Leading the Lean Enterprise

Brad Staats
NE Indiana Lean Network
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Lean Culture

Traditional Way Of Thinking

Cost + Profit = Selling Price
Lean Culture

Lean Way Of Thinking

Price – Cost = Profit
Lean Culture

- The Only Way To Increase Profit Is To Decrease Cost
- The Only Way To Decrease Cost Is To Eliminate Waste
- The Only Way To Eliminate Waste Is Through Continuous Process Improvement Which Will Add Value for the Customer
Lean Culture

- The Seven Wastes
  - Over-production
  - Transport
  - Defects
  - Over-processing
  - Motion
  - Waiting
  - Inventory
Lean Culture

- Lean Enterprise Of The Future

  A group of individuals, processes, and functions that are separate in nature but are synchronized throughout the organization while working **to the demands of the customer.**
Lean Culture

- The Lean Enterprise Has A Culture Where All Employees Are Continuously Looking For Ways To Improve Processes

- Teams Drive The Lean Culture To Specifically Ensure That The Processes Add Value While Satisfying The Customer
“…. the major inhibitor to get a lean environment is the inability to trust the workforce and really give up a certain level of control in order to give people the power to implement their own ideas and be respected as experts in their area…."

You cannot assign or give empowerment to people

**People have to take it!**
Organizational Culture

FOXHOLE MANAGEMENT
Organizational Culture

HANDSHAKE

MANAGEMENT
Barriers to Creating a Lean Culture

- The Way it Has Always Been vs. a Paradigm Shift
- Doers vs. Watchers vs. Grumblers
- Corporate Strategies
- Team vs. Individual
- Fear of the Unknown
- Trust and Communication
- Old metrics contradict Lean thinking
- Managers fear changing financial controls
Change

- Resistance to change is the norm, not the exception

- People must be informed, empowered, willing and able in order for changes to be made effectively

- Personal and organizational values affect how people react to change

- People go through the change process in stages and go through these stages as individuals
OK - How do you do it?
Lean Tools

- 5-S / Visual Management
- Mistake Proofing (Poke Yoke)
- Quick Changeover (SMED)
- Standard Work
- One Piece Flow
- Kanban
- Total Productive Maintenance
- Kaizen
- 3 M’s
- 5 Why
- Value Stream Mapping
- Cellular Processing
- Total Quality Maintenance
- Just In Time
- Pull Production
- Hoshi Kanri
- A3 Report
- Quality Circles
- 4P model
Making the Change

- Understand What It Means
  - Top management
  - Middle Management
  - Conferences
  - Seminars
  - In-house education
  - Certification
Making the Change

- Assess Lean Readiness
  - Corporate culture
  - Operating strategy
  - Management knowledge
  - Organizational awareness
Making the Change

- Develop Metrics
  - Simple and straightforward
  - Close to the action
  - Measure the process
  - Daily accountability
  - Publish the results
  - Take small steps first

Focus on the Customer
Lean Performance Measurement

- **Visual Controls**
  - Focus on process and actual performance
  - Visual controls enforce discipline
  - Do not track everything - only that which shows the information you need to quickly see the status of your process

- Hour by hour tracking chart
- Job by job tracking chart
- Production tracking chart

- Daily task accountability board
- Shop floor scoreboards
- Look/See Inventory Storage
Lean Performance Measurement

Promote and Measure Lean Learning

- Cross training / Training matrix
- Quality circles involvement
- Project involvement / completion
- Implemented improvements
- Teach problem solving
- Teach team building
Git-n-Dun

- Assess Results
- Spend Time Where the Action Is
- Get Feedback from Others
- Push to the Next Level of Improvement
- Follow Through with Expectations
- Let People Ask Questions
- Give Honest Assessments

!!! Sustain !!!
Review and Adjust

Celebrate the Success
Potential Benefits

Examples

- 50% improvement in gateway machine output
- 70% improvement in finished quality
- 25% reduction in production lead time
- 21% growth in annual revenue
BE LEAN
don’t just do lean