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LEAN SUCCESS FACTORS

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Success Factors
Summary

Reasons for Lean Failure

Recently, I read a Linked In posting by Paul Docherty, titled 6 Common Reasons for Six Sigma initiative failure. https://www.linkedin.com/pulse/20140829095357-103026-6-common-reasons-for-failure-in-six-sigma-initiatives.

The reasons Mr. Docherty provided and supports are:

1. Lack of benefit quantification
2. Lack of management buy-in
3. Lack of tangible results from a pilot
4. Lack of coaching and skills
5. Lack of resources
6. Is it seen as too complicated?

I started to write a comment but ran into the word restriction, and purposed this Focused Fire Newsletter to respond to his analysis. To get the full benefit from the evaluation, please visit his posting.

This is an interesting discussion. The points are valid, but appear to be academic instead of honed on the grinding wheel of the shop floor. It is, to me, a growing conflict of perspectives applicable to Lean and ERP.

Success Factors

I want to win, not avoid failure, and approach program/project management from a success factor perspective.

Lean Six-Sigma, as originally defined in the Toyota Production System, is broader than continuous improvement. http://www.toyota.com.au/toyota/company/operations/toyota-production-system. It addresses issues adding value to the business, product, processes, and people. This system provides a very straightforward set of old principles, concisely simplified and packaged to be teachable to every employee. These principles, as practiced in the Toyota production system emphasized quality and customer, where-as most American factories are trying to cut costs or increase output.

To find the greatest reasons for success/loss in any project, the same factors always dominate, and all successful ERP/VMP initiatives specifically address each in turn.

1. Establish a project mission
2. Use a structured process
3. Establish a win-win program
4. Due diligence
5. Focused training for all team participants
6. Quality first
7. Empowered work teams
8. Build confidence through application success

In the May Focused Fire Newsletter, titled Shop Floor Control, I was critical of the ERP functionality morphing from operations to the front office. To me, this is not a promotion, but a shift of focus from managing work to managing analysis. At the same time, the concept moved from blue-collar to academic, and Lean practitioners have followed the same path.

From systems theory, we know that every concept eventually succumbs to the profit motive. ERP and Lean are prime examples. Management has a hard time with the ROI because of the high cost associated with training, project selection, and the cost of implementation. They often fail to recognize when the concept is bloated with self-interest.

It was interesting that one of the posted responses to Mr. Docherty states: "to stabilize your operations, you cannot improve nothing without having a standard and a base line."

That is the precise reason for implementing Lean programs, to build a foundation of continuous improvement starting with the five pillars.
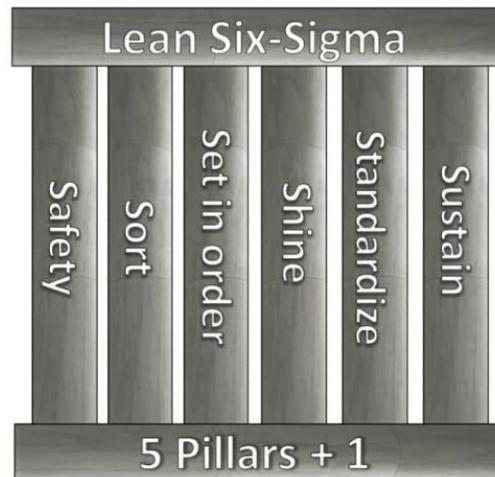
Lean Six-Sigma has evolved from the shop floor with people getting their hands dirty and making something happen, to an academic exercise. The core concepts of Lean are teachable in four hours. Properly done the project pays for itself, yields a profit, increases performance, and workers move from being "just another employee doing a job" to **involved associates** making a difference. That is an incentive for their participation, problem solving, and innovation.

I am adding the following reasons for failure to the list. Notice they are the flip side of the success factors.

1. The major cause for failed ERP and Lean initiatives is inadequate due diligence. Build a foundation before constructing the program.

