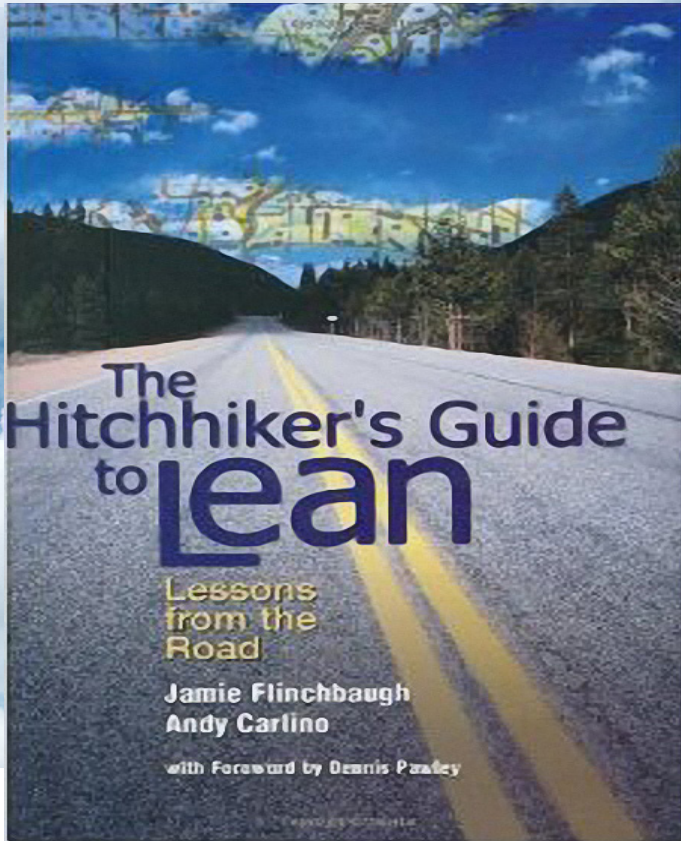


**IndustryWeek's**

# Lessons From the Road: **The Lean Leadership Guidebook**



*The strategies to strengthen your lean leadership practices.*

**By Jamie Flinchbaugh**  
**Lean Learning Center**

To read more of Jamie Flinchbaugh's articles on continuous improvement, visit [www.iw.com/author/jamie-flinchbaugh](http://www.iw.com/author/jamie-flinchbaugh)

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# Building Behaviors Bedrock of Lean Success

*Without an understanding of the system underlying your lean efforts, your employees may be doomed to misusing the tools of continuous improvement.*



**I observed that the system design was not the problem.**

**The behaviors in using the system were the root cause of the failures.**

Without an understanding of the system underlying your lean efforts, your employees may be doomed to misusing the tools of continuous improvement. I have never seen an organization fail because they didn't have the right improvement tools. I have seen many organizations fail because they didn't have the right behaviors.

When we started the Lean Learning Center, our explicit objective was to reshape the practice of lean to be principles-based and not tools-based. I tried influencing many of the top voices of the time, but a fascination with the magic of value stream mapping and the excitement of kaizen workshop events drowned out the message.

A different view exists today: Principles and behaviors matter, often more than the tools. However, teaching and actions directly focused on building a lean culture are still quite rare, as the draw to short-term results and tangible tool application is appealing.

I have never seen an organization fail because they didn't have the right improvement tools. I have seen many organizations fail because they didn't have the right behaviors.

My early experiences really helped shape my thinking. I was managing material handling at Harley-Davidson's main plant, where they had installed one of the first large-scale pull systems in the United States. All of the company's bikes were made in a very vertically integrated plant, including everything from laser cutting to chrome and zinc plating. The plant still seemed to treat material handling, and its system, as a secondary system, perhaps evidenced by the fact that they had given such an inexperienced person as myself so much influence on it.

The system was failing, and in order to understand it better, I turned off my radio and spent two weeks doing nothing but observing. I shadowed every material handler and understood where he went, what he did, how he did it, and what problems he encountered along the way. I challenge people to find four hours just to observe, so I am simultaneously astonished and gratified that I was able to commit two weeks to doing just that.

I observed that the system design was not the problem.

The behaviors in using the system were the root cause of the failures.

- Assemblers would empty a bin and draw the kanban card when they saw the material handler coming in order to "help," but this sent false signals of demand back to the supplying operations.
- Machine operators would load "just a few more" parts than requested while they were set up, pushing extra parts out but delaying the supply of others.
- The aftermarket group would go straight to the assembly line and just draw whatever number of parts they were using, creating shortages the system wasn't designed to handle.
- And material handlers would grab an extra bin of parts if they had room on their cart just so they didn't have to make an extra trip.

The system design was fine, but it was only truly understood by a few in the plant. People were only taught the procedures of the system, as was I, during the system introduction. People knew what following the procedure meant, and when encouraged or forced, their compliance with the system increased. But because they weren't taught the thinking behind the system, any deviation from those procedures seemed trivial to them. But the consequences were often dramatic.

