How LEAN Is Lean?



Avoid quality program bureaucracy that can sap logistics productivity and increase costs

A KANE Viewpoint

Lean quality improvement programs have driven billions of dollars' worth of value across corporate supply chains. They are the road map to faster, better and cheaper. But, if you're not careful, these programs can become weighed down with bureaucracy, adding time and cost to your quality improvement efforts.

Lean Program Pitfalls

Today, "Lean" is an industry, with University curriculums, formal certification programs, and thousands of consultants offering "Lean in a box."

The management approach that seeks to eliminate waste has become institutionalized, with all the attendant bureaucracy – meetings, paperwork, reporting and budgets. The danger here is that, instead of having Lean work for us, we become slaves to the Lean bureaucracy. As a result, productivity plummets and costs mount without an acceptable ROI.

Lean programs are not inherently inefficient. It's all in the implementation. We simply need to examine our own Lean Six Sigma programs to ensure that the management of such efforts doesn't interfere with getting the work done.

This eBook reviews some ways in which the management of Lean programs can get in the way.

Lean program management should not interfere with getting the work done.



"We just want to save time and make things simple."

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Lean Program Pitfalls: Bloated Bureaucracy

Meetings, Lean charters, complicated reporting requirements…. These and other administrative trappings can serve to make continuous improvement more of a homework assignment than an opportunity to make things better. The danger here is that someone with a good idea may be reluctant to put it forward.

> *For a large transportation company, a group of operations managers surfaced an opportunity to optimize inbound freight movements and make receiving easier and more efficient. The Lean program manager asked the group to first develop a clearly worded "charter" for a formal Lean project. Hours were spent writing and re-writing the charter according to a format dictated by the manager. The team became frustrated and their enthusiasm waned.*

A properly defined charter is important to keep everyone aligned, but let's not get nuts here. Capture the problem statement, scope and goal, then get on with the project and make adjustments along the way.

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"Did I call the customer? No, I thought you did!"

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Lean Program Pitfalls: Unnecessary Lean Projects

As corporate dollars are allocated to Lean programs, the pressure mounts to show an ROI. Consequently, tactical assignments that could be handled with a meeting or a few phone calls get put forward as formal Lean projects in order to justify a budget spend.

Not every opportunity is a Lean Six Sigma project!

> *In an article for Forbes Magazine, Steve Denning wrote about the COO of one company who held plant managers accountable for running a certain number of "learning events." According to Denning, "it became slash-and-burn Lean, with no sustainability and no continuous improvement…old school outcomes with a forced carrot and stick motivation."*

It may sound counter-intuitive, but the best Lean projects are often reactive, versus proactive. They are initiated to solve an identified problem. When staff is pressured to go out and find problems to feed the Lean project pipeline, that's like walking around the house with a hammer looking for something to bang, versus recognizing a problem (a crooked picture on the wall) and fixing it.

It may sound counter-intuitive, but the best Lean projects are often reactive, versus proactive.



"We're changing the focus."

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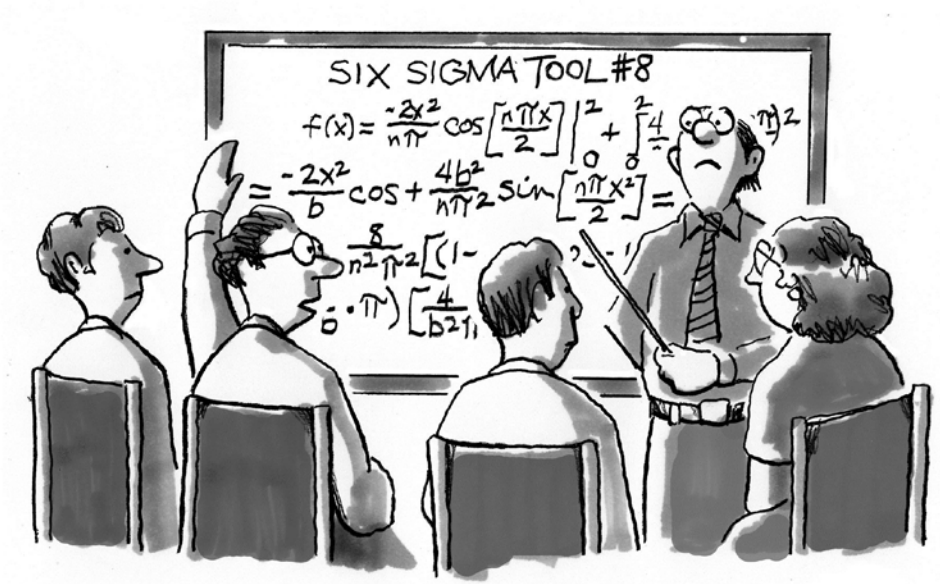
Lean Program Pitfalls: Poor Training

