

Testing

Welcome everyone. To the Governor's office of accountability and performance and I'm glad you joined us today. Each week we review the book and our current schedule, let me bring that up, we will be done with all 20 chapters by May 29. As you can see, on our schedule, each week we are fortunate to have special guests.

This is a reminder everyone, put yourself on mute and that way we don't get background noise. Thank you. This week's special guest joining us today is [inaudible]. I'm very happy to have Steve here today. He retired from Toyota motor manufacturing company with 20 years of experience at Toyota. He has been a great partner working through the [inaudible] company as well as he has his own Center for excellence, employee development. Steve, we are glad to have you today and looking forward to joining in on the key points.

Thank you, Darrell.

Just a reminder, we record the sessions and post them on the website and you can hit the link at the website and will take you to the recorded section or you can view the information anytime online.

A reminder about the whole idea here of the book review, a way to get the most out of it is to read the chapter before we get on here each week, make a list of questions and ask a question during the session use in the chat feature. It also helps if after the session if you talk to someone else about what you heard on the session today or what you are learning in reading the book, it deepens your understanding of the concepts. So share it with someone. Let them know what you learned about Lean and talk about the concepts. During this session, we want everyone on mute. If you have a question please write using the chat.

I just noticed the poll information is not here so if you haven't popped it up yet, don't worry about it. We will move on. If you want to get into the course information about the objectives or the process we use for this, it is available and we will let you review that anytime you want. Right now, we want to move out to this week's content, which is chapter 9.

Chapter 9, flowing in the right direction. The table of contents for this week covers this ground, kaizen as a way of life. Improving the value stream with kaizen. Talks about the projects and the method of doing individual versus group. And the actual kaizen workshop on the planning, conducting and sustaining the games afterward.

Key points for this chapter, the format is in the lower right-hand corner, you can see seven key points so you can keep track of where we are going but on to the first key point of this chapter. The chapter starts with the idea that kaizen, which is a Japanese word for improvement, is a way of life. It focuses on improving the processes and results and it is a way of life that says for our organization we view tools, facilities, and processes as important but they are subordinate to the people. It is a way of life that focuses on eliminating work that is wasteful or work that overburdened employees.

There is something for everybody, everywhere, in our organization. Steve, in your experience, how long does it take for individuals in an organization to make the idea of kaizen a way of life and not just something you are applying tools in your organization, any comments about that?

It's really all over the board, I'm sure you can imagine which each culture there is a different timeframe. But typically, it takes about one year to three years to get people engaged to a point they feel they can impact their work and that once they get engaged they get a critical mass of numbers necessary for the site size. Then, it self-perpetuates itself after that. Once you empower people to make improvements in their work area, they are excited about their work and enjoy coming to work every day. It is typically been no less than one year in some outstanding companies, but typically into more of the 2 to 3 year range. We have been describing this as a multiyear Lean transformation journey and we mean a multiyear. We think we are building something that future generations will take advantage of but we will not be done in the first year. And being in state government, you have another issue to deal with because you are dealing with operations all across the state. It is not one site you are dealing with. That will also calls different time frames in different locations and you have pockets of excellence you want to benchmark as they are excelling in other areas of Lean.

Great point. The other great point that we are one of the prime reasons we have a community of practice for Lean practitioners is to share those things that are happening in the pockets of excellence as people are experimenting and figuring out what works. We are using the idea of community practice where we share information and get connected with each other throughout state government and not just in the agencies or one geographic location but all across the state. That's the idea of community practice.

On to the next key point, this is on slide number 165, the philosophy applies to all aspects of life whether it's personal, social, work, home. It is taking on an attitude that says everything can be improved. Everything must be improved because all complex systems constantly experience change. And generally that changes toward degradation, things are coming apart or coming undone, the second law of thermodynamics is getting us. Steve, what about the idea, the book says on page

183, there are two lenses organization should see improvements? One is maintenance establishment published the other lens is continuous improvement of those standards as well as the organization's processes. How do organizations who you have worked with ensure or what have you seen in terms of them improving both categories?

In many instances, the focus is to establish the standards and once they are established we recommend they review their standards no less than once a year. Certainly if there is a technology change or material change, model change or so they should be a living document not something they want to blow the dust off of once in a while. This concept may be new for some folks who thought about improvement of processes and the way we do business today.

I think a key aspect is the first bullet statement because you're talking about the culture. What I usually say to my clients is that they start shopping in the store one day and pick a package up and say they could have done this better, they could have packaged it this way and saved a lot of money, that's when you start getting momentum where the person is excited about improvement. I see people coming into play in situations where they have a hobby and something they use in their hobby they apply to workspace and vice versa. That's where the power is with the Lean process.

