



How to embrace the lean culture

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*Barcelona Summit
October 2007*



Who I am

- **President - Lean Institute Brasil (created in 1998)**
- **Lean Global Ambassador**
- **Ex-University professor**
- **Part of the MIT research team that originated “The Machine that Changed the World”**



Purpose today: understand the cultural elements of the lean transformation





Why is so hard to sustain a lean transformation?

- Lean tools are great, they work and create major benefits
- The technical elements are fairly simple, after you learn them
- Then, why there is a problem
- The first year (pilot experiment) brings great improvements
- Expansion should be easy
- But then, the management system has to change
- And cultural issues will emerge strongly



Cultural elements in a lean transformation



An example:

“Problem Solving”



Problem solving

- We know the toolsand many have practiced them
- The technical elements are simple if you understand the purpose
- If there is a planned outcome based on the available resources and the control (plan x real), the gap is known
- And there is a way to **expose** them (hourly production chart)



Why is hard to implement and mantain it?

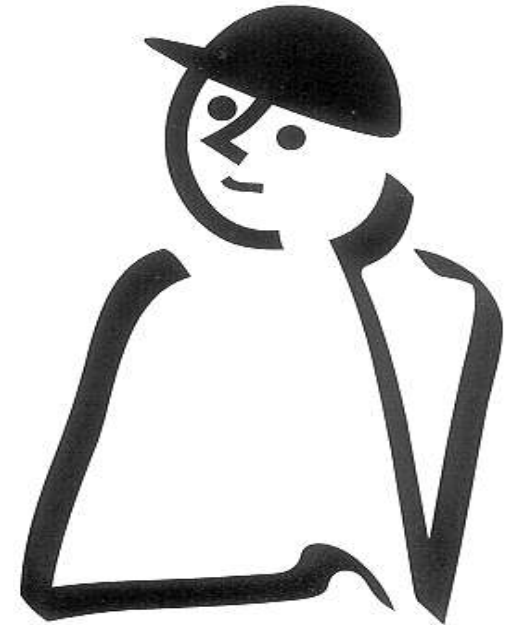


Some cultural elements

- Some companies (and people) don't like to expose problems
- They are afraid to be seen as incompetent and responsible for them
- So a way to “solve problems” is not recognize them
- That undermines the whole system!!



So, what is organizacional culture?





