When Lean Thinking Fails

by Robert Whipple: MBA, CPLP

For the past 20 years, I have been a big proponent of Lean Thinking. I believe when the principles are properly understood and applied, the upside for productivity improvements is nearly infinite. When you think of the various types of waste in most processes today and the possibility of cutting them in half, then half again, and half a third time, it is easy to get excited.

I have personally witnessed numerous lean thinking initiatives that have improved productivity by large amounts (like 40-60%) in short periods of time with minimal capital expenditures. The track record is well documented by numerous authors. What we hear about less often are the failed attempts and the damage that can result when the tools are misapplied or poorly used.

If you try to drive a wood screw using a hammer, the result is going to be disappointing. If you try to use a trenching machine without proper training and safety equipment, you are likely to cut off your foot. So it is with the Lean tools; one needs to have the right tool for each application and be adept at using the tool properly to enjoy the benefits. Let us explore some reasons why Lean Tools sometimes backfire and cause damage rather than providing the service they are capable of producing.

First, I will list just a few of the most popular tools and their use as a way of grounding this discussion:

Kaizen - This is a structured event (normally one week in duration) where the old process is disassembled and put back together in a new and more efficient configuration.

Process Flow Maps - These are flow charts using precise rules that allow designers to actually see what is happening with new eyes. Often, what is really happening in a process is not clear to the uneducated eye.

Kan Ban - This is a technique to reduce inventory by postponing the ordering of new parts until the last minute before it is necessary. You probably have a jar of peanut butter in your refrigerator and a spare one on the shelf. You do not need a case of 24 jars because as soon as you open the one on the shelf, you can get a replacement. Kan Ban allows this same philosophy in more complex operations.

Pull Orders - The idea here is to produce product only when there is a customer who is waiting to receive it. It is the opposite of "push" production where items are made to stock and put in inventory.

Spaghetti Diagrams - These scribble diagrams allow designers to see the walking patterns of individuals throughout a shift. By studying the patterns, it is usually possible to significantly reduce the mileage covered by an individual working the process.

The Visual Workplace - this is the concept of a place for everything and everything in its place. It also serves to de-clutter any work area.

When properly applied under the guidance of a master in Lean Principles, any team can dramatically improve productivity and quality without jeopardizing customer service. This also serves to reduce inventory and storage costs. Unfortunately, when not properly managed, these same techniques can make matters worse and cause headaches. Let's examine why this can be the case.

Lack of real management commitment

Quite often management sees the carrot dangling in front of them to reduce costs and says "go ahead and have a Kaizen." The team is not properly configured or given the time and resources to do the job right. There is no lean expert overlooking the process. The team starts out with good intentions, but eventually totally mucks up the entire process. It can be very expensive to bring the process back to where it was. In the meantime, customers may have totally run out of product.

Thinking of Lean as an activity rather than a way of life

Lean principles will apply all of the time, and continuous improvement is part of the process. If management views a lean activity as a "one off" event, the results will be suboptimal at best and disastrous at worst. A good lean application is more like learning a new religion for life and not a band aid to put on a broken process until things heal.

Trying to do too much too fast

Although most lean work involves revolutionary improvements, the application is more evolutionary. It takes an even application to keep the momentum going forward. It often

means educating teams of people, which can appear to be rather expensive. When managers get greedy and try to swing for the fences each time at bat, there are going to be some strikeouts.

Failing to reinforce the culture

A good lean application means a different culture that is self sustaining. If leadership does not foster or nurture the methods by giving proper air time and reinforcement, then people will recognize this was just another flavor of the month and become sour on the ideas.

Cashing benefits by chopping off heads

Working on lean programs results in productivity gains. If these improvements do not foster growth of more sales, there are fewer people needed in the organization. If management is not careful with how the benefits of productivity are turned into cash, then the people making those improvements will sabotage the effort. I have seen several applications where a Kaizen lead to a reduced need for workers. You can imagine the chilly reception workers will give the next time a Kaizen is suggested.

These were just five of the ways Lean Thinking can backfire and not produce the sustained benefits imagined. Leaders need to apply the techniques carefully and with real commitment to enjoy the long term improvements.

Bob Whipple is CEO of Leadergrow, Inc. an organization dedicated to growing leaders. He can be reached at bwhipple@leadergrow.com 585-392-7763. Website www.leadergrow.com   BLOG www.thetrustambassador.com He is author of the following books: *The Trust Factor: Advanced Leadership for Professionals, Understanding E-Body Language: Building Trust Online, and Leading with Trust is Like Sailing Downwind*