

# Lean Leadership & the Lean Transformation Framework – Lessons Learned from Lots of Experiments!

David Brunt, Lean Enterprise Academy, U.K.



## Managing To Create Problem-Solvers

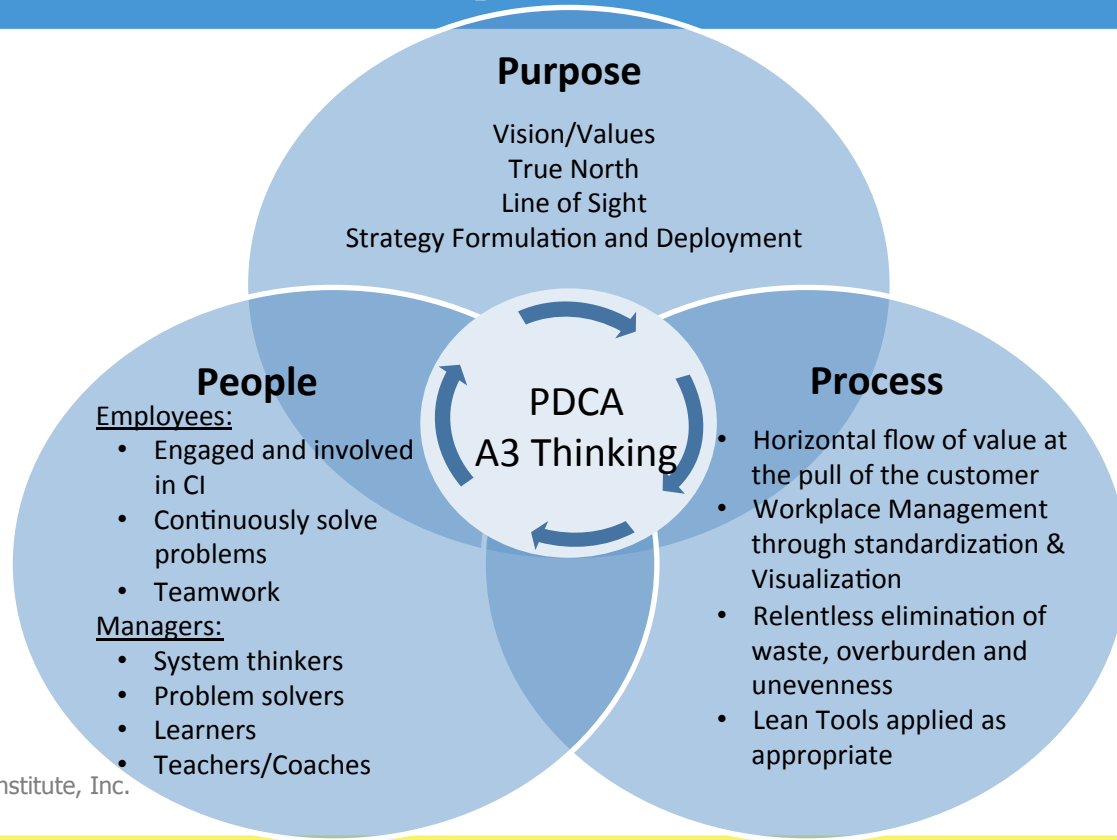
Lean Transformation  
Summit 2017  
Carlsbad, CA | March 7-8, 2017

# Introductions & Agenda

- Introduction
- Setting the context
  - Lean Thinking Principles & the Lean Transformation Framework
- Lead with respect
- Exercise: Grasping the situation – What happens today?
- Using the “Lean Transformation Framework” to “Lead With Respect”
- Exercise: Service Reception – “What is the problem to solve?”
- Setting the vision
- Understanding the work
- Capability development
- The role of management in a Lean environment
- Leadership behaviour
- Underlying thinking
- Summary & Questions

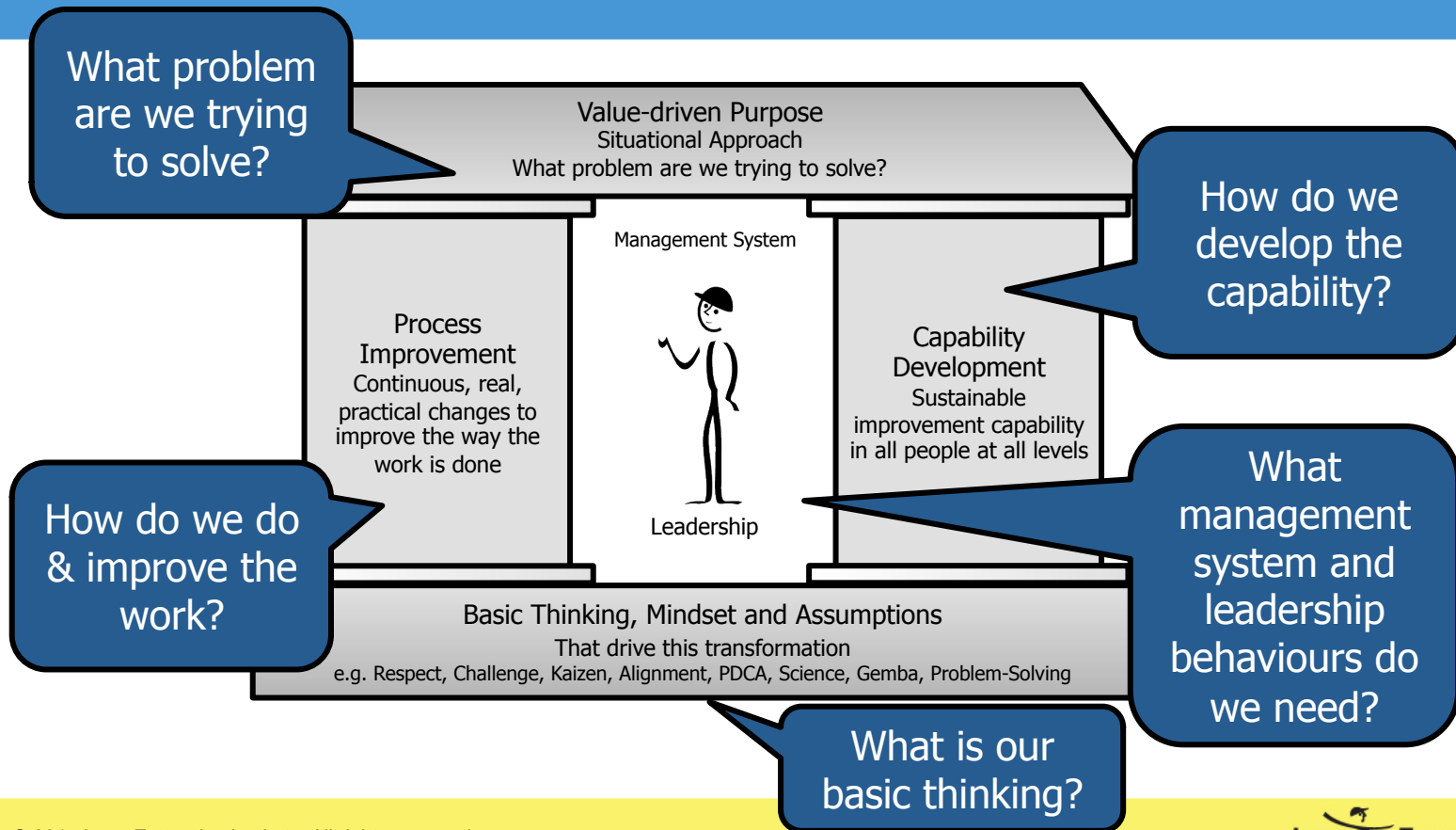


# Purpose, Process, People



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# Lean Transformation Framework