What I didn't understand at the time was that a pull system is in many ways fragile by design. Small problems and deviations result in problems, albeit small ones. This is by design, making small problems visible so that they can be fixed.

We failed to achieve this insight at the time, although we admittedly had bigger known problems that required whatever problem-solving skills we had available. The positive side of this is that we focused on behaviors around the system, and while we never achieved anything near perfection, a small increase in compliance had an outsized impact on the results. Failures were more isolated instead of compounding, and with only a couple of process tweaks and a lot of focus on behaviors, we began to get the system stable.

Lean fails, above all else, for a lack of the right behaviors. In my next column, I will outline an approach for tactics to change behaviors.

# Build Culture Deliberately

*These tactics can help you build the company culture you really want, not one that comes about by accident.*



**While we often reward for performance, recognition should be reserved for behavior, particularly when public.**

In my last installment, “Building Behaviors Bedrock of Lean Success,” I argued that lean is not about installing tools but is about instilling a shared belief system that enables those tools to work effectively.

But how do you build a culture? Most cultures are not just the accumulation of “human nature.” If that were true, then all corporate cultures would be the same.

A company’s culture is the product of people’s shared experiences. The problem is, most of those experiences are not designed to create a deliberate culture. Instead, the result is an accidental culture.

You have it in your power to create new experiences to build that deliberate culture. To build such a strategy, we utilize a framework of Learn–Apply–Reflect, which connects the head, hand and heart towards a new set of behaviors. I will focus here on many of the free tactics that enable Learn–Apply–Reflect, although none of them are easy.

**1. Understand the behavior.** This is the Learn part of the process. Someone cannot sustainably enact a behavior that they don’t understand. The person must learn the behavior. Several tactics help.

Training is the most often chosen. We certainly believe that training works, as the Lean Learning Center built its own training center and hired instructional designers to accomplish that. But it is often chosen just because it is an easy choice. Just send people to training, and we can check the box on the lean journey.

Coaching is very effective to help people understand the change. Where training is efficient and controlled, coaching’s advantage is that it is tailored to the person being coached and their situation.

While these mechanisms require considerable resources, the purposeful use of language is also effective. For example, many companies talk about being customer-focused, but at Amazon.com, they talk of being customer-obsessed. Without any explanation, you immediately conjure a different image. At FEI, an employee-owned company in York, Pa., employees are referred to as shareholders, as a continuous reminder of a different set of expectations for employee behavior.

**2. Give people new experiences that outweigh the old ones.** The Apply step is essential for people to truly experience the behavior and mindset expected. To adopt a behavior, you need more than just an intellectual understanding, and you need more than one experience if it is to change a belief.

There are many mechanisms for giving people new experiences. All require purposeful actions. Improvement events such as kaizen workshops can provide experiences, but are most effective when learning objectives are clear and treated on par with performance objectives.

New roles, even part-time roles such as sitting on the “lean committee,” can be experiences that shape people’s thinking. Being a good role model demonstrates to people the expected behavior, especially when it is applied towards them.

But perhaps the most effective, and cheapest, form of giving people new experiences is how we utilize recognition. While we often reward for performance, recognition should be reserved for behavior, particularly when public. In this way, it sends messages to others about what behaviors you value and want to see repeated. Are you saying “good job” and “thank you” for reactive firefighting, or for systematic lean improvement?

**3. Reflection drives internalization.** Just having an experience is not enough, because people can take away from the same experience very different lessons. People have to connect their experiences to their understanding, and in those moments, it is solidified into beliefs.

The simplest form of creating reflection is asking effective and open-ended questions that require someone to look internally and think before answering. It could be a question as simple as “What did you learn from that experience?” or something requiring more discussion such as “What would ‘Ideal’ look like for this process?”

You don’t have to accept an accidental culture

# Role Modeling for Change

*Leaders help create a lean organization by practicing lean behaviors in a bright light, not out of view.*



**One of the most important experiences we provide is being a role model. But what does that mean?**

Leaders help create a lean organization by practicing lean behaviors in a bright light, not out of view. In my last two columns, I articulated the need for cultural change and outlined strategies to make it happen. One of the most important experiences we provide is being a role model. But what does that mean? Many people I coach believe that they inherently think and act lean. But does that make them a role model?

First, why is role modeling lean behaviors so vital? It is a form of teaching. For people that don't know what lean behaviors look like, role modeling becomes instructional. They see the example, and they "get it." It also provides credibility for the message of lean behaviors itself. If we espouse lean behaviors but do not demonstrate them, the lean message integrity is damaged.

How do we role model? It is too easy to believe that our words are the same thing as role modeling, but it is more about our presence, our actions and our decisions. As Mahatma Gandhi asserted, we must "be the change that you wish to see in the world." Make your example visible. Doing the right thing when no one is looking is important; doing the right thing when everyone is looking becomes an example to follow.

Here are some examples of personal role modeling of lean behaviors.

