands.

This story is primarily about people, about how people's minds have ideas about making things, and about how those ideas change based on their own perceptions, interests, and capabilities. This focus teaches lean at the point of use: the intersection of where we think, feel, and act. The authors have not lost sight of the fact that the tools and systems of lean are merely a codification of answers to specific questions that individuals have asked as they try to apply the basic principles.

The story is constructed like *Alice in Wonderland*. You can read and appreciate it as a simple piece of human drama, with a series of quirky and engaging characters, with twists and turns that will challenge and amuse you. You also can look below the surface to see a well-constructed framework that introduces and applies all of the tools of lean. Look even

Foreword

closer and you will see the basic beliefs on behavior, leadership, and problem solving that are the hidden aspects of a lean transformation.

The best thing about this book may be that you don't have to *study* it. Instead, sit back, read, and enjoy it, quite possibly using it for group reading with your colleagues. I guarantee that you will find that the lessons, turns of phrase, and pithy explanations will guide you on your own lean journey.

– *Peter Willats*