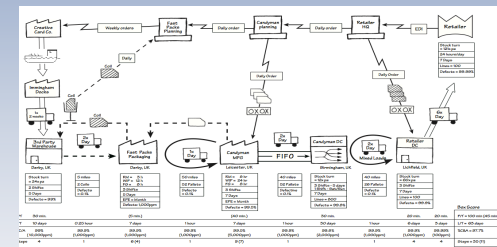


# The Role of Leadership in Implementing Lean

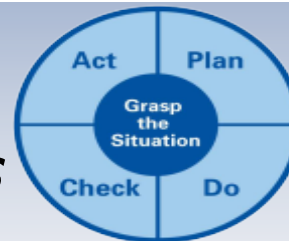
Set alignment around the *vision*



*Design and support processes that provide value to customers - value streams*

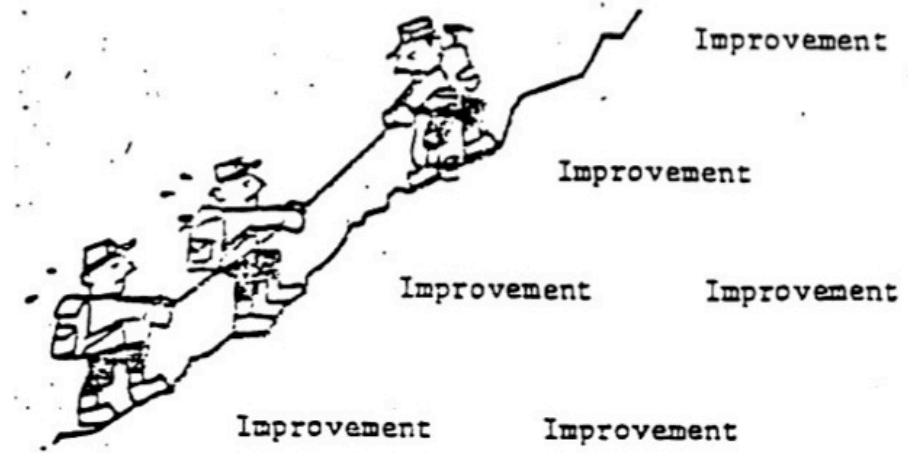


Develop people to take personal responsibility for *solving problems*



# In Other Words: *Lean Leaders do Two Things*

- Get each person to take initiative to solve problems and improve his or her job
- Ensure that each persons' job is aligned to provide value for the customer and prosperity for the company



**Get the work done *and* Develop Your People  
- at the SAME TIME!**

Ref: John Shook – Lean Leadership



# Three Keys to Lean Leadership

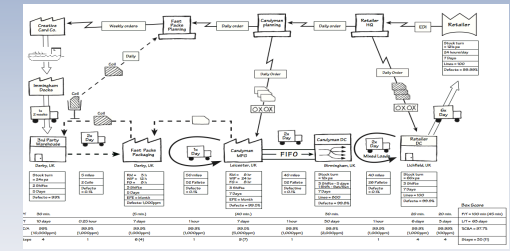
“Go See”

Management must spend time on the front lines



Ask “Why?”

Use the technique daily



Show Respect

Respect your people



# Exercise #1: Grasping the Situation

- What is the role of a leader in your organisation?
  - Is there a definition?
  - Are roles and responsibilities defined?
- What do leaders currently do?
  - (WHAT?) How much of their time is spent:
    - Setting (and communicating) alignment around the vision?
    - Designing and supporting the processes that provide value to customers - value streams
    - Developing people to take personal responsibility for solving problems
  - (WHERE?) How much of their time is spent:
    - In a meeting room
    - At a desk/computer on their own
    - At the place where value creating work takes place (gemba?)
- What do you think these numbers need to be?
- You have 20 minutes





# Exercise #1: Grasping the Situation (% of Time)

Company: Leadership activities (WHAT)	Setting alignment around the Vision	Designing & supporting value streams	Developing people to solve problems	Others? (Please explain)
# 1	%	%	%	
# 2	%	%	%	
# 3	%	%	%	
TARGET STATE?				
Company: Leadership activities (WHERE)	On-site meetings	At a desk or computer (on own)	At the gemba	Others? (Please explain)
# 1	%	%	%	
# 2	%	%	%	
# 3	%	%	%	
TARGET STATE?				



# Respect for People

## Focus on the operator

- Enable the operator
  - To work safely
  - To know his/her customer
  - To be successful
  - To be involved, engaged...to use his or her mind
- Operator-out or the Line-back principle
  - You can build your operating system from the operator out
  - Continually remove wasteful steps from his work, giving it to support people (isolate the waste), so that nothing is left but value-creating steps
  - Don't waste the operator's time and effort...or mind!



# The Case: Go to the Gemba - Customer Arrival

## *Grasping the Situation*



### Current Condition

- One entrance, one exit to the workshop
- Long customer queue
- Service advisors go out to the queue to get ahead
- 7 minutes to see a customer

What's the Problem?



# Is there a problem if PURPOSE isn't clear?

Halfway Team-X Strategy

January 2013 ( Version 2 )

Our Purpose

## Customer Value

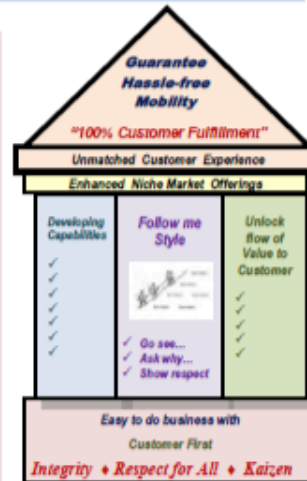
- ✓ Acquiring & Servicing Vehicles
- ✓ Receiving Unmatched Customer Experience
- ✓ 100% Customer fulfillment
- ✓ Right First Time – F.I.R. 100%  
On Time – OTIF 100%
- ✓ Every Time, in less Time
- ✓ Customer convenience & minimum interruption to mobility

## Our Goals

- ✓ Nett profit ( % Turnover ) > 5%
- ✓ Absorption ( supporting depts ) > 100%
- ✓ New Vehicle sales > 8% of TSA dealer sales > 8000 units
- ✓ Used:New ratio 0,75:1 (or 6000 units)
- ✓ Service Retention 80 % of 5 year sales (exc. taxi)
- ✓ Increase share of customers motoring spend

## People

- ✓ Develop problem solving capability of managers & Staff
- ✓ Practise Genchi Gembubu
  - Asakai
  - GG walk
  - Kaizen reviews
- ✓ Use scientific method to evaluate & analyse GAPs & set experiments (PDCA)
- ✓ Spread Team Leader concept to implement Standard Work
- ✓ Develop capacity – A plan for every person
- ✓ Use questions to encourage focus on "Grasp the Situation", Go to See & PDCA
- ✓ Use A3 to make thinking clear & coach
- ✓ Kaizen (CI) review at regular intervals with each value stream team
- ✓ Develop proficiency in Improvement Kata & Coaching Kata to evolve Halfway Kata
- ✓ Expose staff to Purpose & Process to get alignment & participation in goal setting
- ✓ Develop basic skills proficiency ...Sales: product knowledge, Service : diagnostics, Parts : Interpretation, Used : Valuation, F & I : Getting Finance Approved, Service Advisors: 7 Step Process, Managers : Coaching



## Process

- ✓ Stabilise
  - ✓ Make problems visible
  - ✓ Brilliant Basics
  - ✓ Easy to do business with
- Focus on improving :
- Quality
  - Delivery
  - Controlled compression of Time
- By Service (improve CF to 100% by F.I.R) :
- Schedule predictable work
  - Standard work defined for predictable work
  - Keep high volume predictable work in flow
  - Staggered bookings & heijunka
  - Initiate the service booking
- By Sales (improve CF to 100% by OTIF) :
- Plan for every car (make plan of work visible)
  - Reduce leaks in Sales funnel (standard work in sales process)
  - Plan for every Customer (stage in buying cycle visible)
- Increase Number of Customers :
- Focus on defensible underserved niches
  - Reactivate existing database to fill funnel
  - Demonstrate superior skills, knowledge, understanding & visible interest in key niche
  - Expand base by access to Finance

# The Case: Go to the Gemba - Customer Arrival

## *Grasping the Situation*



### Current Condition

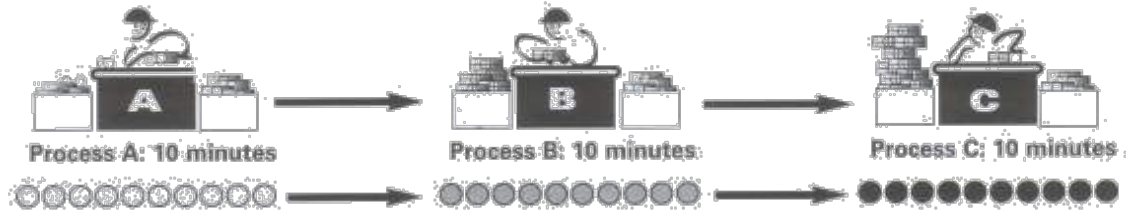
- One entrance, one exit to the workshop
- Long customer queue
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What's the Problem?



