



In for lean

Sustainability. Corporate responsibility. Business purpose. Social responsibility. Call it what you like; competent boards can no longer afford to put ESG—environment, social, and corporate governance—issues on the back burner.

Not long ago, these subjects—ranging from freak weather events to demands for a higher minimum wage and the diversity of board members—were widely considered to have no place on a board agenda. Now, however, directors ignore them at their peril.

I have often been asked, “How did you build the lean culture?” Simply said, culture is ‘how we do what we do’ or ‘the way things are done in an organisation’. Some also define company culture as a shared set of goals, values, attitudes, and practices that characterise an organisation. A successful company culture is one that can be accepted easily or embraced by the newest member to the MD or CEO. In this article, I will share with you some important things that helped me build a lean culture in my organisation.

Over time, every company develops some sort of culture that may include strategy, goals, etc. But it is really about attitudes and practices that can answer the question, “What does it feel like to work in a particular company?” When people ask me, “How did you change traditional

culture to lean?” it indicates their intent to change or transform from a traditional production company to a just-in-time (JIT) manufacturer or service provider. This transformation is not casual, as a lean company thinks in a manner that is exactly the opposite of a traditionally managed one, when it comes to operational approaches, underlying attitudes, and practices. Traditional companies are structured into departments that make them produce in batches, while lean companies are structured in value streams that enable flow of value to customer on demand.

Two traditionally managed companies might not have the same culture. Yet because of their approach to marketing, production, and functional structure (batch production structure) they may share many similarities. The list of thinking or process examples could be endless, and underscore the point that to become lean the traditional organisation has to change. The challenge is enormous and to build a lean culture, you must first build a lean company.

This massive change is not an overnight job. Building lean culture is not a fly by night operation, it is not about fixing broken down processes or doing some kind of rejig. It is not something that can be subcontracted to middle managers or below. It has to be led by the CEO or business owner from the front. Transforming to become lean is not a mechanistic thing; it is more about people, and hence, it is more

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of a social transformation. It is about developing competence and behaviour in people to see waste, solve problems, and make improvements. This is a new way of conduct and has to be taught by demonstration till it takes root. So, the question is how to do it and where should one begin?

Lead lean from the top

My tryst with lean started when I was reassigned from business development to head of operations, at a time when (we) knew nothing about lean (we called it JIT) back then. I learnt by practising on the Gemba for most part of two shifts every day. Understanding what does not work, failing sometimes, always teaching workmen and staff, leading the kaizens, improvising, focusing heavily on the process and never on the monthly results, learning when to use which tool or technique etc. Demonstrating by example, this not only helped me develop the next level of leaders, but leading by example helped change everybody's behaviour and attitude towards work. Our new work-related mantra,

behaviour, and description itself of the job had quietly changed to:

When any abnormality was observed, it had to be corrected and restored back to standards. We discarded accepting with deviations. Drawing was the master and compliance to it alone was mandatory.

We solved problems every day (kaizen). Solving problem to us meant preventing reoccurrence. We would exchange with each other every day, the number of problems identified and how many were solved. Seeing me leading the kaizen effort, the workmen and staff dived deep into it. That is how high motivation levels were. Once a problem had been solved, we set new, higher standards and went after achieving them, aligned to overall company goals.

In short everybody's daily work was: strictly complying to standards, bring abnormalities back to standards, eradicate reasons that caused problems at their grass root level, setting higher standards and get to achieving them...and we were in a hurry!

Work starts with the leader who does not have to be an expert, but needs to commit to getting



good at it and improve continually. It is necessary for him to know the principles, philosophy, tools and techniques of lean, and to be able to make conversations on the subject. Success or failure will depend on the leader's involvement. Period. The transformation or change cannot be managed or delegated. The leader needs to be hands-on and lead the change. It is not a talk and instruct thing. Even if people follow the top down orders, it will not change the culture, for instructions may be followed but attitudes and behaviour will not change if there is no ownership. There is an old, Indian Vedic proverb that says ...

यथा भूमस्ति तथा तोयं, यथा बीजं तथा ऽङ्कुरः ।
यथा देशस्तथा भाषा, यथा राजा तथा प्रजा ॥

It means, as the land so the water; as the seed, so the sprout.

As the region, so the language; as the king, so the people.

So, if you want to build a lean culture, the leader needs to think, speak, act, and behave in compliance with lean necessities. Only then will people choose to follow the leader's behaviour, take ownership, and change their attitude that will help build the new culture.

My focus was on developing every person into a leader (however unreasonable or overambitious that might sound), which meant everyone had to learn and master all aspects of lean by imbibing and adapting to lean behaviour.