**High agreement of both what and how.** In a word, this is about standardization. But as a behavior, it's not about having a standard; it's about valuing that standard. During one of our first courses, I had a plant manager ask, "Why can't I get my first-shift operator to work the same way my second-shift operator does?"

But my challenge back to her was whether she was consistent from one Monday to the next. It's easy to think that standardization applies to other people but not to ourselves, because we either believe it doesn't apply or that we are naturally "structured."

Tools such as Control Point Standardization work very well. As a method, it provides consistency over periods of time, provides transparency in manage-

ment priorities and focus, and highlights issues early. But when carried and used, it also demonstrates that you believe in and practice standardization. Personally, I still use Control Point Standardization.

**Direct observation.** Some people call this going to the gemba, or go and see, but the behavior is being able to observe work as it occurs in its true form. You observe what actually happens, not what is supposed to happen. This is one of those behaviors that's all too easy to say that you do without actually having to demonstrate it.

At a BMW plant, after each daily quality meeting, time is reserved for direct observation. The time is reserved, but the topic and participants aren't determined until the meeting. The observation is focused on which problem appears to be the least well understood. The leader in the room participates in the observation and often makes the decision about what observation needs to be done. Because everyone has reserved the time on their schedule, there are no excuses for not doing it immediately.

**Create a learning organization.** Everyone knows about PDCA: Plan-Do-Check-Act. But of course it's done in their heads, out of view of those we want to learn from the example. So how do we create this example? The easiest way is to declare our hypothesis publicly, in advance of an experiment. We demonstrate that we're actually studying a process well enough to attempt a prediction. And you'll be wrong, and that's OK. Experimentation is about learning, not being right.

**Systematic waste elimination.** To make waste elimination work, there must be a mechanism for people to document and share their waste-elimination ideas and actions. One of the most valuable role modeling actions a leader can take is to utilize those same mechanisms that everyone else does. If there is a process for eliminating waste, then it should be the process for everyone.

Role modeling does not count if no one sees you do it.

# Decisions about Making Decisions

*Lean proves to be a valuable aid in improving decision-making.*



**Plain old bad decision-making generates an endless list of problems.**

One of the most important domains within organizations that lean too infrequently injects itself is decision-making. The who, what, when and how of decision-making is ultimately one of the most fundamental elements of any organization.

The challenges with decision-making are numerous. Ambiguity in decision-making results in delays and rework. Inconsistent decision-making creates confusion. And plain old bad decision-making generates more problems than we can list.

There is much advice in the business world, and beyond, about improving decision making. It is broad and complex, and tackling the challenge is much like taking on culture change. But what specifically can lean teach us about decision-making?

**1. Observe first.** Direct observation of the current condition is a core tenant of lean thinking. As both a behavior and a checkpoint, we should ensure that people have an understanding of the current condition before making the important decision. The quality of our decision-making is a function of the quality of how well we understood the current state.

In a team I once led, we established a rule: If you hadn't seen the condition, you didn't get an opinion in the discussion. It was a rather draconian rule, but it prevented a lot of unsubstantiated opinions from getting mixed in with the observed facts. The quality of the decision-making improved and the duration of the conversations was shortened.

**2. Make decisions closest to the point of activity.** There is a theme within lean toward empowerment that often gets misapplied. Some of the language chosen is making decisions at the lowest level possible. This objective, combined with an objective to empower and engage, leads to a very wrong behavior: abdication.

Abdication means turning over decision-making to the front line resources. This isn't inherently good. It is good when those people are best suited to make those decisions. It is wrong when they aren't. The fundamental filter I recommend is making decisions closest to the point of activity. Everyone is closest to some activity or work process, and they are inherently best suited to

understand the current reality of the situation and make effective decisions.

**3. Define decision rights and expectations.** Knowing who should make the decision seems elemental, yet lacking more often than not. Without definition around the "who," people will often "kick upstairs" as many decisions as possible to avoid risk and responsibility, or decisions will go unmade with everyone assuming someone else will take care of it.

The highly successful privately held Koch Industries Inc. defines what they call decision rights. You are given the right to make that decision, and that fundamentally means it is yours to make, not to pass on.

Along with that right comes responsibility. One of those responsibilities is the challenge process. The challenge process means that while you have the right to make the final decision, you are expected to seek input from your boss, peers, and your team. And their responsibility is to challenge you in that decision. This process strikes a wonderful balance between consensus-input and clear ownership.

**4. Use standards to capture and utilize experience.** It's hard to overestimate the importance of making good decisions, but how can lean help here? It's about experience, skill and judgment. But simple checklists that capture codified experience help ensure that experience and judgment is applied consistently and effectively. It is not a replacement for skill and knowledge. But when it is leveraged as a job aid, it improves the utilization of that existing knowledge.

In the book "The Checklist Manifesto," the use of checklists to capture investment judgment is described. At each stage of the investment process, there are certain factors that we must consider and evaluate. Those checklists don't give you the answer but ensure you ask the questions. As the checklist users described, if they happened to ignore the standard of the checklist, they would usually regret missing something important.

