

Lean Thoughts

Inspired People

Robust Processes

Lean Operations

February 23, 2004

For all **Consortium** events – Contact Richard for more information.. For other events – contact directly

Important Consortium Dates to add to your calendar

The **Team Time** schedule has been established for the coming year. Team Time will start at 1:00pm at the host company. This will allow for folks to work with peers in the host site to collaborate, facilitate and implement ideas to advance the implementation of manufacturing excellence. **Participants should be prepared to work on the shop floor and come equipped with proper PPE.** The host site will advise 1 week in advance Team Time Projects. Part of the Team Time activity will include a plant tour.

- March 11, Team Time, Kromet International.** contact Richard Kunst, Richard.Kunst@Kromet.com
- April 08, Team Time, Kraft Foods,** contact Mariela Castano, Mariela.castano@Kraft.com
- May 13, Team Time, Stackpole AGD,** contact Cindy Grolleman, cindyg@stackpole.ca
- May 18 - 21, AME Pacific Rim Conf., Melbourne Australia,** info at www.x2xconference.com contact ame@pams.org.au for dialogue
- June 10, Team Time, Stackpole CSD,** contact Gerry Ward, gerryw@stackpole.ca
- July 08, Team Time, Eaton Cutler-Hammer** contact Joe Fisher, JoeRFisher@eaton.com
- August 13, Team Time, Messier-Dowty.** contact Richard Evans, Richard.Evans@Messier-Dowty.on.ca
- September 09, Team Time, CGL Manufacturing** contact Dave Desker, daved@cglmfg.com
- October 14, Team Time, CTS Corp.** contact Bob Garces., Bob.Garces@ac.ctscorp.com
- October 18-22, AME Annual Conference, Cincinnati.** contact www.ame.org for details
- November 06, Consortium ShareShowcase, Eaton Cutler-Hammer** contact Joe Fisher, JoeRFisher@eaton.com
- November 11, Team Time, Morrison Lamthe.** contact Tony Vita, tvita@morrisonlamthe.com
- December 09, Team Time, Inscape.** contact Joe Cyr, jcyr@inscapesolutions.com
- January 09, Team Time, Alumabrite Inc.,** contact Richard Kunst, Richard.Kunst@Kromet.com

Half Day Workshop – Understanding the Lean Journey

Gary Kerr from ADI in Australia has been facilitating a Lean Transformation at ADI. Listen and exchange ideas about lessons learned during the journey.

Event will be on **March 03, 2004 at Avnet Electronics** in Mississauga. Cost; \$100.00 AME or Consortium Members - \$175 for associates and Mfgrs

ON LEADERSHIP COMMUNICATION

It's the Real Thing: Authenticity

And you can demonstrate it through being available, listening and showing respect.

Michael Useem, a respected author and professor at Wharton, told me a story about inviting a Marine Corps general to his MBA class to talk about leadership. The general was not just any general. He was Peter Pace, vice chairman of the Joint Chiefs of Staff. Pace arrived ten minutes early and by the beginning of class had introduced himself to each student. What Pace did was make a direct and personal connection with the people to whom he was speaking. This four-star general could have stood apart letting his medals do all the talking. Such is not Pace's style. His communications reflect who he is as a leader as well as why he is a leader. His communications embody his commitment to people. Peter Pace is authentic.

The Quest for Authenticity

There is a great deal of talk these days about authenticity. And with good reason. There is so little of it to go around. Two years ago, as stories of corporate thievery and malfeasance mounted, people wondered whatever happened to honesty, integrity and ethics — hallmarks of authenticity. Now, it may be making a comeback. A short while ago, Phil Condit, the CEO of Boeing, resigned because his company was embroiled in multiple scandals. Condit was not implicated in any way, but he thought it honorable to step aside to enable Boeing to move forward. That was an authentic action.

Authenticity is not a nice-to-have; it's a leadership imperative. Bill George, former CEO of Medtronic, has written a best-selling book on the topic, **Authentic Leadership**, packed full of keen insights on how act and be a genuine leader. Communications is essential to that conveyance process. Every manager must resonate a degree of authenticity. In simplest terms, it means you stand up for what you believe and you deliver on what you promise. Simple, yes, but challenging to live by.

