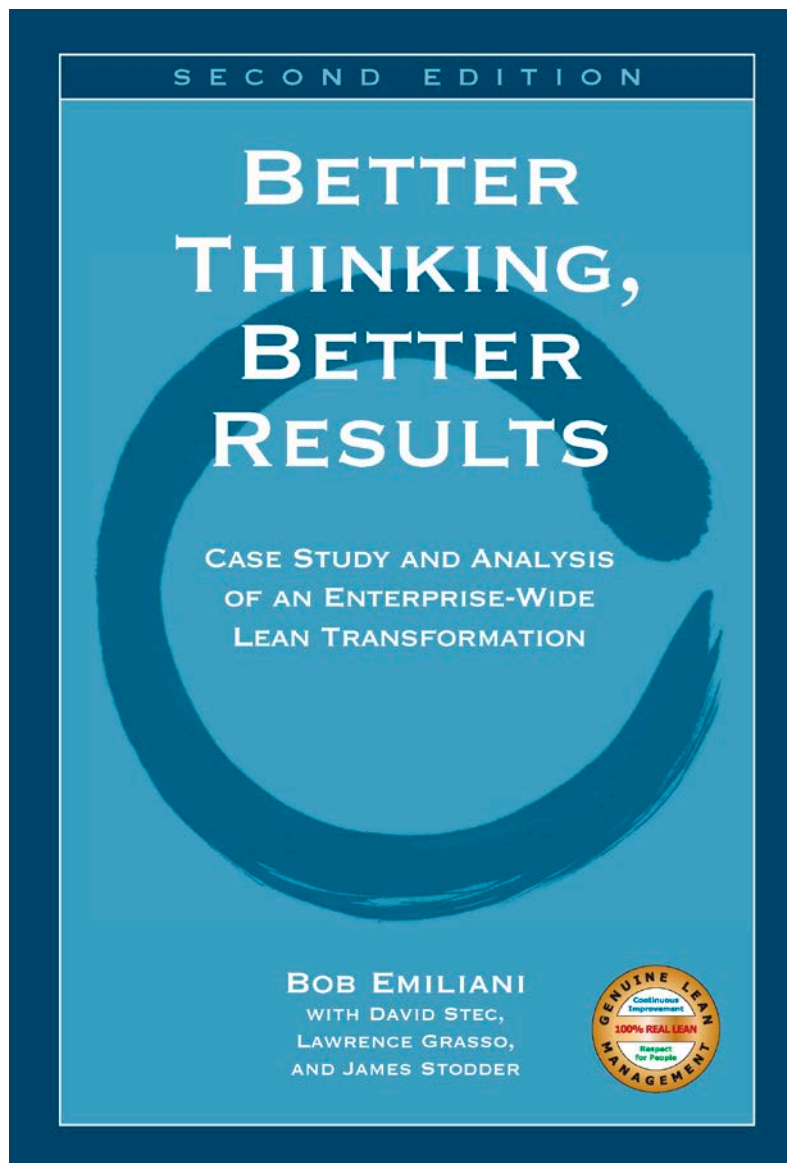


Better Thinking, Better Results
Case Study and Analysis of an Enterprise-Wide Lean Transformation

A Study Guide On the Leader's Role in Lean Transformations

Use this study guide individually or as a management team to improve your understanding of Lean leadership, how to transform your business, and how to gain buy-in. The last page of the study guide is a Lean Leadership Development visual control for you to complete.



2003 Shingo Prize Winner

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Study Guide Questions

Question 1 – Explain why Art Byrne was willing to experiment with his businesses' financial and non-financial results by setting up a kanban system, which he knew very little about, in General Electric's "make the month or die" culture. Why was Art willing to risk do something different than his peers at GE?

Question 2 – Explain why businesses, most of which are led by people with graduate-level business degrees, have the opportunity to improve all financial and non-financial metrics by more than 50 percent, but do not? What is the leadership mindset, business practices, and metrics that lead to such thinking? What is it that these educated leaders not understand? What are they unwilling to recognize or do?

