

LEAN INSIGHTS

# Measuring your Lean results

By Dr. Timothy Hill

I am often asked about the presentation of Lean results. “How do we report our gains?” “Where do we post our gains?” “Do I need to make my results fancy, put them in Excel or just post them?”

My answer is simple: “I don’t care if you write up your results in green crayon, as long as you post them, update them and keep them current. You will post them on a Lean board — a notice board that is centrally located.”

I often tell people that Lean can be quick and crude, which is always better than slow and elegant. Whether reporting on a Lean pilot project or a larger project, it is important to dig in and get going.

Consider a typical Lean implementation. It might be the result of a value stream mapping exercise or a kaizen blitz. People will identify an actionable problem, do the root cause analysis and then select a counter-measure to eliminate, and not just manage, the problem.

People will then gather baseline information, deliver the counter-measure and then follow up to show the results from that intervention.

Typically an A3 is posted on the Lean board, marked as successful and accompanied by a chart of some kind. Posting the A3 and the accompanying chart will keep the Lean board up-to-date. This is extremely important — both to convince those

sitting on the adoption fence and to build Lean ownership.

Let’s break down a few items:

• **The importance of keeping the Lean board up-to-date**

Even if you’re working on a larger project and don’t have anything to post, it is important to update the Lean board with something. It might be as simple as adding a dated Post-It saying that you’re still working on the issue.

You should make the champion responsible for posting to the Lean board. This will build ownership and close the accountability loop. Too often this step is missed, and people lose their connection to their responsibility.

• **Posting the A3**

The A3 Report is a Toyota-pioneered practice of getting the problem, the analysis, the corrective actions, and the action plan down on a single sheet of large (A3) paper, often with the use of graphics. A3 paper is the international term for a large sheet of paper, and is much easier to use than an 8D, favoured by U.S. organizations.

“The widespread adoption of the A3 process standardizes a methodology for innovating, planning, problem-solving, and building foundational structures for sharing a broader and deeper form of thinking that produces organizational learning

deeply rooted in the work itself,” said John Shook, author of *Managing to Learn: Using the A3 management process*.

Go ahead and post the A3 on your Lean board for everyone to see. I even have one client company that puts a big red “Success!” stamp on every successful A3. In this way, you will be spreading the success out and building a Lean culture along the way.

In conjunction with a Hansei discussion (right after the deployment) and a Yokotan discussion (spreading the success news up and out through the organization), you’ll be growing Lean recognition throughout your organization.

• **What do we chart?**

You chart the numbers you’re interested in. If you’re following the errors per day for a given process, you’ll chart that. You might also make a sidebar note about any other collateral changes that happen as a result of your intervention — shorter cycle times in downstream processes, improved job satisfaction and so on.

It’s important to make a compelling argument. Use a plain chart that shows the before-and-after differences. Arguing with data is much better than arguing without it.

• **Charting progress**

Making a chart is a simple process, as seen in Figure 1. Do simple baseline charting before delivering the counter-measure and then chart the same process after delivering the counter-measure.

