



Lean Transformation



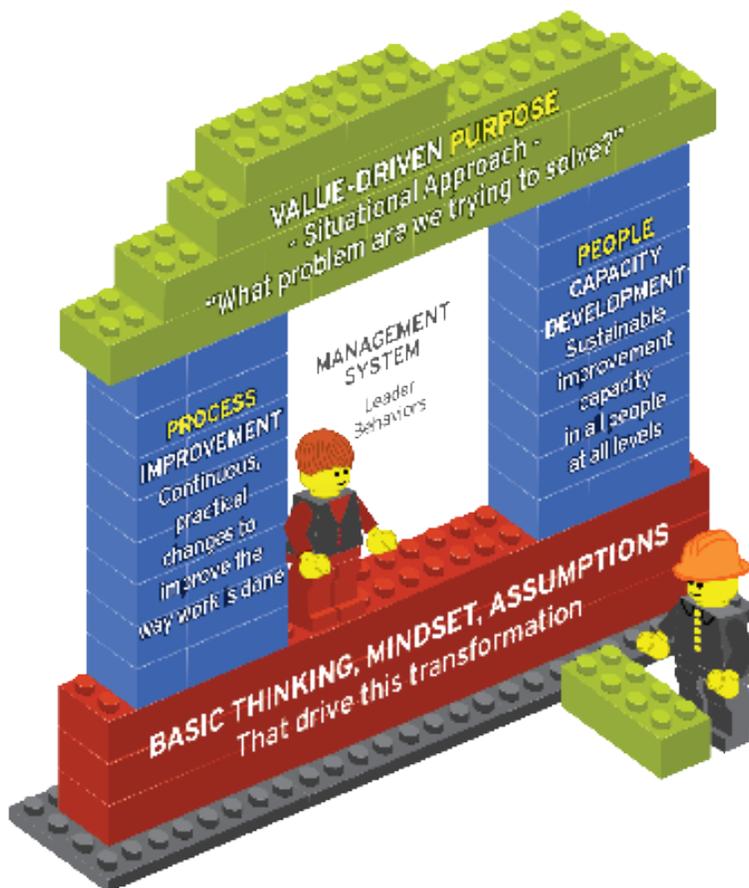
Does your company leadership believe that commitment to Lean Continuous Improvement can be integral for a successful business model?

Has your company sought to challenge current situations an effort to improve the organization?

Do you show your employees respect by helping them grow and advance?

THE LEAN TRANSFORMATION FRAMEWORK

Lean thinking and practice are all about: challenging us to reflect deeply on how we can improve a situation, improve the organization, or improve ourselves (and of course, all three.) Each of us knows from experience that this work is never easy.



Successful transformation calls for a situational approach that is based on innovating key dimensions of any organization through addressing a series of questions.

These are the same questions that apply whether working at the macro enterprise level or the level of individual responsibility as you drive progressively deeper into each dimension. But, while the transformation model that has emerged through years of experience is situational, the nature of the questions represent a clear point of view: if an organization fails to address each question, and with a sense of how each relates to the others, the transformation will struggle to sustain momentum.

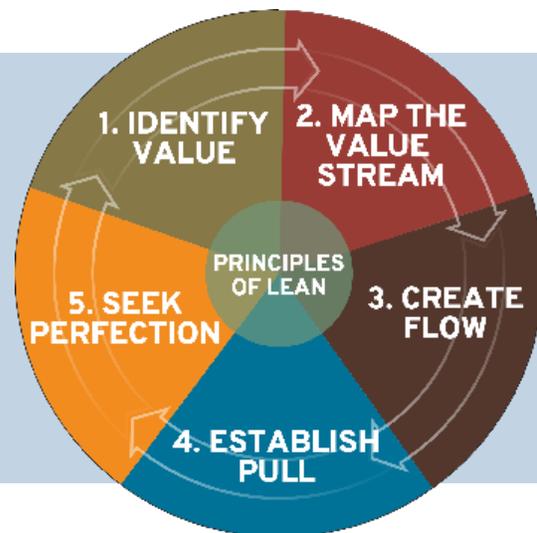
PRINCIPLES OF LEAN

The five-step thought process for guiding the implementation of lean techniques is easy to remember, but not always easy to achieve:

1. Specify value from the standpoint of the end customer by product family.
2. Identify all the steps in the value stream for each product family, eliminating whenever possible those steps that do not create value.
3. Make the value-creating steps occur in tight sequence so the product will flow smoothly toward the customer.
4. As flow is introduced, let customers pull value from the next upstream activity.
5. As value is specified, value streams are identified, wasted steps are removed, and flow and pull are introduced, begin the process again and continue it until a state of perfection is reached in which perfect value is created with no waste.

LEAN ACTION PLAN

While every individual or company embarking on a lean journey will have different challenges based on their particular set of circumstances, there are several crucial steps that can help reduce resistance, spread the right learning, and engender the type of commitment necessary for lean enterprise.