Integrating the concept of how we make things better all across your life from work to home. It is a powerful idea. The next key point on a slide number four, this shows that while everyone should be involved in improving, not everyone has the same role. For the senior leaders, middle managers and supervisors, they all have different roles. [inaudible] on page 84 in the book. In terms of advice for state governments leaders in regards to these roles and in the idea of improvement in the workplace, what would you say to our senior managers, middle managers, supervisors about the differences in roles?

I encourage all organizations to manage, not only down the organizational lines but up the organizational lines. So I have a responsibility to my boss to manage up when I see an obligation to do that. I think the key to this particular slide is the first word in the last bullet section and that is, demonstrate. If we demonstrate the processes and principles and tools of Lean in the way we can carry on our business every day, that's when people start looking and say, maybe there is something to this. A benefit to it. Certainly, respect for people is foundational and I haven't found anyone yet that does not like that principle.

That is an excellent point. Is it difficult with your clients, people you have worked with in terms of the leaders getting to that point of demonstrating and trying and applying Lean thinking in their own work?

Yes, it seems like in many organizations that have not yet had time for that Lean journey, the upper leaders think their role is nothing more than go, do it, and make it happen. Although, they do carry the power to make things happen in the organization, for the organization to embrace that continuous improvement of culture it requires them to engage in that. Even when we had to improvement opportunities and managers above who were not eligible for putting suggestions into the system as far as the award goes, but we encouraged them to participate in the improvement process. So they either submit something and say, this is something I feel could be a benefit to everybody and others would see that or they would talk to somebody who is a direct report and coach them and tell them here is the problem and would you consider an improvement activity. They could then coach them if they come to a point where it is required for them, but I always say don't give them the answer, ask them the question so that they can discover the answer.

That's a powerful concept, the idea of our leaders in the organization being coaches of the concept of improvement for employees. And rather than telling employees, here is what I want you to do, asking questions like what is the target condition we are trying to achieve and what is the actual condition right now? And what obstacles are in your way and what is preventing us from getting there? And what is the next step to overtake the obstacles in our way and take it to the next level when can we see that? That concept of coaching is where we are headed as an organization looking for all of our leaders to be thinking about that as a role much more than telling folks what to do.

You may be familiar with the problem-solving rollout at Toyota but if I could share a quick story. It was come back to the organization and the president of the site was required to go through the training and develop a problem-solving form, steps one through five, which are the planning phase of that issue. They presented it to a panel who reviewed it and gave them feedback on that and either give them a thumbs-up or thumbs down for the proposal. I don't think anyone past the panel reviewed it the first time. It was always something the panel identified an improvement to the problem-solving format. So that person would go back and revise it and present it to the panel. The purpose was to coach, mentor and develop the leader. That then went to the Vice President who presented their boxes one through five to the President of the organizations in North America and then down to the general managers. We instilled that throughout the organization. Many organizations do the training at the middle manager and below but will we get to the higher level management we miss the support that needs to be there and to support it properly they need to understand it at a functional level.

That is a powerful concept to have that clarity of defining the problem and working through layers of granularity the more you understand the problem the closer you are to fixing it. Let's move on to the next key point on slide number five, this is a genuine Kaizen in action section. Here, your improvements efforts need to focus on eliminating waste and the value stream. You use the plan to guide your efforts and then after you make the improvements, you must standardize so the

improvements become the new current best way that everyone does the work. That is the idea here. Steve, how often do you see organizations engaging in the last bullet point, [inaudible] innovation? How often do you see that revolutionary, radical, totally new innovations compared to how often they make improvements to existing standards the process?

The [inaudible] is really something that is very infrequent occurrence and it indicates if it is an innovation they do not come along everyday or every year sometimes. So, an organization gains effectiveness when they make a lot of the small, methodical changes and network cards and comes them. Competition in all organizations whether it be government or private industry or service organizations, their competitors are going to have the ability to replicate whatever they are doing in a short period of time because they can reverse engineer any process. Not having a leg up with that anymore, you have to have a leg up in areas that would otherwise be hard for the competition to see or replicate and that is the small improvements. There's not too many baseball games one with home runs most are one with base hits. The Kaizen of his base hits.

Excellent, that's the point we want to confirm here is the idea of innovation. Innovation is important but the routine everyday solving problems at the job level, that's where the majority of the effort will be there we can work toward facilitating these innovative radical change moments using things like [inaudible] or other tools. That's great. The next slide, in terms of key points, this is slide number six. It speaks to the three different levels at within an organization can form improvements. Individual group teams and management level, [inaudible] at all levels but Steve, in your work, what our different approaches you have seen to help individual employees make everyday improvements and is there one particular approach or tool that works better than others for mistakes you advise us to avoid? You already mentioned problem solving and thinking but offer a chance to advise us on that we

