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LEAN THOUGHTS

Richard Kunst
Tel: 519 590 9944
E-mail: Richard.Kunst@La-Z-Boy.com

As we begin the 2007 cycle of planning & execution for our survival... what better way to begin than by hearing what others have learned - especially Jim Womack

What I've Learned About Planning and Execution

...frank words from Jim Womack

Dear Richard,

By the time I founded the Lean Enterprise Institute in mid-1997, I had been thinking for years about how organizations prioritize and plan. And I had carefully read the policy deployment (hoshin kanri) literature emerging from Japan since the 1970s. So I thought it would be easy to develop and implement both a long-range and a one-year plan.

I asked my friend Pat Lancaster (then the Chairman of Lantech, the subject of Chapter 6 of my and Dan Jones's *Lean Thinking*) to come to Boston to help us as a facilitator. Our whole team set out with great energy and two days later, after much frank discussion, we had our plan. We had agreed on our organizational direction, selected our major priorities for the next few years, set targets, and defined specific initiatives to achieve them. We had won the war against chaos and indecision!

But there was a problem: We soon discovered that we had no practical means to implement the plan. Specifically, we had no effective way to assign responsibility for our initiatives, which cut across the organization. We had no workable way to measure our progress. And we had no means of determining why we were often not getting the results we expected from our initiatives and what to do about shortfalls. In short, we had conducted a great two-day exercise with the help of a brilliant facilitator and we had produced a great plan. But it produced no benefit for our organization. Quietly, we soon abandoned the whole approach and substituted a simple annual budgeting process.

Fortunately, this simple process was sufficient for LEI to flourish as a small organization over the next decade. However, I kept reflecting on why we were so good at picking the right things to do (and creating our annual budget) but much less adept at getting the right things done. In the language of Plan-Do-Check-Act (PDCA), introduced by W. Edwards Deming, we were great at P but struggled with DCA.

In the past year we've grown dramatically and LEI has become a much more complex organization. (We now have four major product lines - each with a value-stream leader -- for learning materials, education, events, and research partnerships with a range of organizations.) Suddenly our simple budgeting process was no longer adequate and I was forced to revisit the issue of prioritization and planning. At the same time, in our research activities I was watching many organizations struggle as they tried -- as we had -- to introduce complex planning systems derived from the standard Japanese-derived texts on hoshin kanri.

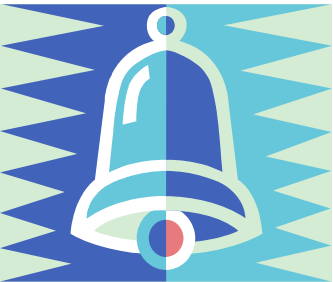
I was delighted therefore when Toyota alumnus Pascal Dennis approached me with the suggestion that strategy deployment, as he calls hoshin kanri, can be made much simpler and more effective. He proposed to write a leader's guide that was a cross between a workbook and a novel in order to illustrate a more effective method for planning and execution. He also committed to revealing the thought process behind effective planning and execution that he had learned in his years at Toyota, not just describe the techniques.

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Where "Lean Thoughts" Become Reality



During the past year, as I've reviewed Pascal's work and tried to apply it in managing LEI, I've gained some real insights into how to do strategy deployment properly. Let me share them briefly:

- **The "Plan" part really is simple.** But it's critically important as you start to gain agreement on where your organization really stands, that is on its "current state." This means developing simple, visual measures of current performance that everyone can see and agree on. Otherwise the plan is based on illusion.
- **The "Do" part will succeed if the plan tells a simple, persuasive story and each element of the plan is easily understandable by everyone.** Toyota's A3 method for describing on a single sheet of paper the issue each plan element is addressing -- and the way the organization will solve it -- has startling power once everyone learns how to read A3s. (I've been amazed at what A3 analysis has done for our value-stream management at LEI and what it has done for my ability to communicate to everyone the direction LEI is taking.)
- **The "Check" part of the plan is critical and is almost universally ignored.** Yet there is no point in starting off to deploy a plan unless there is a standardized method for measuring the results and leadership commitment to follow through **The "Act" or "Adjust" step is equally important but requires effective problem solving to understand why the plan is not achieving its intended results** (as shown in the "Check" step.) Even organizations that check their progress are usually very weak at adjusting. Yet almost no plan, even at Toyota, produces exactly the results expected. Adjustment is inevitable and continual.
- **Every element in the plan needs a deployment leader who can look across the functions,** see the whole, and take responsibility for a good result. This is like the Chief Engineer at Toyota. And the good news is that designating a deployment leader for each plan element requires no adjustment to the organization chart. Deployment leadership is simply an additional task for designated senior managers, one that becomes much easier as experience is gained over several years.