Decision-making is as broad and complex a topic as can be found. Lean does not resolve all the challenges. Yet the impact of lean thinking on your decision-making can be profound. After all, what's really more fundamental than making good decisions?

# Going to the Gemba

*Far from a stroll on the plant floor, a gemba represents a purposeful attempt to learn what is really going on.*

**Going to the gemba has become popular for the simple reason that it is **powerfully effective.****

The term “gemba” has gone in the lean community from obscure to ubiquitous, as popular as terms like kaizen. But through the growth in its use, there has also been a growth in its misuse. How do we make this work?

Gemba means “the real place” and is intended to get you to the location where something is really going on, whether a news story or a sporting event or a factory floor. Its use has grown to include a more comprehensive approach. First, it requires a deep curiosity to know what is really going on. Not what you assume is going on, or what you heard is going on, but what is really going on.

Second, it implies a skill of direct observation of how work is performed. The goal of gemba behaviors is to understand the current reality of a situation more clearly. We prefer the words, direct observation, because it states what you are doing. But the words are less important than the behavior.

Third, it demonstrates a principle of respect for people. This is because you go to where work is performed and engage people directly, not assuming you know the answer from a distance. One of my favorite quotes is from Dwight Eisenhower: “Farming looks mighty easy when your plow is a pencil, and you’re 1,000 miles from the corn field.” Here are four steps that may make going to the gemba more successful.

**1. Identify your purpose.** Too often, people go out to observe without a purpose. Even Wikipedia compares the concept of gemba to the 1990s concept of Management By Walking Around (MBWA). But this doesn’t mean to just go for a stroll. Without a purpose, MBWA is really Management By Wandering Aimlessly.

Why are you going to observe? What are you trying to learn by going to the gemba? If you can’t answer these questions, then don’t start.

**2. Know your gemba.** I see people refer to the gemba as the factory floor, as if they were synon-

ymous. This is true if the problem relates to the factory floor. And there is no question that people should be spending more time there understanding what is going on. But this isn’t the only gemba. There are problems that require observation in the board room, or at the customer, or on the shipping docks, or in the control room. The point is, the gemba is wherever the activity is performed that you are trying to learn and understand. Find the point of activity; this is your gemba.

**3. Observe with a framework.** There is a difference between looking around, and observing. The primary difference comes from the framework through which you observe. Do you just see what is on the surface? Do you see equipment, people, and material?

Or do you have a framework that helps you digest, analyze and communicate what you are observing? We use a lens and a language of looking at work performed as activities, connections and flows. Whether in the board room or on the shop floor, all work is made up of these components.

**4. Validate what you see.** The easiest thing to do is to assume that what we see is a true representation of reality. However, there are often many things that cannot be seen on the surface. These may include decisions made during the process in people’s heads, abnormalities that were recognized because we did not know the norm or variations from one person to the next that we did not observe.

Once you have captured your observations, it is best to test and validate your conclusions with those doing the work. This is not the only input, but it is one way to understand if you have a good handle on the current reality.

Going to the gemba has become popular for the simple reason that it is powerfully effective. But there is more to it than getting up from your desk, as even this simple explanation attempts to demonstrate.

# Building Manager Standard Work

*Standardization can help you free up time and use it more proactively.*

**You should constantly be asking: What do we need to add? What do we need to drop? What do we need to modify?**

Standardization is one of the fundamental elements of lean transformation. It's often the first step of problem solving -- understanding if there is a standard and if it is working. Standardization is applied with rigor to operational processes, yet many opportunities in knowledge work and management work remain.

People resist building standards in knowledge work because of natural variation. Yet if you already have variation, why would you want to add more by having no structure or routine? No, you can't write a standard that says, "Ask question 1 of the customer -- 90 seconds" for a salesperson, but you can build a list of the most effective questions to be asking. That's standardization.

Management is similar; it's highly variable from day to day, but consistency and the ability to improve are exceptionally valuable. Management Standard Work, sometimes misleadingly called Leader Standard Work, can be a powerful mechanism to create alignment, build consistency, improve management and shift from reactive to proactive.

**1. 5S your time.** The first steps of 5S are to get rid of what you don't need, and organize what you do need. You should do the same with your time. Too much of your time is consumed based on nothing more purposeful than habits. We spend our time the way that we do because that's how we've always spent our time. But know what you would replace it with. You shouldn't replace your newly found free time with just more e-mail. You should be doing something proactive with it.

**2. Determine the key control points.** The real benefit of management standard work is ensuring that we're doing the proactive activities that keep us out of the firefighting mode. We call these the control points. We often call manager standard work Control Point Standardization. These control points are the proactive points in our system that ensure good outcomes. To accomplish this, we need a clear understanding of cause and effect in our systems and processes. It will never be perfect, but we must determine the proactive checks and activities that ensure good outcomes.

If you consider yourself as an example, there are con-

trol points that you know are proactive. Some of them are checks, such as monitoring your blood pressure or cholesterol. Some of them are activities, such as exercising. Managing the right frequency of these control points has a significant impact on the overall outcome, your health.

