

FOREWORD

You can sense the frustration as Jenkinson explains to his young ward Andy: “Customers come first. Deliver good parts on time. Reduce your costs. Work with your people so that they solve their own problems.” Very original and unexpected, right?

Those of us who have been in the business of translating Toyota’s revolutionary system to others have felt a similar frustration. How can we make this any simpler while still communicating the elegance of the Toyota Production System (TPS)? I have been in the business for almost 25 years. In that time there was the quality movement, an employee-involvement movement, a six sigma movement, and then a lean movement. Now there is a lean six sigma movement. Each of these movements viewed Frederick Taylor’s scientific management as the villain. We need to look beyond local efficiency and consider the whole system of people and processes. That understanding has been there, at an abstract level, but getting it embedded in the organization seems to be an overwhelming challenge.

I first became a fan of Michael and Freddy Ballé when I read *The Gold Mine*. I liked the idea of a business novel, but did not expect an awful lot. As I read it I grew more and more excited. This is what I have been trying to communicate to my associates and clients for years. I immediately urged everyone I knew to read the book. Admittedly, my immediate enthusiasm that the book would transform their thinking was misplaced. That only happens by doing, a central message in the book you have before you, but we can all dream.

What got me so excited about *The Gold Mine*, and what *The Lean Manager* builds on, is that they are both good novels. Each grabs you and pulls you into the story. As you get immersed in the story you relate. You see your own problems in a different way. In short, you identify. What I have been trying to communicate to my clients and students is that TPS is a living system. It is not a toolkit or road map. You have to live it to understand it. It evolves. Yet companies find it overwhelmingly seductive to have a clear toolkit and road map. Consulting companies feed on this need and are all too happy to provide what their customers want. If I had to list the top five mistakes in learning from Toyota, they would be:

1. Giving it a name, e.g., lean six sigma, and making it a program.
2. Trying to PowerPoint and road map your way to lean.
3. Assigning the program to middle managers to deploy.
4. Failing to see this as a major cultural change that takes a lifetime to effect.
5. Senior management failing to take responsibility for leading the culture change.

Michael and I have had endless discussions about how to help organizations avoid these mistakes and move down the path of true cultural change. It is enormously complex, yet unbelievably simple. The most complex part is that you can only learn this system by doing the work. Yet people want to be convinced intellectually before they are willing to make a commitment to doing it.

In *The Lean Manager*, Jenkinson does what he has to do. As the CEO, he has the power to force people to do it or leave the company. He uses that power selectively. He clearly is focused on profitability, even if it means closing plants and letting employees go. In fact, he insists that when plants kaizen out a person that person (or equivalent) is out the door, especially if that person is not buying into change.

The Lean Manager

This is contradictory to the Toyota way that aims for mutual prosperity and trust with team members who are protected from layoffs if at all possible. The message from Jenkinson seems to be that the ship is so far off course that its very existence is threatened, and righting it through downsizing is essential to survival.

At the same time Jenkinson is clearly committed to developing people. He has learned the Toyota lesson of the value of investing in people. He also has learned a thing or two from his sensei—that you have to identify people with the motivation to improve themselves, give them challenging goals, let them fail here and there, and support them as they learn. He is willing to let Andy struggle, but then periodically shows up to help Andy see new options. He asks Andy questions instead of giving him answers. This is very Toyota-like. The Socratic method is preferred over teaching by offering conclusions. The result is that even as CEO of a good-sized company, Jenkinson is able to penetrate down to the working level and change the culture. It also becomes clear in this story that without Jenkinson's leadership at the CEO level the plants would have no chance to find their way on their own. The Alnext Business System was a lifeless exercise because it lacked the drive and commitment of the former CEO.

To the employees who have not experienced the journey it seems contradictory that Jenkinson keeps talking about customers and investing in people and quality, while he is ordering them to reduce the quality department and shift authority from sales to engineering. In their paradigm, quality is the responsibility of the quality department, and customer satisfaction is the responsibility of the sales department. Jenkinson needs to be dictatorial to move the organization in fundamental ways and get them out of the bureaucratic rut they are in. As they experience real kaizen, they start to move themselves, and Jenkinson can shift from a role of dictator to one of coach and adviser.

Foreword

How did we get to the point where we need someone at the top of the company to fundamentally rebuild the culture? Why do we need the CEO to tell us that we are in the business of deeply understanding our people and processes and focusing first and foremost on satisfying customers? We get a refreshing contrast through the eyes of Andy's wife, Claire. As a small-business owner who grew up in the business, she knows exactly what her small riding center is about. She is intimately familiar with day-to-day operations and each person she has hired. She does not need to go to the "safety department" to look up the statistics on who is hurt as she takes a personal interest in each of her employees. She also knows the strengths and weaknesses of each and every horse. She understands what it takes to satisfy customers. She is the type of "lean manager" her husband needs to become.

All over the world there are small companies that have no trouble understanding that they depend for success on customer satisfaction, consistently delivering a value-added product or service, and they depend upon willing and able people to accomplish this. Something unhealthy happens as businesses grow and become increasingly bureaucratic. They lose their way. The secret to Toyota is that it managed to grow, become quite bureaucratic, and *not* lose its way. It may stray from time to time, but then leaders always pull it "back to basics," as we now hear from Akio Toyoda.

Value-stream mapping is a great tool for "learning to see." It helps you find the lost organization. Where is the organization that adds value to the customer? It gets lost and buried in layers of bureaucracy. Is it still there? Through value-stream mapping a team of open-minded people can sort through the mess they helped create and find the hidden value-added process. Then the future state dusts it off and puts it in the proper perspective as front and center rather than hidden by the staff organizations and layers of management. Unfortunately, value-stream mapping often becomes part of the bureaucracy and loses its power to help people to see.

The Lean Manager

I can intellectualize all this over and over, but there is nothing like living it. A novel like this comes closest to that experience. As we are progressing on the “lean journey,” companies are maturing from process-improvement toolkits to lean value-stream management, to employee engagement in problem-solving, to aligned culture focused by self-aware leadership on the right business problems. The companies I teach are begging for guidance on leadership. They have had enough discussion of tools. They understand that path is a dead end. It is the right time for this discussion, but how do you have the discussion?

A business novel that illustrates the struggles of real people to change and learn and adapt to an unforgiving business environment is priceless. Once again I am excited and have hopes that this book will enlighten readers about what it really means to live a business transformation that puts customers first and does this through developing people. People who do the work have to improve the work. There are tools, but they are not tools for “improving the process.” They are tools for making problems visible and for helping people think about how to solve those problems. Whether it is kanban or standardized work or 5S, these are tools to set a standard and make the deviation from the standard visible to the work group. Then the work group must develop problem-solving skills to identify the root cause and solve the real problem. Any solution is an experiment that is “right half the time.” If the tools do not change the way people who do the work think about their own processes, the tools are a failure. If leaders do not understand how to use the tools to unleash the creativity and motivation of people, they are not leaders—they are just administering a bureaucratic process.

If this is only about leadership and focusing on the right business problems, then is there anything really new about Toyota and lean and six sigma? That is a good question, and we could have a healthy debate. If this is just another framework that reminds us of the basics of an excellent way of organizing people to accomplish a defined goal, that is fine with me.

Foreword

I have great admiration of Freddy Ballé's deep experience as a true lean leader. I also admire and am secretly jealous of Michael's novel-writing abilities (though Michael will swear he is a bad novelist). As a duo they have made an invaluable contribution to the movement that I have devoted my career to. They make the intellectual points in a way that makes you feel like you are living it. Now we all hope that more people will really live it!

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