

LEAN INSIGHTS

## Lean trick question: Did you know late starts early?

By Dr. Timothy D. Hill

People often debate about where to start their Lean initiatives. Since most are trying to apply Lean in a manufacturing setting, it seems obvious to them that their Lean efforts should begin on the factory floor.

However, I insist that Lean starts where the real problem is — at the *gemba*, a Japanese term meaning “the actual place” — and choosing this “actual place” is aided by remembering the Three Reals:

- the real place where work gets done (*gemba*)
- the real product (*genbutsu*)
- the real facts and data (*genjitsu*)

At Toyota, *genchi genbutsu* means “go to the actual place and see the actual thing” or “go see” for short. So *gemba* is important to confirm the real problem with the real goods or service and with real data. This is a core element of sustainable and measurable continuous improvement.

**2 They emphasize problems and not root causes.** Let’s begin by examining a common health-care criticism: Is there really a shortage of beds, MRIs, etc., in hospitals? A just-in-time review would show there are enough beds, but that they just aren’t available. Hospitals often treat the presenting symptom and ask for more beds (and making this worse, often close beds in order to meet short-term balanced-budget goals) instead of examining the root cause and looking at how the beds are made available. The same problem holds true for manufacturers — on the floor or in the office.

**3 They believe that “quick wins” will engage the workforce.** Early Lean failures cause people to stay away from future efforts. Plan carefully for Lean successes and challenge a real problem. Have a PDCA (Plan Do Check Act) plan (or an A3 business case — a method for presenting continuous improvement suggestions) for every improvement opportunity.

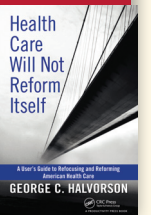
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What size of problem do I select to start my company’s Lean efforts?

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Almost all of the North American manufacturing clients I’ve dealt with have ignored the non-manufacturing aspects of their business. That’s why I tell them that “late starts early.”

A consistent finding in every Lean audit has been that about half of all orders were already late before the manufacturing work started.

Consider the following examples; these are concerns I’ve seen over and over again, but the people to whom they apply don’t believe they make goods or services late.

**Waiting on customer call-backs for critical information.** Typically, customer relationship management (CRM) tools are not in place or are not part of standard work. When I ask for the range of cycle times from customers, the call-back times go from a few days to weeks, months or longer. Good customers will get back to you right away. Treat the customers you manage as preferred suppliers and contact them regularly.

**No takt time for office tasks.** The typical laissez-faire-then-blame-the-customer attitude comes from the fact that there are no takt times (the maximum time to produce a product in order to meet demand) for these tasks. Human resources don’t have any accountability measures for office tasks. Saying “when I get to that next” is often acceptable and builds up a “culture of late” before production even starts.

**Sales people are rated on closing sales figures and not successful sales, on time, on quality and happy customers.** Otherwise, sales and marketing people overload production. Typically, sales and marketing do a poor job of verifying production capacity for orders. Too much work, without load levelling, means orders will be late.

**Production triggers are not timed.** Early tasks (initial sales overtures, the confirmation of an order, the finalization of technical details for engineering, CAD and related work) must be timed for shop-floor build orders to be on time. Each of these up-stream tasks typically operates with no takt time, no accountability to be on time and suffer from the “I’ll get to it when I have time” problem.

Consequently, about half of all manufacturing orders are late by the time they hit the shop floor. It’s also easier to see problems on the floor than in non-production areas, such as sales, drawing, engineering, supply chain management, logistics, CRM and so on. Therefore, “Lean experts” tend to focus on symptoms on the shop floor and rush to fix them — and only them. This is terrible and bound to fail. Here’s why:

**1 They treat a symptom and not an actionable root cause with a verifiable countermeasure.** Don’t Band-Aid superficial problems. Ask yourself, ‘For how long were our 5S or Kaizen Blitz efforts useful?’ (answer: not long) and you’ll see the problem.

## THANK YOU TO ALL APPLICANTS FOR YOUR OVERWHELMING RESPONSE TO THE AIME INITIATIVE.

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The Yves Landry Foundation has received applications from each and every manufacturing sector in Ontario and we are proud to be supporting many Ontario companies in becoming even more highly competitive in this time of shifting global economics.

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