

Welcome, everyone, to the Washington State government Lean for Dummies book review. I'm Darrell Damron. I'm glad you joined us today. Each week we review one chapter of the book, Lean for Dummies and on our current schedule, we will be finished with the book on May 29. As you can see on the schedule we are fortunate each week to have a special guest joining us. This week, our special guest is Jeff Hoye. He is managing director of talent management at CPS HR consulting. Jeff, I'm glad you can join us today we are appreciative of your guidance on our Lean journey so far am very happy to have you and your experience on our book review today. Thanks for coming.

Jeff: Thanks for having me, Darrell, it's exciting watching what you are doing in the state of Washington. There are quite a few states that are interested in what you are doing.

Darrell: Thank you it's a pleasure to be on the journey with the participants. Participants to date are from all around the state. Learning what Lean is and how to apply it on our Lean journey. Thank you for being with us today on this chapter of the review. A reminder for everyone, we record the sessions and post recordings on the website. The link is in the Prezi. The Prezi is available 24/7. So, you can watch the recorded sessions by clicking on a link on the website or navigate the Prezi anytime on your own if you want to review the material. Of course, remember the purpose of the book review is to help you understand more about Lean so you are ready to participate in Lean activities in your agency. Do the most you can to get the most out of these between sessions and participate in a great way in your agency. During this session we will put everybody on mute so please use the chat feature and select, everyone, when you send a question in that will allow all of us to see the question that comes in. If you haven't already answered, please do the poll. Type in the city where you are now, and the number of people at your location, we are very excited to have under 600 state employees participating in one way or another in this book review from all over the state. If you want to review the objectives of this course, you can dive into this section of the Prezi. I will take us out to this week's content. This week, we are in chapter 13. Management tools. Let's look at the table of contents. You can see there are three sections, managing strategies, go and observe, and management information tools. We will focus today on management strategy and go and observe. Primarily, that's where we are headed today. Let's get into the key points for Chapter 13. Management tools. This chapter starts off that Lean is a strategic initiative. Makes good business sense from a business and financial long-term perspective. But as a strategy it isn't just a vision of where the organization is going, it is personal for the leaders especially. The Lean journey requires deep, personal individual daily real commitment to improvement. A commitment that his principle-based behavior and success on the Lean journey requires leaders to change their culture beginning with her own behavior to have the right measurement system, to watch the long and short-term performance metrics. To learn from successes as well as failures and help everyone be actively involved in improving the organization daily. There is something for everyone, every level of the organization every day.

Jeff, many of us are on the first Lean journey but I know you've seen many organizations embark on Lean transformation. How important is the success of the Lean journey of personal transformation for the leader?

Jeff: Well, as it indicates in the chapter itself, what's in it for us? One of the reasons we need are managers and leaders involved is because if we don't get them involved we won't sustain the game. I think the challenge though is what you said Darrell, I happen to be in Los Angeles right now attending a three-day conference and had a chance to talk with Daniel Moskowitz. He just wrote a book called, the factory of one, and it is a great little book and in talking to him, we agreed every manager or leader should read the book because it is really about each of us adopting Lean principles, and once we understand not and the power of the standardization then we can operate in various roles. The particular role these managers and leaders need to play is huge. As you know, Darrell, the whole purpose of what we are doing is start with, we have to understand the customer and once we understand the customer, we know what they value and we can set our goals and strategies and start applying our Lean tooling. If we don't get the front end to right, then we are off optimizing sub optimal processes. I don't know, there's probably 100 ways to say it, but we really need to get the managers and leaders involved. At the same time, one of the mistakes I find, organizations and agencies making, is the assumption that managers and leaders know what to do when it comes to Lean. Once we go through training, we looked at them and wonder why they are not doing what they are supposed to do but they're like all of us, they are new to this game. They need to understand what is in it for them and there is a lot of education and training they need to go through in order to adopt alien mindset.

Darrell: Great point. Especially starting with customer value and then senior leaders setting direction. This chapter is focused on management tools so the target audience is folks in leadership positions and expected and able to do this kind of thing. Many of the participants today are not in that kind of the position but I think this chapter is still very relevant to everyone. The point about personal transformation applies not just to leaders but it really is something for everyone. This chapters content while it points to senior leaders, it is helpful for our practitioners and employees throughout the state government to have a general understanding of the content and key points in this chapter. I believe it is worth the time for everyone today.

Jeff: I agree. And quickly, what we can do as practitioners is to make sure we are taking time to connect the dots between what we are doing with our processes and what our managers and leaders are looking for in terms of their strategic

planning and the goals and objectives they have set for the year or longer term. So it's a way for us to reverse engineer or reversed train our leaders so they start to see the connection and value of what we are doing.

