

Creating a Lean Culture: Process Focus and Leader Standard Work

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About Steelcase

- Global market leader - office furniture
 - An industry increasingly competitive, increasingly lean
- Much vertical integration
 - Coil to carton in many products
- Lean journey since 1997
 - Emphasis has varied
 - Today, sense of urgency about lean

A Personal Lean Journey

- Organizational psychologist
- Began as lean resource for change mgt
 - Prep leaders to lead change
- Saw gaps between “project,” “process” modes
 - New production system, old management system
- Need for “lean management” emerged
- W/ line leaders, developed approach and tools
- Arrived at view of “lean management system”
 - Pleased to share its framework

Comparing Batch and Lean

- In batch world, what do leaders focus on?
 - >Results, *Results*, ***Results***
- In lean world, what do leaders focus on?
 - >Process, *Process*, ***Process***
 - >Results, too

Results-to-Process Shift Needed?

- Only for sustained lean conversion!
- Results-only focus dooms process integrity
- Without process integrity, lean designs deteriorate
 - Stunningly quickly!

As Leaders, We're Left Asking:

- What does “process focus” mean?
 - What am I supposed to do?
-
- The lean production system is well documented
 - Where is a lean management system documented?

Lean Management Is Process Focus: 3 Things Today

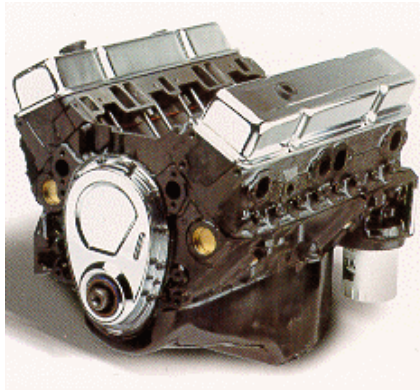
1. A conceptual model
 - A way of thinking about lean management
2. Things you can do and see
 - Core elements in lean management
3. What must leaders do
 - A challenge

By Themselves, You Go Nowhere

Engine

Transmission

Steering & Gas Pedal



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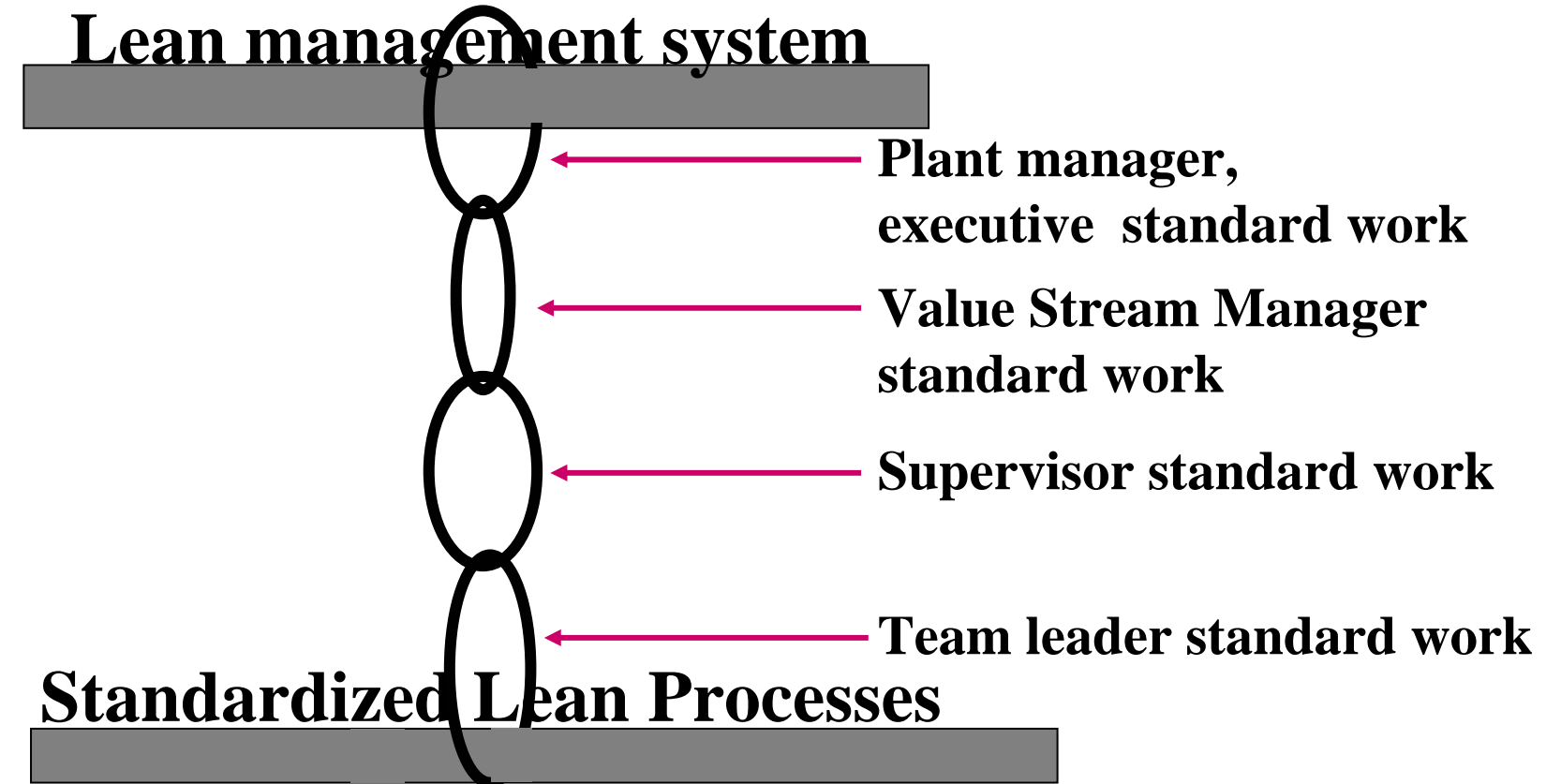


