Keep It SIMPLE

For lean success, focus on the fundamentals

by Adil F. Dalal

In 50 Words Or Less
- Lean can spur short-term growth while ensuring the long-term health of an organization.
- As popular as the method is, the keys to ensuring a successful initiative still elude many practitioners.
- Improving the odds of a positive outcome is as simple as sticking to the three tenets of lean.

Lean is a method of continuously making conscious choices to radically redefine and dynamically optimize strategy, systems, processes and services to remove waste and add value for clients, employees and shareholders. Although most people associate lean with Toyota and its famed production system, lean technology has been around since Henry Ford used elements of it to assemble his Model T in the early 1900s.

In his book, *My Life and Work*, Ford laid out the basics of the lean system, including its human side. But, if he and others in major corporations and various industries around the globe have been able to use elements of lean successfully, why does it seem so many lean and lean Six Sigma initiatives fail?
This question should bother most lean practitioners a great deal. Even if someone is pro-lean, he or she should not hesitate to point out the deficiencies of lean and recommend solutions. After all, that is the fundamental philosophy of continuous improvement.

**The long and short of it**

Lean is a time-tested universal tool that supports the long-term success and short-term growth of any organization. Every manager, executive or government official needs to be aware that if his or her organization is not using lean, it is throwing away money, as well as the immense talent and intellectual capabilities of its employees.

It’s amazing how fast the lean strategy can translate into hard-dollar savings, completely transform organizations and generate growth. In these tough economic times, from the White House to your house, everyone could use a little lean. But the high failure rate of lean initiatives is too significant to be ignored.

Assuming lean leadership and training are the same across various divisions of the same organization, the question remains: Why are some implementations extremely successful on a long-term basis, while other implementations within the same corporation—thought to be very successful at first—fail in the long run?

When you try and try but don’t succeed, it’s time to go back to the fundamentals. Based on personal experiences and case studies from others in the lean fraternity, the following are the three inherent principles of lean, which are frequently forgotten, resulting in the failure of lean initiatives:

1. Lean is about people, not techniques.
2. Lean is a mind-set, not a toolset.
3. Lean is a journey, not a destination.

If any executive, practitioner or consultant develops a deeper understanding of the three inherent principles of lean and incorporates the associated nine critical points into his or her lean initiative, the probability of success will be significantly greater, regardless of the type of corporation, culture and industry.

1. **People, not techniques**

The results of a 2009 survey regarding employee engagement in organizations reveal that only 21% of employees are fully engaged in their work. Employee engagement—not technology—is the key factor for success in lean or any other corporate initiative. If 79% of an organization’s employees are not fully engaged, it is not at all surprising the failure rate of lean and other initiatives is high.

If your objective is to win a basketball game, which of the following two options would you rather have on your team: Michael Jordan in his prime or a brand-name basketball of the highest quality? The answer is a no-brainer. A top-notch player with average equipment can still win any game, but an average player with top-notch equipment will also need quite a bit of luck to win.

Similarly, if you want your lean initiatives to be successful, would you prefer to have top-notch people or high-quality lean tools and techniques? Top-notch champions who are fully engaged and motivated take regular lean tools and techniques and get optimal results. The same tools and techniques used by disengaged and unmotivated employees get poor results.

People are the prime appreciating assets in any organization. Some companies use this notion as a slogan, but only a few lean organizations truly believe it. In a vast majority of cases, the success or failure of any initiative will depend on the people who execute it rather than on any equipment, consultant, software or other tools and techniques.
Companies that invest adequate time, effort and money in hiring the right people get unmatched results. Effective leaders know the time spent on developing individuals is the best investment the organization can make. That’s why individual development should be as critical to leaders as the overall success of their projects and the success of the organization itself.

Teruyuki Minoura, managing director of global purchasing at Toyota, emphasized the importance of people in monozukuri (making things): “Developing people is the starting point for monozukuri at Toyota. There can be no successful monozukuri without hitozukuri (making people).”

One of the biggest mistakes a company can make is to associate the success of a lean initiative with its tools and techniques. The success of lean initiatives depends on employees’ motivation and engagement levels rather than on lean tools and techniques. This is the major factor differentiating successful lean initiatives that transform the culture or DNA of an organization from the failed initiatives that leave a bad taste in everyone’s mouth.

You have probably heard the story of two friends on the farm, the pig and the chicken, planning to prepare breakfast for their owner. The chicken was more than willing to provide the eggs, but the pig refused to provide the bacon. Do you wonder why the chicken was so motivated, while the pig seemed to lack commitment? Is it lack of engagement on the part of the pig? Should he be banished from the farm?

