



**PROACTION – Generating Best Practices**

# Effectively Leading Your Lean Manufacturing Transformation: Part 1

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## Lean Management - Series Summary:

“Effectively Leading Your Lean Manufacturing Transformation” is an article in three parts authored by Bill Hanover, a PROACTION Associate with many years of hands-on experience implementing lean manufacturing methods. For the next three PROACTION Best Practice Newsletters we will be featuring this excellent, insight-filled article.

Lean management is itself a Best Practice. All 4 Essential Factors of the Best Practice path are closely linked to effective Lean initiatives. It is an integral part of continuous improvement programs, requires on-going education and training, depends on effective systems and processes, and especially requires effective leadership and culture, the focus of this article.

Much of Bill’s message in these articles is focused on leadership, motivation factors, and in creating a lean-enabling culture at the company. As Bill says, “Creating a Lean Organization that is strong and capable will be one of your greatest achievements.” The three parts are:

- **Part 1 - Self-Correction** – recovering from past failings; leadership characteristics of those who have succeeded in leading a Lean transformation at their companies.
- **Part 2 - Preparation** – This article discusses preparations before beginning your Lean process.
- **Part 3 - Execution** – Provides further practical recommendations and time-saving tips to ensure a smooth and efficient transition to Lean and World Class Excellence.



**Part 1** – Topics include:

- **Introduction**
- **Perspective – It's People**
- **It's Your Fault – Taking the Lead**
- **Lean Leadership – Earning Trust**

### **Introduction**

Many managers have tried to implement Lean Manufacturing and, fortunately, most have succeeded. During our years of helping companies take the plunge into Lean Manufacturing and Process Improvements we have learned a great deal from the managers with whom we have worked. It has been both educational and a wild ride to say the least!

This article is an insider's view designed to help managers avoid the pitfalls and problems that lie ahead throughout your Lean transformation. We won't be pulling any punches here, so prepare yourself to take a good hard look in the mirror before beginning your Lean implementation or attempting to repair the Lean process you've already begun. You may see pieces of your management style in some of our examples. We hope you'll feel encouraged, even inspired, to become the kind of manager you would like to be and take solace in the fact that your people truly want you to lead them.

### **Perspective – It's People**

We feel genuine empathy for managers at all levels. Even if you are well educated, experienced, and work for a great company, the pressures of running a company, or shop floor for that matter, can be very intense. Some of the best men we know are plant managers and literally live life on the ragged edge of sanity. Each of them is to be commended for giving all they have to make their respective companies successful. They have earned our respect and admiration.

That said, we are in the presence of mere mortals. Good and decent men and women are trying hard to do their best for company, shareholders, employees, and self. Even the best among us is riddled with shortcomings and inadequacies. In fact, the structure of many companies almost "dares" managers to succeed. In privately held companies managers are often micro-managed by owners. In large corporations the "bottom-line" and what appear to be "cost saving measures" practically force managers to make decisions that run counter to their intuition and experience. Worse yet, many managers are controlled by mysterious, rarely seen forces from distant corporate offices that dictate with tyrannical authority what is to be done and when. The sum total of all this "help" is the reduced effectiveness of managers with no net reduction in accountability.

If you consider the often unrealistic requirements placed on most managers and the natural shortcomings of human beings, you now begin to understand why it is so difficult to survive in management, let alone thrive. Couple this fact with the need to implement Lean Manufacturing



which means "change" and the tasks ahead appear incredibly daunting.

### **It's Your Fault – Taking the Lead**

Whatever your company looks like right now it is very likely your fault. On the other hand it may be a great source of pride for you. Sure you have corporate pressures, staff issues, market concerns, and the list goes on. But regardless of the impact of all these and other considerations you are still expected to perform. Let's just be honest for a minute here, there have been times when you couldn't see the forest for the trees and made some mistakes. You're only human, right? You need to do a little self-assessment to consider how some of your "less than perfect moments" have affected others, and determine a new course of action.

If you have bullied your staff into obedience you are in trouble. Lean empowers people and with management's blessing, enables them to do what needs doing. Are you an enabler? Like it or not there is probably little respect for you among your employees and direct reports if you have engaged in a dictator style of management. No doubt they fear you as you have legitimate power to fire or demote them, but they were looking for a job when they found this one and they can find another if they get too tired of you (as the old adage goes). How do you come back from being a bully? Humility is a good place to start. Your mother probably taught you to say please and thank you and even I'm sorry when you have wronged someone. She was right. Who says a leader must be above kindness and basic manners to lead? Not us. The best bosses are always those who treat you like they truly care about you; they are your partners and take pride in the successes of their subordinates.

