
A Facilitator's Perspective on the Newcastle Lean Management Initiative

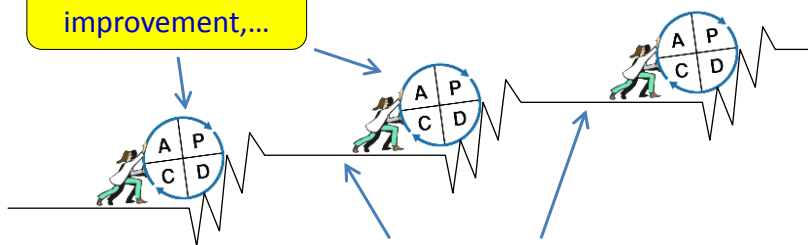
29 June 2011

Dr Anton Grutter
Lean Institute Africa

More Flow + Less Waste = Lean

Process Improvement vs Standard Work

Most lean initiatives
focus on process
improvement,...



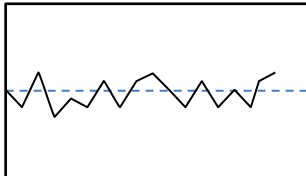
...but maintaining standard
work in between is
equally important

This requires disciplined
use of the correct
work practices

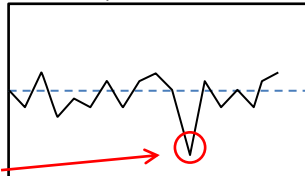
Why is measurement essential?

Because it is possible to see when corrective action is required from patterns in the measurements

Normal

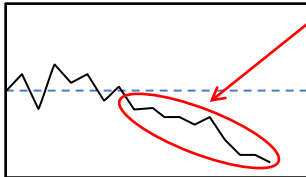


Peak or dip

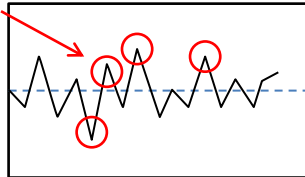


Take corrective action

Trend

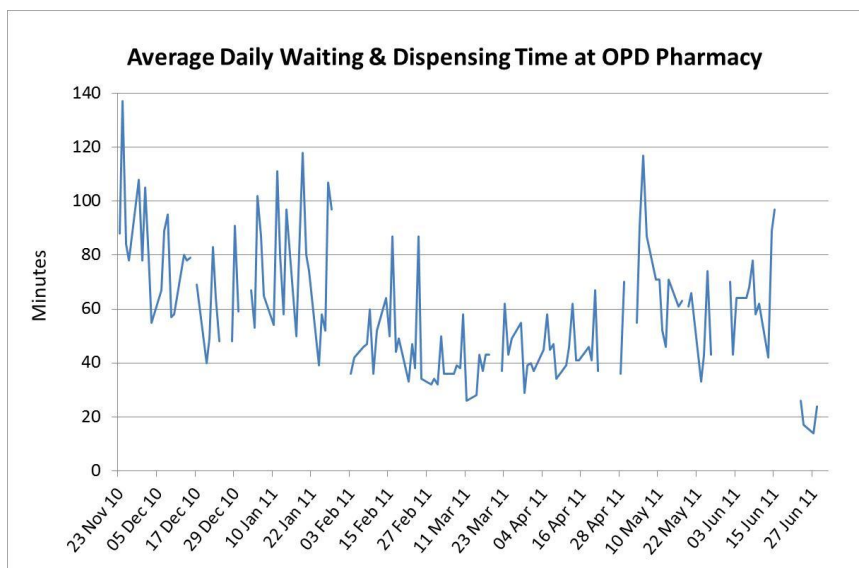


Fluctuations



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What we can learn from a Graph