Question 3 – Kaizen consultants from Shingijutsu, Mr. Iwata and Mr. Nakao, say: "No good. Everything is no good." What kind of personal characteristics does an executive need to have in order to be receptive to this kind of severe criticism? What personal characteristics would make an executive unreceptive to this kind of severe criticism?

Question 4 – Most business leaders are focused on creating shareholder value. Art Byrne says that is backwards, that "shareholder value is created by delivering value to customers over a long period of time." Managers' focus, therefore, should be on creating value for customers, and activities that contribute to that should not be taken for granted. Why do most business leaders have shareholders as their focus instead of customers? Why do they misunderstand such a fundamental aspect of business? Who influenced business leaders to misunderstand this fundamental aspect of business?

Question 5 – The traditional approach to business is to make customers conform to what the company does. By improving one's value-adding activities, Lean management helps the company conform to what customers want. In the traditional approach, leaders have a sellers' market view and are supply-driven. With Lean, leaders have a buyers' market view and are demand-driven. Lean is opposite the traditional approach. Explain why Lean is the much more responsible way to manage a business that serves customers in competitive markets.

Question 6 – Explain why competing on the basis of time helps a company grow and gain market share.

Question 7 – Explain why, in the early days, Lean management, given its strategic significance, was in most companies limited in practice to "JIT inventory" and used in a zero-sum (win-lose) way to shift costs to suppliers. Describe the mindset of senior managers, their ways thinking, and the focus of their interests to support this narrow and incorrect zero-sum practice.

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Question 8 – Lean, done right, delivers spectacular business results and does not harm people. From Art Byrne’s point of view, a CEO who does not want to do Lean is “in the wrong job.” Explain why most CEOs ignore these spectacular results and prefer to continue the traditional approach to leading and managing the business.

Question 9 – Art Byrne says this about Lean: “It’s a difficult thing to do.” Identify 10 managerial and 10 technical reasons why Lean management is difficult for leaders to do. Determine root causes and practical countermeasures.

Question 10 – Most leaders delegate the application of Lean principles and practices - mainly just the tools - to lower-level people. Art Byrne says: “Leadership is the key... Lean has to be led from the top.” Why is leadership usually absent? Why do most leaders fail to lead? Determine the root cause and identify countermeasures.

Question 11 – CEOs must lead by example in order for people to change. What Lean principles and practices must leaders actually do every day to motivate people at lower levels change?

Question 12 – “Learning by doing is very important.” CEOs have to commit to wanting to learn Lean via hands-on practice. Identify 25 things that leaders can do to learn Lean, so that they can teach it to others.

Question 13 – Why are middle managers and finance leaders so resistant to Lean? What are the specific sources and reasons for their resistance? What are the similarities and differences between middle managers and finance leaders’ resistance? What are the root causes of their resistance and what practical countermeasures can be applied to gain their buy-in and motivation to learn and improve?

Question 14 – Lean flips the traditional organizational pyramid upside down, putting the CEO at the bottom. If everyone below the value-adders (at the top) are “not trying to help and improve what the value-adders are doing, then they’re just waste.” What should CEOs be doing on a daily basis to help the value-adders? Do the traditional performance metrics that leaders accept help or hurt the value-adders?

Question 15 – Why didn’t other company leaders copy Wiremold’s one-page strategy document when Art Byrne showed it to them? What is the root cause of their resistance to adopting such a simple and effective strategy?

Question 16 – Art Byrne says: “Everything must change.” That includes the role of leadership must change from supporting Lean to participating in Lean and developing the capabilities to teach Lean principles and practices to others. What can be done to help achieve this critically important transition?

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Question 17 – Kaizen is an activity focused on doing; meaning, making numerous improvements in a short period of time. In many organizations today, kaizen has become a planning activity. How did this happen? What are the causes that have led to the effect of changing the structure and meaning of kaizen, and thereby greatly reducing its effectiveness?

