

The Power of Purpose, Process & People

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“How Can I Be A Toyota?”

We ask three questions:

- What is your purpose?
- What processes achieve your purpose and how lean are they?
- How do you engage your people to agree on your purpose and create lean processes with fulfilling work to achieve the purpose?

The Big Gemba Walk

- Take a walk through the core activities of the whole, extended enterprise:
 - ✓ Product and process development.
 - ✓ Supplier management.
 - ✓ Customer management and support.
 - ✓ Fulfillment from order to delivery.
 - ✓ General management system for the extended enterprise. (“What do managers do?”)

Purpose

- “To make money and grow!”
- Successful organizations solve customer problems by providing what customers want, when they want, where they want, cost effectively.
- Note: Cost reduction is the wrong end of the telescope; value maximization by solving problems is real customer desire.

Process

- A process (= value stream) is those actions that must be taken properly in the proper sequence at the proper time to create value for customers by solving problems.
- What are the key end-to-end processes in your organization that create value for customers?
- What are the support processes that make these primary processes possible?

What's a Lean Process?

- Every step is:
 - ✓ **Valuable** – as judged by the customer.
 - ✓ **Capable** – a good result every time.
 - ✓ **Available** – ready whenever needed.
Note: Capability x availability = stability.
 - ✓ **Adequate** – just enough capacity.
 - ✓ **Flexible** – able to switch quickly at low cost from one product/task to the next.

What's a Lean Process?

- Steps and links are coordinated by:
 - ✓ **Flow** – in adjacent, process sequence.
 - ✓ **Pull** – through some type of authorization from each down-stream step for the next up-stream step to take some action (when flow is impossible.)
 - ✓ **Leveling** – through heijunka at one pace-maker point in the process.

What's a Lean Process?

- Muda, mura, and muri are eliminated!
- ✓ **Muda** = any activity that consumes resources (including time) but creates no value for the customer.
- ✓ **Mura** = variation in the operation of a process not caused by the end customer.
- ✓ **Muri** = overburden on equipment, facilities & people caused by mura and muda.

People

How do you engage people at every level?

- ✓ Teach them to see the process.
- ✓ Give them problem-solving PDCA skills.
- ✓ Push responsibility to the level of action.
- ✓ Introduce end-to-end metrics.
- ✓ Create frequent problem-solving loops.
- ✓ Make the abnormal immediately visible.

What's the Gap?

- What is the difference between the current offerings of the enterprise and the customer's purpose?
- What's the difference between the performance of the key processes addressing customer purpose and the needs of the customer?
- There is always a gap. (Even at Toyota!)

Lean Transformation

- How can you transform your enterprise to close the purpose gap and the performance gap?
- Try **lean management** and **lean leadership**.



Lean Management

The tools:

- Strategy deployment. (To decide what few initiatives are important.)
- A3 analysis. (To solve cross-organization, horizontal problems.)
- Standard work with standard management and kaizen. (To sustain & improve.)

Lean Management

The thought process:

- Separate authority (a vertical concept) from responsibility (a horizontal concept.)
- Assign clear responsibility to someone for the health of every process.
- Reward everyone touching the extended value stream for optimizing the whole.

Lean Leadership

- Not charisma (or heroic fire fighting.)
- Not bureaucracy.
- Not “do it my way”.
- Not “do it your way (but be sure to make your numbers)”. But instead...
- “Let’s get agreement on our purpose and the processes that achieve our purpose.”
- “Let’s transform processes together.”



Lean Leadership

3 attributes of lean leaders at every level:

- **Go see:** Visit the point where value is actually being created; verify situation.
- **Ask why:** What is the problem? What are possible countermeasures? Why is one countermeasure the best?
- **Show respect:** Assign responsibility for every process & problem; ask questions about people's work.

Lean Leadership at 3 Levels

- **Senior management** sets direction with strategy deployment and feedback loops.
- **Middle management** solves horizontal, cross-cutting problems with A3.
- **Front-line management** stabilizes processes & steadily improves them through standard work with kaizen.

Note: All involve Plan-Do-Check-Act; “management by science”.



Lean Leadership In Action

What's needed to make lean leadership effective?

- ✓ Employee who takes responsibility for defining & solving the problem.
- ✓ Supervisor who can mentor employee along the path of discovery & resolution.

Note: It's all about dialogue – a continuing conversation between manager & subordinate or a responsible person & all of those touching a process.

Lean Leadership in Action

Once someone takes responsibility, you will need a method for:

- ✓ Clearly determining the problem.
- ✓ Identifying and evaluating alternative countermeasures.
- ✓ Implementing the chosen countermeasure.
- ✓ Evaluating the results, adjusting, and sustaining.

Lean Leadership Check List

Do you:

- Ask 5 Whys or One Who?
- Show respect by asking questions rather than giving answers?
- Make sure every leader is a teacher manufacturing new leaders?
- Dig into the details (“go see”) to a point that the root cause of the problem/gap is clear? (Turn hunches and data in facts.)

Lean Leadership Checklist

Do you:

- Ask for alternatives, not one countermeasure?
- Ask about additional countermeasures in case things don't go as planned during implementation?
- Assign responsibility to “manufacture” authority for transformation through detailed discussions with every function, department & person touching processes?