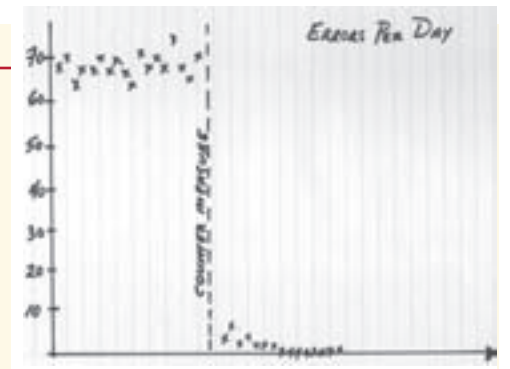


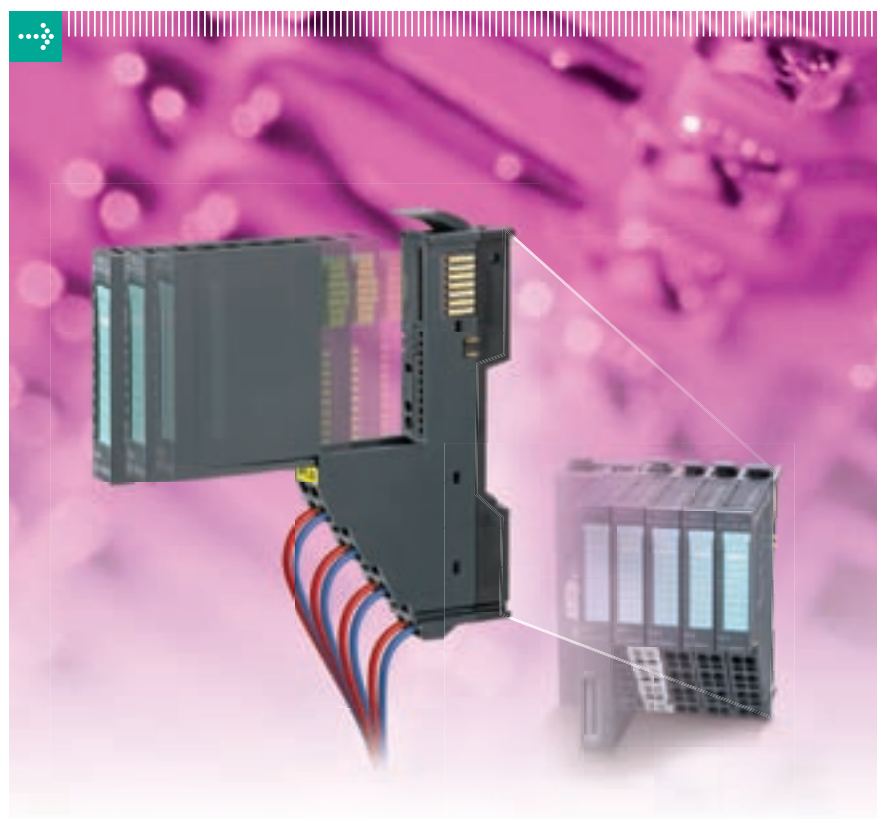
Figure 1. Workplace example

Post the chart on the Lean board and mark the followups. Do the followups frequently after delivering the counter-measure and then less frequently as time goes on. Have the person who delivered the counter-measure post the data and close the accountability and ownership issues.

• **Building Lean ownership**

As John Shook mentioned, you will build ownership of Lean when people see themselves become an ongoing part of the solution. This will help them to embrace Lean. By training people in root cause problem solving, showing them how to do an A3 and showing them how to report their successes, you will build Lean ownership. 🍁

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## From the book shelf

Larry Rubrich. (2004). *How to Prevent Lean Implementation Failures*. WCM Associates.

In 2004, *Industry Week* reported that 72 percent of the 884 U.S. companies responding to its survey were in various stages of implementing an improvement strategy such as Lean or world-class manufacturing, Agile manufacturing, Six Sigma, TPS, Theory of Constraints or others. Of these companies, 75 percent reported that they had made “no” or just “some” progress toward their world-class manufacturing goals. Only two percent of the companies reported achieving world-class manufacturing status.

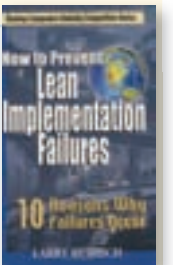
This book looks at why more companies aren’t showing significant progress in their goal to become world class. It lists the 10 reasons implementations fail (in order of severity), and what companies can do to prevent or recover from their occurrence. This book is also aimed at North American manufacturers, and offers very helpful tips in becoming internationally

competitive, getting off the cost-grazing treadmill, ensuring quality and minimizing overhead.

The 10 reasons for Lean implementation failure are:

- Lack of top-down management support;
- Lack of communication;
- Lack of middle management/supervisor buy-in;
- Not understanding that this is about your people;
- Lack of customer focus;
- Lack of improvement measures;
- Lack of Lean leadership;
- People measures not aligned with Lean goals;
- Using kaizen events as the sole improvement measurement; and
- Bonus pay systems where the only measure is company profitability.

The first two reasons are thought of as fatal errors for Lean implementation, but pay attention to all 10.



## Question from the floor

**QUESTION:** We’re just starting our Lean journey. We’ve trained the senior management on Lean so they know what to expect. What else do you recommend from a communications perspective?

**ANSWER:** First, congratulations on starting your Lean journey. You should be aware that it will take about two years to develop a Lean business culture. If you’ve got the buy-in for this from your senior management team, you’ve made a good start. Lean success comes from using the tools correctly and getting management buy-in. In fact, it’s about 20 percent and 80 percent, respectively, for Lean success.

There are many aspects and levels of communication required to avoid a Lean implementation failure. By all means, include a major announcement of the coming changes as an initial action, but you need to have management visible and available to thoroughly discuss the change for the first few days after the change announcement.

I think that is an important step and a sign of respect for all of your employees. If your Lean initiative is something for only the leadership team to know about and discuss, you’ll be missing the boat. If you want your employees and production associates to be engaged in the spirit of Lean kaizen, you have to listen to their concerns and fears, and address their questions. Be out there on the shop floor.

Keep posting your Lean successes and be there to stand behind them. Provide recognition for successful Lean implementations, support those efforts and aid in the communication of them. — Dr. Timothy Hill