Lean training should be practical and meaningful for all levels, including the people who do the work. Be careful of taking an overly academic approach. Leave the theories and complicated models to the program managers.

Six Sigma tools are a good example. There are hundreds available, from the "5 Why" root cause methodology to regression analysis. Zero in on the ones that work best for your company and focus your training on the use of these specific tools. Keep it practical and keep it simple. Your lean process should be a lean process.

When designing a Lean training program, be careful not to over-emphasize the engineering side – the analysis tools – at the expense of the cultural side – facilitation, team problem solving, accountability. In the words of management guru Peter Drucker, "Culture eats strategy for breakfast."

Keep it practical and keep it simple. Your lean process should be a lean process.



"Is this going to be on the test?"

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Lean Program Pitfalls: Unsustainable Program

Enthusiasm over Lean programs tends to peak in the early stages after the low-hanging fruit is picked, with impressive results. Where many companies fail with Lean programs is sustaining them and continuing to drive ROI after the big-value ideas peter out.

The core tool used to drive Six Sigma projects is DMAIC (Define, Measure, Analyze, Improve, Control). But companies too often ignore the control piece – the heart of continuous improvement. ***As Shigeo Shingo, Toyota production system expert, said "It's only the last turn of the bolt that tightens it – the rest is just movement."***

Characteristics of Lean Projects vs. Tactical Assignments	
Lean Project	**Just-Get-It-Done Assignment**
• Strategic • Impacts several functions in the organization • Long-term implications • Customer participation • High-dollar potential savings • Answer is unknown	• Tactical • Impacts just one function in the organization • More immediate fix • Customer involvement not required • Low-dollar impact • Immediate corrective action is needed
Examples: driver retention, space allocation, reductions in carbon emissions, red customer KPI's	***Examples: Safety or quality non-compliance, retraining***

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Summing Up: Leaning Out Lean Programs

Keys to Success for Lean Program Implementation

- **Define how Lean and Six Sigma programs will work for your organization.** Don't implement a generic version of Lean. Adapt the program, as needed, to fit your company's objectives, structure and culture.
- **Keep the training simple.** Overly academic or complicated training can turn off the operations staff, who will ultimately determine the program's success.
- **Pick the right initiatives to develop as formal projects.** Many may not require the formality and structure of a Lean project.
- **Keep meetings to a minimum.** And keep them short.
- **Manage group sizes.** If you've got 15-20 people on a project, that's too many. The more people, the less productive you'll be. Staff can be involved without being a part of the core team.
- **Define a timeline.** Open-ended deadlines invite wasted time and delay closure.
- **Lean out your tool set.** Pick just a handful that you'll use regularly and revolve your training around these.
- **Involve customers.** Ultimately, everything you do is designed to drive customer value. Inviting customer input directs your efforts toward the most value-driving activities.

The Lean movement began as a grass roots effort to eliminate waste and improve quality.

Simple, unpretentious and important.

To continue realizing the enormous benefits that Lean efforts have delivered to supply chains, we need to keep Lean program implementation simple, with a focus on the people, the culture, and getting the work done to deliver value to the business.

About KANE

Kane Is Able is a third-party logistics provider that helps manufacturers and their retail partners efficiently and effectively distribute goods throughout the United States. KANE has made a corporate commitment to continuous improvement using Lean Six Sigma methodologies, and the program has been fine tuned to be highly practical and easy to implement.

Looking for ideas to make your retail supply chain work better?

LET'S TALK

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