Darrell: Good. Let's get into the key points. The first key point in the chapter is the idea of Hoshin --. These are Japanese words. I want to make a point about Lean terms in Japanese. There's no need to memorize Japanese words and we don't want to incorporate leaned Japanese terms and our policy or procedure documents throughout the state government. But because there is a body of knowledge from the Toyota production system that is more than 60 years deep, you can use these terms to lead you to that vast body of knowledge whether searching on the Internet or at the local library or talking to another Lean practitioner. Don't feel like you have to memorize these terms, just use them to find your way to more information. The term here, ho, means direction and shin means needle. To think about the compass always pointing to the north, you have the right idea about this. [inaudible] means channel and control and ri means of reason or logic. Like all translation efforts there are many ways to translate from one language to another. This is often translated or referred to either as direction setting or policy deployment. There may be other terms that folks use or disuse. But all of that is background for this term and the English that we will use is the policy deployment for reference. Jeff, do you want to add anything to the background of the term?

Jeff: I like what you are saying here. A lot of times, agencies want to drop the Lean language and use what would be more common or make more sense. The problem may run into later is what you just said, when they want to know more about planning or want to get into some of the other tools and approaches that others have use, they've lost the ability to keyword search or reference out. I know it's really difficult and sometimes you can get a group to groan every time you introduce a new leaned term, however, don't lose the term itself because it really does hook up in that case of Toyota and Lean, there's 50 years worth of hard-won wisdom there and it's a shame not to take advantage of that.

Darrell: Or would be lost in your attempt to find more because you're not sure how to open the door that it is all that spare. It's a struggle for us in some places. When we first introduced things we get that reaction, but like any endeavor when you are learning something new there is vocabulary that comes with it. In this case we are not trying to adapt the vocabulary or use exact terms we are just using Japanese vocabulary to lead us to more information. I hope we can spread that message throughout the state government and how people understand that is the angle of importance for Japanese terms. The next key point, related to hoshin is that hoshin has policy deployment has two parts. The strategic planning and alignment where the organization looks to the long-term vision and the everyday operation fundamental part or the organization works toward long-term vision in their everyday activities. Hoshin is not just about policy deployment, setting a long-term vision. The basic idea is the best way for your agency or state government as an organization to get the results it wants is to ensure everyone in your organization understands the long-range direction. And that everyone is working toward the plans linked from headquarters to the most remote office as a way to turn that vision into a reality. There are also basic performance measures the organization needs to monitor to make sure the agency is making progress toward key business objectives. The strength of this policy deployment approach is in the idea that everyone is headed in the same direction with a sense of coordination and control. There are seven steps in this policy deployment process and you can find it listed on page 263 of the book. They are on the slide. Jeff, in your experience, how effective is the policy deployment compared to traditional strategic planning efforts in what you have seen?

Jeff: Well, it is night and day if it is done right. The power behind this particular approach is the collaboration. The ability to roll it out and cascade. So when I say roll it out, it will go out and depending sometimes it comes back again. With some feedback on what we are trying to do. There is a conversation, a strategic conversation that can take place. At the same time, if rolled out properly, as it cascades and comes down to my level, I can see what is ours to do here and we can set our goals and objectives accordingly so that a leader or all of us in the organization should be able to look at all we are working on and see that we are all pointing toward the same strategy and a few critical goals. The power is in the collaboration.

Darrell: Often, that's referred to in terms of the Lean body of knowledge not so much Japanese terms but the idea of [inaudible] which is an English term. If you are holding a ball or I'm holding a ball and I throw it to Jeff and he catches it and he throws it to someone, and that person throws it back to me, that concept of catch ball or throwing a back-and-forth from the senior leaders in the organization down to the folks that do the work have to approach the details of those strategies and visions, that is the real difference and the key to the success of policy deployment. The concept of catch ball and finding clarity and alignment for everyone in the organization to be heading in the same direction. And not just one time. In a cycle kind of way, that it happens throughout time, not just as an annual event and certainly not just an annual event that put the book on the shelf. And no one looks at the vision or strategic plan again. Which happens in some organizations for sure. The next section of the book points out the idea of the balanced scorecard. The balanced scorecard was developed by hardware researchers, in the early 90s. Using a scorecard helps you focus and pay attention to a balanced set of measures. The balance comes from the areas in which you are measuring your it includes the customer, your financials and your internal processes and the development of all the employees that work in your system or organization. Jeff, I want to invite you here to respond to this idea that using a balanced scorecard which has been out for a long time and lots of people have used it. Organizations around the world, is your experience that clients you work with

over the years, have you seen success in the balanced scorecard specifically or in general the idea of paying attention to measures across a broad spectrum instead of just financial or just process?

Jeff: It is growing, the use of the balanced scorecard is a powerful tool just like all of the tools within the Lean toolbox. They require discipline. This is a tool that requires a lot of discipline. Where we tend to get sideways in our organizations is when we are under attack or something just broke or we are being called to Capitol Hill to speak to something or life happens between when we first plan to do something at the beginning of the fiscal and as we move through the month, what the balanced scorecard will do is bring us back to point and it asks us, I look at it as a multivariable equation. What is the customer need and how do we work with Lean and I will follow the logic on the screen here. How do we do that within the financial constraints with which we are bound using our processes in a way we are continuously learning and improving? That's a lot different than just reacting and bouncing from one fire to another so I'm back to my opening statement which is, it's a real discipline and it is a discipline that's not only needed at the managerial level but at our level for those of us that have our hands in the process on a day-to-day basis. We sometimes maybe don't look at trying to address all but maybe one or two. If used right, the balanced scorecard is a great navigational tool in terms of what do we need to do and what is ours to do now?