Question 18 – Art Byrne says: “Dump the stuff that is going to hold you back.” Explain why businesses expend large amounts of resources to become Lean, yet retain nearly every non-Lean business principle, non-Lean business practice, and non-Lean metric. Identify the specific principles, practices, and metrics that hold you back.

Question 19 – Art Byrne says: “Work with your vendors to get a smooth flow.” It is far more common for companies to interact with their suppliers in zero-sum (win-lose) ways, thereby creating irregular material and information flows. Explain why managers prefer to disrupt material and information flows, instead of working with their suppliers in non-zero-sum (win-win) ways to smooth material and information flows.

Question 20 – Art Byrne says: “I recommend that you have profit sharing for everybody.” The organizations that practice Lean the best, in almost every case, have profit sharing. Explain why most executives will not establish profit sharing despite the impressive financial gains that result from Lean management. Why do they continue to be stingy with employees? In what ways is that inconsistent with the “Respect for People” principle?

Question 21 – Mr. Nakao from Shingijutsu told Art Byrne, “Byrne-san, if you don’t try something, no knowledge will visit you.” Art was willing to try something and have knowledge visit him. Explain why most managers do not want knowledge to visit them.

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Lean Leadership Development Visual Control

Achieving rapid change, both personally and in organizations, can be greatly improved by using visual controls. Visual controls call attention to abnormal conditions and remind people of what they should be doing.

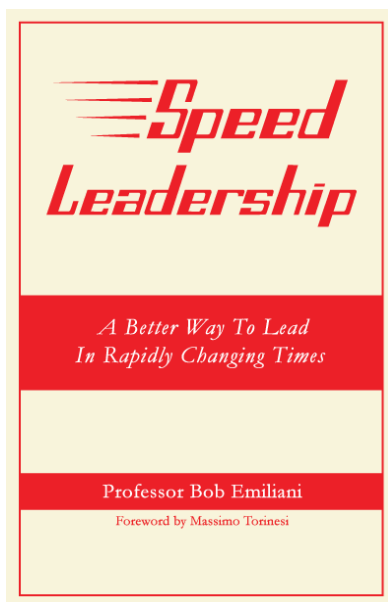
The following page contains a format for creating your own personal visual control based on what you learned in by reading *Better Thinking, Better Results* and by answering these questions.

Fill in each of the six rows on the next page. Post the visual control in your workspace and refer to it daily as a reminder of what you need to do.

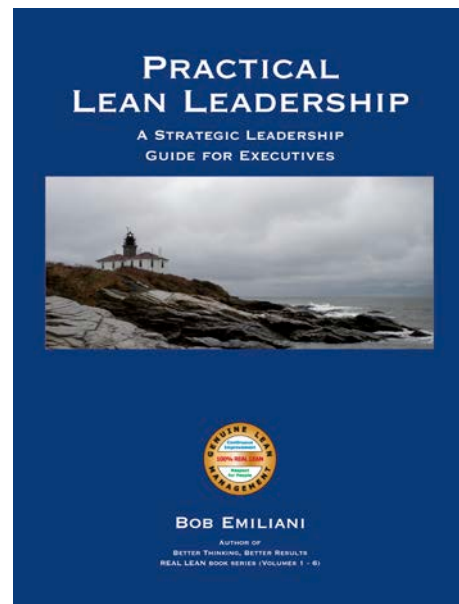
The key to becoming a great Lean leader is an open mind and daily learning through the application of Lean principles and practices.

Good luck!

These two books will help you become a much better Lean leader.



Available from Amazon.com



Better Thinking, Better Results
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Lean Leadership Development Visual Control*

Key things that I learned from Art Byrne.	
Things that I need to think differently about.	
Things that I need to do differently on a daily basis.	
Knowledge areas that I need to study.	
Experiences that I need to have.	
Elements of Art's leadership that I must emulate every day.	

* Fill in the blanks and post this page in your work area. Refer to it daily.