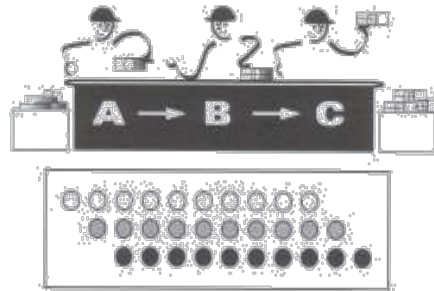
# Continuous Flow Processing

## Batch & Queue (Push) Processing

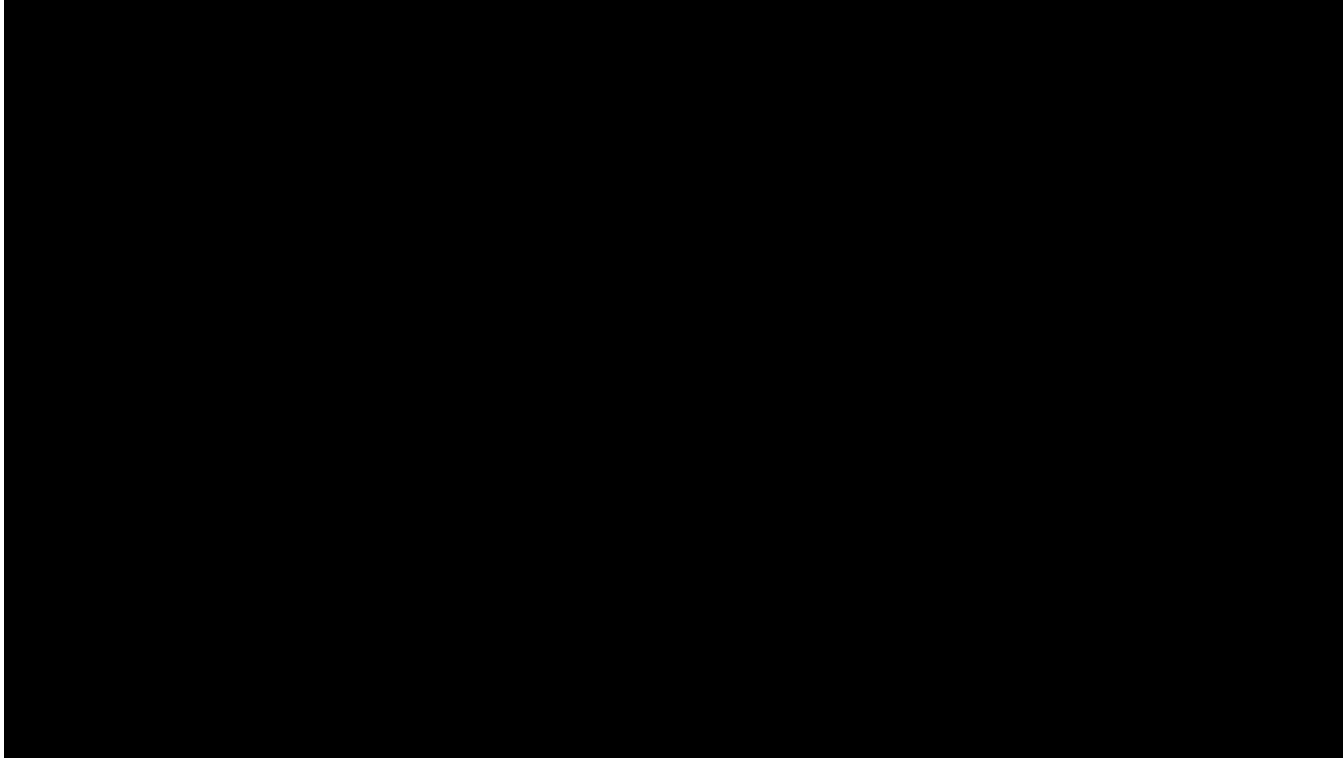


Lead Time: 30++ minutes for total order. First part: 21 minutes

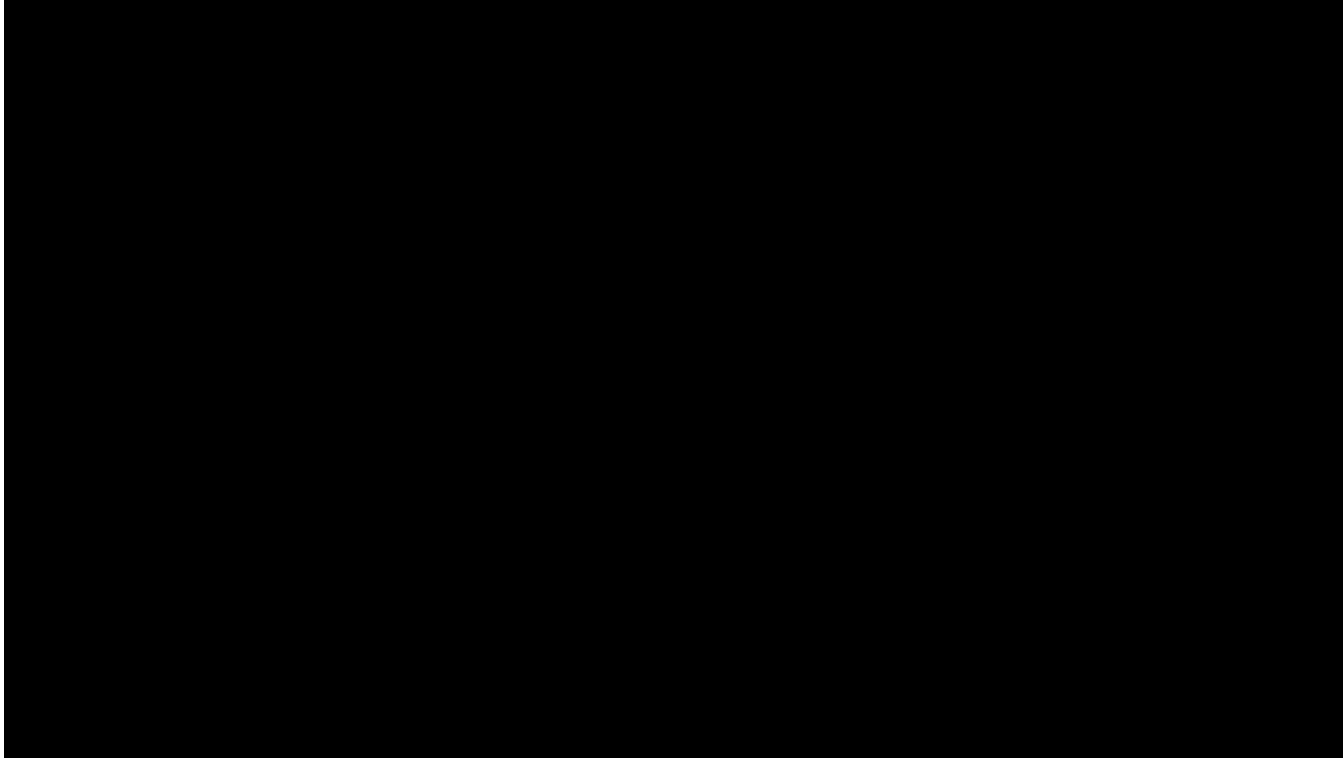
*Continuous Flow "make one, move one"*



# First Experiment: April 2015



# Experiment: May 2016





# Summary: Understanding & Improving the Work

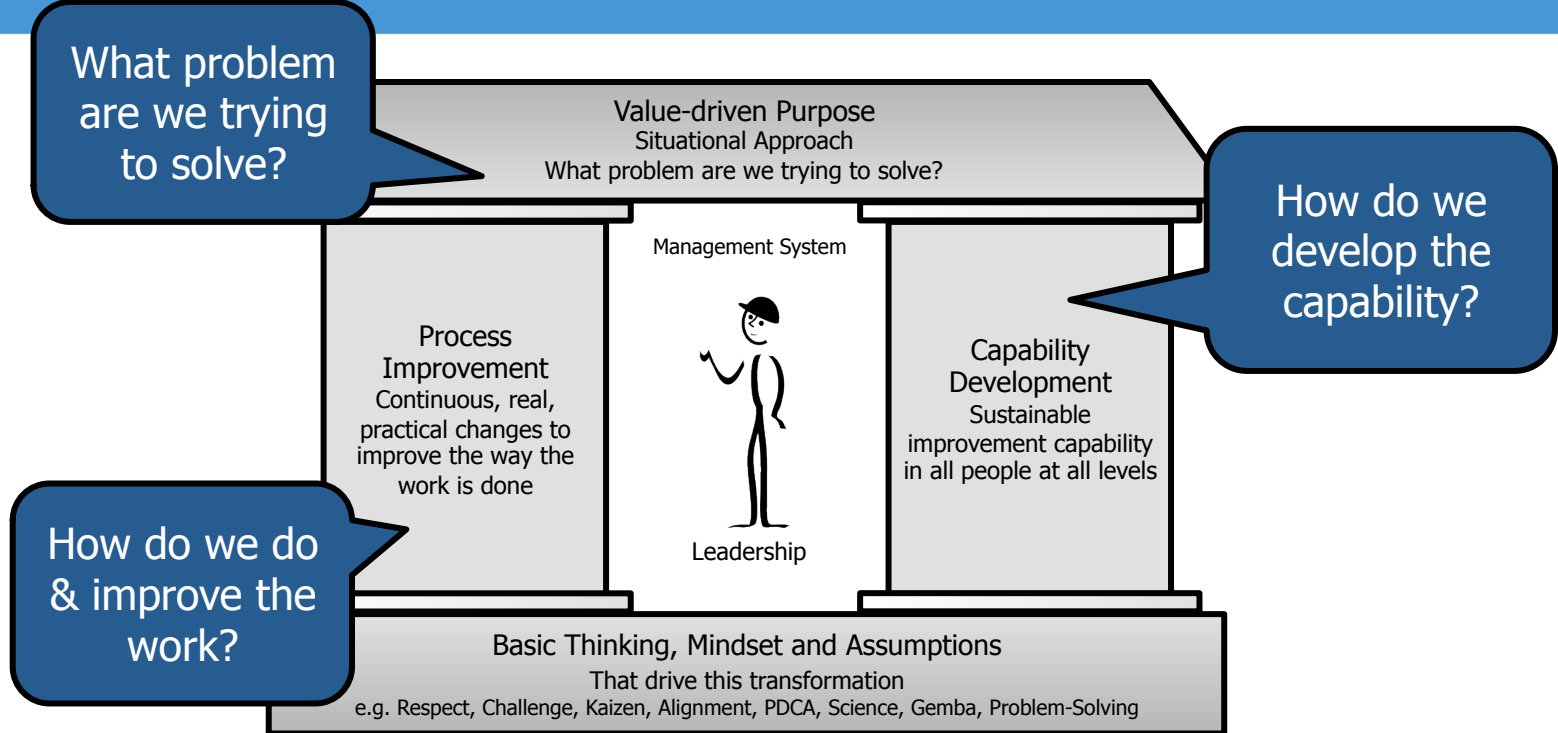
Focus on the work

Experience the power of:

- Observation to understand the problem
- The difference between value and waste
- Meeting the customer demand
- Limiting Overproduction
- One-piece-flow
- Improved layout – spaghetti charts
- Creating stability
- Standardised Work



# Lean Transformation Framework



# Developing Capability

- Knowledge of the work – value and waste
- To do the skill
- Promote kaizen
- Develop people
- Build teamwork
- A way to behave to get the best from people



# How to Teach?

Target Condition – To build capability so people “can do & improve” (themselves)

## Levels of ability

1. Knowledge



Suitable to teaching in a classroom in “Off-JT” manner

2. Understanding

3. Capable

4. Do well

5. Can do and improve



Better taught with actual problems and situations through “OJT” with mentoring from capable superiors. Skill can not be developed in a classroom alone

Training Matrix:



