Creating a Lean Culture

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March 1, 2007
Why “The Gold Mine”?  

- Freddy discovered the Toyota Production System in 1975
- I have been researching continuous improvement programs for over ten years
- The tools and techniques of TPS have been known since the eighties
- Many try, few succeed: managers who succeed with lean use the tools and principles differently
Lean is a management method to:

- Increase revenue by satisfying customers
- Decrease costs by eliminating waste
- Build for the future by developing people
What is lean?

- It’s a system of tools and techniques
- To solve all problems rigorously
- To understand real business priorities
- And create another type of relationship with the workers
- Based on developing their abilities
Lean way of tackling business issues

Involvement

Ideas

LOW

HIGH

Investment

LOW

HIGH

lean

Hi-tech

Sweatshop

Mass
What is culture?

- A group of people sharing a frame of:
  - *Attitudes*: what is good and what is not
  - *Beliefs*: what causes which effects
  - *Behaviors*: typical responses to typical situations
Culture change:

- A personal transformation
- One person at a time
- Until a critical mass is reached and
- Values, beliefs and behaviors are inscribed into the system’s day to day operations
One person will change if:

- They understand the new behavior and see the sense of it
- Believe this new behavior is possible
- Trust that the claimed benefits will materialize
- And that these benefits will satisfy them
One person can be influenced by:

- « Aha! » experience
- Role modeling from boss
- On-the-job training by mentor
- Peer pressure / Reference group
- System incentives of roles, rewards and sanctions
What is a lean culture?

- A maximizing culture in a world of “good enough”!
- Never satisfied: improvement whatever the current level
- Start with your own performance rather than someone else’s ineptitude
- Understand problems before debating solutions
- Teach rather than solve problems yourself
- Using brains rather than just using hands
Lean’s management cultural revolution

30% fighting fires

70% teaching
Lean is a management system:

- **tools**
- **system**
- **thinking**
Lean tools

- **Visual controls to see problems:**
  Red Bins, Production Analysis Boards, 5S, Shop stocks, 4M, Standardized Work, Andon, Heijunka boards, etc.

- **Kaizen tools to solve problems:**
  Creating continuous flow, SMED, QR/QC, Kanban, Suggestions Program, A3s, etc.
Lean System

CUSTOMER SATISFACTION: Quality, Cost, Lead-time

Flow at takt time

Employee Involvement

Stop at first defect

Standardization

Continuous Improvement

5S

4M

Problem-Solving
Lean thinking

- Build the performance mindset
- Establish the standard method
- Make problems visible
- Teach a basic way of analyzing work
- Develop all employees through problem-solving
Use the tools: change the system

- The lean tools work: if you don’t get at least 60% of the target potential, you’re not trying hard enough

- Use the remaining gap with the target potential to challenge fundamental work assumptions

- Experiment with new methods in a lean perspective (shorter lead-time, better quality, less resources, no investment)

- Draw the obvious conclusions and change the system

- Involve employees in understanding the change and learning the new system
Change the system: build the culture

- To change the culture, promote lean thinkers who:

  - Use the tools to challenge their own management beliefs, and change their operational systems accordingly

  - Focus on how do the people who run the process understand it and see the problems

  - Use the tools to spot problem-solvers (as opposed to blame shifters) and give them more responsibilities

  - Develop winning teams, rather than search for heroes
Sustain the lean culture by training, training, training

- Staff specialists produce training material, but line n+2 managers deliver the training

- Plant manager trains supervisors to the lean system

- Area managers train team leaders and teams to 5S, 4M and basic problem-solving

- Supervisors train operators to standardized work and kaizen
Are you using every brain in your business?

- Do operators understand the purpose of each tool? What is the question asked by the tool?

- Do operators understand their mission as regards to the tool? Do they believe they can do it?

- Are they personally involved in solving problems?

- What are the obvious consequences of using the tool for the operators?

- Do these consequences interest or satisfy them?
Create the culture: get results

- Budget level results from lean activities
- Developing teams of lean thinkers
- Continuously changing systems for greater performance
- Using the brain of every employee
- Sharing the benefits with all stakeholders
4 questions for lean programs

1. Have your lean activities generated increased revenue from better satisfied customers?

2. Have your lean activities reduced your operating costs by eliminating waste?

3. Can you see how your lean activities impact your budget on key metrics?

4. Have your lean activities developed more lean thinkers who continue by themselves?
4 questions for tool implementation

1. Can every one see if this is a good performance day or a bad day?

2. Can every one see the standard method?

3. Can every one see the main recurring problems?

4. Can every one see on what improvement each area is working on?
5 questions for kaizen events

1. What is the problem you are/were trying to solve?
2. What results do/did you expect to get?
3. What lean principles do/did you apply?
4. Who learned to do what?
5. Where else can this learning apply?
5 questions for lean managers

1. On which metrics are you worse? Flat? Better?

2. Are you teaching someone to understand and solve each problem or do your try to understand and solve the problems yourself?

3. Do you go and see for yourself or try to analyse problems from data in your office?

4. Do you get employees to agree on a standard method of doing things? Do you show them how to visualize problems and get them to solve them?

5. Do you share benefits and failures with all stakeholders?
Creating a lean culture

- Two methodologies: eyes and legs
- No problem is the biggest problem
- Challenge everything: 5 why? 3 How?
- Better people, better thinking, better products, better reputation, better sales, more jobs, greater earnings