Darrell: Great. Thank you. On to the next point, it moves to the idea of go and observe or the power of 3 Gen which refers to the actual place where the work is done, observing the actual product or service and gathering the actual facts. You can't effectively lead by sitting in the office reading reports. There's no substitute for seeing what's going on firsthand. Jeff, if you were to separate all the leaders you work with over the years into two rooms, where one room was for leaders that truly change their behavior and went to the actual place of work routinely, and the other room was for leaders that tried it but ended up going back to managing from their office. Which room would have the most leaders in that?

Jeff: [laughter] One room would have a lot of people in it wouldn't it? I am a senior leader in my organization and it's so easy to get seduced sitting in your office sitting behind a computer screen looking at data and thinking you have your hands on the pulse of what's going on. We come back to standardized work. This is something that a leader and I don't care if you want to follow Lean or you want to be a competent leader, and any agency, if you are not out in the workplace with suppliers, with customers, with legislators or with taxpaying citizens, you have to be out to see what's going on and ask questions and dialogue back and forth. For those, we can all preach to the cows come home, but it is something that is necessary. The counter argument for this and this is where we really need to figure out how to we do this, it's not like our managers and directors can sit around with nothing to do. They are all under fire to get a bunch of stuff down. Just like we have to build in time to look at our day-to-day and working on process improvement, managers and leaders need to do the same thing. I understand that is the day-to-day but at the same time where can they plan that this is part of the standardized work day as well?

Darrell: Good. Thanks for that. We have time for one more key point. Let's take this one. The checklist. This is a checklist for the leaders to remember what they are supposed to do or why they are going out to walk to the actual place and observe the actual thing and get actual facts. It's not that they are supposed to walk around and smile and shake hands, this checklist helps point the leaders toward what the intention behind and how they should be viewing in their own mind their activity of getting up and going out to see the actual thing in the real place and get real facts. Jeff, when you look at this list, this checklist, is there one behavior on the checklist that strikes you as the most important or the one that is difficult to master or do you want to comment on one of these with the few minutes we have left?

Jeff: I would probably jump to the very last one. We are continuing to connect the dots between what are we doing on a day-to-day basis and where is coming back to, where is true North and where we tried to get to? And then dialoguing around how we are doing towards that and what we can do better. I think, the other part of that is, employees need to see that our leaders are genuinely interested in this and that they are supporting this. The only way I would know if my leader is interested in this and that this is important to him or her is if they are out asking questions and wanting to understand why. The value of the manager leader is to go not just to go back and sit in meetings and look at reports, but they have a good idea about what is taking to get things done and how they may be able to better resource or better help with the day-to-day effort that we are putting out in a Lean area. Here is the dirty little secret, managers walking around, sometimes it's intimidating for them just to walk up and talk to a group of people. Many times they don't know what they are supposed to do so again, hammering home the theme in this chapter is there is standardized work for manager and leader in a Lean environment. Once they understand that and what their role is and how what they do actually moves everything forward, they can get a lot more comfortable and start to see the value of what they are supposed to be doing. And just as important, what happens when they do not do that? It affects the entire system.

Darrell: Great point. The rest of this chapter 13, the last part has information about management information tools. Comments about the software and spider charts. Visualizing or turning stuff into charts you can put on a wall and look at. You can see that stuff on page 273 at the end of the chapter. We will not cover that today. If there are any questions, we will take those through the chat feature. We will pause for a second and see if questions come in but I will give it to you Jeff, for parting advice or final words of advice for state government today from Jeff. I'm looking at the chat feature and not

seeing questions come in. Jeff, we will turn it to you for the final words of advice for Washington state government on the Lean journey.

Jeff: I think, I don't know if it's advice or more confirming feedback, we work and 44 different states in the country. Where joint powers authority and our board of directors is composed of state and local officials. We consider ourselves an entrepreneurial public-sector agency. I say that as background to let you know I am now working with lots of agencies. There are just a few that are doing what you are doing and I strongly encourage you to keep going. There are a lot of state and local agencies were in the country looking to Washington to see what you are doing and how you are doing it. You may not know it but in addition to proving what you are doing in the state of Washington, I think you are providing for a great strategic conversation that's happening in other states. I encourage you to keep going, you are doing a great job.

Darrell: Thank you, Jeff. I accept that compliment on behalf of of not only the governor but everyone in state government. Thank you very much for those kind words. We appreciate hearing that for sure. Remember to take the quiz everyone. Heidi will send the link. One last point, I will send out a survey to those of you that are participating in Lean for Dummies. I appreciate your candid feedback and answers to the survey as I improve this book review and understand what's important to you as my customer. Thank you for that and thank you for participating. Thank you, Jeff, for your time we greatly appreciate it. Everyone have a wonderful week and we'll see you next week to review Chapter 14.