

# **LEAN and *WHAT***

## **Reboot your LEAN Management Strategy**

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**An essay about traps to avoid during  
LEAN introduction by**

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# LEAN and *WHAT*

## Reboot your LEAN Management Strategy

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## About this book

First, thanks for start reading “LEAN and *What*” in that ocean of other literature.

Seems you are interested in gaining speed in your LEAN Manufacturing Program, or you want to understand what the heck that (external) consultant they sent is doing. Or why they are doing it. Or you already know you cannot solve operational losses without manufacturing excellence. And you concluded manufacturing excellence only comes from LEAN manufacturing. Manufacturing excellence will not come from muscle work and pure exercising. Perfect, a good start!

If you delved into German translations of the word “LEAN” you would immediately stop. Here are some: “Meager”, “poor”, “skinny”, “gaunt”, “haggard”, “puny”, “wimpy”, and the best being “slim”. LEAN manufacturing or LEAN management fills the Internet and the bookshelves, while hundreds of consultants are in the market to help you with their concepts to make you “LEAN”.

In 1988, John F. Krafcik defined the LEAN production system<sup>1</sup> or better said, gave it a name: **LEAN**. Obviously, he was not an expert in German language. LEAN, a system we first learned via the Toyota Production System has evolved over the decades to an overly complex field of knowledge, tools and systems that spans application from automotive to administration to even NGOs.

This book will help you to feed your curiosity about LEAN, but more importantly help you to understand the logic of the traps during such a massive change and transition, with the goal of avoiding them, to be faster and more successful in your LEAN Implementation. LEAN is a big change – even you only use a small part of it. It will impact you, your people and company culture. So, if you can avoid running into similar traps that I encountered, you will be faster and more successful.

For simplicity’s sake, in this book I will use LEAN as a synonym for all LEAN combinations (“LEAN and *What*”). I call it *LEAN and what* because LEAN comes with many questions and uncertainties. You can take it as a question, like “LEAN and what?” “What does it bring and what does it take!” Or: “LEAN and what is next?”

Back to implementation of LEAN. If implementation would be easy, we would not be nervous or have no large teams behind it. We are afraid: *What* is all that LEAN trainings and education good for if the results do not come? Or not stay! Many organizations start with energy and passion, results improve, but then you find stagnation or even roll back. You might be a leader of such a program, and you want to “roll-out/expand that program fast and effective” or you are a plant manager or director and you want to have that program “rolled out fast to eliminate my losses”. You both want the same thing, but often neither gets what was expected and often misses the mark by a mile, not harnessing the full potential of what even a small LEAN Program can offer to your business and staff. You are afraid: *What* is all preparation and effort worth if no one is using the capability? *What if* – on top of the hard day’s work frustration – an extra burden associated with the LEAN Manufacturing Program crops up? Your program will slow down, resistance will go up.

*Why* is that? Because you ran into one of those traps. You are trapped. *How* to avoid those traps? Keep on reading...

This is what this book will help you with: avoiding traps and getting your well-designed program to your employees and business. Get rid of the losses. We will not re-design your LEAN manufacturing

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<sup>1</sup> MIT Sloan Management Review, Fall 1988, Volume 30, Number 1, John F. Krafcik, The triumph of the LEAN Production System

program. We will talk about LEAN in the next chapter but only to be on the same page. We will talk about *why* we fail, *why* we cannot change the culture or game, and *why* we do not start.

In my almost 25 years of professional work I was many times part of the implementation team for the LEAN manufacturing program of Procter & Gamble<sup>2</sup> in different plants. P&G has an exceptionally good – if not the best and most holistic adaption – of LEAN. Highly integrated with all manufacturing disciplines playing deep into engineering and even R&D. Many plants deliver extraordinary results – whether operational throughput, safety, quality, or speed of innovation. This would not be possible without that integrated system P&G developed based on the LEAN concepts. But even there we find different speeds of implementation and usage. Also, there you find resistance and frustration, too. I had the chance to see both great and fast adaption as well as slow implementation and pushback. But I have also seen that even after two false starts performing the third attempt right will make the difference. So, do not get hung up if the first trial was not perfect. Start all over, but this time be better prepared and avoid the traps.