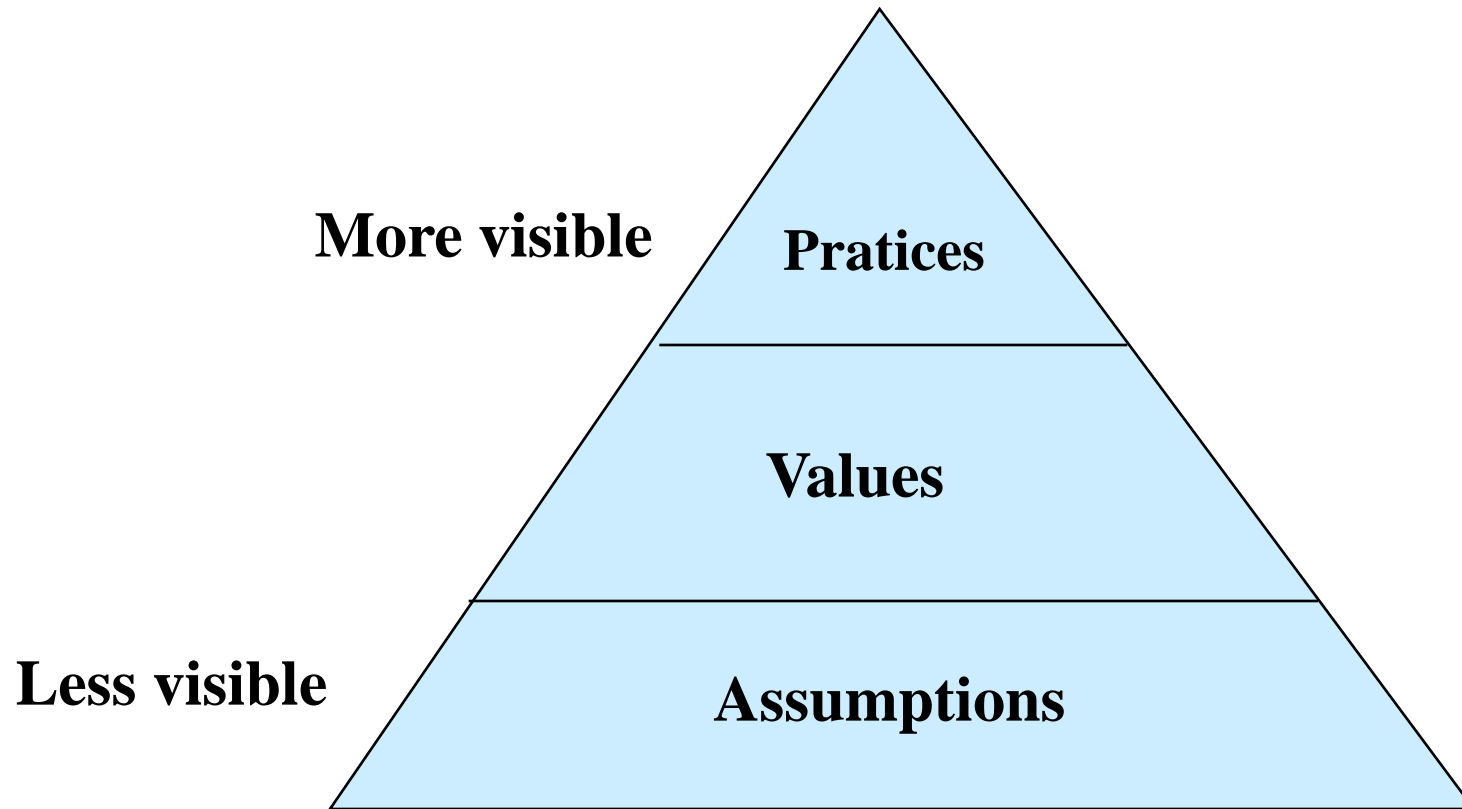
Organizacional Culture (DNA)

A set of basic assumptions that a group has learned as it solved the problems of external adaptation and internal integration that has worked well enough to be considered valid and thus to be taught to the new members as the correct way to perceive, think and feel

Edgar Schein. Organizational Culture and Leadership



Levels of Culture





Essence of culture: assumptions (and values)

- **Values: what is said**
 - Human resources are our most important asset
 - We want to improve always
 - We want to surprise our clients
- **Assumptions: what you really believe (unconscious)**



How culture is formed?

- **Values, beliefs and assumptions of the founders**
- **Learning experiences of members during the organization evolution**
- **New beliefs and values brought by new members and leaders**



Every culture is unique

- **Can a culture be copied?**
- **Can your company become a Toyota?**



Is it possible to change the culture?

- **Slow and hard**
- **Importance of crisis**
 - **Womack and Jones transformation steps**
 - » **Find a change agent**
 - » **Get the knowledge**
 - » ***Create a crisis***
- **Top-down**
- **New leaders behaviours and values**
- **Practices are learned and transferable**
- **It is much harder to change the basic assumptions**



Why people tend to hide problems?

Why is not natural to expose problems?



Another example:

“Stop the line when abnormalities occur”



Most companies don't have a clear definition of what is normal

- **No Standard Work**
- **Little focus on stability**
- **Performance indicators and personal bonus emphasize volume**



And how about...

- **If there is a Theory X- taylorist assumption of human nature**
 - **People are lazy and need to be tightly controlled**
 - **Money is the basic motivator**
 - **People shouldn't be trusted**



The line will never stop!!