2. Management allows the program to become a competitive academic event in contrast to a shop floor process and quality improvement activity. The training objective is not how many black belts are on the staff, but how many employees are trained, involved, and improving processes. The workers probably do not care about putting "Black Belt" on their resumes. Most are happy for the training and welcome the involvement *if the program is structured to achieve a win-win result for the company and the workers.*

3. All talk with few results. At business presentations, I ask, "Which companies here have Lean programs," and many hands are raised. The next question is, "How many Kaizen events did you complete this month?" and there are fewer hands raised. (Kaizen - a planned and completed improvement action).The final question is, "How many Kaisen

events did you finish this week?" The hands are easy to count. My comment to them, "Many companies have a dream, but not a Lean program."

4. Teams are encouraged or allowed to swing from the heels at every pitch, trying to hit home runs, while singles every time at bat will result in a string of wins. The home runs start with acquiring greater skills, then practice, practice, practice.

5. Training is inadequate. The leaders receive training, but the effort loses energy before reaching the shop teams.

6. Project structure fails to empower the workers by giving them the "right of decision-making." I have been in hundreds of manufacturing and distribution operations and seen abundant improvement opportunities. Every worker knows the details of their job and the operational problems. If you want improvements, involve the workers. Trained supervisors/leaders are frequently reluctant to share decision-making power with the team. See the chapters on "Teams," and the "Ten Step Decision Process," in my book "Decision-making in a Disruptive Reordering," available at http://www.waynelstaley.com.

Employers complain because **Millennials** are unmotivated but most like to be involved, even immersed. Provide them a positive, but controlled path to innovate, and be prepared for a great response. How did GOOGLE and Amazon grow so large? Like most of the hi-tech industries, they understand the **Millennials**.
See http://www.competitiveamerica.us/newsletters/FFN_The_Millenials-Our_Future.pdf

Failing to empower the work force is the final kiss of death for a program. Only lip service and excuses remain. I have NEVER had a project failure with empowered, trained, and involved management and teams.
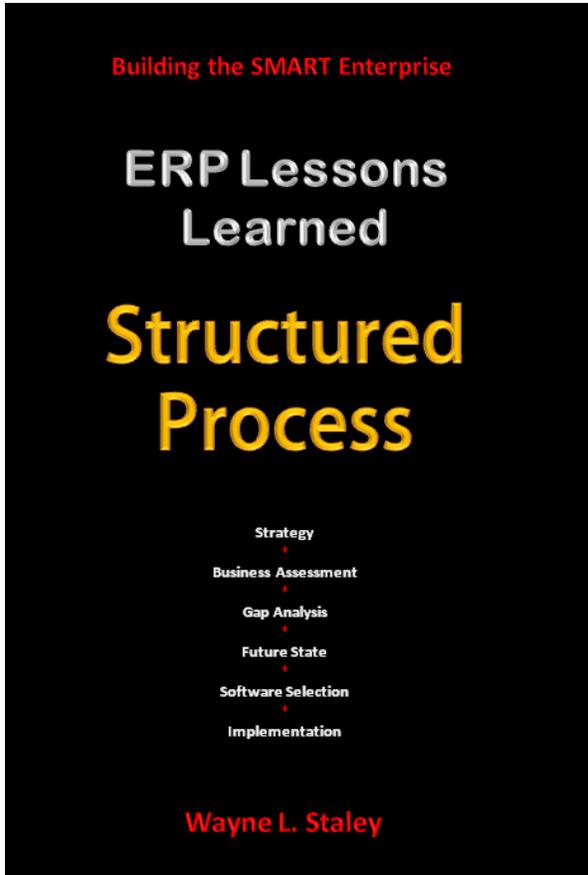
Summary

Maintain a value-adding mentality. Focus the program to add value to the business, product, processes, and people. Define a mission, perform due diligence, and then take an empowered team approach.

If you are a manager, join the teams on the floor and get your hands dirty. You may be surprised to find out how rewarding and how much fun the innovation process can be. I never miss the opportunity. Innovation is a creative salve soothing life's blistering pace. Use it liberally.

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