Leader Std Work

Visual Controls

Daily Accountability

Leaders' Std Work: Redundant, Robust



***Pit of instability, back-sliding,
and despair!!***

Typical Items- Team Ldr Std Work

- **Once-daily elements**

- Lead team startup meeting
- Review, adjust labor plan
- Monitor production start up
- Post tracking sheets
- Attend dept ‘board’ meeting
- Complete improvement task assignments
- Work on improvement
- Set next day labor plan
- Update Pareto charts

- **Multiple times a day**

- Observe std work each station
- Update performance tracking each pitch
- Monitor start, stop times
- Train operators as needed

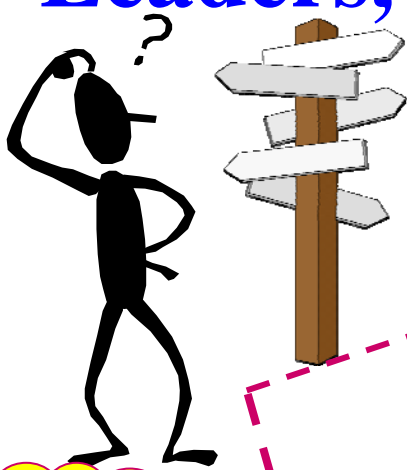
Team Leader standard work accounts for approximately 80% of TLs’ time

Typical Items-Supervisor Std Work

- Once-daily elements
 - Meet w/ opposite shift
 - Monitor production startup
 - Lead dept ‘board’ meeting w/ team leaders
 - Attend VS “board’ meeting
 - Complete improvement task assignments
 - Gemba walk a team leader
 - In-depth monitor standard work one work station
 - Opposite shift/next day plan
- Multiple times a day
 - Department walkthrough
 - Review, initial tracking charts; action as needed
 - Monitor start, stop times
 - Monitor team leader standard work

Supervisor standard work accounts for approximately 50% of supervisors’ time

Leader Std Work Makes Better Leaders, Smoother Transitions!



Go home satisfied!

Next day labor plan

Output meeting pitch goals? Charted?

Start-stop OK?

Complete my improvement task

People here ready to work?

Quality of startup meeting?

Output meeting pitch goals? Charted?

Std work followed?

Assign improvement tasks from yesterday's data

Visual Controls: The Transmission

- Standard work takes you to the visuals
 - Production tracking charts, operator daily maintenance boards, 5-S daily task boards, between-process control boards, equipment calibration signoffs, etc.
- Visuals show expected vs. actual
- Leader's job at the visual:
 - Verify tracking or execution
 - Ensure “misses/fallouts” are clearly documented
 - Ensure appropriate response to variances

Visuals as “Transmission” in LMS

- Visuals convert “energy” of leader std work into process focus -- structured, documented
 - Expected versus actual, reasons for variation
 - Expected versus actual, executed or not
 - Skipped, late, partial
- Documented process data gives “traction” leaders can use to drive improvement