- **And problems will not be exposed and solved....**
- **Becoming another useless tool**

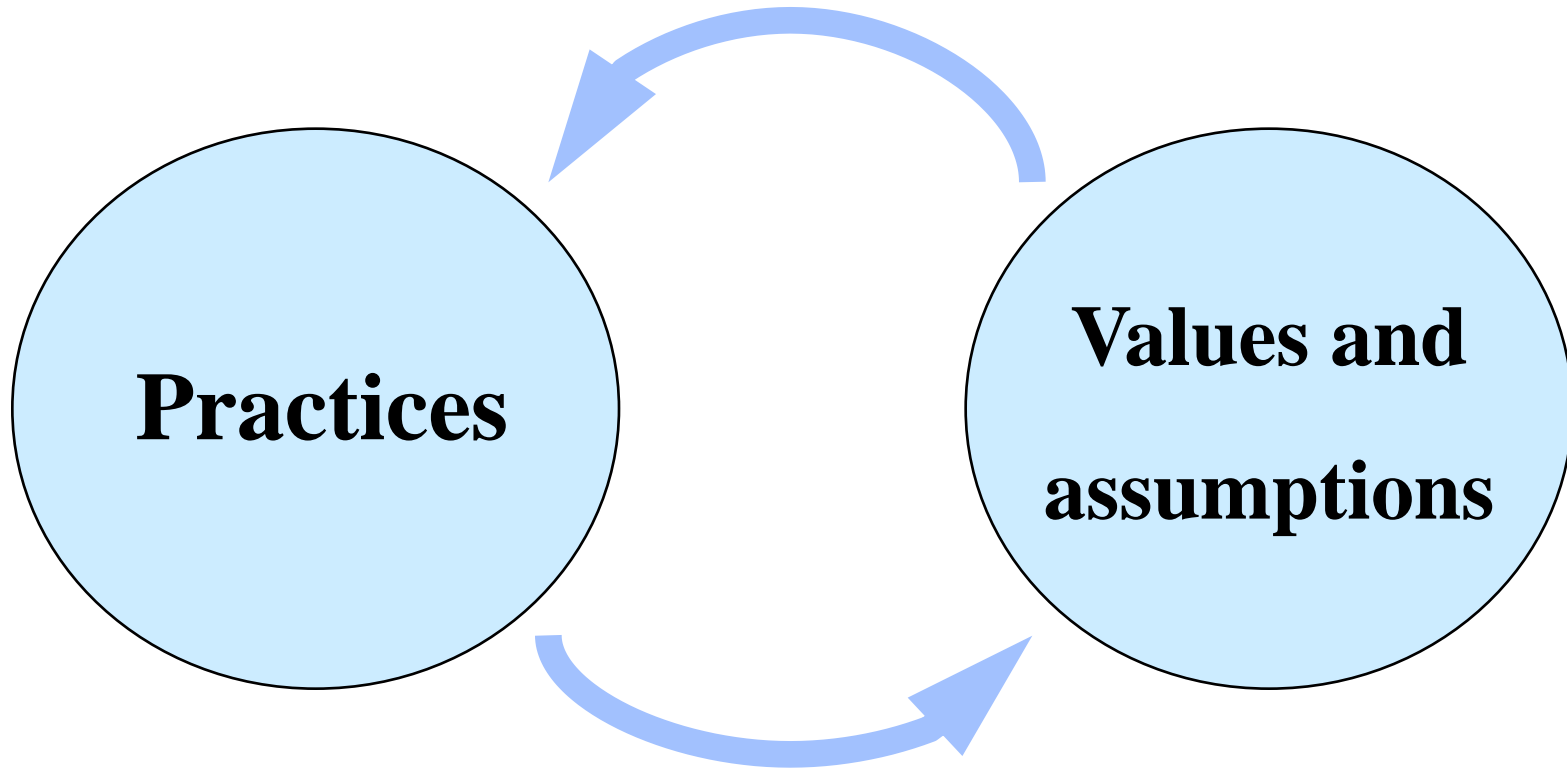


And how about other elements of the lean culture

- **Team Work**
- **Continuous improvement**
- **Go see with your own eyes**
- **Nemashi (consensus building)**
- **Data driven scientific methods**
- **Harmony with the environment**
- **Future orientation**
- **Leadership style**



What to do?





Start with practices (Lean tools)

- **But with a systemic view and understanding the business needs**
- **Don't wait for cultural changes to get started**
- **But understand the cultural elements implicit**
- **And what is required to change**



Critical role of leadership to change the culture

- **Gemba orientation**
- **Asking questions**
- **Developing people**
- **Demanding results by understanding the processes**
- **Focus on stability**



Lean as a journey









