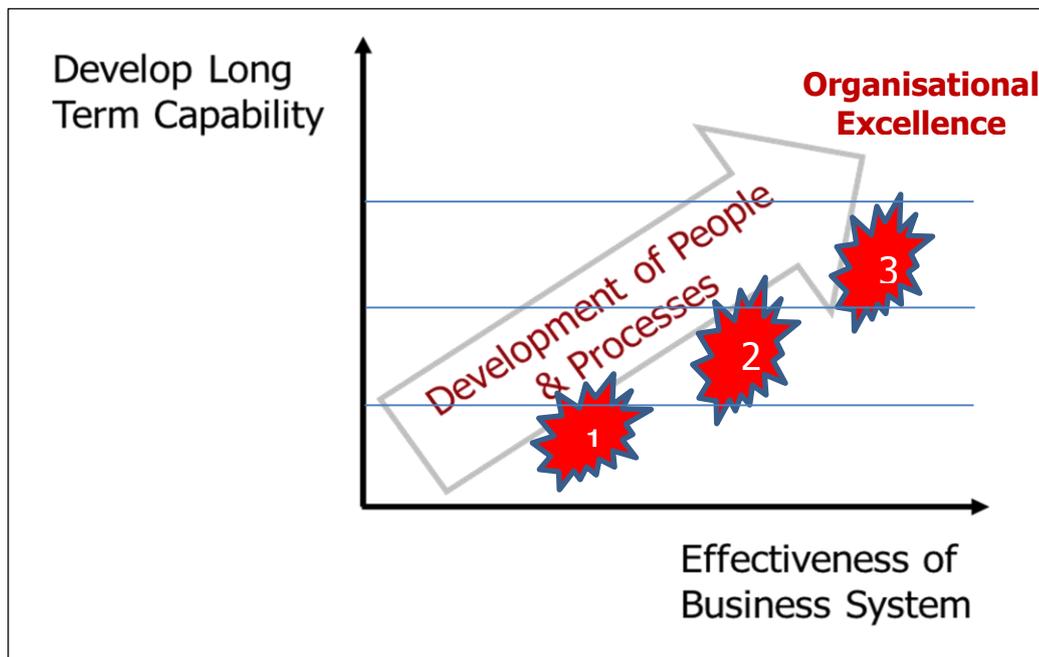


Identifying the Common Pitfalls of Lean Transformation & Change

It is 25 years since the world first learnt of the term 'Lean Thinking' in the publication 'Machine that Changed the World'. Lean has since become a proven and effective strategy for improving business performance, capability and profitability and whilst most Lean improvement programs deliver some level of improvement (small or large). The majority of businesses still struggle with Lean transformation and creating a real breakthrough in their Lean journey.

Having been involved in numerous improvement journeys in a variety of business sectors, we have started to develop a picture of the common pitfalls of Lean transformation and change. Over the years, we have learnt that while there are a number of approaches to Lean transformation there is also no single right way. Lean transformation needs to be tailored to the specific business problems and the culture and mind-set of each business. Having said that, we found there to be an order of approach that supports effective transformation and a number of common pitfalls that must be avoided.

So far, apart from a handful of businesses all others seem to have fallen or still struggle at one of three stages, some spending decades, expelling massive amount of energy and millions in trying to deliver improvement without progressing to the next level towards organisational excellence and a real breakthrough in performance.

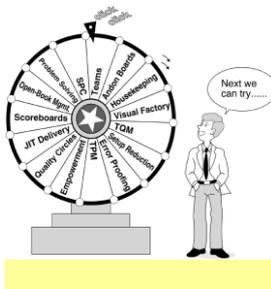


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Common Approaches

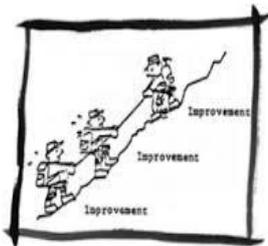
Before delving deeper into each of the common pitfalls it's worthwhile taking a moment to look at the various approaches to Lean transformation & business improvement that have been developed over the years, and whilst many organisations now have their own variant of the Toyota's Production System most still fall into one of three common approaches.



1. Tool Based Approach

Either a sequential approach using a Lean roadmap or cherry picking Lean improvement tools, e.g:

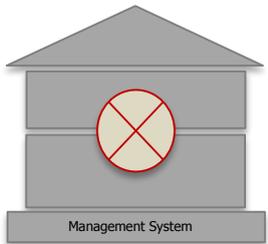
- 5s Housekeeping
- Mistake Proofing (Poka-yoke)
- Standard Work
- Value Stream Mapping (VSM)
- Then Problem Solving etc.



2. Improvement Event Approach

The use of project teams to drive improvement activities, usually facilitated by a Consultant, Lean Champion, Operational Excellence Leader or Six Sigma Black Belt, e.g:

- Kaizen (Daily / Incremental or Improvement Event)
- Value Stream Mapping
- Six Sigma Project



3. Lean Management System

Development of business wide management systems to support Lean behaviour with the aim of getting all employees to think, work and act in a Lean way, e.g:

- Lean structures, reporting, roles & responsibilities (e.g. Value Stream Management)
- Subject matter experts assigned to value streams, facilitating improvement events
- Lean assessment tools & benchmarking awards (e.g. in house assessments, AME or Shingo Prize, etc)

Common Pitfalls

Pitfall No. 1 – Improvement Capability

The first pitfall is the most common of all the pitfalls for businesses who have ventured on the Lean Journey. It is usually associated with Lean start-ups and businesses that have been on the Lean Journey for less than 10 years. Here we see evidence of the organisations improvement capability, and its failings in knowing what to improve, which improvement tools to use and how to use them effectively (the classic 4W's & 1H - what, when, where, why & how).