I think recognition of team members is really crucial. I typically share a performance a bell curve which is difficult to visualize but the 10% at the bottom of the curve are people that are always late problem in causing difficulties and the people at the top are exceeding expectations on a regular basis. We had the tendency to recognize both of those categories. But that only represents 20% of our workforce. The 80% of the people in the center of the curve is why the government or the company or organization is where they are today. They are that good, solid performance of the organization. We have to discover ways to recognize their work. I'm not saying we recognize it artificially. We need to recognize it and say you are a good solid performer and this is why I feel that way and help them see they are a sick they pick a contributing member of the organization. When you look at organizational levels, when somebody makes a small improvement, they probably don't care somebody recognizes it but it the boss notices that and says something about it that's powerful feedback. They will try harder in the future to make improvements. Yours have the group and team activities where the span of the product is too large for one person to deal with. Taking the time to give them time to work on it and recognizing when they complete the project as powerful. We have to keep in mind if we are going to provide management direction in problem-solving, they are getting paid time for the work and industry is a little different but there are legal issues to be concerned with and it is considered a quality circle activity for example, it needs to be selected by the team if hourly employees and that's based on [inaudible] court case. So the manager puts together a list of things that are difficulties for them and focus areas and they can get the list to the quality circle or group or improvement team and let them select and that is certainly possible. Another thing is we talk about [inaudible] many times people look at that as the check part as just putting a check and a box. You have to go back to [inaudible] original model which was [inaudible] for study and he felt it was important to keep that intact. The PDC was a model he'd been deployed in because he got so much recognition for that he we standardize the PDC but when I teach that I always tell people this he is not just a check in the box. The different levels represented on the slide show the different types of improvement types of we would have, like the management is a strategic level so they have higher-level activities around problem-solving and system design. But we want the everyday teams to have process improvements and that's where the wins come from.

Excellent, thank you. That is exactly what we are shooting to achieve here. Something for everybody, every day, at every level. I like this slide pointing out it is different at each level. Individuals are working at their tasks and in their areas. Groups and teams are working on some process and function and management thinks about cross functional processes and systems. But altogether, moving forward. Okay. The last key point slide for this chapter is the Kaizen workshop itself. To make sure there is no confusion, the Kaizen workshop as it's talked about here, obviously the same thing as the value stream mapping shop. Another term, for this idea of Kaizen workshop is rapid process improvement workshops. Some of our partners and early work here have used that term. These workshops typically happen after the value stream mapping workshop and the ideas for these workshops are very often generated during the value stream mapping and following. The Kaizen workshop would be plan to get the scope clarified, identify team members involved, it determine the best location, all that stuff. All the same work that went on to but the [inaudible] together and accomplish that but it's happening after the VSM typically where in five days or fewer, folks are getting together to complete improvement that is ready to go at the end of those five days. Steve, in terms of advice about these workshops or the difference between these and VSM, what would you say?

There are two points important here, one is we don't want people to associate Kaizen activity with Kaizen event or workshop or rapid improvement workshop. With we want them to understand that as a way of doing business. Not only in the workplace but also at home and in their community groups. I have worked with a lot of nonprofit organizations and it's

amazing how they benefit from using these benefits principles and tools. We want to make sure we don't put Kaizen in a box. When we have a Kaizen workshop, we can call it something else or reassure them in that it is typically there is a short period of training with that weeklong project that this is not in lieu of our daily Kaizen responsibility this is in addition to it. So that will help your another point important is only go back and look at the seven waste on the earlier slide, I feel compelled there are eight ways. It wasn't necessary for Toyota to identify the eighth waste because it was built into their culture but for those plants in North America and other countries as well, the practices and training that occurred within. The eighth waste is unused skill and knowledge. Caterpillar production system, I worked with them for a number of years, [inaudible] to Caterpillar, that is the ultimate waste. In the Toyota production system the ultimate waste is overproduction. Understand cultures are different and we need that eighth waste and the more I teach standard Lean I use those eight waste and I share the differences and why there is differences in those.

Excellent point. Steve, this slide and section of the book is talking about Kaizen as a workshop but the word itself is the broader idea of improvement and it happens at all levels by everybody all the time. The points on the slide and the section of the book are talking about the workshop perspective. But both are absolutely important and things were aspiring to make happen in our government work here. That actually is the end, in terms of key points. About the close of our time here. Steve, do you have any final words or advise as we move forward on Lean transformation?

I am hoping to see some great movement that your government can look to for guidance because not all governments are involved. Michigan is involved now. We have a lot of states involved now so maybe we can collaborate more. One quick point on the book, I was very impressed with the book. I never really looked at the forward Dummies series as being a great way of getting information but they did a lot of good research in developing this book and I'm sure they do the same with other books as well. I was very pleased when we used this book to study.

Thank you, Steve, so much for your help today. For looking at this chapter and we look forward to talking to you again soon. Thank you, everyone, for joining us. We will see you all again next week when we look at Chapter 10 and look for the e-mail about the quiz and you can take your quiz and test your knowledge of the chapter. Thank you, again, everyone. We will see you next time.