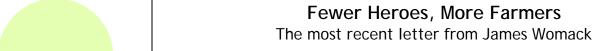


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LEAN THOUGHTS

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Dear Richard,

I recently met with the chief executive of a very large American corporation organized by business units, each self-contained with its own product development, production, purchasing and sales functions. I asked what a CEO does in this situation and got a simple answer: "I search for heroic leaders to galvanize my business units. I give them metrics to meet quickly. When they meet them, they are richly rewarded. When they don't, I find new leaders."

I noted that his firm, like many others I've examined, has a high level of turnover in its business unit heads. So I asked a simple question: "Why does your company need so many heroes? Why don't your businesses consistently perform at a high level so that no new leaders are needed? And why do even your apparently successful leaders keep moving on?"

The answer was that business is tough, leadership is the critical scarce resource, and that a lot of turnover indicates a dynamic management culture. But I couldn't agree. As I look at this and many other businesses I encounter on my walks, I usually see three problems apparently unnoticed by the heroic leader at the top rolling out the latest revitalization program.

These are confusion about the business purpose of the organization's core processes, poorly performing product development, production, supplier management and sales processes that tend to get worse instead of better, and dispirited people operating these broken processes at every level of the enterprise. Needless to say, there are also mini-heroes at every level devising workarounds for the defective processes.

What's needed instead? More farmers!

Let me explain by means of a second example. Recently I received a copy of the leading motor industry magazine with its annual listing of the fifty most influential (read "heroic") leaders in the global motor industry. Bill Ford at Ford. Carlos Ghosn at Renault/Nissan. Rick Wagoner at GM. Etc.

What I found striking was that the list contained no "leaders" from Toyota, except for one American in a U.S. marketing job. Yet Toyota is the world's most successful car company. How could the most successful company have practically no heroes? Because its managers still think like the farmers around its headquarters in the remote Aichi region of Japan where the company was created.

The job of the hero is to tackle a situation in which everything is out of control and quickly impose some semblance of order. And sometimes heroes are necessary. Taiichi Ohno, Shotaro Kamiya, Kenya Nakamura, and Kiichiro Toyoda certainly took heroic actions at Toyota at moments of crisis as the company's core processes were being defined after World War II.

But heroes shouldn't be necessary once an organization is transformed. Instead every important process should be steadily tended by a "farmer" (who we often call a value-stream manager) who continually asks three simple questions: Is the business purpose of the process correctly defined? Is action being steadily taken to create value, flow, and pull in every step of the process while taking out waste? Are all of the people touching the process actively engaged in making it better? This is the gemba mentality of the farmer who year after year plows a straight furrow, mends the fence, and obsesses about the weather, even as the heroic pioneer or hunter who originally cleared the land moves on.







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Jim's letter continued ...

Why do we have so many heroes, so few farmers, and such poor results in most of our businesses? Because we're blind to the simple fact that business heroes usually fail to transform businesses. They create short-term improvement, at least on the official metrics, but it either isn't real or it can't be sustained because no farmers are put in place to tend the fields. Wisely, they move on before this becomes apparent. Meanwhile, we are equally blind to the critical contribution of the farmers who should be our heroes. These are the folks who provide the steady-paced continuity at the core of every lean enterprise.

I hope that as you think about your job you will become a lean farmer who takes responsibility for the processes you touch and that you will work every day to plow the straight furrow, mend the fence, and obsess about the weather. These are the real value-creating aspects of management. When present they insure that no heroes will be needed in the future.

Where "Lean Thoughts" Become Reality

Best regards,

Jim

Jim Womack

Chairman and CEO - Lean Enterprise Institute (LEI)

Employing young people? Then you are employing a Millennial...

Meet the Millennials

Who are they?

Approximate

Born after 1982 to highly involved parents, Millennials are intelligent, ambitious, and incredibly busy. Successfully balancing academics, extracurricular activities, and volunteer work, they've grown up feeling confident and optimistic. With the adults in their world focusing on their best interests, they have been given the message that

Millennials

they are special and capable of achieving anything. In return, they tend to have a strong sense of respect for their elders. Often seen traveling in packs, these young men and women are teamoriented individuals. Having grown up in a world where everyone is connected via technology group projects are the preferred learning style in their classrooms. There are often high societal

Generation X

expectations on these Millennials and a 'trophy child' pressure to succeed.

How do they fit into the workplace?