Training identified



Basic awareness of process



Can carry out task supervised



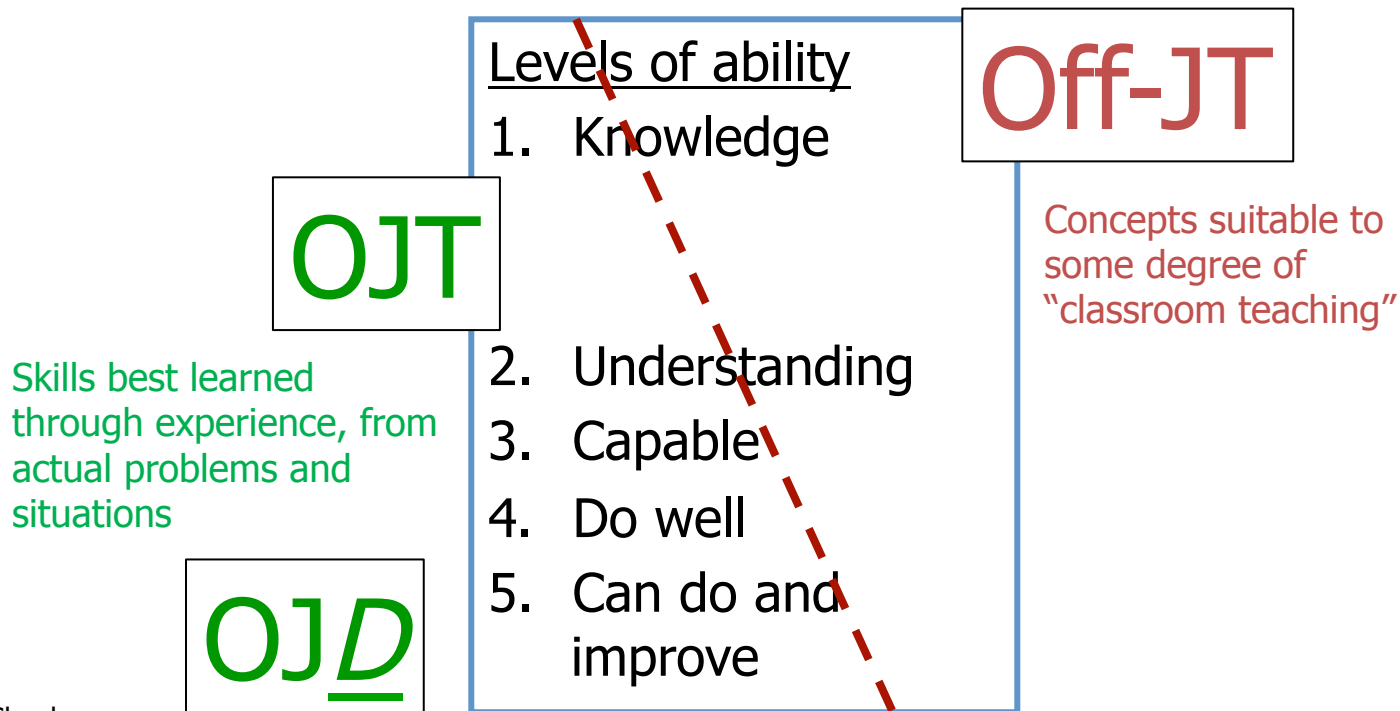
Can carry out task unsupervised



Able to train others in task



# Teaching & Learning



Source: John Shook

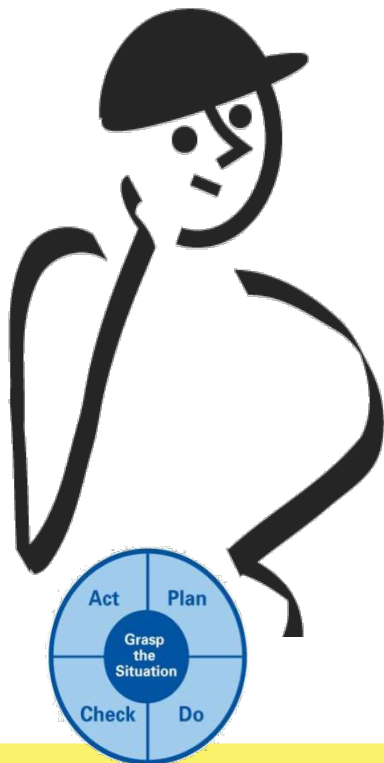


# Toyota Training and Development Distinguishing Characteristics

1. Begin from need
2. Make people before making cars
3. Leaders job is to develop team members
4. OJT is primary, Off-JT secondary
5. Bring gemba into the classroom, extend classroom education to the gemba
6. Aim training one level above the organisational training need
7. Focus on
  1. Problem-solving (scientific method)
  2. Role throughout career



# What do we know About How People Learn?



Conceptual understanding through

- books, lectures, discussion

Behavioural change through:

- Experience
- Mistakes
- Experimentation and trial & error

Build structured opportunities for people to learn the way they learn most naturally

# Standardized Work as Structured Learning for the Operator & the Leader

What is Standardized Work? What is Kaizen?

They are two sides of the same coin – if you try to have one without the other, you will encounter one of two types of very serious problems:

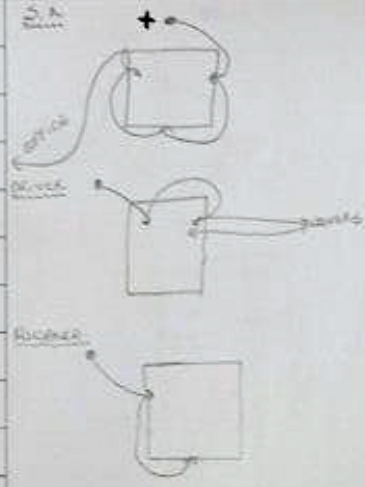
- 1. Standardized Work without Kaizen;*
- 2. Kaizen without Standardized Work.*



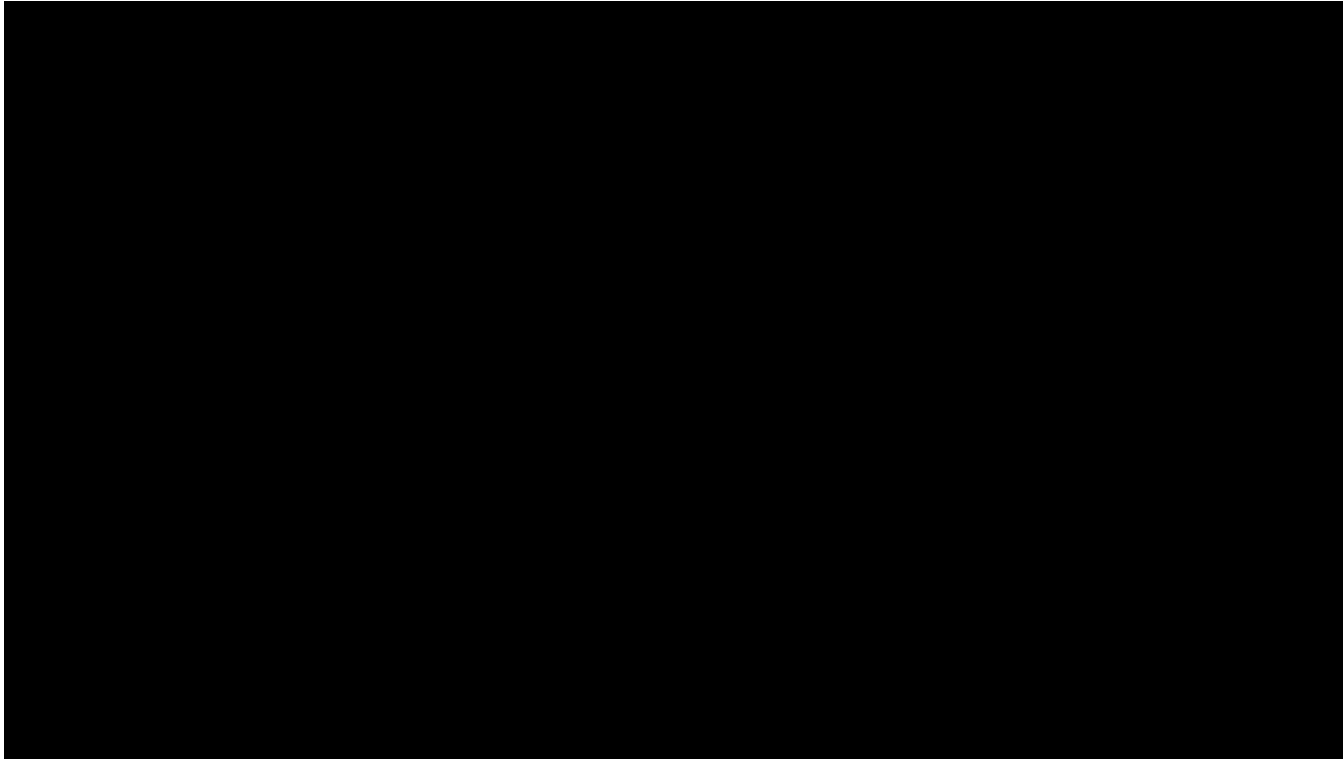


# Standardised Work – Vehicle Reception

Standardized Work Sheet								
Job Instruction Sheet	Part / Process	Required Quantity:	Date:	Dept./Location	Team Leader:	Supervisor:		
				Prepared By:				
	RECEPTION	60 VEHICLES 10 TRUCKS 30 GREEN BUS	30/09/2016	Service	Liz Peters			
#	Step		Note	Time	Takt Time TAKT TIME FOR PROD 3:00	Cycle Time CYCLE TIME 3:00	STD WIP 1 CAR	Quality + Safety ● STD WIP
1	SERVICE DRIVER OR STATION LEADER	DRIVER ADVISOR	RICHARD ADVISOR					
2	FRONT WASH LINE OR CHECK FOR	FRONT CHECK ADVISOR	FRONT					
3	DRUDGE FROM WASH	WATER BLANK						
3	SEE & WASH TO INSURE DOOR AND CHASSIS	WATER BLANK						
4	CHECK IN DOOR, WASH LIFT TIRE AND LIGHTS + SERVING HOT WATER KISS	WATER BLANK	WATER BLANK					
4	DO WASH AROUND	WATER BLANK	WATER BLANK					
5	WASH CHASSIS	WATER BLANK	WATER BLANK					
6	WASH REAR AND FLOOR WASH	WATER BLANK	WATER BLANK					
7	ENTER VEH ON JOB CARD	WATER BLANK	WATER BLANK					
8	INFORM CUSTOMER TO WASH AREA	WATER BLANK	WATER BLANK					
9								
10								