Visual Controls - Pitch Tracking

 = MISSED TAKT

 = WITHIN 5 PEDS OF

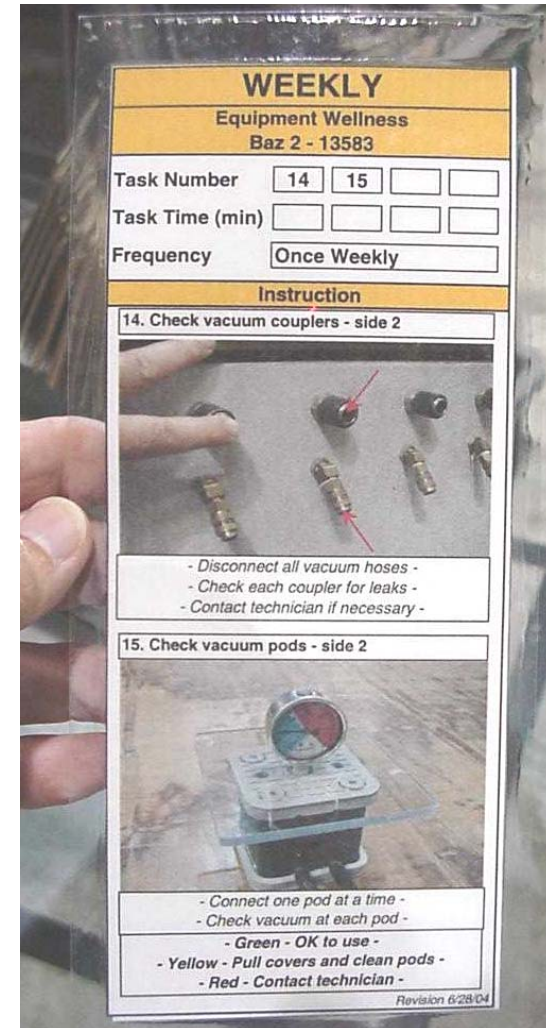
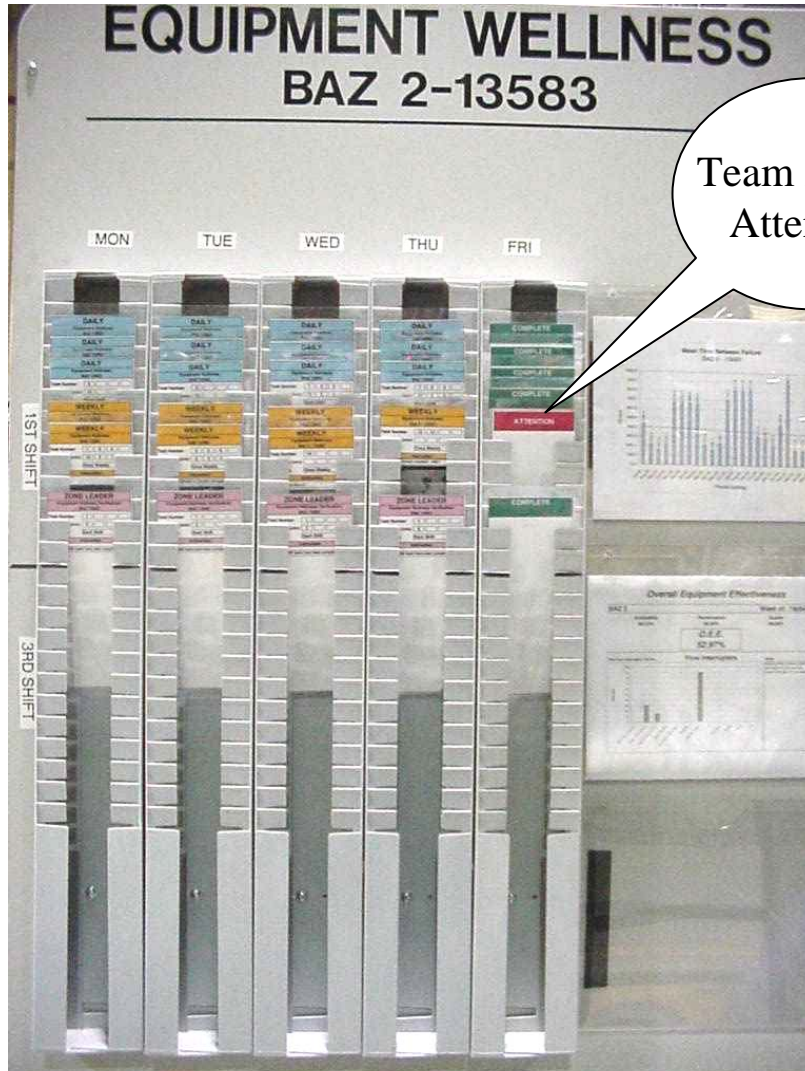
 = HIT TAKT