Great managers can, to some degree, be compared to great Boy Scouts. Scouts live by a law that states:

"A Scout Is Trustworthy, Loyal, Helpful, Friendly, Courteous, Kind, Obedient, Cheerful, Thrifty, Brave, Clean, and Reverent".

Shouldn't management exemplify these same qualities if they are to inspire them in those they lead? Are these terms describing you? If not, we hope this brief reminder serves to inspire the character traits in you that make for great leaders. Interestingly enough scouts and managers alike are respected for the way they conduct themselves more than the badges, beads, patches, or degrees they have earned.

### **Lean Leadership – Earning Trust**

Thinking you can muscle your way through a transition to Lean without the hearts and minds of your team is a huge mistake. If you have any success at all it will be minimal and not enduring. We have seen this "take no prisoners" approach fail miserably. Lean is a team endeavor and if you are not a team player you are setting yourself and your company up for failure. Make the decision to become the "team leader" every Lean system needs for optimal success.



Maybe you have been inconsistent. The good old "flavor of the week" syndrome; one week it's TQM, the next you try Six Sigma, the next you promote the virtues of TOC, and everyone starts reading "The Goal" by Eli Goldratt (great book by the way, we highly recommend it). Now you're talking Lean but lack credibility. Behind your back people are saying "Now what? Here we go again!" Actually, we see this phenomenon more than most other inhibitors to effectively implementing Lean. It is really quite common to some degree in most companies. If you or your predecessors have been inconsistent in past efforts it will take a little rebuilding to earn the buy-in you need. Notice the term "earn" in the previous sentence; respect is earned. Here are a few ideas you may find helpful:

- **Own It** - Take responsibility for what you and others have done in the past. Acknowledge it and account for it. No doubt you had your reasons. "Nobody's Perfect" as they say and there are no expectations for you to be. Both personal and public (in-house) apologies and statements of your absolute commitment to becoming Lean are in order. Don't just tell them what you are going to do, tell them how you will be measured in the process, what your personal and company goals are, and that they, your team, will likewise be accountable to goals they establish. You are really putting your reputation on the line here, but follow-through is exactly what it takes to earn credibility.
- **Give it Time** - It takes time to build trust where it has been lost. Be patient and steadfast in your commitments. Ask people how you are doing and if they see areas for improvement that you do not. Although people may never forget the "sins of the past", the inconsistencies, poor leadership, flavor of the week pains they have endured etc., they will gladly trade the old you for the new you if that makes their work lives better.

Generally speaking, employees really do "manage the managers." You think you're in charge, and you are, but just ask someone to do something they feel is morally wrong, dangerous, or humiliating and they will likely disobey. The managers may set the rules but the employees set the limits. You will only lead to the extent you are allowed to do so. That level is determined by the trust you instill in your employees and the respect they feel for you as well as the respect that is reciprocated. It is largely in your hands.

- **You Can Fix It** - Whatever mistakes you may have made in the past Lean can be your fresh start. Transforming a company to a Lean environment is incredibly satisfying and rewarding. Of course Lean saves and helps companies earn more money, but perhaps of equal or greater importance is that it is a fantastic investment in your workforce. Thoughtfully implemented, Lean creates a working environment of collaboration, creativity, profitability, and excellence; a true "Lean Legacy."

**Next** – once the self-correction process is underway, the next step is to complete effective preparatory actions. In "Part 2 – Preparations," we'll discuss the preparations you need to complete before beginning your lean process. And, to conclude this article, "Part 3 – Execution" provides practical advice and time saving tips to ensure a smooth and efficient



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transition to Lean and World Class Excellence.

**Best Practice Q & A:**

**Question:** Enterprise software implementation risk – “everyone knows” these are risk filled, dangerous missions, yet you consistently assert that it is the failure to use proven, Best Practice methods that is what creates the risk. Could you recap this point about risk – concisely?

**Answer:** “Risk vs. Best Practices – this is a feature of not only enterprise software implementation projects, but other areas as well. Simple example – inventory accuracy. Not having an ongoing cycle count audit program increases the risk of additional, unexpected expense from errors, in turn from inaccurate data.

The key points that are Best Practices in the implementation arena (where the battle takes place...) are the common thread of process ownership throughout the process, coupled with solid, effective communication and support with the intentions of top management, and of course good education and training at every step.

If solid ownership is reinforced at all stages, and the process owners feel accountable for results, they will insure that a) they educate themselves on the details, b) each step is performed rigorously, especially the Conference Room Pilot. It is when participants are merely observers, without accountability, that the company is “driven off the cliff” – no one is at the wheel who cares and has authority to change directions, stop the process, or otherwise make SURE it goes well.