

**NEW HAMPSHIRE
LEAN SUMMIT
KEYNOTE SPEECH SUMMARY**

By Sam McKeeman

Concerning Lean, some people are content to learn the methods or tools of process improvement. Others also embrace the philosophy of Lean that, in part, adopts a different view of people-our employees. For example, one can learn the throws and defenses of the martial arts and stop there. Others embrace the philosophy which has a different impact on their lives.

Unlike those who see workers as only there to do work, Lean practitioners realize that great organizations need the worker's head and heart. That is, great leaders need workers to think, using intellect and experience to see waste and process impurities. Further, leaders need to create a culture and climate which results in passion for the work and for doing it well.

I have seen leaders in Maine and New Hampshire who believe in the talents and capabilities of their workforce. They tend to be successful at work, well respected, and leaders that people want to work for. They are like Mark Twain's "irritation of a good example". They are the examples to others of how making organizations great.

This need for full worker engagement was recognized, perhaps in part out of desperation, by the Toyota leadership team back in the early 1950s. It has been said the "all systems/processes are perfectly designed to obtain the results they get". Toyota's systems and processes were getting bad numbers when better numbers were needed for survival.

Koichiro Toyoda brought his workers together to strike a "Grand Bargain". He stated that workers would have a job for life and would get bonuses tied to profits and seniority. In exchange, the workers had to do the work that needs to be done (led to cross-training, expansion of skill sets, less routine and repetitive work) and help the company improve processes.

The genius behind the development of what in the western world is called Lean, Taiichi Ohno, also had an "ah ha" event. He was monitoring a factory worker who was watching a machine on the production line. After a while, he asked the worker what is job was. The worker replied that it was to watch this machine in case it broke down. Ohno asked how often it broke down. "Never" was the response, leading Ohno to exclaim "What a terrible waste of humanity".

Why was what Toyoda and Ohno did revolutionary?

- They realized that big, bold action was required. That is, one can't jump a 20' wide canyon in two 10' jumps. They had to trust their people and "go bold".
- Management throughout the company had to change their beliefs, attitudes, and behaviors. This began to build trust and empower workers. Improvements started to happen. One key behavior change was for managers to less offer a solution but to ask questions. This aligned with Kipling's "Six Honest Serving Men" poem: I keep

six honest serving men; they taught me all I knew; their names are What and Why and When; and How and Where and Who.

- They had to commit, really commit, to the new philosophy and hope that Goethe was correct when he stated:

“Until one is committed, there is hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative and creation, there is one elementary truth the ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, and then Providence moves too. All sorts of things occur to help one that would never otherwise have occurred. A whole stream of events issue from the decision, raising in one’s favor all manner of unforeseen incidents, meetings, and material assistance which no man could have dreamed would have come his way. Boldness has genius, power, and magic in it.”

- Many New Hampshire Lean leaders recognize this need for worker engagement in process improvement. Under Governor Lynch’s comments in the program is a brief description of Lean. It talks about the fact that “Lean empowers employees, tapping into their intelligence, creativity, and experiences”, finding “more efficient ways of completing tasks and reaching organizational goals.” It further talks about customer satisfaction, employee engagement, and improved morale.

What are some examples of worker respect and engagement, a key element of the Lean philosophy?

- Eliminate waste, one of the eight types of waste being wasted human talent.
- Encourage workers to make informed unilateral decisions, which imply good hiring practices, adequate training, and more.
- Workers as equal partners in problem solving.
- Workers as equal partners in decision making
- The creation of a non-traditional worker incentive with a novel business strategy. Rather than $\text{cost} + \text{profit} = \text{price}$, Toyoda and Ohno devised the strategy whereby $\text{price (fixed)} - \text{cost} = \text{profit}$. The incentive in reducing costs if profits are to increase is strong. In the former model, the incentive to increase profits was to raise prices.
- Workers were asked to seek perfection. That is, have no defects in a car rolling of an assembly line. Surprisingly to some, many workers accepted the challenge, getting closer to perfect with each passing process improvement. Pride, self-satisfaction, and mutual respect resulted in the effort toward perfection. It was stated that we should “seek perfection but settle for greatness”, at least in the short term. There is nothing wrong with greatness on the way to perfection.
- Part of the new Lean philosophy was “no blame”. A blame culture generally leaves the problem still there but workers less motivated to find root causes or become engaged in seeking solutions. Some management consultants see a blame culture as

an abdication of management responsibility-it's easier to blame someone than fix the problem.

- Another philosophical shift involves managers not overusing their knowledge and skills. The Apocrypha stated "Be not overwise in doing thy business". That is, if you are a great problem solver, decision maker, communicator, or innovator, don't dominate the group by over-using that skill. Let others show their competencies in these same areas. Indeed, they may have hidden talents that will only surface if the managers are overwise in doing their important business.
- Also, workers were encouraged to focus on and satisfy customers. That is a different approach than "we'll build or do what WE like to build or do" and the customer can take it or leave it.

I would like to leave you with some final thoughts. First, recognize that big, new ideas generally go through three stages. First, the idea is ignored. Next, it is resisted. Finally, it is accepted as obvious. Lean in New Hampshire is being accepted as obvious.

Second, I offer four recommendations:

- Some people will disagree with your process improvement efforts; improve things anyway.
- Some will challenge your motives for making things better; make things better anyway.
- Some will point to an improvement effort that failed; try again anyway.
- After you leave your agency, some will try to destroy what you have built; build anyway!