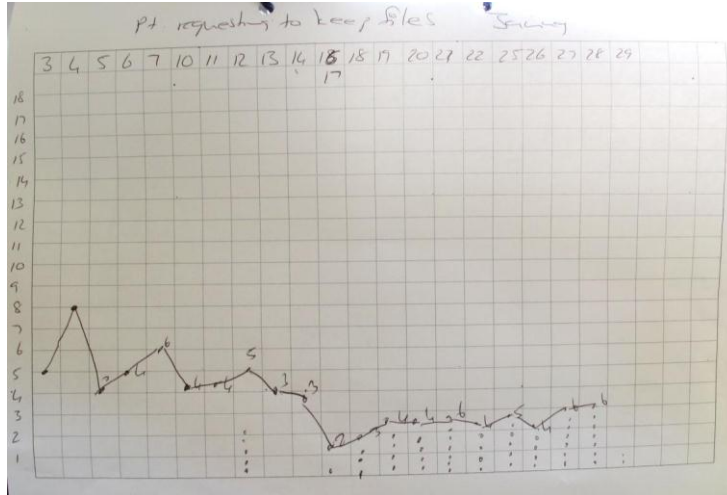


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Implementation Realities

Graph of nurse interruption in out-patients dept



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Implementation Realities

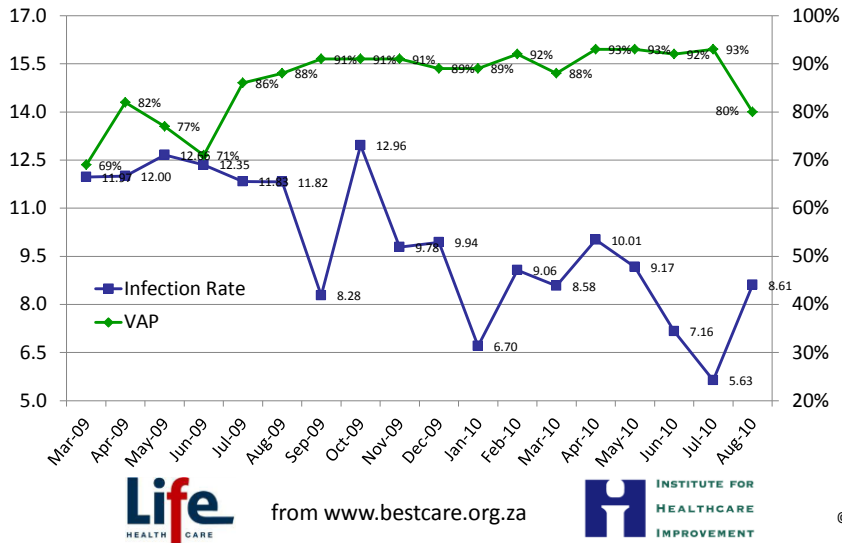
ARV clinic sister in KZN receiving help to draw graph



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Manage the Process and the Outcome will look after Itself

Ventilator Associated Pneumonias: Bundle Compliance & Infection Rate



Why doesn't Traditional Management work?

People make sub-optimal decisions because:

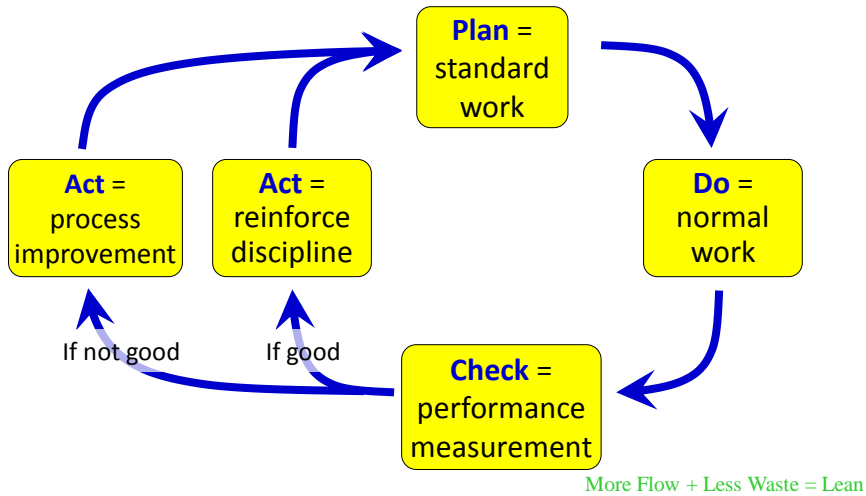
- Overconfidence leads to inaccurate forecasts of outcomes
- Anchoring decisions in irrelevant past experience
- Subjective value of losing is greater than value of winning
- Ineffective feedback undermines performance monitoring
- Desire to conform leads to groupthink
- Poor performance is blamed on external factors or people
- Vicious cycles difficult to break by individuals

Bendoly et al: Bodies of Knowledge for Research in Behavioural Operations, POMS, V19 N4, 2010

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Why Lean Management works better

The PDCA cycle mimics the scientific method by empirical testing of management theories against reality



The A3 Process Improvement Method

Title: What you are talking about?