Communicate and the 'how to'

It is necessary to tell every member about why you intend to become lean and how you intend to proceed on this journey. The goal of lean is not to reduce head count, so it is important to alleviate any fears of retrenchments. When we decided to implement the Just-in-Time system three decades ago, we had a reason why we wanted to become lean. There must be a reason why any company wants to become lean. Explain these reasons to the people, let them know why you are asking for a change. Tell them the broad strategy of how you intend to implement it, when will you start, what can they expect, and what is expected from them. The language

must all be 'let us do this' and not 'you do it'. This communication must come from the leader to the workmen and staff, and must not be informed via a circular or by delegating the job down the line.

There is a subtle difference between showing and telling. Lean is different in values compared to traditional management. The new or different value systems need to be imbibed and exhibited in behavioural attitudes, it is not a speak thing. Leading is by example. In the twelve to fourteen hours I spent on the Gemba every day, I was teaching them to respect the customer by demonstrating the respect necessary to be given to every subsequent process within the product manufacturing processes. By learning to respect the internal customer they began delivering better value. When they saw me believing in their ability to solve problems, and challenging them to do more, they cultivated the kaizen habit and began to do more. They had understood the importance of customer, kaizen, and respect for people. The old blame game had vanished and given way to collaborative and cooperative work. The workmen felt they were a responsible part of the change. Trust had come into existence and teamwork was built. There was nothing to fear, so the lies disappeared, they were not afraid to experiment with new ideas. Truth, honesty, effort, and earnest work and was encouraged and celebrated by all.

Dream, vision, and goals

A dream--a far sighted vision--is necessary to fuel your Lean journey. The adage 'you will believe it when you see it,' here means you need to see the possibilities or the picture in your mind first, then you can achieve it. You will realise the results when you believe in your vision and input necessary work to get there. Then translate this broad picture of possibilities as the goals of the company. Break it down into smaller steps for teams to work on them. The CEO must set these aspirational goals for himself and the company, stretched goals will be good. Focus on

the process and not the results. Remember good process will always get you good results. Result is the consequence of what you do and how, so, focus on changing your processes and the results will follow. It is important that the CEO himself speaks to the workmen and staff setting the goals and leading them in Kaizens showing the way. This is necessary for duplication (monkey see, monkey do).

When my lean journey started, we faced many problems. One of them was that there were no orders despite having very good products. This led to a temporary closure, necessitating a turnaround strategy to avoid longer or permanent closure. I started by setting myself some goals, such as becoming the number one player in the market; reduction of costs by 50 per cent; empowering workmen to be responsible for and in charge of production without intervention of management; inculcate lean or JIT behaviour in all; give new products protection for eight to 10 years; make competition redundant; develop new markets; become India's first true lean organisation, etc. I had a time line in mind, but we were basically in a hurry to outperform ourselves. With these guiding lights, I broke them down to daily kaizen activities on the Gemba in every area from marketing to product development to execution to supply chain, with all this work being done seamlessly and concurrently across all stages of the value stream. I had given my team five 'Zero' goals even if they were inordinate—zero delay in deliveries, zero waste (defect included), zero lead time, zero inventory, and zero accidents. These five good zeros facilitated all goals.

Lean department or not?

My focus was on developing every person into a leader (however unreasonable or overambitious that might sound), which meant everyone had to learn and master all aspects of lean by imbibing and adapting to lean behaviour. So, I did not think it was necessary to set up a special lean department and put them in charge of the education and transformation. I made it everybody's responsibility in his area of work, taught by me initially and later by my value stream managers. To us this job was to be done every day on the Gemba and not in some remote location. We felt happy with every achievement, and yet, were never satisfied as it taught us that more was possible.



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In hindsight we were lucky not to have had people telling us a variety of what to do things. We followed JIT leads from Dr. Schonberger's book *World Class Manufacturing*, which, incidentally, is still a good book today. Seeing me walk the talk built trust. My team saw me in action addressing concerns on all fronts—be it marketing, product, or process design, supplier development, problem-solving, people development, creating a happy trustworthy environment, etc., always talking to them of the next goal and its benefits. My experience is testimony that one can transform without a special department or group being setup for the purpose. The fact is you cannot manage the shift to lean or delegate it, the leader needs to be hands-on in this job.

Social and passion versus mechanistic and intellect

Building a lean culture is not something for which you can randomly cherry pick some tools and make it happen. It is more of a social process; one that is of people development and transformation, that teaches involvement, ownership, and responsible behaviour. Passion and not intellect is the driver for success here. The set of emotions that come with passion are very different from that with intellect. Intellect here is useful in kaizen and standardisation but success will come out of passion. Passion motivates involvement, intellect encourages delegation, and delegation in the beginning is ruinous for success. **IM**