# Experiment: October 2016



# Define the Skills Required & Set a Plan

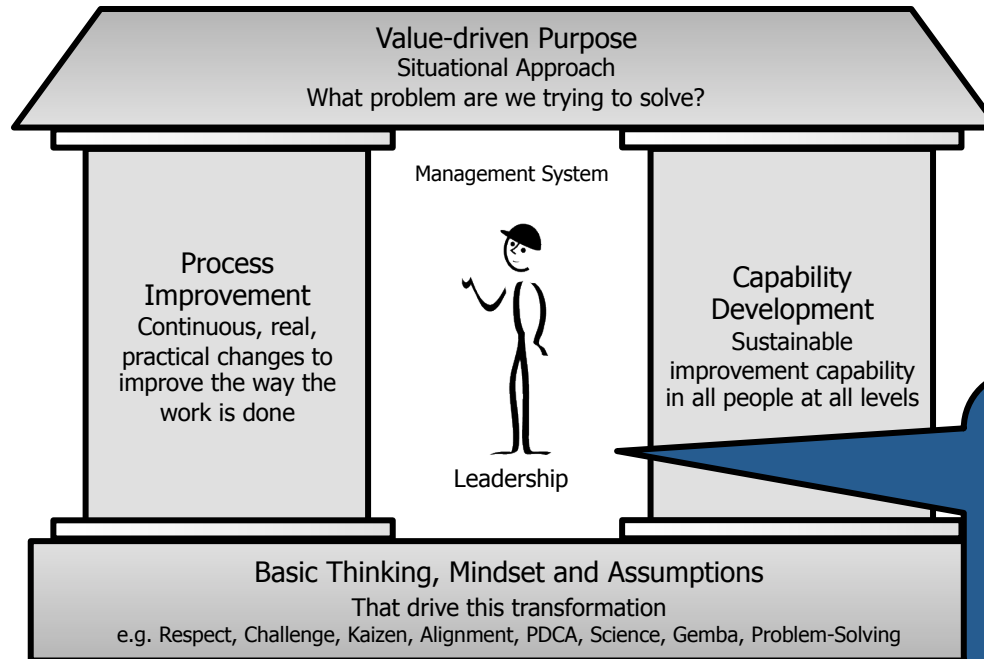
Halfway Production Centre – Skills Matrix STD Work  
Version 010 17/05/2016 Authors Morné Fourie and Kirstin Wallis

HPC CAPABILITY AND NEEDS FOR PROCESS STANDARDISED WORK SUMMARY 2016

Admin Process	Accessories										Service										Planning/Logistics			
	Order Accessories	Order Consumables	Accept Accessories Parts and store	Accept Accessories Parts	Carry Out Stock Take on Accessories Parts	Create PDI Job card	Open Requisitions Folders	Create Accessories Job card	Book out Accessories Parts	Invoice Accessories Job card	Accept Service Parts and store	Carry Out Stock Take on Service Parts	Create Service Job Card	Book Out Service Parts	Link Oil on Oil-Pro	Invoice Service Job Card	Create Job Card For Additional Work	Book Out Additional Parts	Invoice Job Card for additional Work	Update Daily Wash Plan	Update Daily Accessories Plan	Vehicle Moving Process	Carry Out QC On Completed Vehicles	
TARGET																								
ANNALISE	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	
MORNE	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	
KIRSTIN	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	
RICHARD	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	
WILSON	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	
ALFEUS	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	
CURRENT																								
PROCESS IDENTIFIED	ADHERENCE TO SUPPLIED INSTRUCTION		DEVELOP & TRAINED WORKING TO WORK PROCEDURE				DEVELOP & TRAINED WORKING TO JOB INSTRUCTION				ADHERENCE TO PROCEDURE & JOB INSTRUCTION				TEACH WORK PROCEDURE & JOB INSTRUCTION		IN PROGRESS							



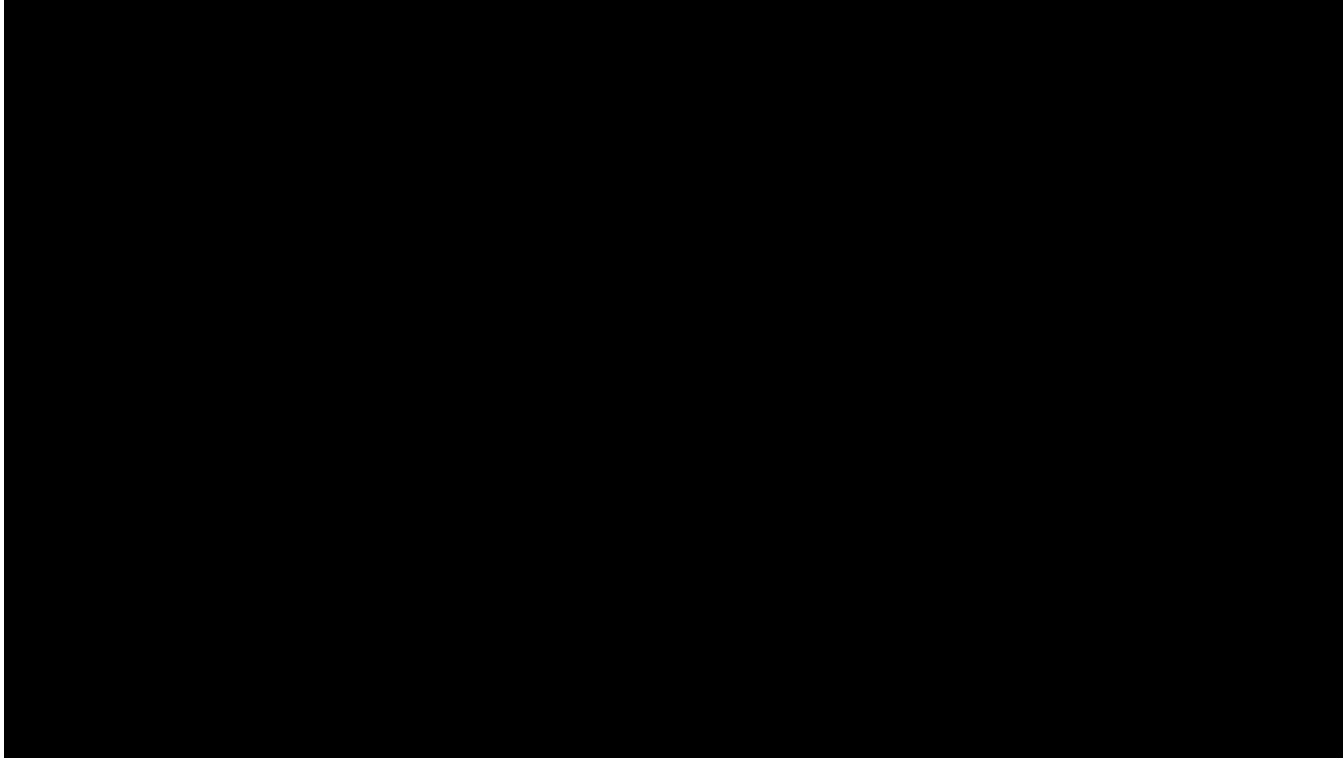
# Lean Transformation Framework



What management system and leadership behaviours do we need?



# Leadership Behaviours & Management System



Old "Dictator" Style: "Do it my way."