The emotions I went through and the wonderful learnings I made during that time drove me to sit on the computer and write it down. Every time I could overcome some of the resistance and avoided the traps we gathered momentum, and the results improved breakthroughs and – more importantly – we quickly created workplaces where work was more fun, the value of each individual grew and the contribution of everyone was valued. When this light ignites you want to be part of it. You will never forget when it becomes a self-selling phenomenon. You will not forget the faces that start smiling when new problems are there to be solved instead of dragging everyone down. The power and the energy that is already in your organization becomes visible and you start moving mountains.

## WHAT is LEAN?

LEAN is an evolution that started as revolution in the automotive industry over 3 decades back. You can get green and black belts on six-sigma and try to impress someone late at the bar with them. Or at least you could try.

Many big companies have been working on LEAN for ages, some just started, and others not quite yet. You have heard from a friend that they will “do LEAN now”, but “it is not working” or “it is great”. You might be a fan of it, but your new boss is not. Or the other way around.

LEAN is great fun and many new words. You can make “Kaizens” (Improvements) and you reduce “Muda” (Waste) wherever you see it. You can Plan-Do-Check-Act your teams and departments or problems, improve small and big things, either in the office and on the floor. You can do “Gemba Walks” to stay slim yourself and do coaching on the floor. You will connect better with your organization. You get better focus on your customers, supply and value chain.

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<sup>2</sup> See <https://us.pg.com/pg-history/>

LEAN, however, is a complex thing. If we just look in Wikipedia and you will see almost 30 headlines that cover elements or tools from LEAN Manufacturing. And the list is most likely incomplete:

LEAN Manufacturing links <sup>3</sup>			
<ul style="list-style-type: none"> <li>• A3 problem solving</li> <li>• Cellular manufacturing</li> <li>• Efficiency Movement</li> <li>• 5S (methodology)</li> <li>• Industrial engineering</li> <li>• Ishikawa diagram</li> <li>• Just-in-time manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>• JobShopLEAN</li> <li>• Kanban</li> <li>• Key performance indicator</li> <li>• LEAN CFP driven</li> <li>• LEAN dynamics</li> <li>• LEAN higher education</li> <li>• LEAN Product development</li> </ul>	<ul style="list-style-type: none"> <li>• LEAN Six Sigma</li> <li>• LEAN Services</li> <li>• LEAN software development</li> <li>• LEAN thinking</li> <li>• Operations Management</li> <li>• Poka-yoke</li> <li>• Production flow analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Push-pull strategy</li> <li>• Six Sigma</li> <li>• Spaghetti plot</li> <li>• Takt time</li> <li>• Total productive maintenance</li> <li>• Value stream mapping</li> </ul>

LEAN is like the Wonderland was for Alice<sup>4</sup>. Many creatures that we do not understand from day one but that will have an impact to us. Can you explain why the smile is left while the Cheshire cat is gone? Maybe not. At the beginning neither do we know nor does our target group understand whether those mighty tools are friends and helpful ghosts and which of them is not. Some are simple and beneficial from day one, others need time to connect with, and some you must literally tame before you can utilize them. But over time and with some workshops, pilots, trails, training and mighty external consultancy we get clarity on the right LEAN manufacturing program for our business. I assume you did all of that and you have a program ready to launch or has been launched already. You are – technically speaking – in control of the Wonderland and able to speak with your “Jabberwocky”?

LEAN is also – and maybe more than anything else – a cultural journey. It will touch everyone. For better or worse. Be aware of that and make use of it. *Culture is not the result of the journey; it is the fuel or the brake for it.* It depends on how you use it. This book is about that kind of culture and how it will be your compass, companion, support or worst enemy if you do not avoid the traps.

This book is not a lot about LEAN Practice and Tools. I will mention a few as examples. But to learn LEAN, there are tons of literature out there that will do a better job. This here is intended to help you to effectively roll-out your program by avoiding barriers and pitfalls.

The book is divided in two parts: the first will talk about traps and barriers in a kind of technical view to them, and the second about the different roles during LEAN implementation and how they support success or cause traps to appear.

## Part 1: Implementation Barriers

To better understand how we can avoid trap and implement LEAN thinking faster, it is equally – if not more – important than the question about the latest twists and turns with respect to this or that LEAN tool.

