



LEAN MANAGEMENT JOURNAL

Issue 1 Volume 4 | Jan/Feb 2014 | www.leanmj.com



TURNING THE TABLES

Examining the power of lean practices in transforming struggling organisations.

Organisations and interviews featured in this edition include: Hayward Tyler, Bosch, Yeo Valley, John Shook, One Wigwan, Industry Forum, Edinburgh Napier University and Milliken European Airbag Products.

Casting your own burning platform: Lean expert *Jeremy Butler* discusses the involvement of management and the importance of empowering a workforce to achieve a lean turnaround.

Changing cultures; changing mindsets: Manufacturing systems director at Hayward Tyler, *Martin Clocherty* shares the importance of making everybody accountable when trying to regenerate an organisation.

One on one: Editorial director, *Jon Tudor*, catches up with chairman and CEO of the Lean Enterprise Institute *John Shook*, to ask some tough questions posed by our editorial board.

A class of its own: LMJ highlights the achievements of Milliken European Airbag Products, winners of coveted World Class Manufacturing award 2014

Break the Cycle



Russell Ackoff had a profound capacity for using stories to educate his audiences about the basic concepts of managing systems, both in his lectures and in his books. He also had a profound way with words. One of my favourites is his warning that “it’s better to do the right thing wrong, than the wrong thing right”, a concept he claimed to have borrowed from his good friend, Peter Drucker. The challenge, of course, is determining what is right to do, for such a label is far too easy to apply. Yet, the outcomes are far too hard to see, especially when one is confident in the direction of action, and when the system is open to both familiar and unfamiliar unknowns. Should the system be small enough, the actions would always seem right. Only with expansion, in time and/or in space, could there be doubt as once unknowns become known.

I offer these comments as a prelude to this month’s edition, which features efforts to apply lean principles, better known as the Toyota Production System, to turnaround situations. In appreciation of systems, Ackoff offered advice on how to steer past the time-honored traps that prevail in our traditional mechanistic thinking, which can lead us to narrowly judge efforts as either wasteful or non-value-added. Instead, he encouraged us to shift our focus from managing actions, such as parts, tasks, and program elements, to managing the interactions between these parts, tasks, and program elements, being ever mindful of the value proposition of shifting our thinking to seeing ever-larger systems. Such thinking mirrors the “production viewed as a system” advice that W. Edwards Deming offered his many audiences in Japan, including students such as Shoichiro Toyoda, whose humble beginnings led to Toyota’s far reaching Total Quality Control efforts and the eventual appreciation of Toyota’s “just in time” (JIT) advocate, Taiichi Ohno.

In a recent conversation with Doug Krug, a friend who serves as both a management consultant and leadership coach, he shared a few lessons he’s learned in 30 plus years of engagement in turnaround efforts. He commented on the self-described qualities and skills of the senior managers he had guided. When the topic of our conversation turned to questioning skills, he shared that curiosity is rarely acknowledged by senior managers as a leadership trait. As such, how could these leaders suspect that the pending turnaround is but a left hand turn around a racetrack, leading left turn after left turn to the starting point of a need for another turnaround? From where will the cycle end and the right hand turn emerge with a vision for managing interactions and not the actions taken separately?

In his first book on management, *Quality, Productivity, and Competitive Position* (1982), Dr. Deming summarized a list of actions for senior managers, which he defined as his “14 Points for Management”. Whether prompted by a crisis and the subsequent need for a turnaround, or an essential effort in an organization’s continued success, these points are well worth studying and adopting if one desires to turn right and break the cycle of left hand turns.

Warehouses: Investment worthy or waste?



Dr. Payam Dehdari, Senior manager of Corporate Sector Purchasing and Logistics at Bosch, and Prof. Kai Furmans, head of the Institute of Material Handling Systems and Logistics at the Karlsruhe Institute of Technology, have collaborated to underline the achievements of applying lean strategies to 800 Bosch warehouses in more than 60 countries. The pair share the results of a two-year project aimed at showing why managers should be investing in lean activities within the warehouse environment.

READ ABOUT:

- Why thriving warehouses are fundamental to success in business
- Measurement techniques Bosch used to generate a holistic picture of warehouse performance
- How the study proved that lean has a positive impact on performance indicators

For lean practitioners inventory and warehouses are considered waste. In the past there was a tendency to ignore warehouse operations completely when transforming a company into a lean organisation.

However, there are two reasons why we think it makes sense to spend time in warehouses:

- Firstly, there are supply chain designs, where warehouses are without a practical alternative, until manufacturing makes another big step forward
- Secondly, there will always will be products which require storage, for instance as part of a maturing process.

For example, if Bosch promises one of its customers in Indonesia a 24 hour replenishment time for power tools, power tools that are produced all over the world, and in this instance in Hungary, in order to meet