



Lean Thinking for Government

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What Does “Lean” Mean?

- Creating more value with less waste:
Time, human effort, capital, space, defects & rework, etc.
- By focusing on the “work” to be done and asking what type of management is needed to get the work done in the best way.

25th Anniversary of “Lean”

- September 2013.
- Launched with MIT *Sloan Management Review* article by John Krafcik, “The Triumph of the Lean Production System”, Fall 1988.

Spread of Lean

- Automotive.
- Discrete part manufacturing.
- Process industries.
- Services.
- Retail and logistics.
- Healthcare, and...then:
- Government!

What the World Heard

- Tools: Value stream maps, andon, poka yoke, concurrent engineering, target costing, active selling, even A3 and kaizen.
- Programs, done to value-creators by “lean” experts.
- Headcount reduction = “mean”.
- Regimentation, through standard work and visual management.

Why Government Now?

- Stagnation in the American economy is squeezing personal income and causing voters to ask why they should give their money to governments.
- Politicians and government managers are now short of funds willing to try experiments.

What Value Does Government Create?

- Provides services that people want.
- Prevents activities that cause harm.

How Does Government Do This?

- All value is the result of a process, consisting of actions and control information. So governments:
 - ✓ Create value by designing and operating value-creating processes (value streams).

What Are the Special Challenges of Doing This?

- Value is often hard to specify.
- Government processes are often hard for value-creators and clients to see.
- Government management has traditionally been top-down, “modern”, manage-by-metrics.

The last challenge is the hardest.

Modern Vs. Lean Management

- Management by objectives, metrics, results.

Vs.

- Management by process.

Modern Vs. Lean

- Conference room: Analyze data and give answers.

Vs.

- Gemba: "Go see, ask why, show respect."

Modern Vs. Lean

- Staffs solve problems with the passive cooperation of line managers and value creators.

Vs.

- Line managers and the value creators touching the process countermeasure problems with the support of senior managers and staff process experts.

Something to Think About

- Is your biggest challenge on your lean journey your situation (government), your tools, or your management?

Some Steps to Take

- Select your most important processes (value streams).
- Make the current state of these processes visible to everyone (yes, even the legislators and the voters!)
- Define the gap in performance.
- Determine the root cause of the gap.
- Identify the logical countermeasures.
- Conduct experiments (PDCA) with the most promising countermeasures.
- Decide if the results are good enough.
- Stabilize the successful countermeasures. (Hint: Try standard work for managers.)

My Hypothesis

- If you work through these steps for just one of your key processes you will discover all of the changes you need to make in your management system to speed you on your lean journey to steadily improve all of your processes!