**3. Don't standardize the obvious and routine.** This is less of a task and more of a task to avoid. However, it's the most common mistake that I see when organizations engage in manager standard work. Don't build standards for things that are already routine. The purpose of standard work is to help build a consistent practice. If you already have a routine, then you already have a consistent practice of the best kind.

You shouldn't need to put on your daily checklist to brush your teeth. You hopefully do that without the reminder or paperwork. You don't need the reminder to check your e-mail. Those would be silly, yet I repeatedly see efforts to standardize things that are already routine.

**4. Make it dynamic.** The second most frequent failure mode on manager standard work is designing it and then leaving it alone as a static standard. Manager standard work should change frequently. It should change based on business conditions, new initiatives or improved stability.

Something might move from a daily check, to weekly, to monthly as it proves itself to be stable and in control. If you change a process, you might add increased checks into process standards in that area. You should constantly be asking: What do we need to add? What do we need to drop? What do we need to modify?

Manager standard work is one of the harder practices to get right. We spend a lot of time coaching on it. Don't start until you're ready to commit to get it right. But if you treat the process as continuous experimentation, you can adjust and improve and turn it into a true competitive advantage.

# The Leader's Role as Coach

*Improving your coaching skills offers rich rewards for you and your people.*



**Observing the person you are coaching gives you an understanding of how he or she really operates and works, so you are better able to help that person in a unique way.**

I spend most of my time coaching. And I've recently picked up a head coaching job for a soccer team (although I only get paid with time with my kids). Parents, teachers, volunteers, coaches, bosses and others have numerous opportunities to be a coach. Because of the ample opportunities to coach, we often take coaching for granted.

Coaching, however, deserves careful thought and practice. Here are some specific opportunities to improve our daily coaching efforts.

**1. Coach method versus solution.** When someone comes to you describing a problem, what are you doing besides listening? Most likely, you are thinking of the answer. Now that you have an answer and start to coach, you might try to steer, or "coach," the other person toward his or her answer. Not only is it natural, it feels rewarding because the other person accepts your brilliant answer.

But this is not how people learn to think, improve and solve problems. To learn, it's not about a set of answers for a narrow set of problems, but about how to develop the answers.

Instead of coaching people toward a solution, we need to coach people through a method or technique. A method is what is repeatable, and it's a very different and harder form of coaching.

**2. Make developing people your job.** How many of you have stated goals for the year? Now, how many of you have a specific goal related to developing people? Based on my observations, not many do.

In talking with a Toyota manager, he made a point about how he knew that developing people wasn't just lip service but actually his No. 1 priority. He said, "I can't get promoted until my team members can do my job." That may not have been an official policy, but it's what he was taught, and it's how he operated.

If you don't have specific objectives or goals, then all you have is intent. There are a lot of things I intend to do. But unless I have an action plan or a

specific objective I am measuring or monitoring, they remain only good intentions. Develop specific objectives of what you will do to develop your people. This moves it past intent into action.

**3. Coach for what they need, not what you need.**

If you need someone to do or think something, that's not coaching. That is advocacy. If you are doing it for you, then you are not likely coaching. When coaching, you are focused on helping that individual succeed. And when coaching deeply, you are focused on their success as they define success.

**4. Observe.** Directly observing the current reality of a process is a critical lean skill for improving a process. It is also a critical skill for improving a person. It's hard to know what to improve until you know more about the current state.

Observing the person you are coaching gives you an understanding of how he or she really operates and works, so you are better able to help that person in a unique way. A baseball hitting or pitching coach doesn't give the same advice to everyone. The coach's first job is diagnosis: understanding why you are getting the results you are currently getting. This is the role of any coach.

But observing is also critical to the Check step of Plan Do Check Act. Once you help a person choose a path, you observe again to evaluate the results of what that person does. Only then do you know if your coaching was effective. You evaluate coaching not based on how the person feels when she walks away, but whether she gets the results she is trying to achieve. And a coach has the responsibility to help the individual understand if they achieve the desired results. This is one of the reasons that coaching effectively is truly an investment in that person.

It's wonderful that so many people want to be coaches. But let's raise the standard of what coaching means. We can achieve so much more through stronger coaching.

# How to Train Without Training

*When training dollars are scarce, there are still good ways to develop your workforce. Try these three strategies.*

**Training is a great tool for your toolbox, but not having a budget with which to train is no excuse for not developing your people.**

It's hard to find an organization that actually over-trains. There are many reasons, including fears of training people who then will leave. A much bigger risk is not training them, and they stay.

There are many ways to achieve a competitive advantage, but all of them originate in the skills and knowledge of your people.

Another argument against training is the cost. You have limited financial resources and regardless of the return on investment, not every opportunity can be embraced.

When the dollars become scarce, training is often the first thing to get cut, partially because of its long-term nature. Long-term thinking wanes in favor of survival.