From my observations there are some traps or barriers that drive or influence the success of implementation. That collection of traps is just my experience and selection; you might have seen other ones or disagree with mine. Happy to have that discussion! Because all we do is to reduce waste in every process, doing good for the planet and our children – and at minimum, the business and people we serve.

<sup>3</sup> Overview of LEAN Terms, taken from Wikipedia article “LEAN Manufacturing”, Engl. 07/2020)

<sup>4</sup> Lewis Carroll, Alice’s Adventures in Wonderland, 1865

I see barriers or traps in the following categories: No belief in success, wrong measures, internally focused or non-breakthrough measures, a broken standards system, “experts”, overloaded programs, unneeded training, misuse of health checks and audits, and using LEAN tools incorrectly.

### Lack of belief in success

LEAN gives a great box of tools and principles that empower your organization to do big things and deliver outstanding results. But any tool – even as simple as a hammer – is nothing if there is nothing to build with or believe in. You must trust that this is the only way to eliminate losses.

You have a LEAN Program already? What is your capability status? What is the leadership team’s capability (about your program)? What support is obtained from upper management? What are their about it? Do they believe it will solve their problems? Do you believe it is there for loss elimination? If not, you will fail.

Not believing in the success of LEAN manufacturing as you designed it is the single biggest trap you can walk into. When you start(ed) working on LEAN and you went through all those books, or called all your friends that work in a company with LEAN, what were your feelings? Were you convinced? You might even read about the second revolution in the automotive industry<sup>5</sup>. A book that after so many years still gives the best comparison between a place with and without LEAN. But you are not in the auto industry and so you go on searching. And you find more books and trainings: Sooner or later you lose your track in that jungle. Overload and complexity will make it difficult to “sell the program” later and can cause the first wave of frustration.

Do you understand “why” you do LEAN and what the benefits are?

“LEAN” back and start believing in your program first. That belief comes from clarity on what the program delivers, and not how it works. Because the tools do work. No doubt about that.

#### **Focus, Focus, Focus**

I was once visiting one of P&G’s benchmark sites, as I was working on Supply Chain those days and we had face-to-face (long before Covid-19). I was a heavy smoker back then and hence from time to time I escaped into the smoking lounge, where you meet all smokers, be it from the floor or the offices.

We made some small talk as you have in those break rooms and listened a little to what others around me talked about. And it was unbelievable what I heard. Everyone – and I do mean everyone – was talking about rapid changeover. A program like Single Minute Exchange of Dies (SMED) to speed up your product changes on the equipment to reduce planned downtime. Comments like: “the C-Team yesterday made in XYZ minutes” and “Wow, great!” spewed forth. Everyone was aware of the recent results and achievements. Everyone was proud and indirectly cheering those that made it.

So, I asked for the background and why it was so important to them and why the whole site was focusing on it. And I learned they recently recognized that – as a plant – the way they looked at their production losses was imperfect; not to say wrong. They always had looked at unplanned losses and never planned losses, where changeovers matter. Once realized, they saw that this was their single biggest loss on production. Consequently, their program was fully focusing (for a

<sup>5</sup> Die zweite Revolution in der Autoindustrie | Womack, James P., Jones, Daniel T., Roos, Daniel, 1992/The Machine That Changed the World: The Story of LEAN Production | Womack, James P., Jones, Daniel T., Roos, Daniel, 1990

period) on that one thing: Change over time reduction. Everyone was “all-in” and could help, be it warehouse, supply chain, operations, planning and so forth. All were aligned and clear on the loss would be tackled together. I do not have the numbers of how fast they improved their throughput after that, but that plant still is benchmark in P&G, so I assume this was not the last topic they solved in that manner. Focus – and believing in that focus – is key.

You must believe in the value of the program and be able to explain the value and benefits. You must convince others by that belief and not via authority.

Why? Let me explain it with an example.