Background

- Why are you talking about it?

Current Situation

- What is the problem?

Goal

- State the specific **target situation** in **measurable** or identifiable terms.

Analysis

- Find the **root causes** of the problem?

Improvement Recommendations

- What are your proposed **counter-measures**?

Implementation Plan

- What must **be done** for implementation of counter-measures?
- Who will be **responsible** for what & by when?

Follow-up

- **How we will know** if the actions will have the expected impact?
- What remaining issues can be anticipated?

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“We’re not Japanese & We don’t make Cars”

The issue is not manufacturing vs service

The issue **is** repetitive vs non-repetitive processes

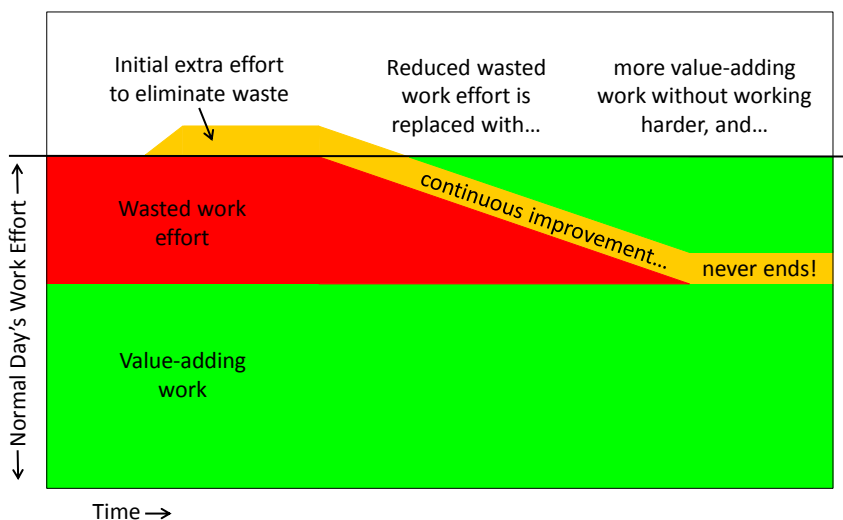
Process improvement is an investment of time now to save time later

To recoup the time invested in PIPs you need to ensure:

1. Time spent on making process improvements is used effectively
2. Quick implementation of process improvements
3. New standard work practices are used consistently by all
4. Standard work practice does not decay

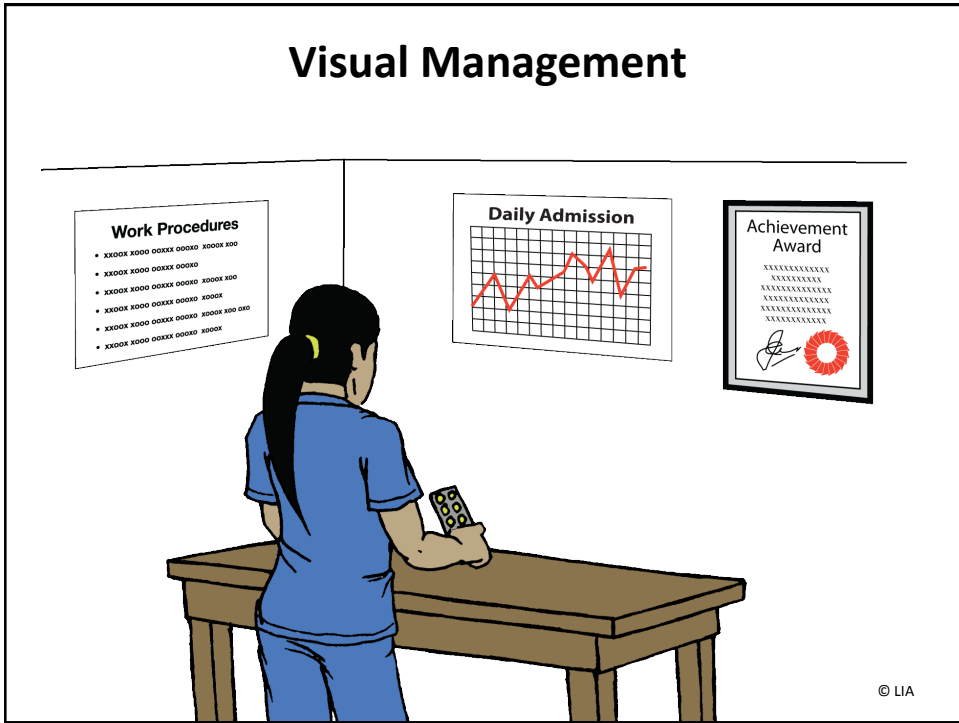
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How Lean helps to Reduce your Work Load