With many different generations in the workplace, managers are challenged to keep all their employees happy, motivated, and satisfied. Have a look at how the Millennials fit into the workplace landscape.

The Silent Generation

The Boom Generation

time of birth	1982 - now	1964 -1981	1946 - 1964	1925 - 1946 Great Depression, World War II, rise of labour unions, rise of the silver screen	
Events in their lives	Oklahoma City bombing, death of Princess Diana, digital age, reality TV, Y2K, 9-11.	Women's liberation, AIDS, first personal computers, fall of Berlin Wall, massive corporate downsizing.	Civil Rights movement, Cold War, Vietnam War, first man on the moon, assassinations of JFK and Martin Luther King.		
Attitudes	Confident, culturally diverse, tolerant, technology savvy, add value.	Independent, pragmatic, informal, techno-literate, results driven.	Optimistic, personal growth, relationship focused, eager to learn.	Loyalty, conformity, dedication, hard working, stable, compliant.	
Relationship with Authority	Respect for authority but an intolerance for those in power who do not live up to the millennials expectations.	Unimpressed with authority. Competence and skills are respected over seniority.	Challenge authority. Desire flat organizations that are democratic.	Respect for authority and hierarchical system. Seniority and titles respected.	
Relationship with Organization	Loyal to colleagues. "Work to contribute" mentality. Career = opportunity to add value. Comfortable with an informal relationship with superiors.	Loyal to the manager. "Work to live" mentality. Career = one part of me. Expects to be downsized. Informal relationship with superiors.	Loyal to the team. "Live to work" mentality. Career = self worth. Wants job security. Personal relationships with superiors.	Loyal, "pay your dues" mentality. Climb the corporate ladder. Career = opportunity. Understands volatility of employment. Formal relationships with superiors.	
Work Style	Focus on quickest solution using technology. Challenge the rules. Team oriented. Fluid work style. Comfortable with change.	Focus on results. Change the rules. Work independently with little supervision and informal team structure. Multi-task. At ease with change.	Bend the rules. Work in teams. Focus on people, not numbers. Structure work style. Cautious of change.	Work hard – "get it done". Focus on process and rules. Don't rock the boat. Follow the leader, Linear work style. Learn from elders. Dislike change.	



Source: University of Waterloo, UW Recruiter publication.

Consortium Event Schedule

Tour Workshop Conference







January	February	March	April	May	June
- Januar y	-	- Iviai cri	71 <i>p</i> 111	- Way	
T	T	T	T	T	Т
Wednesday 25 <u>Eaton Electrical</u> , contact Joe Fisher, JoeRFisher@eaton.com	Wednesday 15, <u>CFN Precision</u> , contact Barry Wood, <u>bwood@cfn-inc.com</u>	Wednesday 22, Nestle Waters, contact Mariela Castano mcastano@perriergroup.com	Wednesday 19, CTS Corp., contact Bob Garces, Bob.Garces@ac.ctscorp.com	Wednesday 17, Stackpole CSD, contact Don Barber Don.Barber@stackpole.ca	Wednesday 21, Morrison LaMothe, contact Tony Vita tvita@morrisonlamthe.com
	Date & location TBA Your own "STEP Diagnostic" to create Vision, Mission and Direction Contact Richard Kunst Richard.kunst@la-z- boy.com		Consortium Shareshowcase Saturday 29 Kraft Oakville. Contact Cindy Grolleman cindy.grolleman@stackpole.com	W Date & location TBA "Compartmentalize the Noise" * Daily Report-outs * Standard work for Leaders Contact Richard Kunst Richard.kunst@la-z- boy.com	C AME Regional Conference Mon 12 to Thurs 15 K-W Ontario Contact www.ame.org
July	August	September	October	November	December
	W Date & location TBA "Establish Anchors" * VSWI Visual Work Instructions * TPM Total Productive Maintenance Contact Richard Kunst Richard.kunst@la-2- boy.com	T Wednesday 20, Kraft Foods, contact Hanif Jivraj hjivraj@Kraft.com	T Wednesday 11, Stackpole PMC, contact Cindy Grolleman cindy.grolleman@stackpole.com C AME National Conference Mon 16 to Friday 20 Dallas, Texas Contact www.ame.org	Wednesday 15, Messier-Dowty, contact Richard Evans Richard.Evans@Messier- dowty.on.ca W Date & location TBA Your own "Get Organized" * 5S+1 Contact Richard Kunst Richard.kunst@la-z- boy.com	