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# LEAN THOUGHTS

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## The Next Ten Years of Lean

The latest update from Dan Jones LEA

Dear Richard

Attending the 10th anniversary celebrations of Jim Womack's Lean Enterprise Institute in the USA set me thinking about the next ten years of lean. The lean movement around the world has achieved great things in the last decade. Between us all we have infected organizations in almost every sector across the globe with lean. Some are well down the path while others like services and healthcare are in the early stages.

We have figured out how to break the mental models blocking progress with lean in sectors like distribution, process industries, healthcare, construction and the public sector. And we have written down much of the core lean knowledge to enable us to design value streams in all kinds of situations. We have also created a huge army of lean practitioners and lean consultants and have established 14 Lean Institutes in each of the main economies to support the dissemination of lean.

Those who say the glass is half empty rather than half full - and I think this reflects different temperaments - rightly say there is still a huge amount to be done. They ask how many organizations even remotely approach Toyota's level of lean performance. The answer is not many. But in most industries outside automotive what counts is using lean to leap ahead of your competitors.

So what are the challenges ahead and what should our agenda be for the next decade? One way to look at this is to imagine looking back from 2017 and asking what we would like to see done by then. Here is my list - I would be interested to hear yours.

First I would like to see one organization in every sector that has progressed far enough in their lean journey to be using lean to change the business model in their industry. By this I mean building on their newly developed lean capabilities to rethink the product, the service, the processes and the location of what they do to serve their customers in a very different way. A bank that could custom manage all my cash, investments, pensions, insurance policies etc. conveniently with little hassle and for a reasonable price. A car company who could manage all my needs for personal mobility. A retailer who could search for and deliver all the things I need to run my household etc. Some firms like Tesco are thinking this way - most are still asleep to these opportunities.

Second I would like to see as large a body of knowledge and publications on lean leadership, lean management and lean strategy as we now have on lean process design and lean operations. Part of this will involve the systematic evaluation of the different transformation models being used by firms and by consultants, to distil what works from what does not. Part of it involves working out what managing a process focused organization will involve. In part it will also mean rethinking lean strategy back from the customer rather than forwards from our existing assets.

Third I would like to see lean thinking as a core part of the curriculum - from teaching problem solving in primary schools to teaching lean management in executive education courses. Because lean knowledge is only really learnt experientially this will entail fundamentally rethinking the way education is delivered.

### LEAN CONSORTIUM MEMBERS:

- CFN Precision
- CGL
- CTS Canada
- EATON Cutler Hammer
- KRAFT
- LA-Z-BOY- Residential
- MESSIER-DOWTY
- MORRISON LAMOTHE
- ORENDA
- NESTLE WATERS CANADA
- STACKPOLE



### Where “Lean Thoughts” Become Reality

Fourth we have not been very good at reaching out beyond the lean movement to articulate the potential societal benefits of lean. For instance economists and liberal commentators still think management is a black box where firms must be efficient to maximize their profits. They really do not understand the powerful dynamic lean introduces in every sector which transcends arguments about structures and ownership.

The HR community is still suspicious about whether lean enhances or diminishes the experience of work. Again we need to document those lean work practices and experiences that unlock the enthusiasm we have all seen and dispel myths like standardization kills creativity - when done right it does exactly the opposite.

Lean also has a lot to contribute to environmental movement as it is increasingly driven by evidence rather than often incorrect emotional responses. In almost every case a new lean business model will involve less unnecessary human effort, transport, energy use and pollution.

If we can do all this then lean will be well on the way to becoming the dominant business model, replacing the mass production business model developed by Alfred Sloan and Jack Welch.

Yours sincerely  
**Daniel T Jones**  
 Chairman, Lean Enterprise Academy

### LEAN ON ME

*Contact me if you need coaching or facilitation help in the areas such as but not limited to; 5S, Value Stream Mapping, Set-up Reduction, Problem Solving or Policy Deployment and Consortium Development*



### COLLABORATION IS A KEY GROWTH ENABLER

*Jim Pinto in his recent e-newsletter speaks about Collaboration ... which really means are you building or participating to the fullest extent of leverage in a consortium ... if not contact us for guidance ... Richard Kunst ... read on ...*

With continued, accelerating change, companies can achieve significantly more through collaboration. This means the sharing of business information, joint planning and projections with suppliers and customers - and perhaps even suppliers' suppliers and customers' customers.

Collaboration brings major benefits for all the companies involved.

The Harvard Business Review reports that a 5% increase in customer retention can result in a 25% to 95% increase in profits from collaborative relationships.

An effective enterprise collaboration solution must provide the technical systems links for people to work together in distributed, intra- and inter-company teams. Effective communications must be enabled across distance, time zones, and company borders, encouraging team members to discuss, analyze and review collaboratively.

This is a key enabler, allowing companies to react more quickly to changes in supply and demand.