Just because we don't have training dollars to invest does not mean that we can't develop our people. People development requires momentum; if we aren't moving forward, we're falling behind. There is no excuse big enough to not continue to move forward.

First, overcome the belief that people development equals training. Don't get me wrong; training is great. We see many benefits of training, so much that we built our own training center for course delivery. Training is structured, so you know exactly what people are experiencing. It also is efficient, as you can deliver content to many people at a time. However, it has a cost in the invested time and money to execute the training.

So what can you do without a budget for training? Here are three specific strategies worth trying.

**1. Start a book club.** This isn't innovative, but it works. We get many e-mails from companies using "The Hitchhiker's Guide to Lean" in a structured book study group.

Early in my career, I spent a stint on the afternoon shift. There were no resources available on second shift to perform training, so we did our own book club. Every Tuesday at 8 p.m., we would gather to discuss a new chapter in a book. We would rotate responsibility to lead the meeting. We always concluded with the ac-

tionable steps we could take from what was learned.

Dialogue about the book's content is important. This is how leaders in the group create meaning from the content. Selecting the right books, and the right group leaders, can have a substantial impact as well.

The most important thing is converting lessons into action. This is the only way it becomes more than an idle distraction.

**2. Use language deliberately.** Our choice of words, particularly if used consistently, can be a slow but steady influence on the learning of others. Our language helps establish context. It frames important issues and helps shape people's perspectives. By itself, it does not create learning. When used in a consistent way in situations for creating meaning, it can influence the thinking of the organization.

For example, we use the phrase "establish high agreement of both what and how." In a word, it just means standardization. But it frames in a distinct way how we think about standardization. It's a process for creating agreement between participants, and it's important that this agreement cover both what will be done, and how it will be done.

**3. Coach, with focus.** Coaching is something everyone aspires to, but few do it with purpose and structure. Coaching is inefficient. It requires a substantial commitment to be done right. But it's done in the work, not away from the work. You work on real improvements and problems.

Start by distinguishing coaching toward the solution versus coaching the methods. Coaching the solution, which most of us do, is about helping provide the right answers. It feels like coaching, but it's just providing input from our experience. But coaching the method, while it takes more time, builds skill, capability and culture.

Training is a great tool for your toolbox, but not having a budget with which to train is no excuse for not developing your people. Intentions are not good enough; only executed strategies can close these gaps.

# Making Innovation a Capability

*Companies aren't born innovative, but these four traits help build an innovative company.*

**Innovation as a company trait can be developed through culture and skill building.**

Innovation is a popular word today, with plenty of books supporting it. Most pundits promote big innovation programs with innovation departments and innovation plans. But unless you happen to have hired the next Nikola Tesla, this is hardly a sustainable strategy.

Innovation comes from every corner of the organization, from the receptionist to the salesperson. There are the Teslas out there who are inherently innovative, but companies are not inherently innovative.

Innovation as a company trait can be developed through culture and skill building. There are core behaviors and skills that when combined form an innovative company.

## **1. Empathy for the customer.**

The best innovations come when they start from a customer perspective. You must put yourself in the customers' shoes, and have empathy for their situation and perspective. Amazon is often a good example because their entire culture is based on it. They are now working on same-day delivery -- not next-day delivery, but same-day. It solves the problem of why people need to "run out" and get something, because it just can't wait for next day.

## **2. Seeing and solving problems.**

Just Born, the iconic maker of Peeps and Mike & Ike, has a foundation of solving problems. In 1953 they bought a company that made marshmallow chick and bunny treats with dozens of women squeezing them out by hand, which was very difficult work. Bob Born, trained as a physicist and engineer, figured out how to automate this difficult process. Today the company can "hatch" 5 million Peeps in a single day.

Most people would not have seen a problem. They would have just seen a difficult process and the solution would be to hire strong hands capable of squeezing the marshmallow bags. But a problem solver sees the problem inherent to a situation and sets about a deliberate process to resolve it. It's a decision to be a problem solver, and a skill to do it successfully.

## **3. Learn by experimenting.**

Innovation ultimately requires doing things in new

ways. Inherent to that is that you don't know for sure if they're going to work or not. Innovative companies find ways to experiment with two critical traits. First, they find the cheapest and quickest way to test something. Learn from either success or failure, fast and cheap. Don't spend six more hours debating it; instead, find a way to test an idea and learn a whole lot more.

Second, experimenters are not beholden to their ideas. If they just aren't going to work, they are willing to abandon them and move on to something else. There is no sense of loss over the path chosen, just new opportunities.

# Securing the Elusive Lean Buy-In

Take advantage of this four-step process to achieve buy-in for your lean efforts.



**Despite widespread support for lean, I am frequently engaged to overcome a lack of buy-in at organizations.**

You have passion about making lean work in your organization. You have ideas, and you are ready to realize them. You have experience and are willing to share it. You have a plan and are ready to execute. You're just missing one element: buy-in.