In today’s world, the sacrifice the pig was being asked to make is akin to the worry and stress that are badges of honor employees must show at all times to be considered team players. These employees are under pressure unknown to previous generations. They are not only competing for jobs locally, but also globally.

During economic downturns, an organization’s employees have the pressures of job insecurity, personal finances and other basic necessities. As a result, they tend to lose touch with their natural human abilities of creativity and innovation because of this constant environment of stress and worry. How can you expect employees who are overloaded with personal, emotional and financial troubles to remove wastes from your corporate processes as a part of a lean initiative?

Economic downturns are the times to pull employees up, not push them down. And the motivation need not be financial; it might simply be giving them access to stress relief classes or to a life coach—whatever is necessary to create as stress-free an environment as possible. When you invest in them by providing education and the right environment for growth, free of stress and external pressures, they will be able to tap into their creative sides more easily and help take the corporation to the next level.

2. Mind-set, not toolset

Lean initiatives are more about influencing the mind-set and empowering the behaviors of all employees than about tools such as jidoka or poka yoke. Those who do not understand this concept end up disappointed when they get limited traction and benefits from their lean initiatives.

Fujio Cho, former president of Toyota, explained it best: “Some people think that if they just implement our techniques, they can be as successful as we are. But those that try often fail. That’s because no mere process can turn a poor performer into a star. Rather, you have to address employees’ fundamental way of thinking.”

Generally, organizations fall into one of three categories:
1. Non-lean thinking.
2. Pseudo-lean thinking.
3. True-lean thinking.

When employees come to work at non-lean thinking organizations, they are encouraged to just go through the motions without looking for improvements. The employees know their physical presence is mandatory, but thinking is not necessary. The general thoughts allowed, if at all, are along the lines of, “What is the route to the nearest coffee machine and then to the restroom?”

I know of an instance in which an employee approached his new supervisor with a creative idea to shave off a significant amount of time from his machining process. The supervisor curtly dismissed him from his office, saying, “I don’t pay you to think. Just do your job.” The mind-set of the non-lean thinking organization encourages the status quo.

In pseudo-lean thinking organizations, management selects a few enlightened souls to “think lean” and spread the messages of efficiency and lower costs.
among the masses through training and a few kaizen events. When these ordained souls come to work, they think, “How can I show Dan and Mary how to make things faster today?” Meanwhile, Dan and Mary think, “How will I escape being a hostage in boring lean training today?”

The general strategy is to empower a few champions in the organization to think about removing waste and about “leaning” the organization by teaching others to make existing processes faster, remove waste and cut enough costs to justify the initiative and satisfy upper management.

After a year of effort and half a dozen kaizen events, the ordained ones report to the higher ups, who in turn declare to the masses, “We have conquered the beast of waste. We are now lean. Let’s move our focus to more important things.” The mind-set of the pseudo-lean thinking organization is that of marginal gains through lean activities championed by a few employees.

When employees—from the CEO to the janitor—come to work at true-lean thinking organizations, they think, “What additional waste can I remove today using my creativity and innovation?” All executives and employees constantly challenge themselves to remove waste and increase efficiency—not through spending capital, but through their creativity.

The mind-set of every employee is that of waste reduction and waste elimination. In their minds, they truly believe the only enemy is waste, and their continued survival depends on defeating it. The mind-set of the true-lean thinking organization is that of collective consciousness toward continuous elimination of waste from all activities by each and every employee.

3. A journey, not a destination

The philosopher Lao Tzu said, “A good traveler has no fixed plans and is not intent on arriving.” Similarly, wise practitioners of lean technology say, “Lean is a journey, not a destination.”

By definition, lean is a continuous improvement philosophy with a definite start to the process but no definite end. In contrast, a project is “a temporary endeavor undertaken to create a unique product, service or result. The temporary nature of projects indicates a definite beginning and end. The end is reached when the project’s objectives have been achieved or when the project is terminated because its objectives will not or cannot be met, or when the need for the project no longer exists.”

A major mistake most corporations make is assigning a definite end date to the lean initiative, thus making it a project rather than a philosophy of continuous improvement.

Successful companies—such as Toyota and General Electric—that implement lean and Six Sigma initiatives recognize this difference and make sure the employees are fully aware they are in a long-term marriage with lean, not a short-term affair. They teach their employees and make sure they understand that lean successes and failures are not destinations, but rather new ways of seeing things for future improvements.

Even at organizations with decades of sustained lean efforts, no employee will ever claim, “We are lean.” Instead, they will say something more in line with a true lean mind-set: “We are still on the journey toward being lean.”

REFERENCES

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