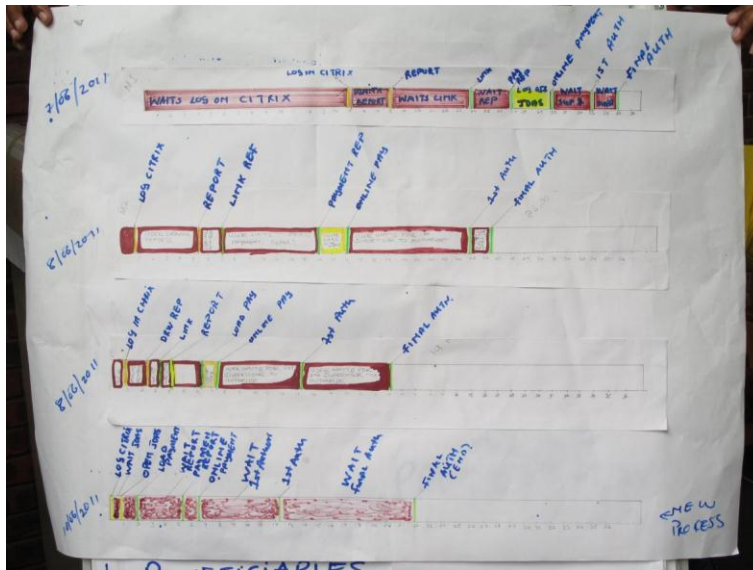


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Visual Management



Results of Project



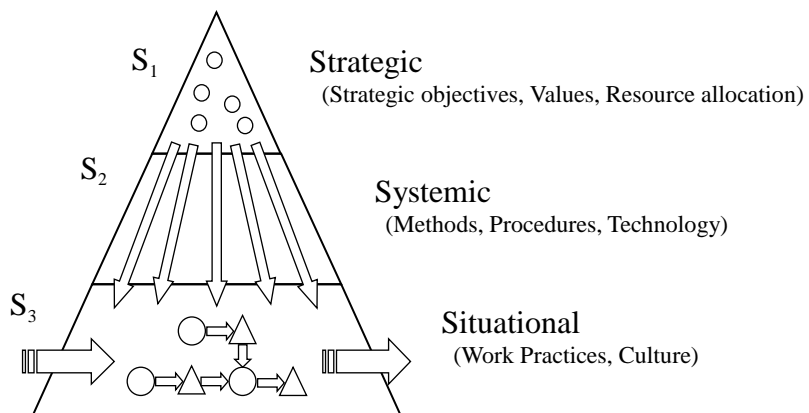
Daily Operational Measurement & Team Meetings to Evaluate Performance



15

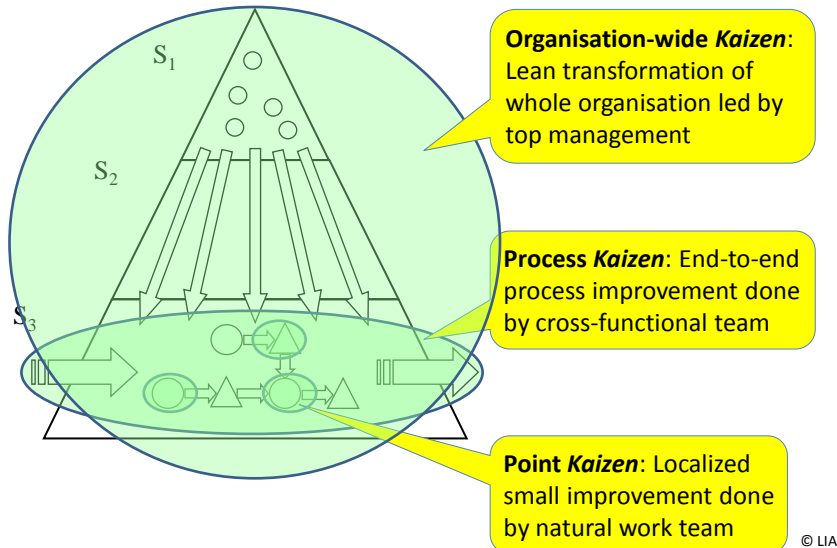
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The Basic 3S Model of Operations