- Some organizations can deploy plan elements for each product family value stream, as we have at LEI. However, many organizations -- far more than I had realized until recently -- are so unstable in every shared process that they may be better off to start with organization-wide themes like quality, delivery, and cost, in order to create basic stability before they switch to a value-stream approach.
- **Perhaps most important: It's all about people.** I've recently reflected on Toyota's quality concept of "autonomation", or jidoka, which they describe as "automation with a human touch". This means that employees are actively engaged at every level in insuring that process technology -- no matter how sophisticated -- works properly to produce a good result every time. It has occurred to me that strategy deployment as it ought to be practiced is similar. It's not an exercise in cold logic, done once and forgotten. Rather it is "hoshin kanri with a human touch" in which everyone in the organization becomes a scientist participating in continual experiments with every plan element by means of PDCA.

Best regards,

Jim

Chairman & Founder of the Lean Enterprise Institute

[Ed. Note: Pascal's strategy deployment leader's guide, **Getting the Right Things Done**, is available from www.ocapt.com and from the LEI bookstore at www.lean.org. Jim's feeling is that *"It gives much better guidance than I can in a short letter on the practicalities of actually succeeding with strategy deployment. - I imagine that it may be particularly helpful as a group reading exercise to instill the new thought process you will need in order to successfully plan and execute."*]

*"A leader has two important characteristics;
first he is going somewhere;
second, he is able to persuade other people to go with him."*

Maximilien Francois Robsepierre

Consortium Event Schedule
 T our W orkshop C onference



January	February	March	April	May	June
<p>T</p> <p>Wednesday 24 Eaton Electrical, contact Joe Fisher, JoeRFisher@eaton.com</p> <p>W</p> <p>La-Z-Boy Corporate Monroe MI February 14 & 15 Enterprise Value Stream Mapping How to use the VSM tools to map admin processes. Contact Richard Kunst for info. Richard.kunst@la-z-boy.com Register at www.ame.org</p>	<p>T</p> <p>Wednesday 14, CFN Precision, contact Paul Kaulback, bwood@cfn-inc.com</p>	<p>T</p> <p>Wednesday 21, Nestle Waters, contact Mariela Castano mcastano@perriergroup.com</p>	<p>T</p> <p>Wednesday 18, CTS Corp., contact Bob Garces, Bob.Garces@ac.ctscorp.com</p>	<p>T</p> <p>Wednesday 16, Stackpole CSD, contact Don Barber Don.Barber@stackpole.ca</p> <p>Consortium Shareshowcase</p> <p>Saturday 05 CGL Guelph. Contact Cindy Grolleman Grolleman@canada.com or Dave Deskur daved@cglmfg.com</p>	<p>T</p> <p>Wednesday 20, Morrison LaMothe, contact Tony Vita tvita@morrisonlamothe.com</p> <p>C</p> <p>AME Regional Conference Mon 18 to Fri 22 Edmonton, Alberta Contact www.measureupforsuccess.com</p>
July	August	September	October	November	December
	<p>T</p> <p>Wednesday 22, CGL Manufacturing contact Dave Deskur daved@cglmfg.com</p>	<p>T</p> <p>Wednesday 22, Kraft Foods, contact Hanif Jivraj hjivraj@Kraft.com</p>	<p>T</p> <p>Wednesday 11, Stackpole CSD, contact Don Barber Don.Barber@stackpole.com</p> <p>C</p> <p>AME National Conference Mon 29 to Friday Dec 2 Chicago Contact www.ame.org</p>	<p>T</p> <p>Wednesday 14, Messier-Dowty, contact Mike Smith Mike.Smith@Messier-dowty.on.ca</p>	<p>T</p> <p>Wednesday 12, Orenda, contact Brenda McIntosh brendamcintosh@orenda.com</p>