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Symptoms of this pitfall are:

- Poor understanding of how to improve the work (Know What, When & Where)
- Poor improvement capability (Know Why & How)
- Ineffective execution of improvement tools (Know How)

Recently, I was asked by a senior manager/ change agent at a UK Hospital ‘what the next best improvement tool that they should apply, as they had done visual management, 5s and standard work’. After a delving a little deeper into their application of standard work I found that they had applied some standardisation to elements of the work (standardised forms) but had not applied standard work to ensure repeatability of a task or process. As the processes was not stable they continued to look for new ways to improve and cherry picked improvement tools to fix new issues, without dealing with the underlying reason.

In another example in a manufacturing company, I found some really great examples of a number of fundamental improvement tools e.g. cell design, Total Productive Maintenance, 5s, Visual Management, Standard Work and Problem Solving, but the business failed to get the best out of what they had applied and also failed to link the improvement tools together into a PDCA routine or cycle to ensure effective application and continued respect of standards and improvement of the work. Instead work standards were not repeatable, visual management did not highlight real performance issues and problem solving did not deal with the root cause.

Pitfall No. 2 – Management Systems and Behaviour

At this pitfall we see some evidence of real improvement capability in a few subject matter experts, however whilst the business sees Lean as important to its future, often there is a vast difference between its ambitions and actions.

The organisation has the improvement capability but its management systems and leadership behaviour either gets in the way and blocks improvement, undermines the process or is not helping to remove issues, and move towards a business wide approach to Lean & business improvement.

Common issues seen at this pitfall include:

- Islands of improvement
- Business systems driving non Lean behaviour
- Management routines and behaviour becoming roadblocks to further improvement
- Organisation politics leading to low trust and dysfunctional behaviour

At a large OEM the evidence of improvement capability could easily be seen throughout the organisation, there were still a few untouched areas but most employees were engaged in the improvement journey. Some Lean management systems were being developed and were being supported by some members of the executive team. However, the executive team was not a cohesive team, and some of its members along with a few middle managers would resist and even poison improvement efforts, sending staff assigned to improvement activity away on business in the middle of an improvement event or making team members feel insecure about their jobs if they tried to improve the work.

The CEO, would challenge team members working on problem solving and tell them that they had the wrong ‘why’ on a ‘5 why problem solving chart’ or wrong direct cause on a ‘fish bone diagram’ (the team members were being robbed of their opportunity to learn how to fix business problems), the Lean/ Op EX Team was being measured on delivering improvement activity and results, but the heads of departments were not, and improving the work was

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the responsibility of the subject matter experts alone. The management systems and leadership behaviour of a few was holding back the business and was effectively helping its competition.

Pitfall No. 3 –Sustaining and Growing New Change Leaders

The last and probably the most difficult pitfall of all to overcome is pitfall 3, very few organisations get beyond pitfall 2 with mature Lean management systems and real improvement capability but fewer still are able to get beyond this pitfall as it requires a real mind-set change to overcome it.

At this level we do see some really great examples of improvement capability and results, the Lean / business excellence team usually includes some of the very best in the business. Often we also see a cohesive management teams (one that actually spends time together) and mature management systems that embeds Lean thinking into the business systems. Usually the business has a strong improvement culture and is often described as a good place to work by those who work there and best in class or even world class by those who look in from the outside. This often leads to some of the more mature businesses to benchmark themselves against the best in the business by embarking on internal corporate or external benchmarking assessment (e.g. AME or Shingo Prize Winners).

Initially, as we look around everything looks great, with best practice all around, but when you start peeling back the layers you often find that sustaining the improvement and growing new change leaders is a real struggle, even for these so called world class/ best in class businesses and many then reach out for additional support to improve the work and develop new Lean leaders.

Following a short investigation we usually find that:

- Improvement activity is facilitated by a few subject matter experts, instead of the many.
- Big change projects that requiring lots of energy are being run instead of small experiments.
- Management spend their time in meetings or writing reports rather than leading their employees through company change and developing people to improve the work.

Do you agree with the 3 common Pitfalls? Do get in touch and let us know what obstacles you have encountered on your Lean journey or attend this year's annual Lean summit to hear more about the pitfalls to Lean transformation and together we can explore what actions you can take to navigate these pitfalls in-order to deliver improved business performance and long term improvement capability (www.leanuk.org).



Darren Walsh, Lean Coach with the Lean Enterprise Academy UK.

Darren's passion lies in developing a greater understanding of the common pitfalls of Lean transformation and developing the capability of management to become their organization's change leaders. He has over 25 years' experience in leading change, developing people and delivering breakthrough business performance. This experience includes working with some of the very best in Medical, Pharmaceutical, Aerospace, Automotive, Transportation, Oil & Gas, Gaming and the Electronics sector.

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