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For Immediate Release

Womack Advances Lean Management as Successor to Traditional Management

Cambridge, MA, March 5, 2008 – The lean movement is evolving from a "tool age" to a new age focused on lean management, according to management expert James P. Womack, Ph.D., founder and chairman of the nonprofit Lean Enterprise Institute (LEI), who led the research team that coined the term "lean."

<u>Womack</u> (<u>http://www.lean.org/WhoWeAre/LeanPerson.cfm?LeanPersonId=1</u>) will explain this new trend during his keynote presentation at the second annual Lean Transformation Summit, March 5-6, 2008, in Orlando, FL.

Sponsored by LEI, the Summit and pre-conference workshops on March 3-4 will draw approximately 350 executives and managers from service and manufacturing companies that are taking lean beyond the application of isolated tools to the creation of new business systems guided by lean management.

Complete descriptions of the workshops and conference sessions are available on the LEI web site at: <u>http://www.lean.org/Summits/</u>

"I now see signs that the lean movement is finally tackling the fundamental issues of lean management," Womack said. "I've recently talked with senior managers in a number of countries – the U.S., Germany, China – who realize that they need to think more about lean management before thinking further about lean tools, such as 5S, kanban, or value-stream mapping."

Womack said lean management is the successor to existing "mass management" systems descended from methods perfected by Alfred Sloan at GM during the 1920s. Lean management is the name for the revolutionary system created at Toyota in the 1950s and 1960s.

For organizations to evolve beyond the current "tool age" focused on implementing individual methods such as value-stream mapping, kaizen, kanban, etc. to a new age focused on implementing lean management, managers and executives must think differently about lean, according to Womack who led the MIT research team that coined the term "lean" 20 years ago. He said the key is to focus on the fundamental questions of Purpose, Process, People:

- Purpose: What customer problems will the enterprise solve to achieve its own purpose of prospering?

- Process: How will the organization assess each major value stream to make sure each step is valuable, capable, available, adequate, flexible, and that all the steps are linked by flow, pull, and leveling?

- People: How can the organization insure that every important process has someone responsible for continually evaluating that value stream in terms of business purpose and lean process? How can everyone touching the value stream be actively engaged in operating it correctly and continually improving it?

"We all need to master and deploy lean tools, and our efforts of the last 10 years to do so are not wasted," Womack said. "But just as a carpenter needs a vision of what to build in order to get the full benefit of a hammer, we need better management methods before we pick up our lean tools. Lean management is the key to doing this."

What is Lean?

http://www.lean.org/WhatsLean/

The term "lean production" refers to a complete business system for organizing and managing product development, operations, suppliers, customer relations, and the overall enterprise that requires less human effort, less space, less capital, less material, and less time to make products with fewer defects to precise customer desires, compared with traditional management.

Toyota pioneered lean management as a complete business system after World War II. During the late 1980s, a research team headed by Womack at MIT's International Motor Vehicle Program coined the term "lean" to describe Toyota's system.

About the Lean Enterprise Institute

http://www.lean.org/

Based in Cambridge, MA, the Lean Enterprise Institute (LEI) is a 501(c)(3) nonprofit education, publishing, conferencing, and management research center founded in September 1997 by management expert James P. Womack, PhD. LEI helps organizations transform themselves into lean enterprises. Its workshops and workbooks teach lean techniques like value-stream mapping, lean manufacturing, and strategy deployment. Its management seminars and books help managers and executives develop the leadership behaviors that sustain lean enterprises. Its conferences showcase firms making lean breakthroughs. The Lean Global Network, (<u>http://www.leanglobal.org/</u>) organized by LEI, has 12 nonprofit global affiliates in South America, Europe, and Asia. For more information visit LEI at <u>http://www.lean.org</u>.