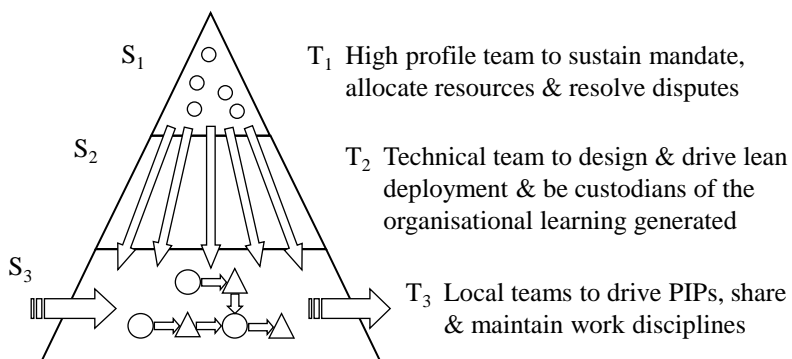


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Different Levels of Improvement



Organisational Structure for a Lean Transformation



A Lean Transformation Programme Checklist

Establish Vision	Create a compelling unifying vision for the deployment
Get Informed	Acquire knowledge of LT and its deployment
Design Plan	Develop a deployment plan for the organisation
Set Goals	Prioritise initiatives, and set goals
Remove Obstacles	Anticipate possible resistance and resource requirements
Communicate	Inform people throughout the organisation
Get Buy-in	Ensure a critical mass of stakeholders buy in to the process
Change Agent	Designate a champion to facilitate the change process
Support Staff	Ensure that support staff with appropriate skills are available
Change Attitudes	Provide orientation and manage the organisational change

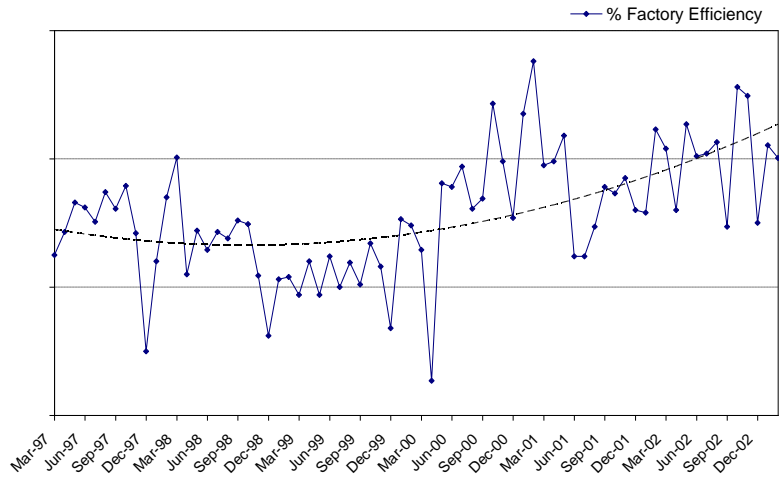
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A Lean Transformation Programme Checklist

Do Training	Provide training in new skills, roles and thinking required
Pilot Project	Decide whether to pilot or do full-scale deployment
Restructure	Make the necessary organisational and layout changes
Process Improvement	Start PI projects early and involve everyone in them
Measurement	Establish measurement standards and procedures
Monitor Progress	Evaluate progress against internal and external benchmarks
Provide Incentives	Provide appropriate incentive and recognition systems
Adapt Plan	Adapt the deployment plan where necessary
Sustain Initiative	Maintain initiative over the long term until institutionalised

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Performance Improvement in the Real World



Performance improvement at a clothing manufacturer over six years

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Maybe one of the most important outcomes...



..is improved staff morale

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