



The Lean Opportunity

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One simple idea

.....is changing the world

- Instead of thinking about ME – my budget, my assets, making my numbers.....**
- Let's think about US – help our customers solve their problems, cooperate with everyone to do so and to secure our future**

.....this is a hard sell!



The Power of Lean

- **Toyota as a reference example**
- **The key is brilliant processes –**

“We get brilliant results from average people managing brilliant processes - while our competitors get average or worse results from brilliant people managing broken processes”



What is Lean?

- **A new business system**
- **Delivering superior performance**
- **Focused on processes rather than activities**
- **Driven by a management system using the scientific method for planning and problem solving**
- **It will replace the existing business system**



Layers of Lean at Toyota

- **Began with experiments to create value streams – TPS etc - principles of designing lean processes**
- **As part of a lean business system – Toyota Way – the process focused enterprise and the management system to sustain it**
- **Then used to change the business model – third generation hybrids – and more**



Lean Lessons from Tesco

- **Experiments to create flow to stores – and to understand what customers want**
- **Now building a business system to spread lean, adapt it and manage rapid change**
- **Using these capabilities to transform the retail business model – opening a new era of convenient retailing**



Leaning Healthcare

- **Many experiments now underway – to redesign patient flows and support flows**
- **Just beginning to see how this changes everything in the hospital and beyond – and needs a different kind of management**
- **Also opens up many new business models to deliver care safely, efficiently and conveniently**



Tipping Points

- **Discrete manufacturing – stability**
- **Distribution – rhythm**
- **Supply Chain – Mura and Muri**
- **Retail – circumstances**
- **Process industries – sieve the work**
- **Administration – myth of standardisation**
- **Call centres – problem solvers**
- **Service and repair – pre-diagnosis**
- **Healthcare - persuasion**



Lean Process Design

- **Define Value – who are the customers - distinguish real from created demand – the size of the gap – and the business case**
- **Look at the whole Value Stream – “Why does a few minutes of work take a month or more?”**
- **Segment different tasks – create stability to flow – align capacity with demand – see and respond to interruptions**



The Consumption Experience

- **Track your own consumption processes: -**
- **Getting a medical problem diagnosed and treated – involving 6 trips, 10 hours of my time, for 1.5 hours of value, over 31 weeks!**
- **Buying and installing a new computer from Dell – 11.5 hours of my time, two experts, over 7 days!**
- **Travelling to a conference – lots of queues, 2 plane trips, 7 hours travelling time (2 hours direct)**
- **The trip to the big box – with 80,000 SKUs – 3.5 hours door-to-door – did not find what I wanted!**
- **“Give me back my Saturday afternoon!”**



Lean Consumption

- **Products have got better – but services have not**
- **Consumption is a process – for solving problems**
- **Managing consumption is more complicated and full of choices but they have less time**
- **Consumers have no one to share their plans with in exchange for solutions to their problems**
- **Their hassle reflects your broken processes – an opportunity to provide solutions saving their time and your costs – a true win-win**
- **There is no one best way – but several**
- **How could lean change your business model?**



Lean Management

- **Who will transform your activities into value streams? Value stream managers**
- **How will you align your strategy, value streams and resources? Policy management**
- **How do managers see and manage performance in real time? Visual management and “go see”**
- **How to turn problems into opportunities? Ask why and use the scientific method**
- **How to develop the problem solving skills of your people? Use A3 and ask questions**



In Summary

- **Fujio Cho's three keys of lean leadership: "Go See" - "Ask Why" - "Respect Your People"**
- **Taiichi Ohno: "The shop floor is a reflection of management"**
- **But remember lean processes sustained by lean management are key enablers to transform the business model of your industry**



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