

WAYS TO BUILD A LEAN CULTURE

A successful company culture is one that can be easily accepted or embraced by everyone, from the newest employee to the highest-ranking official. Here are a few essential, tried-and-tested tips to help one build a thriving Lean Culture...



Source:

Over time, every company develops a 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 I changed a 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 a casual thing, as a Lean company thinks exactly the opposite to that 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 into value streams that enable a flow of value to the 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 have many similarities in them. The list of thinking or process examples could be endless and underscores the point that to become Lean, the traditional organization 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 rejig. It is also 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's more about people and, hence, it is more of a social transformation. It's about developing competence and behavior in people to reduce waste, solve problems, and make improvements. This is a new way of conduct and must be taught by demonstration until it takes root. So,

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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 Operations, at a time when we knew nothing about Lean (we called it Just-in-Time (JIT) back then as the word Lean was not yet coined). I learned by practicing on the Gemba for the most part of two shifts every day. Understanding what doesn't work, sometimes failing, always teaching the work and staff, leading the Kaizen, improvising, focusing heavily on the process and never on the monthly results, learning when to use which tool or technique, etc. Demonstrating by example helped me develop the next level of leaders and changed everybody's behavior and attitude towards work. Our new work-related mantra, behavior, and description of the job had quietly changed to:

- When any abnormality was observed, it had to be corrected and restored to standards.

We discarded accepting deviations. The drawing was the master, and compliance with it alone was mandatory.

- We solved problems every day (Kaizen). Solving problems meant preventing reoccurrence. We would exchange the number of problems identified and solved. Seeing me lead the Kaizen effort, the workers and staff dived deep into it, making it a daily habit. They stayed over beyond work hours without pay to solve problems. That high was the motivation level.
- 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 (including mine) daily work was to comply with standards strictly, eradicate abnormalities, identify reasons that caused problems at their grassroots level, set higher standards and go after achieving them... and we were in a hurry!

Work starts with the leader, who does not have to be an expert but is committed to improving continually. He must know the principles, philosophy, tools, and techniques of Lean and be able to have conversations on the subject. Success or failure will depend on his involvement. Transformation or change cannot be managed or delegated. The leader needs to be hands-on and lead the change. Even if people follow the orders, it will not change the culture; instructions may be followed, but attitudes and behavior won't change if there is no ownership. An old Indian Vedic proverb says 'As the land, so the water. As the seed, so the sprout. As the region, so the language. As the King, so the people'.

How to communicate

It is necessary to tell every team member about why you intend to become Lean and how you plan to proceed on this journey. The goal of Lean is not to reduce the headcount, so it is important to tell them that to alleviate any fears of retrenchment. When

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we decided to implement the JIT 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 you will start, what they can expect, and what is expected from them. The language must be 'let us do this' and not 'you do it'. This communication must come from the leader to the workers and staff and 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 behavioral attitudes. Lead-

ing is by example. In the twelve to fourteen hours I spent on the Gemba every day, I taught 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 the customer, Kaizen, and respect for people. The old blame game had vanished to collaborative and cooperative work. The workers 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 were 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' means you need to see the possibilities in your mind first. Only then can you achieve it. Then translate this broad picture of possibilities into 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 reasonable. Focus on the process and not the results. Remember, a good process will always get you good results. The result is the consequence of what and how you do, so focus on changing your processes, and



the results will follow. The CEO himself must speak to the workers and staff to set the goals and lead them in Kaizen.

When my Lean journey started, we faced many problems. One of them was that there were no orders despite having good products. This led to a temporary closure, necessitating a turnaround strategy to avoid an extended or

permanent closure. I began by setting goals for myself, such as becoming the market leader, cutting costs by half, and empowering workers to be responsible for and in charge of production without the intervention of management. To inculcate Lean or JIT behavior in all, give new products protection for 8-10 years, make competition redundant, develop new markets, become India's first actual Lean organization, etc. I had a timeline in mind, but we were basically in a hurry to outperform ourselves. With these guiding lights, I broke them down into 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 delays in deliveries, zero waste (defect included), zero lead time, zero inventory, and zero accidents to facilitate all goals.

Lean department or not?

My focus was on developing every person into a leader (however unreasonable or over-ambitious that might sound). This meant everyone had to learn and master all aspects of Lean by imbibing and adapting to

Lean behavior. I did not think it was necessary to set up a special Lean department and put them in charge of education and transformation. I made it everybody's responsibility in their area of work, taught by me initially and later by my value stream managers. This job was to be done every day on the Gemba and not from remote locations. We felt happy with every achievement, yet we were never satisfied as it taught us more was possible.

In hindsight, we were lucky not to have had people telling us various things to do. We followed JIT leads from Dr Schonberger's book 'World Class Manufacturing', which incidentally is still a good book. The fact that I was able to put my words into action helped to build trust. My team saw me addressing concerns on all fronts – marketing, product or process design, supplier development, problem-solving, people development, creating a happy, trustworthy environment, etc. I was always talking to them about the next goal and its benefits. My experience shows that one can transform without a special department or group being set up for the purpose.

Social and passion vs. mechanistic and intellect

Building a Lean culture is not a mechanistic thing. It's not that you can randomly cherry-pick some tools that will build you a Lean culture. It is more of a social thing, one that is part of people's development and transformation, one that teaches involvement, ownership, and responsible behavior. Passion, not intellect, is the driver for success here. Intellect here is useful in Kaizen and standardization, but success will come out of passion. Passion motivates involvement, intellect encourages delegation, and delegation, in the beginning, is ruinous for success. 

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