

10 Common Misconceptions About Lean

By Jon Miller on the *Panta Rei*

1. **Lean production = volume production.** In [Taiichi Ohno's Workplace Management](#) he suggested that the Toyota system was ideally suited for low volume production, and not as well suited for the higher volume production that Toyota was shifting towards. In chapter 20 after describing the successful efforts at Toyota do Brasil to reduce lot sizes through changeover reduction, Ohno states:

Back when we started with the Toyota Production System, we would have demand for 3,000 to 5,000 vehicles per month, and a lot of variety. It was not so-called high mix low volume, perhaps it was medium volume, though there were some low volume items. So the Toyota System is a system that works very well when applied to mid-sized companies. What I mean by this is that the Toyota Production System was born in the days of 2,000 to 3,000 vehicles per month, so when production volumes are as high as they are today at Toyota, you do not really need to use this system to reduce cost.

The subtitle to Taiichi Ohno's book [Toyota Production System: Beyond Large-Scale Production](#) in Japanese is 脱規模の経営をめざして and would be better translated as "Aiming for Non-Scale Management" or "An Escape from Scale-based Management" or "Towards Management Not Based on Scale". Ohno was clearly saying the Toyota Production System is a way out of scale or volume-based production.

2. **Japanese companies are Lean.** There is nothing inherently Japanese about Lean manufacturing, nor are Japanese people naturally better at Lean than any other people. Just like Americans aren't naturally better at heart surgery, even though the world looks to the U.S. for world class heart surgery. Both are historical accidents. Japanese companies tend to think long-term, and the system of lifetime employment does tend to support people development, so it is true to say that many Japanese companies have better groundwork to support Lean, but not true to say that most or even many companies are Lean in the sense that they are actively building and improving an operational model based on the Toyota house.

3. **Lean manufacturing is a set of tools.** Lean certainly possesses a powerful set of tools for problem identification, root cause analysis, and problem solving. However, Toyota Production System = Lean manufacturing, and the last word of the three in TPS is the most important.

4. **You can do Lean manufacturing just for cost reduction.** People will only do kaizen for a higher reason, beyond what is good for the company to what is good for their families, society and the environment. In the short term people may ask "What's in it for me?" but this question is also the long-term question. Cost reduction, as a rallying cry, gets old. Lean manufacturing is about making the work easier and less frustrating so that time at work can be spent on what matters, serving customers and growing as people. Cost reductions will follow.

5. **Assembly lines, work cells, work teams = Lean manufacturing.** This is a variant of 3 above. The main difference is the perception that a certain arrangement of people, material and equipment represents what is Lean manufacturing. Creating cells and working in teams may be Lean, but the thinking behind why this is a good idea is the important thing, not the physical or organizational configuration. This is most often encountered at organizations where Lean has already been "done" but it is not working so well after a few months or years, leading to the "It must be because we're different" illusion and stumbling block to Lean.

Where Lean
Thoughts
can become
Reality

"Unless you try to do something beyond what you have already mastered, you will never grow."

Ronald. E. Osborn

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6. Lean = identify value by product, map value streams, flow, pull, pursue perfection.

Popularized by Lean Enterprise Institute, this definition is not wrong, but is dangerously simplistic, leaving out quite a lot. The emphasis on value streams, flow and pull are somewhat redundant in that they are all dealing with the idea of overall optimization, which is important but is only one pillar (JIT) while leaving out the build-in quality pillar of the Toyota house. Perfection is not only unimaginable by definition to non-divine beings, but undesirable since it suggests an end point to kaizen. Can anything exist beyond perfection? There can be an "ideal" because by definition this is the best that we as humans can imagine, and a higher ideal can exist, to be re-imagined as we learn more.

7. Lean is the latest management fad. This may only be half of a misconception. It is certainly a management fad, and as fads go the popularity of Lean is bound to wane or at least take on a new and improved definition. As the term "Lean" is sure to be replaced with something more appropriate as people better understand what it is that makes companies like Toyota great. But Lean is no more the "latest" anything than the scientific method and a desire for social harmony are things invented in the last half century.

8. Lean is the elimination of waste. Much of Lean is about getting rid of waste (muda). There is also the elimination of variation (mura) and overburden (muri). Variation can result in overburden, resulting in waste. The elimination of waste is good shorthand for getting rid of the root causes, which include overburden (forcing a system to do something it is not designed to) due to variation (in customer demand, people's ability, material quality, etc.), in order to build a stronger system. For most of us it is safe to stay focused on the elimination of waste for the early years on the Lean journey, with an eye on system-level causes of waste.

9. Lean dislikes computers and IT solutions. Lean does not discriminate against any technology that respects people and helps get rid of waste. A core Lean value is what is called genchi genbutsu in Japanese (actual place, actual product) which is often called "go see" in English. Management, and problem solving in particular, should be done on a "go see" basis to get the facts, live. Software solutions make it too easy to keep smart people from going to where the theory meets reality (products meet customers). Huge LCD screens for visual management may be gee-whiz for visitors to the factory, but white boards will actually get used by the team members to write down real problems that happened five minutes ago.

10. Lean + Your Favorite Buzzword Here = Great Idea! This is so-not-so and I think only the largest and most optimistic of consulting firms and manufacturing software solutions providers are still doing this, but there's the occasional surprise like Lean Outsourcing or whatever to make one wonder. Maybe there is a huge Lean + YFBH consulting market, and TPS purists like us are missing out.

***Profit is not something you take from your customers ...
it is what you earn by making a positive difference for them!!***

Submitted by Bob Riehl

Lean Thoughts