You might made such or a similar experience already in the past:

*Someone from HR that you know for a long time comes around and tells you to fill out that new form and says it is a kind of a survey<sup>6</sup>. So, the person comes in your office or it is mentioned during a weekly meeting, the discussion unfolding usually as follows:*

*You: Hello! HR: Please fill this out by end of next week!*

*You: Why? HR: Because it must be done!*

*You: Why? HR: Because it is globally monitored, and we do not want to be in the spotlight!*

*You: Why? HR: Hmm...All managers must fill it out! You as well!*

*At that point you give up getting an answer to the why and because you cannot escape it either way.*

*You: How does it work? HR: It only looks complex, but it will only take you 10–30 minutes to do, you will learn quickly once started.*

*They hand out the tool and the so-called “one-pager” that is actually three, and leave telling you: “You will learn it while you go”. You try it, and after five re-starts, seven reminders and twice saved to the wrong place you deliver what was requested on the very last day in the very nick of time. But then you must make five adjustments because you filled it out imperfectly, finally submitting a perfect version with only a few days delay.*

*The results and outcome of that survey was that you never got any feedback, but instead learned that your plant was not reaching the 100% completion on time rate and questions from top management about that arose.*

*Raise your hand if your stomach just started to wince in pain even thinking about that! You ask yourself: What is the value-add for the company or what was the problems we solved here?*

You do not want your target audience and customer to feel like you did in this HR example when confronted with LEAN.

Let us look how that could feel for you: You, as the on-site Operational Excellence Manager or LEAN Manager, come along with your brand-new LEAN Program. It has a powerful name, for sure. Twelve months back you were picked to develop that program for the company, implementing a powerful team of experts, even employing external help.

Now you stand there in front of the crowd with a complex presentation and a big booklet (because LEAN is complex). You talk a lot, show multiple tools, and are enthusiastic about those LEAN ideas and concepts. You tell the audience it is easy and we will “learn while doing”. Everyone is impressed.

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<sup>6</sup> If you work in Human Resources , think about the HSE department approaching you for that super new system they want to be used now also in the office to further reduce the risk of incidents caused by open containers of chemicals.

And everyone's stomach is starting to grumble, as they end up feeling you do not really believe in what you say, given that you just explain what it is and how it works.

Or as the plant director or operations manager you were just listening to such a presentation. You see the LEAN program team is fully engaged – obviously all are experts are into it. It sounds like a project at best: or is it just another form to be filled out? At a minimum, it is work. A must-be-done item. A management-told-us-to-do-it thing. And you will implement it in your plant(s) on top of the multiple crisis you have to endure every day. You roll it out, but you do not believe in it, because nobody delivered arguments for that apart from "we do lean now".

And you, as consultant, have the pressure of "rolling out" that thing quickly and want to monitor its implementation. The program is expensive, needs many resources and has senior management's attention. Failure is not an option, so you add some complex tracking over the roll-out of lean, because you do not trust the belief.

Consequently – and quite soon after the kick-off – a lot of the energy is gone. The first trap has been triggered. Our organization is not engaged.

You might now say: "Wait a minute, I fully believe in the program. It works. It was proven factually to work in that other plant, in that other company we visited, in the examples we went through, in the small pilot we made and so on. And now this author tells us, we do not believe in it?"

I am quite sure you believe in it. But we need to get that fire and that spark over to the plants and organizations. And, as with any other change, this is a challenge. But it is touching *everyone* on site, hence it is far more than introducing a new project management tool or an SAP client that is connecting with some experts. We need to get across the true objective behind that change to LEAN. Why are we doing it, what are the reasons behind it? It is not "management told us": It must be clear that LEAN is the only way to eliminate losses, gain growth for the company and get everyone fully engaged, in sync and onboard. We need to get the focus right.

So, how do we link this focus to the everyday work? With the right measures. Where the next trap is waiting for us.

### Measure the right things, not what you get!

You have built a wonderful message for the people that outlines that with LEAN and its tools and methods that will enable them to change the status quo. The focus is there. People talk about it; they look forward to getting things moved. Here is the next trap looking for your feet to let you struggle because we tend to make it too complex – especially if we start measuring things.



The boys have a simple measure: Get the shuttlecock!

So, let us also simplify this a bit: Companies are there for a reason. They produce something others want or should buy. And they must make a profit. Profit is simple. You need to have a (far) higher sales revenue than the sum of your cost of goods and delivery. However, even if you make profit, the company with the higher profit and growth will most likely more successful over time. Hence, management must be eager to make profit and grow faster to dominate the market against the competition, on Wall Street and so on. Sure, companies nowadays have more responsibilities in and outside their walls, but in our context, making profits and growing sustainably just will be OK for now.

In manufacturing and in whole product supply, we can support those two company goals (growth and profit) in great ways. We produce what we sell. We ensure product quality. We distribute it on