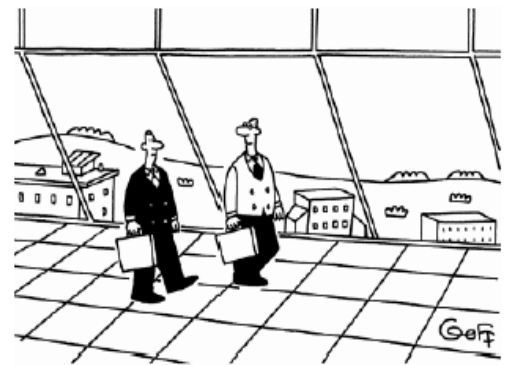
Expand your horizons, by expanding the borders of your company through collaboration. The question is, who can your company collaborate with? The answer is relatively simple: your best suppliers, and your best customers.

In the next few years your enterprise will be collaborative, or it won't exist at all.

Jim Pinto - Collaboration Strategies fuel Growth & Success:  
<http://www.automation.com/sitepages/pid3096.php>

Creating a Collaboration Strategy:  
[http://www.businessinnovation.cmp.com/articles/strat\\_070517.html](http://www.businessinnovation.cmp.com/articles/strat_070517.html)

### A Sign You Need to Look at Going “Lean”...



**“We’ve reached a kind of equilibrium. We now process one pound of paperwork for every one pound of customer.”**

Consortium Event Schedule



Tour Workshop Conference

January	February	March	April	May	June
<p><b>T</b></p> <p>Wednesday 24 <u>Eaton Electrical</u>, contact Joe Fisher, <a href="mailto:JoeRFisher@eaton.com">JoeRFisher@eaton.com</a></p> <p><b>W</b></p> <p>La-Z-Boy Corporate Monroe MI February 14 &amp; 15 <u>Enterprise Value Stream Mapping</u> How to use the VSM tools to map admin processes. Contact Richard Kunst for info. <a href="mailto:Richard.kunst@la-z-boy.com">Richard.kunst@la-z-boy.com</a> Register at <a href="http://www.ame.org">www.ame.org</a></p>	<p><b>T</b></p> <p>Wednesday 14, <u>CFN Precision</u>, contact Paul Kaulback, <a href="mailto:pkaulback@cfm-inc.com">pkaulback@cfm-inc.com</a></p>	<p><b>T</b></p> <p>Wednesday 21, <u>Nestle Waters</u>, contact Mariela Castano <a href="mailto:mcastano@perriergroup.com">mcastano@perriergroup.com</a></p>	<p><b>T</b></p> <p>Wednesday 18, <u>CTS Corp.</u>, contact Bob Garces, <a href="mailto:Bob.Garces@ac.ctscorp.com">Bob.Garces@ac.ctscorp.com</a></p> <p><b>C</b></p> <p>Lean Design &amp; Development Conference Wed 18 to Fri 20 Chicago Contact <a href="http://www.iirusa.com/lean">www.iirusa.com/lean</a></p>	<p><b>T</b></p> <p>Wednesday 16, <u>Stackpole CSD</u>, contact Don Barber <a href="mailto:Don.Barber@stackpole.ca">Don.Barber@stackpole.ca</a></p> <p>Consortium Shareshowcase</p> <p>Saturday 05 <u>CGL Guelph</u>, Contact Cindy Grolleman <a href="mailto:Grolleman@canada.com">Grolleman@canada.com</a> or Dave Deskur <a href="mailto:daved@cglmfg.com">daved@cglmfg.com</a></p>	<p><b>T</b></p> <p>Wednesday 20, <u>Morrison LaMothe</u>, contact Tony Vita <a href="mailto:tvita@morrisonlamthe.com">tvita@morrisonlamthe.com</a></p> <p><b>C</b></p> <p>AME Regional Conference Mon 18 to Thur 21 Edmonton, Alberta Contact <a href="http://www.measureupforsuccess.com">www.measureupforsuccess.com</a></p>
July	August	September	October	November	December
		<p><b>T</b></p> <p>Wednesday 26, <u>Kraft Foods</u>, contact Hanif Jivraj <a href="mailto:hjivraj@Kraft.com">hjivraj@Kraft.com</a></p>	<p><b>T</b></p> <p>Wednesday 10, <u>CGL Manufacturing</u> contact Dave Deskur <a href="mailto:daved@cglmfg.com">daved@cglmfg.com</a></p> <p><b>C</b></p> <p>AME National Conference Mon 29 to Friday Nov 2 Chicago Contact <a href="http://www.ame.org">www.ame.org</a></p>	<p><b>T</b></p> <p>Wednesday 14, <u>Messier-Dowty</u>, contact Mike Smith <a href="mailto:Mike.Smith@Messier-dowty.on.ca">Mike.Smith@Messier-dowty.on.ca</a></p>	<p><b>T</b></p> <p>Wednesday 12, <u>Orenda</u>, contact Brenda McIntosh <a href="mailto:brendamcintosh@orenda.com">brendamcintosh@orenda.com</a></p>