GETTING STARTED:

- ▶ **Find a change agent**, a leader who will take personal responsibility for the lean transformation.
- ▶ **Get the lean knowledge**, via a sensei or consultant, who can teach lean techniques and how to implement them as part of a system, not as isolated programs.
- ▶ Find a lever by **seizing a crisis** or by creating one to begin the transformation. If the company currently isn't in crisis, focus attention on a lean competitor or find a lean customer or supplier who will make demands for dramatically better performance.
- ▶ **Forget grand strategy** for the moment.
- ▶ **Map the value streams**, beginning with the current state of how material and information flow now, then drawing a leaner future state of how they should flow and creating an implementation plan with a timetable.
- ▶ **Begin as soon as possible** with an important and visible activity.
- ▶ **Demand immediate results.**
- ▶ **As soon as momentum is gained, expand the scope** to link improvements in the value streams and move beyond the shop floor to office processes.

Creating an Organization to Channel the Value Streams:

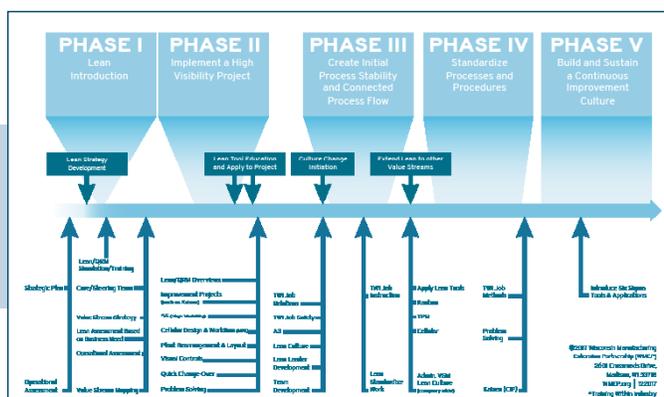
- ▶ Reorganize the firm by product family and value stream.
- ▶ Create a lean promotion function.
- ▶ Deal with excess people at the outset, and then promise that no one will lose their job in the future due to the introduction of lean techniques.
- ▶ Devise a growth strategy.
- ▶ Remove the anchor-draggers.
- ▶ Once something is fixed, fix it again.
- ▶ “Two steps forward and one step backward is OK; no steps forward is not OK.”

Install Business Systems to Encourage Lean Thinking:

- ▶ Utilize policy deployment.
- ▶ Create a lean accounting system.
- ▶ Pay people in relation to the performance of the firm.
- ▶ Make performance measures transparent.
- ▶ Teach lean thinking and skills to everyone.
- ▶ Right-size the tools, such as production equipment and information systems.

Questions of the Lean Transformation Model:

- ▶ What is the purpose of the change—what true north and values are we providing, or simply: what problem are we trying to solve?
- ▶ How are we improving the actual work?
- ▶ How are we building capability?
- ▶ What leadership behaviors and management systems are required to support this way of working?
- ▶ What basic thinking, mindset, or assumptions comprise the existing culture, and are we driving this transformation?



THE LEAN TRANSFORMATION JOURNEY TO CONTINUOUS IMPROVEMENT

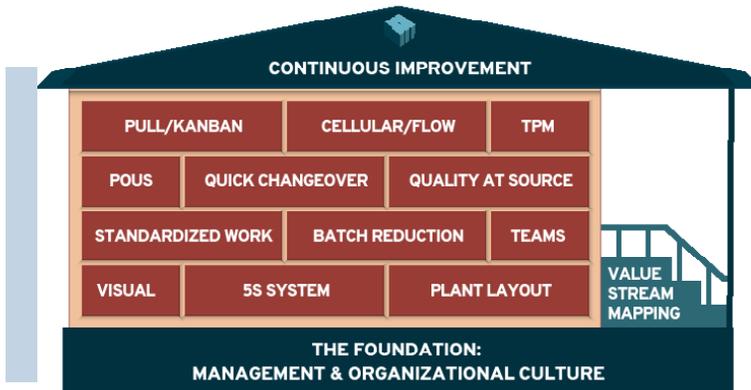
General outline of a Transformation project:

- ▶ Training in Lean Principles
- ▶ Value Stream Map a significant value stream
- ▶ Train and facilitate improvement activities generated from VSM
- ▶ Lean Assessment
- ▶ Culture Assessment
- ▶ Create and facilitate a Core/Steering Team

Completing the Transformation:

- ▶ Convince suppliers and customers to take the steps just described.
- ▶ Develop a lean global strategy.
- ▶ Convert from top-down leadership to leadership based on questioning, coaching, and teaching and rooted in the scientific method of plan-do-check-act.

Systemic Continuous Improvement



“HOUSE OF LEAN”

This is a visual representation of the sequence in which lean methods should be implemented. This analogy illustrates the required foundation on which the house can be built. The solid foundation sets up a successful implementation of lean, resulting in improved quality, delivery, and customer satisfaction.

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