Despite widespread support for lean, I am frequently engaged to overcome a lack of buy-in at organizations. In the lean journey for DTE Energy, for example, buy-in was a major challenge. It was the first utility to begin lean, and it was a highly regulated industry, not known for fast-moving change.

This is not a recipe, but here are key strategies to improve your chances of securing that elusive buy-in.

## **1. Treat them like a customer, not an opponent.**

I see too many people approaching executives from whom they are trying to get buy-in as the opponent. Unless you are an Oscar-winning actor, it's nearly impossible to prevent that attitude from showing. You must approach the person as your customer, or even your partner.

When several of us joined DTE Energy, acting as change agents spread throughout functional roles, we set out to transform the company. But we were not kind to, or engaged with, those who were in our way. Our methods earned us the nickname "The Chrysler Mafia" since that was where many of us had come from. When we flipped this around and started working with insiders as partners, the journey flipped around and started to pick up speed.

**2. Have a multistep strategy.** Wouldn't it be easier if we could sit down with someone, explain it and be done? Most people recognize that this is unlikely, yet it is often the strategy people adopt. They go for the one-time win. When it doesn't work, they go for it again, until it is a long series of one-step plans.

People didn't adopt their current beliefs in one conversation, and they aren't likely to change them that way either. Your strategy should be mul-

tistep and create a set of experiences that walks them from their current belief to the desired one.

In starting DTE Energy's lean journey, the executive team received a monthly learning process. This included case studies, teaching, benchmarking and application. The team went from disinterested to committed. No one moment was the pivotal point. It was the cumulative effect of all of them. People rarely turn on a dime, so don't treat them as if they will.

**3. Overcome the valid "no."** Most people don't say "no" just to be difficult. The "no" answer comes, whether explained or not, from valid reasons. Maybe it's risk; then it's our job to mitigate that risk. Maybe it's time; then it's our job to find the time. Maybe it's not understanding the upside; then it's our job to demonstrate the upside. Maybe it's language; then use language that fits their language.

At DTE Energy, we didn't talk about lean. The objection to that was, "We don't build cars." Whether valid or not, that was their understanding of lean. We instead built the DTE Energy Operating System. It combined language and ideas they already were used to, with the new ideas that lean would bring the organization. In the end, it wasn't our idea, it was theirs. And that buy-in has lasted 13 years now.

**4. Call in reinforcements.** This begins with how we frame the question. Instead of figuring out "how can I change his mind?" it should be "how to change his mind?" If it must be you, then it is ego-driven. Would the person be more effectively influenced by someone else? Engage that person's help. As President Truman said, "You can accomplish anything in life provided you don't mind who gets the credit."

For gaining buy-in, when that is the barrier to success, don't rely on hope. Make it your problem. Own it. And do the hard work. After all, an idea unrealized is worth very little at all.

# Eliminate Waste with Purpose

*Getting rid of fat in your organization? Make sure you have a plan and a purpose.*



**Waste elimination is not the heart of lean, but it can be powerfully effective.**

**W**aste elimination still has tremendous value, though, and should drive actions. Here are some tips to get the most out of waste elimination.

When I ask people to define lean, as often as not the definition centers on waste. But lean isn't all about waste. It is more about building organizations than trimming them. A popular definition is "do more with less." Ask anyone what they hear when you say that, and they will tell you the words "with less" stand out the most. I've seen organizations cut their way to survival, and I've helped them do it. But I've never seen an organization cut their way to prosperity.

My perspective is that the words "do more" are what's core to lean: more value for the customer, more capacity to deliver that value and more capability in the organization. It's not about less fat; it's about more muscle. That's how you build an organization capable of controlling its own destiny.

Waste elimination still has tremendous value, though, and should drive actions. Here are some tips to get the most out of waste elimination.

**1. Make sure waste is converted into value.** Do you ever clean all the junk out of the kitchen "junk drawer" only to find it filled up again a month later with different junk? This is what happens to open space if you don't have a plan. If you decided to put your forks and knives in that drawer, it wouldn't fill up with junk, because it now had a purpose.

What would happen if you eliminated two hours of waste from your workweek? Most likely, you would get more e-mail done. Does that really contribute what you want? You would be more likely to convert that time into value if you had a plan and a purpose.

One semiconductor company eliminated some wasteful time and freed up three to four hours per person. They put a weekly block of time on everyone's schedule dedicated to point-of-activity problem solving. No meetings could be scheduled, and you shouldn't be doing e-mail. Go solve a problem.

**2. Use the language as a lens.** A big deal is made of the seven types of waste, at least it is in the classroom.

But it's not just for the classroom; it's for everyday use. It's a language to talk about waste, and it's a lens to see waste.

I prefer the mnemonic TIMWOOD for the wastes of transportation, inventory, motion, waiting, over-processing, overproduction and defects. If you find that different language works better for you, then use it.

Many people have tried to integrate an eighth type of waste: wasted human potential. There's no question that this is a terrible waste and that it's real. But I find organizations focused on this eighth waste actually spend very little time going to look for waste. If they did, they would realize that this eighth waste is a general reality and not a specific observable condition.