Center Zone
 Date: 8-20-08 8 Hours Days TAKT 40.0 Seconds

Time	Man	64s	Goal	Cum Goal	Actual	Cum Actual	Diff (s)	Cum Diff (s)	Comments
7:00 AM 7:30 AM	16		27	27	36	36	+9	+9	
7:30 AM 8:00 AM	20		45	72	44	80	-1	+8	
8:00 AM 8:30 AM	30		45	117	42	122	-3	+5	
8:30 AM 9:00 AM	30		45	162	46	168	+6	+11	
9:00 AM 9:30 AM	30		45	207	41	209	+2	+13	
9:30 AM 10:00 AM	16		27	234	21	230	-4	+9	
10:00 AM 10:30 AM	30		45	279	49	278	-1	+8	
10:30 AM 11:00 AM	30		45	324	47	325	+1	+9	
11:00 AM 11:30 AM	30		45	369	46	371	+2	+11	
11:30 AM 12:00 PM	0		0	369					
12:00 PM 12:30 PM	20		45	414	42	413	-1	+10	
12:30 PM 1:00 PM	30		45	459	41	454	-4	+6	
1:00 PM 1:30 PM	30		45	504	45	497	-7	-1	
1:30 PM 2:00 PM	30		45	549	41	538	-11	-12	
2:00 PM 2:30 PM	18		27	576	22	567	-9	-21	
2:30 PM 3:00 PM	30		45	621	53	620	-1	-22	
3:00 PM 3:30 PM	30		45	666					
3:30 PM 4:00 PM	30		45	711					
4:00 PM 4:30 PM	20		30	741					
Total	494		0						Total

Man = work habits (40 min clock), necessary skills punctuality, no unscheduled absence and no late return from breaks
 Method = Standardized process, work, maintenance, and management
 Material = No defects or shortages
 Machine = No break-downs, defects, or unplanned stoppages

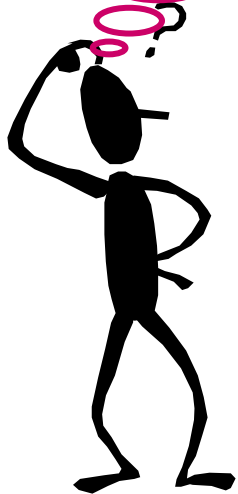
Visual Controls - EQW



Power and Traction: What Else?

- Standard work provides power
- Visuals are the transmission
- Two important questions remain

**What direction?
How fast?**



Daily Accountability: Steering and Throttle in LMS

A daily accountability process:

- Leader scrutinizes visuals' data daily
Determines what steps to take by whom
- Assigns resources, sets due dates
- Follows up
 - Daily, tiered stand-up meetings
 - Brief, on the floor
 - Visual accountability