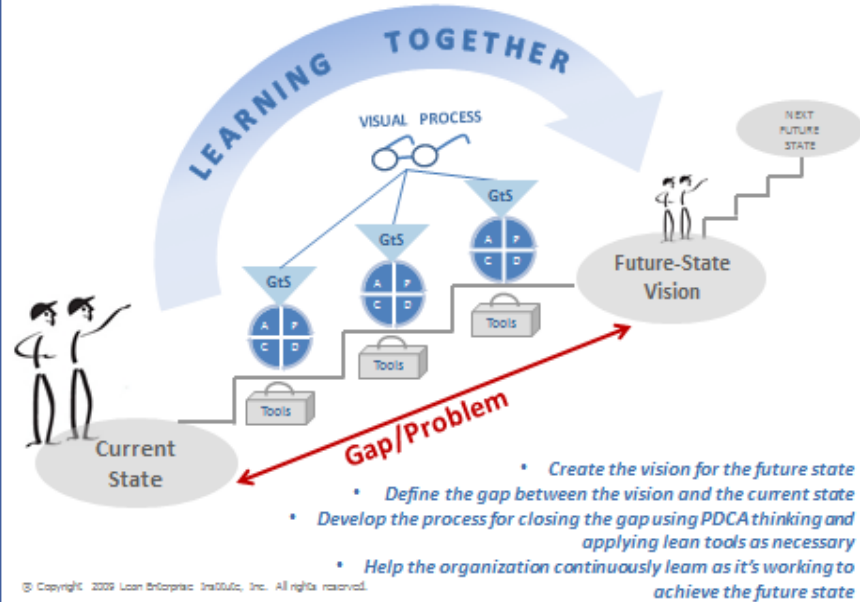
1970s "Empowerment" Style: "Do it your way..."



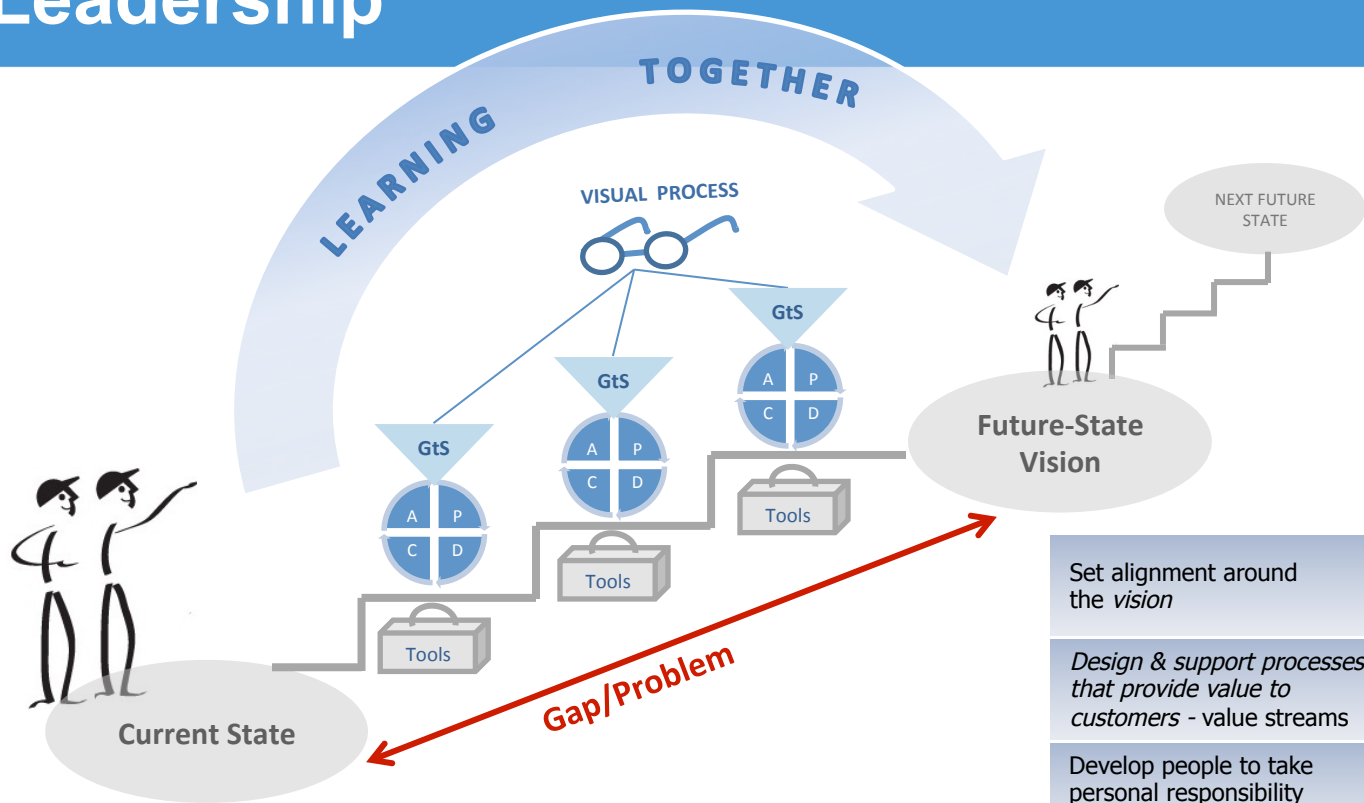
Lean Style: "Follow Me, and we'll figure this out together".



## Lean Leadership



# Lean Leadership



Set alignment around the *vision*



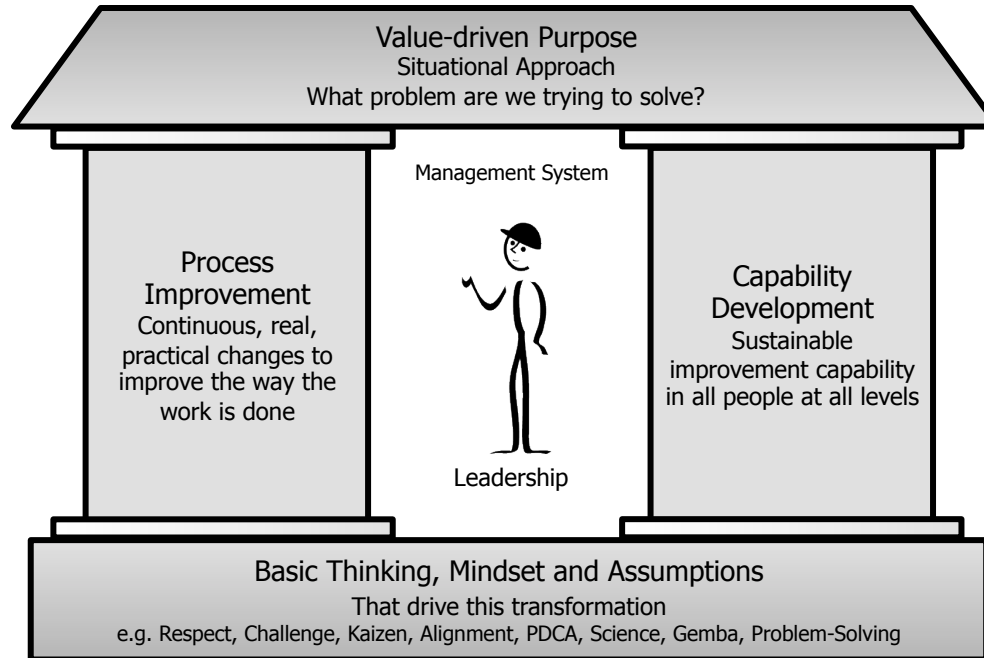
*Design & support processes that provide value to customers - value streams*



Develop people to take personal responsibility for *solving problems*



# Lean Transformation Framework



What is our basic thinking?





