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Increase the gap between you and the competition using Lean routines

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> There's more to do! At the end of the day, it's not Lean tools which make the difference. It's the development of Lean routines which can help to bring forward creative solutions to tomorrow's optimisation problems

Proceed to the next level

In many cases, Lean management is introduced in a tool-oriented way. Tools like standardisation, pull and heijunka, among others, can help you achieve good results in the first phase. However, to go significantly further than your competitors requires developing real competence in improving as a company. It's about building your own "Lean routines", optimisation processes which are systematically learnt and applied across the board. These routines build on tried and tested principles – four of which we would like to introduce to you.

Routine 1: "Short and fat"

"Once we had managed to implement all the projects quickly, one after another, the number of optimisations, which we completed successfully, went up. That motivates everyone!"

Are you familiar with the following situation? A Lean project is begun with high expectations. After a few weeks, however, it becomes clear that there have not been many tangible achievements. When this is queried, the project management explains that the team is too small for the task which has been set. Furthermore, meetings keep being pushed back. The project, which once started with enthusiasm, is being put back and is dragging on.

Short durations are a sign of optimal processes. This also applies to Lean projects. To their advantage, they are organised as "short and fat", i.e. equipped with all the necessary resources to achieve a result in a short time. How can one ensure "short and fat" systematically as a routine?

▶ Carry out fewer projects in parallel: Reduce the number of projects running at the same time; to do this, significantly reduce the duration of

the projects.

▶ **Schedule optimisation cycles in quick succession:** Reduce the number of optimisations per project; by doing so, guarantee a quick succession of improvement cycles.

▶ **Definitively assign the necessary resources:** Equip ongoing projects with all the necessary resources; resolve resourcing conflicts through clear prioritisation.

Optimisations, which are carried out quickly with full awareness and high energy levels, are not just more efficient (less mental "retooling" time, less loss of expertise etc.). They are often more effective, too, because they display the change momentum that is important to real change.

Routine 2: "Focus flow efficiency"

"Naturally for us, the customer is at the centre. That is, up until he's pushed to one side by individual departments' efficiency targets. Here, we consistently offer an alternative."

"Flow efficiency" is achievable when value that is relevant from the customer's perspective is created without surplus, end-to-end. But is this central aim always pursued consistently in Lean projects?

Customer orientation and flow have become so self-explanatory as requirements that they are now treated superficially. For example, end-to-end optimisations are often broken down into subprojects due to feasibility considerations, which are then carried out in individual organisational units. This means that the silo-oriented attitude often has a strong impact on the end result. The result is optimisations which primarily improve the efficiency of internal resource use (employees, production equipment, infrastructure), but do not improve the efficiency of the value stream from a customer perspective. Flow efficiency is therefore no lone wolf, even in Lean projects. It must be consciously incorporated. The following routines can assist with this:

▶ **Represent the customer's point of view:** Incorporate customers and/or representatives from marketing and sales as members of the Lean project team.

▶ **Find out about the customer experience:** Start value stream optimisations with customer journey analysis.

▶ **Always think end-to-end:** Even for one-off Lean projects, create – at least roughly – a map of the entire value flow.

Routine 3: "Stretch target conditions"

"The most important question for my staff is: What is currently the main issue that stops you from meeting our agreed standards?"

In Lean projects, there is often a requirement that the target definition should be used to find an optimal solution with maximum impact and to set this down. Whether the defined solution works only becomes clear once it's en route to implementation. In Lean methodology, therefore, a particular definition of "target definition" has been developed. "Stretch target conditions" (STC) initially describe the logic according to which a process should function in future, how it's organised, what the expected performance is, and when the target situation should be achieved.

The actual value of the STC only becomes clear, however, in the implementation. Here, the STC serves as a reference point for permanent checks and plan/As-Is comparisons: Does our process function in line with STC? If not, what is stopping the process from doing so? And what should we do next in order to achieve STC? Deviations from the STC are, under this definition, not viewed as a failure of the ideal solution, but rather as enabling access to an ever-deeper and therefore more professional understanding of one's own business processes. Anyone working using "STC" considers the following:

▶ **Defining STC as a "breakthrough":** Position the target situation between

the As-Is and the long-term target picture such that considerable effort ("stretch") is required to achieve it.

▶ **Approach STC in improvement cycles:** Drive towards achieving STC not in a single step, but rather in the sense of a continuous approach.

▶ **Use STC as one's own benchmark:** Have we already achieved the target situation? What is preventing us from achieving the target? What do we need to do next?

Routine 4: "Plan-Do-Check-Act"

"I first heard about PDCA during my training and didn't pay it any more attention. Today, PDCA is the motor driving our 'Lean efforts'."

In the world of "Lean", there are lots of topics that attract more attention than PDCA. Commonly known as a phrase, it's astonishingly rare for this fundamental Lean tool to be applied systematically. This could be attributable to the perceived effort associated with PDCA. In the face of tight staff resources and after a labour-intensive optimisation project, who wants to invest in a similarly intensive process of continual improvement according to PDCA?

Anyone who applies Lean effectively does so for a good reason and with the following considerations:

▶ **Implement PDCA as a management principle early on:** Use PDCA through an A3 report as early as project management, establish the PDCA rhythm at the project stage.

▶ **Develop "experimenting" as a competence:** In "short and fat" projects, specify 60% of target solutions instead of 100%, add details during implementation, and keep this under control using PDCA.

▶ **Anchor PDCA using CIP tools:** Introduce kaizen boards and other CIP tools directly in connection with project implementation, deal with "teething problems" with intensive involvement of colleagues.

In several companies, Lean has been used to achieve a lot and develop a stable base. However, there is still much more to do. Lean routines offer the chance to attain a higher "Lean level" and to develop Lean further, with a view to achieving a real competitive advantage. Get going!

Literature on the topic of "Lean routines"

Toyota Kata: Managing People for Improvement, Adaptiveness, and Superior Results

Rapid Results!: How 100-Day Projects Build the Capacity for Large-Scale Change

Lean Innovation: A Fast Path from Knowledge to Value

Fast facts about Implement

Founded: 1996
Number of employees: 550
Headquarters: Copenhagen
Offices: Stockholm, Malmo, Oslo, Bergen, Helsinki and Zürich

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