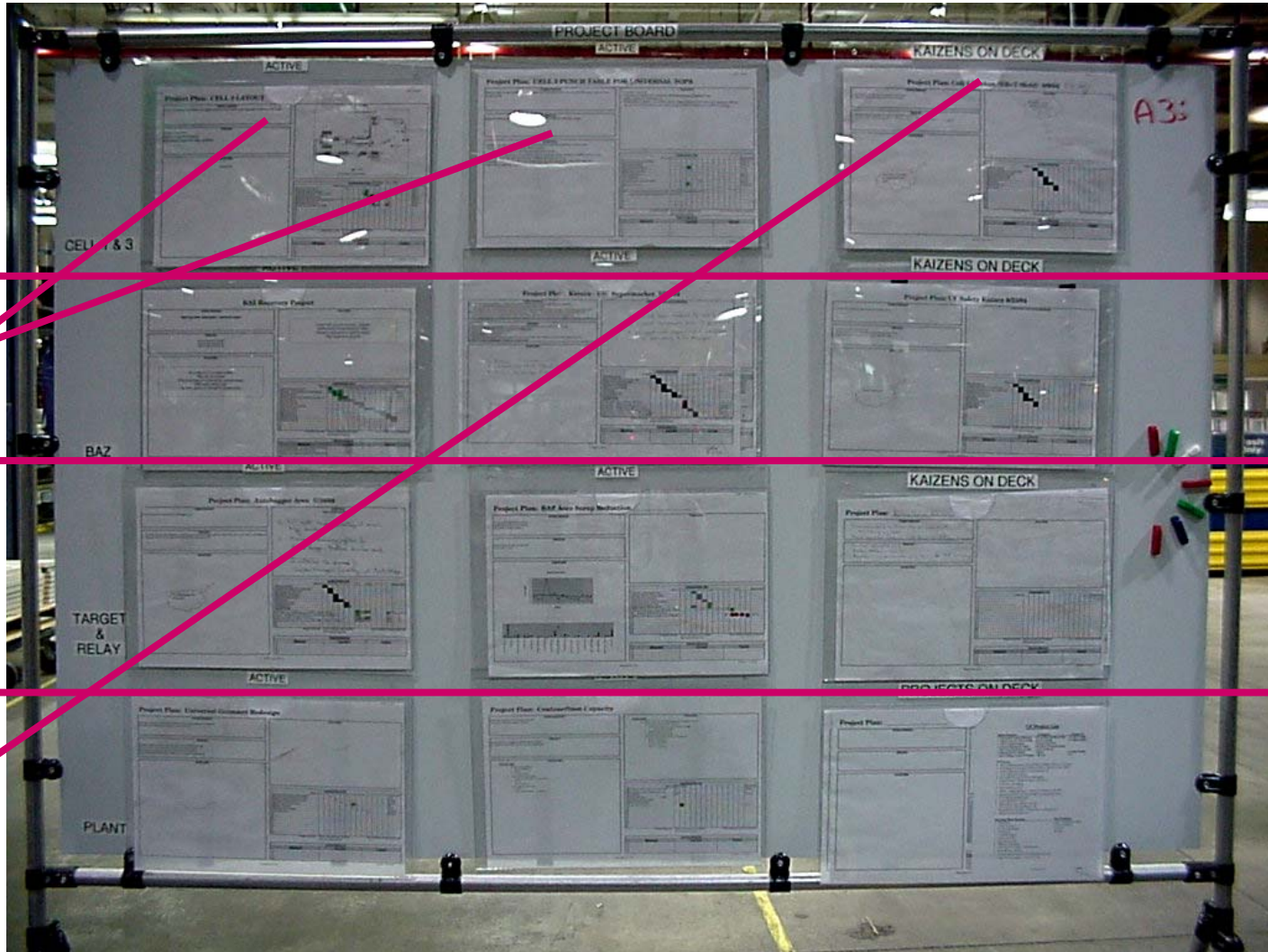
Daily Accountability- VS Board



Daily Accountability-Department

	LATE	8 2	8 3	8 4	8 5	8 6	9 9	8 10	8 11	8 12	8 13
Tim				Plot D. Parton Line		St. Thomas at line 6					
Tom	Accounting Dept. at Line 1			Call Line 1		St. Thomas at line 6					
DAVE				S. Thomas at line 6		Call Line 10 at Line 10	Call Line 10 at Line 10				
MIKE						Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	✓
MARY		Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10
Jim		Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10	Call Line 10 at Line 10

Not All Assignments Are Short-Term



Supervisor 1

Supervisor 2

Supervisor 3

Plant Manager

Active
Projects

On Deck
Kaizens,
Projects

Challenge for Leaders

- Leader's disciplined adherence to process makes lean management work -- or not
 - Leader - any level - must be most disciplined of all, from team leader to general manager
- Leader's insistence, consistency, and persistence - essential ingredients for effective lean management
- What makes it all work?
- It's YOU!!

Leader Standard Work Outcomes

- Clear expectations for leading lean
- Focused on behavior
 - What you want leaders to do
 - “Do” first, “know” second - if have to choose
 - What you can see leaders doing - or not!
 - More coachable, teachable
 - More readily changed
 - Improved odds for successful transition

What Can You Do Tomorrow?

- Execs: Standardize what you look for on floor. Reinforce visuals, their quality & substance
- VSMs: Standardize a substantive daily review of visuals; assign actions, follow them up
- Supervisors: Review visuals' quality & substance; sign them several times/day. Dig into reasons for misses.
- TLs: In depth observation every station every day looking for variation, ways to improve.
- Lean-sters: Add focus on leader standard work

Lean Management: Benefits

1. Sustain the lean implementation
 - “Run the business” activity
2. Create conditions for improvement
 - “Improve the business” activity
 - Extend “leanness” of implementation
3. Create conditions for growth of lean culture

Your Questions and Comments