The language of the wastes is useful specifically because it helps us observe waste. The more finely tuned our language and understanding, the more finely tuned our power of identifying the waste as it occurs.

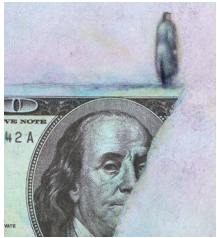
**3. Have a system... any system.** We teach "systematic" waste elimination. One of the keys to this is that you need a system. A favorite question I ask when doing an assessment is "if you identify waste, what do you do?" Most people begin with a bit of hem and haw, and eventually conclude that they don't do much. They either raise a big stink over the found waste, or they put up with it. This tells you there is no real mechanism, no real system, to help people get through a process of eliminating waste.

It doesn't matter if the system is putting a flip chart in a corner and writing down waste as you experience it or if you have a sophisticated online documentation system such as the online tool KaiNexus [disclosure: I'm an advisor there]. But you need a system.

Waste elimination is not the heart of lean, but it can be powerfully effective. Just be sure that you're eliminating waste with a purpose.

# The More of “Do More With Less”

*Adding value for the customer is as important a component of lean as eliminating waste*



**In the drive for by-the-numbers efficiency, the ability to reflect, experiment and even train has often been squeezed out, limiting growth potential for employees and in turn, the organization.**

Don't make lean only about efficiency and waste elimination. Make lean first about effectiveness and customer value.

In the last installment of “Lessons from the Road,” I focused on waste elimination. I explained that with the common definition of lean -- “do more with less” -- we should focus as much on the “do more” as the “with less.” What does “do more” really look like?

There are several areas in which “doing more” should receive the attention of lean thinkers. If waste elimination is about eliminating activities that do not add value, then we should start with how we can provide more value.

**1. Improve the customer interaction.** So much strategic attention is focused on what product or service organizations provide that far too little attention is paid to how the customer gets access to it. The adage of “build a better mousetrap and they will beat a path to your door” assumes you haven't already provided that path and paved it with lights and signs.

I was recently asked during a speech what the next area of focus of lean would be, and I believe one major opportunity is dramatic improvement of how customers interact with the supplier or vendor. Improving the actual interface, digital or otherwise, can have a great impact on both the real and perceived value received.

Amazon.com is a great example of this with its 1-Click Ordering. How much easier is it to buy product from this source than most other websites? First, of course, you have to have the right product at the right price. But once the customer is ready to buy, it certainly helps to make that experience as easy as possible.

**2. Make your customer's first step your last.** When most organizations think of vertical integration, they think of working backwards into their suppliers. But forward integrating into your customer can be even more valuable, especially when you are taking over steps that your customer doesn't want to perform.

The classic example was the home grill. Home grill assembly caused great agony; yet it seemed to take retailers generations to figure out how much value they

could provide by assembling it for you. The engineered lumber industry has gone forward into the work of home builders by using laser alignment and automation to pre-build walls straight from the factory. This allows construction companies to simultaneously improve quality and reduce lead-time.

**3. Complete the life cycle.** Too often we disengage with the customer after the initial product or service has been delivered. Yet completing the life cycle of the product not only provides more value for the customer, but it also gives them a reason to reconnect. Best Buy, among others, has been offering free electronics recycling, even if you didn't buy the product there. This eliminates the danger inherent in throwing away electronics and brings you back into the store where you might find that perfect replacement product.

**4. Learn and build a capable organization.** Doing more isn't just about providing more value, but is also about building a more capable organization -- an organization that has people who know performance, and have the skills and the mindset to improve every day. In the drive for by-the-numbers efficiency, the ability to reflect, experiment and even train has often been squeezed out, limiting growth potential for employees and in turn, the organization.

When the auto industry went through a major downturn, with many companies turning to the government for help, Toyota didn't lay off its employees. Instead it focused their spare time on improvement efforts, training and doing projects within the local communities, which brought them goodwill where they operate.

In another example from Amazon.com, salaried employees spend a week answering calls in the call center. This generates empathy and insight for the customer, and has led directly to many innovations in improving the customer experience. It would be hard to create training powerful enough to help people understand the customer more than this direct engagement generates.

Don't make lean only about efficiency and waste elimination. Make lean first about effectiveness and customer value.

# About the Author



**Jamie Flinchbaugh** is co-founder and partner of the Lean Learning Center in Novi, Mich., and the co-author of “The Hitchhiker’s Guide to Lean: Lessons from the Road.”

Prior to founding the Center, he worked at DTE Energy, parent to Detroit Edison, as a lean thought leader to help transform the operations, leadership and thinking of the utility industry towards a philosophy of lean systems. Earlier in his career, he was part of the development, training and implementation of the Chrysler Operating System, a widely benchmarked lean change program.

He is also the founder of the Old Dutch Group, LLC, an investment company, and a principal of Cobra Motorcycles. He also serves on the board of directors of S&S Cycle Inc. and is an investor in Flinchbaugh Engineering Inc.