Here are some ways you can demonstrate authenticity through communications.

Set expectations about what you expect. No, this is not my feeble attempt at Zen mastery. Expectations for performance, e.g., objectives, are typically inward looking; they itemize what an employee must do for the coming year. Expectations about what you as the manager expect

Lean Thoughts

Inspired People

Robust Processes

Lean Operations

of your team are outward looking. You communicate to your people how you want them to interact with each other. You can set expectations for courtesy and comity. In other words, people don't have to like each other, but they need to cooperate if they want things to get done. You as the manager must set those expectations and live by them.

Be available. Make a practice of keeping your door open as well as walking the halls. Let people know you want to hear their ideas. If you have not done this previously, you will have to work at getting people to speak up. You first need to establish a sense of trust. You do this by being available and by engaging people in conversation.

Listen to what others say. The physical effort required to listen must be little above that of sleeping. But the mental effort of listening can be Herculean. It requires patience and fortitude. You need to be patient with people who hem and haw, or might be intimidated by your presence. And you need to have fortitude to listen to things you have heard before or, more often, to things that are not going well.

Demonstrate that you have learned. When people tell you things, let them know that you have heard what they have said and that you understand them. Then as time goes on, mentally shift through what you have heard. If three people are saying the same thing, it's a trend. If the trend is pointing downward — that is, if the response team is not fixing the network — you need to investigate. If the trend is pointing upward — that is, all customers are pleased with the software patch — publicize it and thank people for doing the work.

Respect people as people. I know you learned this in kindergarten. When you take the time to speak to employees about work as well as what's on their minds, you demonstrate that you value them as people. When you listen to them and ask them questions in return, you further validate their humanity. And when you respond to issues and seek to make positive improvements, you demonstrate your commitment to them as employees. That is authentic leadership.

Authentic Payback

The flip side of authenticity is loyalty. When people see that you are a person of your word, they will trust you. And when they trust you, they will want to work for you as well as work with you. Even better, they will likely be willing to stand up for you when times are tough. Authenticity may be the Holy Grail of 21st-century management, and as such it is the writ by which we need to live and work

John Baldoni is a leadership communications consultant who works with Fortune 500 companies as well as non-profits. He is a frequent keynote and workshop speaker as well as the author of four books on leadership; the latest is [Great Communication Secrets of Great Leaders](#) (McGraw-Hill). Readers are welcome to visit his leadership resource website at www.johnbaldoni.com.

Hi All,

Jim Womack, Co-Author of [Lean Thinking & The Machine that Changed the World](#) is a very good friend of HPM and of every individual and firm who is committed to driving waste out of the enterprise. As you may recall from previous years, Jim and his team do a brief survey on their LEI (Lean Enterprise Institute – www.lean.org) website to be able to help 'laser the publications and materials to be produced for you and me.

Jim is asking for your help in completing the simple but important survey. See below...

Dear Richard,

As we all return to work in the New Year, I wanted to provide a few thoughts on the prospects for lean thinking in the years ahead.

*Let's begin with some good news: **Process thinking is going to be a growth industry** as global manufacturing grows. Many of you may have been startled to read recently the report of a Wall Street analyst **that manufacturing employment across the world is falling and will fall from this point forward, just the way employment in farming has steadily declined.** The problem with this argument is that it takes the recent drop in global manufacturing employment – due to the recession in North America, Europe, and Japan, and the dramatic restructuring of formerly protected manufacturing industries in China, India, and Russia – and extrapolates this as a straight line to the future.*

*A simple analysis of the amount of goods that consumers across the world will be demanding in the next few decades – particularly as China, India, and many other countries race to close the standard-of-living gap with the developed countries – suggests something very different. If you multiply the amount of goods demanded by the number of employee hours of effort needed to make each unit of goods, even using the leanest methods, you discover that **manufacturing jobs on a global scale will grow, not shrink.** (We'll soon be providing an analysis of these trends on the LEI website.) That's good news for lean thinkers because most of us today make a living thinking how managers and production associates can manufacture goods more efficiently.*

