



LEAN MANAGEMENT JOURNAL

Issue 9 Volume 2 | November 2012 | www.leanmj.com

WHEN THINGS FALL APART

Analysing the reasons why many lean programmes fail and the importance of learning from mistakes

Companies featured in this edition include:
Wood Group PSN, Louis Vuitton, PO Construction,
Faurecia, Thales Group, Palo Alto Medical Foundation,
Renault, CHU Grenoble

IN THIS ISSUE:

When things go south: *Mike Riungu* of brownfield services provider Wood Group PSN, headquartered in Scotland, reflects on lean failure and how to avoid it

Get it wrong to get it right: Renault-Nissan Consulting's *David Howells* discusses the lessons that were learnt at Renault prior to its alliance with Nissan, and tells LMJ how they were key in making the car-maker successful

The model line approach: The story of the rapid adoption of lean as a management system at the Palo Alto Medical Foundation in California

Lean *au cœur*: LMJ travels to France and meets some of the country's leanest companies, including Louis Vuitton and a Parisian construction company

Once you pop you cannot stop: In the newest update within our Lean Diary, LMJ hears about SCGM's results a year after the implementation of lean started

Super-lean shop floor: Will Stirling attends a workshop at the JCB Academy in England



Better never stops

The London Olympics' *Better never stops* motto may very well sound like a good example of branding of a company's improvement programme, and a good mantra to keep people focused on business goals in a lean environment.

As a matter of fact, under the banner of lean six sigma, organisations have maintained a commitment to the elimination of variation and non-value added activities for decades, all the while in pursuit of a quality goal of zero defects and a lean objective of zero waste, seen together as the attainment of perfection.

However, lean efforts, with or without six sigma, are subject to failure at significant rates.

In the spirit of how I interpret Dr. Deming's Second Theorem ("We are being ruined by best efforts and hard work, doing what is wrong"), I encourage lean leaders to be mindful of the thinking behind lean and ask themselves questions such as:

- Who is best positioned to judge an effort as adding value or contributing waste? Does the conclusion "non-value added" imply a "net present value" calculation for a closed system? That is, who possesses the foresight to accumulate the entire "value added" by an effort, seeking a summation that extends into the future and across an open system that extends beyond reach, sight, and thought? Or, might it be better to suggest that the amount of value added by an effort is "unknown and unknowable," in keeping with a quote that Deming was fond of reciting.

- How much time and energy is invested in an organisation in pursuit of activities that are deemed to be well? In a manufacturing environment, this question often translates to "How much time is spent every day in organisations discussing parts which are good and arrive on time?"

In my experience in studying organisational change efforts, the answer to the last question is quite often zero, if not small. If so, *Better Never Stops* has become *Better Stops at Good*, in which case good translates into *perfection*, the point past which individuals and organisations are unable to progress.

Yet, might it be possible that such end points, such as the achievement of zero defects, zero waste, and the elimination of non-value efforts, are blind spots for worthy investments of resources? Could they stem from how individuals and organisations think about their efforts and how they connect to each other, not a physical limitation? To perceive improvement as continuous requires thinking past a mechanistic focus on parts, actions, elements and the people who lead them, and acknowledging their inherent variation and how they relate to each other.

Leaders think beyond such barriers by perceiving them as mental, conditioned by how we think and prioritise our efforts, not physical limits. Lean implementation efforts could likewise be improved by acknowledging self-imposed restrictions on our thinking; specifically, thinking in terms of open systems, not closed systems, and in terms of the interactions between parts, actions, and elements, not these efforts taken separately. In doing so, *lean efforts* never stop.