# How do you Build a Culture of PDCA?

## Robust Problem Solving is What Makes the Organization Successful

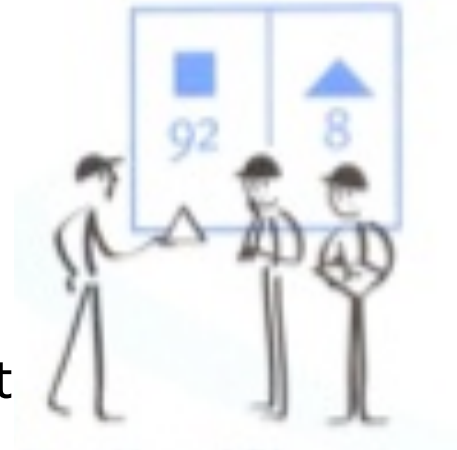
Problems are a good thing

Make abnormal from normal visible right now

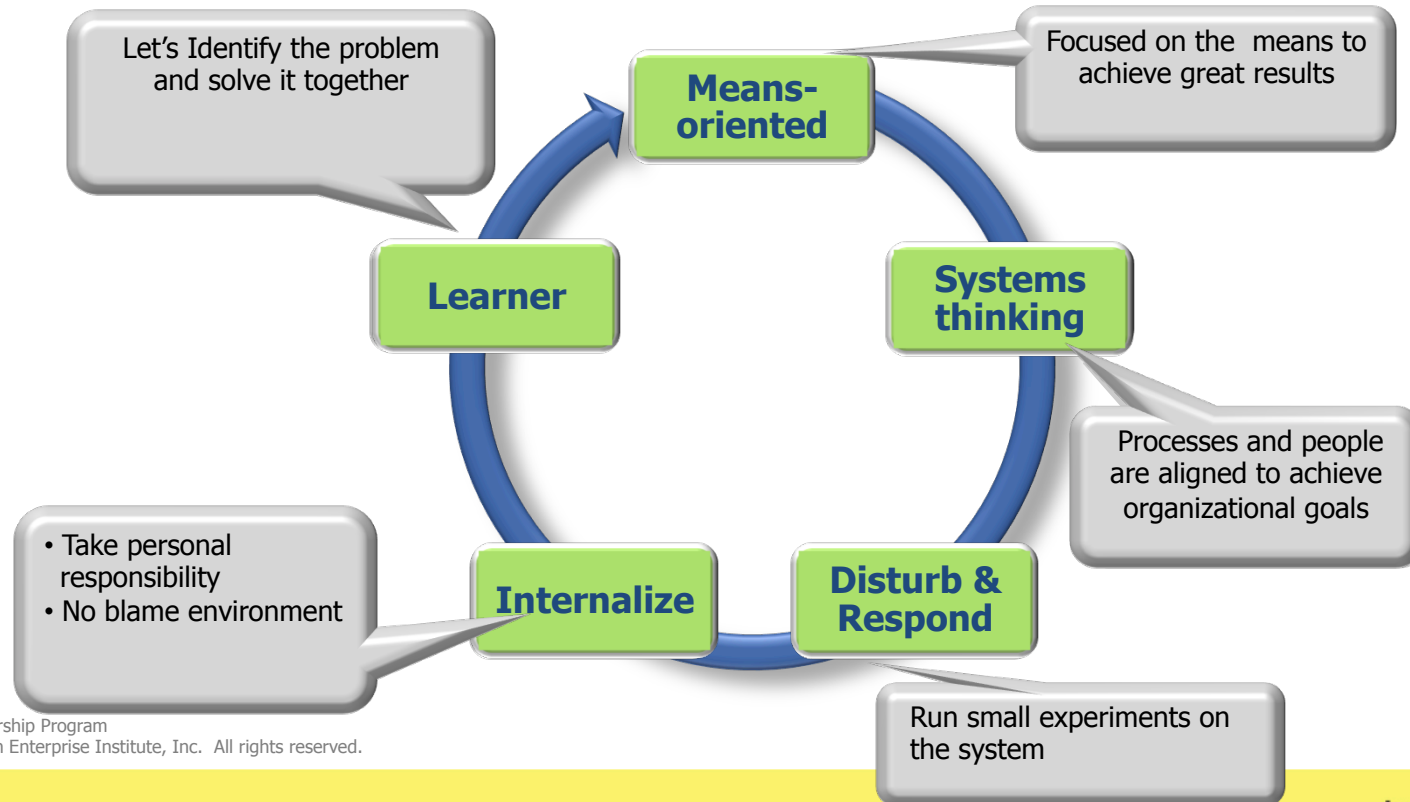
- Helps workers do their jobs well
- Helps workers know when to ask for help
- Helps managers know what questions to ask

Live and teach PDCA – frequent and complete cycles of reflect

Involve everyone in problem solving

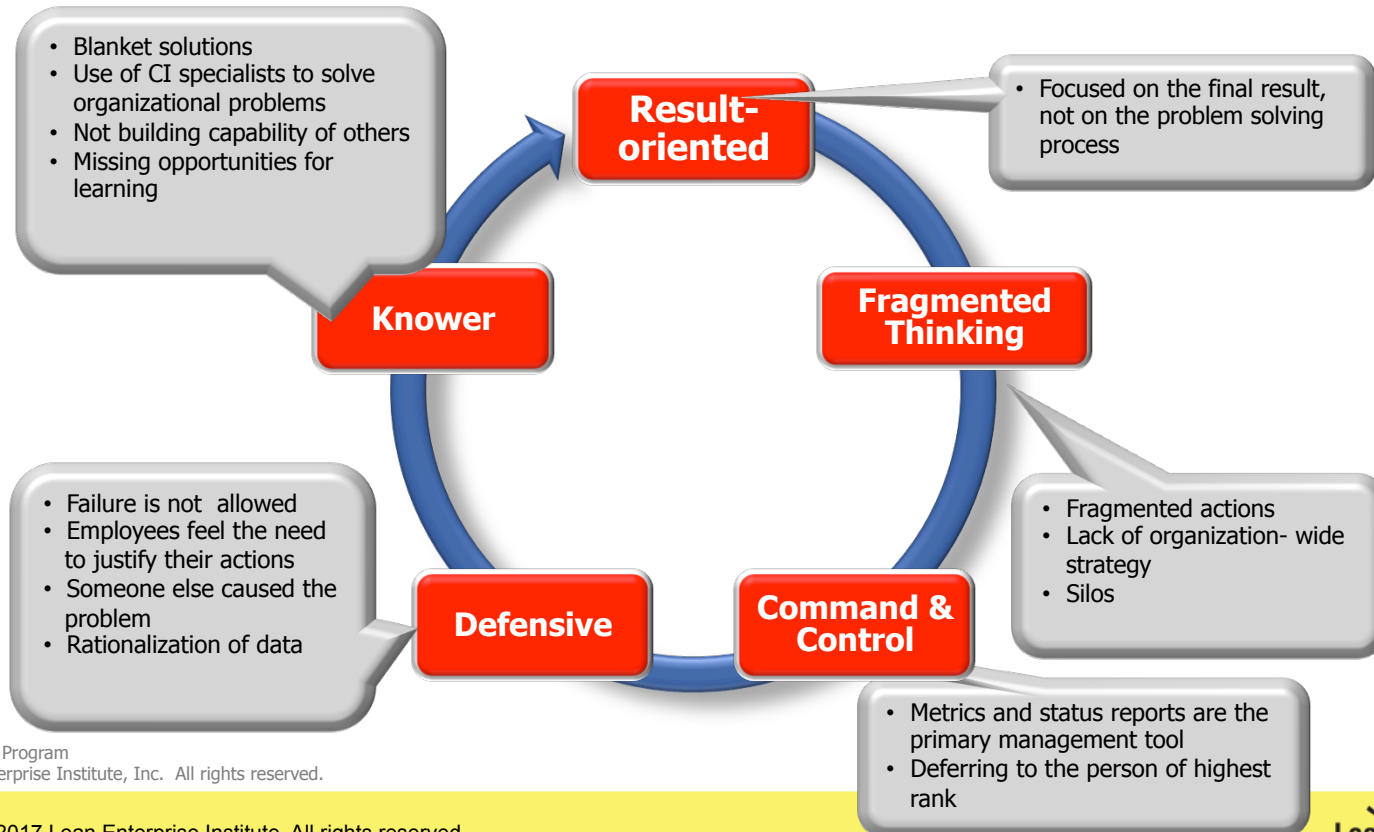


# Assumptions of Leaders that Drive Continuous Improvement



Transformational Leadership Program  
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# Unquestioned Assumptions of Leaders that Drive Complexity



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# Summary: Lean Leadership = Mentorship

The Lean Leader leads:

- By setting the vision (more why than how)
- By building systems and processes that cascade responsibility
- By influence, persuasion, example
  - by walking the talk
  - by being knowledgeable
  - by getting into the messy details
  - by coaching and teaching
    - through PDCA learning cycles
    - through questioning



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