

We must learn to be equally good at what is short and sharp, as what is long and tough.

LEAN can improve your processes, but if you don't improve the mindset of your process operators, it will never deliver real value.

Correctly applied, LEAN programmes can deliver outstanding value to the Transportation Industry. But how do you correctly apply them? Here we examine the difference between theory and practice and show how, by implementing the Celerant Production System™, you can guarantee that LEAN delivers.

Toyota developed their LEAN production system in the 1950's against an economic backdrop of hyper-competition and cost pressure that is remarkably similar to today. It delivered phenomenal results and despite recent problems has kept Toyota as the world's No 1 car manufacturer and a benchmark company.

Over the years, the tools have evolved and the principles have been applied in most major industries. Yet the results have been nowhere near as impressive.

For example, in a USA Today Business article, only 19% of companies which deployed LEAN stated that their programmes had achieved expectations. So what's going wrong?

Too much process focus, too little people focus

We believe the answer is simple. There's been too much focus on process improvement and not enough on people improvement. LEAN and Six Sigma techniques originate from the discipline of Quality Management and therefore have a tendency towards technical complexity and an over-emphasis on training. In our opinion, the terminology, statistics and elitism

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have unintentionally alienated the workforce. Another criticism of LEAN is that it manages to overcomplicate the problem before offering tangible solutions and results. That's why we emphasise to clients that success can only come through a motivated workforce seeing rapid results. A long period of statistical analysis followed by few results for weeks is a luxury no one can afford. Every initiative must rapidly add to the end-to-end value stream and increase competitiveness. You can legitimately tap into the LEAN toolbox and drive focused improvements without having to go through time consuming training programmes. The skill is getting the right person to use the right tool in the right circumstance.

The key is deep-seated behavioural change
LEAN programmes are primarily designed to reduce waste in a process and the most effective way to do this is to engage the people who are closest to the process and therefore best able to see that waste.

Yet according to a survey of 2,500 business people by LEAN Enterprise Institute, the top 4 obstacles to sustainable LEAN programmes are:

- Middle management resistance (36.1%)
- Lack of implementation know-how (31.0%)
- Employee resistance (27.7%)
- Supervisor resistance (23.0%)

The people who hold the answers are not being

fully engaged and so the key to making LEAN a success, deep seated and clearly understood behavioural change, is not happening. A further problem is that executives often raise the bar too high. Expecting 'Real cultural change' or 'LEAN becoming part of our DNA' is simply not going to happen in a short space of time. What can happen though, are rapid results and real bottom-line benefits that every member of the project team can see. To guarantee this, we have developed the Celerant Production System™ which is based on our extensive experience of successful Change Programmes across industries and focuses on both the technical and the change dimensions of a LEAN deployment.

It also guarantees that the equation: **Effect (Result) = Quality of Improvement x Making the Changes Stick** will never end up as a big zero.

Projects involving LEAN or Six Sigma don't have to be complicated. With the right sensitivity our comprehensive approach has engaged and inspired each workforce and provided really sustainable results.

Applying LEAN in the Transportation Industry
LEAN methodology focuses on reducing waste in a process, increasing quality and stability, decreasing variance, cutting cycle times and improving on-time delivery. Every element is linked, but the first is the core and the most

widely known. When correctly applied, it can deliver real value by reducing:

- **Over-production:** Making sure that only items for which there are orders are produced, therefore reducing storage needs and the costs of overstaffing and transportation.
- **Unnecessary transport:** Minimising the distance between processes and the movement of materials and finished goods in and out of storage.
- **Unnecessary inventory:** Reducing the inventory of raw materials, work in process (WIP) or finished goods that drive capital employed and can hide problems like late delivery from suppliers, long set up times and defects.
- **Waiting time:** Ensuring people can work effectively at all times by minimising processing delays, equipment downtimes, capacity bottle necks etc.
- **Over-processing:** Removing any unnecessary steps taken to process parts and focusing on what's really needed to comply with customer expectations.
- **Rework:** Removing the need to rework or scrap faulty products by getting it right first time.

- **Excess movement:** Ensuring tools can be found in one place and organising workstations so there's no need to reach for parts and materials.

- **Inadequate knowledge use:** Listening and engaging employees to make sure that ideas, skills and improvement opportunities are not lost.

Once a programme is underway, the next challenge is to make the changes stick.

Engage and Inspire your Workforce

Celerant is one of the largest independent players in the operations sector of the global consultancy market and our experience has shown that a successful Change Programme must address 3 interlocking issues:

- **People:** As we've stated earlier, the key to successfully changing a process is to change the mindset of the processes operators. To fully embed a new way of working, people at each level of the business must understand why it's necessary, own the solution, have an opportunity to try it in practice and see the fruits of their efforts. This requires support, communication, coaching and perseverance. Our approach to this behavioural change is called Closework® and it delivers sustainable results by getting people to do their work differently and challenging their peers to do the same.

- **Processes:** The danger here is that often senior management don't have the full process picture and rely on how they think it is operating, rather than how it actually is operating. So it's crucial that, supported by a dynamic leadership team, LEAN must be a bottom up approach. It's far easier to identify and eliminate waste in a process when you are closely involved in that process.

- **Systems:** All too often, the question: 'How are you managing your day to day systems?' is answered by showing meeting agendas or drafts of complex reports, when what's really needed is a transparent management system that goes far beyond this in both content and importance. That's why we developed MCRS®. It ensures the right information is available to the right people at the right time. It also establishes decision making based on fact, not anecdotal opinion, and provides a tightly disciplined follow up for every action taken.

Everyone must have a sense of ownership

Success can be guaranteed provided there's a real commitment at senior level and a recognition that external support will almost certainly be required. Once a LEAN initiative has been given the green light, it's imperative that everyone keeps their eyes on the prize. They must fully understand the short, medium and long term objectives.

The people at the sharp end must be passionately committed to making the changes work and be supported by a strong leadership team. There must be quick, proven results to keep the forward momentum and an ongoing measurement system for results and performance.

Above all, there must be a strong sense of ownership by the process operators and a belief that waste is not acceptable to anyone within the organisation. ■

SATISFIED CLIENTS

A Major European Airline

- \$19m inventory reduction
- Reduction of inventory storage costs of greater than \$1m per annum
- New ways of managing the repair cycle delivering real performance improvements from suppliers

A Major European Airport

- 17% process time decrease
- Increased customer satisfaction
- Continuous improvement culture
- All key processes have measurable targets and specifications defining performance

'To maximise the impact of LEAN, change must be embedded in the mind. Not simply ticked in the box.'