*Here's some better news: Process thinking has truly profound growth prospects outside of manufacturing. Most of what humans do at work is to operate routine processes – in the office in every manufacturing company and in every aspect of health care, finance, communications, transport, construction, distribution, retail, etc. Yet even the most casual examination of current-day business processes -- including those we encounter in our roles as consumers -- **shows that we have hardly scratched the surface in introducing robust process thinking.***

Lean Thoughts

Inspired People

Robust Processes

Lean Operations

For example, I recently visited an insurance company in the U.S. – Jefferson Pilot -- that has done a stellar job of applying lean thinking to its policy writing process and its agent certification process, with remarkable reductions in customer response time, errors, and cost, accompanied by dramatic sales growth.

(See **"The Lean Service Machine"** by Cynthia Swank in the October 2003 Harvard Business Review for the details.) Yet this firm has so far "leaned" only a few of its core processes and most other firms in the insurance industry have not even gotten started. As lean thinking comes forward to do brilliantly what the process re-engineering movement of a decade ago did so poorly, **the need for lean thinkers to tackle knowledge management processes will rise rapidly.**

So the best is yet to come, although many lean thinkers, particularly in the developed countries, may need to shift their focus from the factory to the office and other business processes.

What we really need now is your help to learn how LEI can help you spread lean thinking. So I hope you will take ten minutes at the beginning of the New Year to click on the link below to our annual Lean Community Survey and tell us what LEI should be doing for you. (We will post the results on the LEI website as soon as the responses are in.)

<http://www.lean.org/Community/Registered/Survey.cfm>

With best regards and with high hopes for lean thinking in 2004 and beyond,

Jim Womack, President & Founder, Lean Enterprise Institute, Inc.

Note: The results of the survey are now in. By connecting to the URL above you can compare your thinking with the results of all responders regarding Lean issues. Have a look.

Lean Allies in the Office

By Professor Daniel T Jones

Dear Lean Thinker,

I am increasingly convinced that lean cannot progress in operations alone. Getting the offices involved can be a very powerful way of capturing the attention of top managers. The key to lean in the office is to learn to see every process rather than focusing on lean tools. Big and quick gains can be made in the office. Once top management see these gains they are prepared to lead a lean transformation across the whole

corporation. And finally operations feel like they are going with, rather than against the flow.

This was brought home to me during a visit to review a lean manufacturing programme in a large multi-national firm and in discussions as we put together the programme for the Lean Service Summit in Amsterdam in June. After a day listening to very good, but frankly rather tedious reports about progress being made in plants across the world, the meeting finally came to life when someone from corporate office described some pilot lean projects they were doing in the office.

He told a stunning story about how an office team, with some expert help, had transformed the centralised process for paying suppliers. Now incoming invoices were more accurate, payment approval was quicker and they were no longer getting any calls from irate managers whose plant was about to be shut down because a supplier had not been paid. This had touched everyone in the room. It was a breath of fresh air!

However the real significance was that these lean office, pilot projects were being led by someone with a finance and strategy background. By extrapolating the gains from these pilot projects across this huge corporation, with offices across the globe, he was easily able to get top managers to listen to his stories. Indeed they are so enthusiastic that they are already beginning to plan the systematic deployment of lean across every office function in the company - from sales and marketing to purchasing, from finance to human resources and to product development.

His other very interesting comment when asked about how difficult it was to translate lean from the shop floor to the office was: "The more you learn to see the office process, the more it looks very similar to any other process." Indeed the main differences are all about learning to see - to see who is the customer, what steps create value and where all the waste is hidden. Once you can see you can ask the right questions and build a business case for change. Only then do you reach for the right tools. Which is why everything we do at the Lean Enterprise Academy starts from learning to see and asking the right questions to answer the needs of the business.

Maybe it is time to look for some allies to plant some lean seeds in your offices?

Yours sincerely

Professor Daniel T Jones
Chairman, Lean Enterprise Academy