

# Implementing Lean projects is about much more than just Lean tools

*This is the second of three in a series about Lean Best Practices.*

The use of lean tools has been with us for over a century. Early authors who described Toyota such as Jeffrey Liker, James P. Womack, Dan Jones, others and myself have mentioned that the Toyota “tools” go back to the late 1800s. We know about tools — our bookshelves are full with examples of Lean turnarounds and brilliant companies that did better.

However, the success stories have a hidden threat — they talk about Lean tools but don’t tell you why Lean won’t work in your business. When McKinsey consultants Tom Peters and Robert Waterman wrote *In Search of Excellence*, they started a fire that was not sustained, since the challenge they couldn’t answer was the change in culture and leadership that that drove Lean success. When everyone wanted the success of a 3M or Disney they rushed to the tools. These attempts to transplant success failed because they only borrowed tools.

To be fair, Peters and Waterman were trying to fight against the idea that every good business idea seemed to be born in Japan. Our businesses resisted the leadership challenges that came from organizations that were deeply entrenched employing Deming’s TQM, Toyota’s TPS, Matsushita’s business philosophy and more. Companies failed when they applied Lean tools. The team found that North American management suffered from myopia that prevented experimentation and innovation. Participation in decision-making was blocked; MBAs, CAs and others unskilled in true Lean rushed to use tools, trying to bring plug and play success.

It wasn’t until offshore businesses opened sites here with local workforces that people started to get the message. Toyota in Ontario builds cars that are clearly on par with cars built in Japan. Social culture is not the important item — the work culture in the organization is!

Lean builds that work culture when delivered by leaders with deep expertise, but not by practitioners only relying on tools. Lean is not process mapping, nor is it project management. Practitioners dumb down Lean and promote failures.



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An excellent example of the importance of culture versus tools is NUMMI (New United Motor Manufacturing Inc.), the General Motors-Toyota joint venture in Fremont, California. Established in 1984, two years after the GM plant had been shuttered, NUMMI helped change the industry by introducing the TPS working environment to the U.S. It drives home the point that Lean processes (not tools) build the culture. Bear in mind the observation of one auto analyst: “GM is a company with average processes run by brilliant people. Toyota is a company with brilliant processes run by average people.”

What can the Fremont plant experiment tell us? Why the dramatic turnaround from pre- to post-Toyota?

The Lean philosophy can be counter-intuitive. Most Lean journeys often start without a clear understanding. Most start with “non-threatening” aspects of Lean (5S, Visual Controls, etc). After months and years of spending time and money on Lean and getting little in return, most businesses abandon the process. This is what I call death by Kaizen.

Lean was created as a tool to generate profits by increasing flow and reducing

waste. If you do not start Lean with a clear results-focused mindset, you will most likely fail. Here’s what the Fremont facility gained when Lean (in the form of Toyota) came to town:

**PRE-NUMMI (1962-1982)** — Lowest rates of productivity and quality; 20% larger workforce due to more than 20% absenteeism; four wildcat strikes since opening; high incidents of alcoholism and drug abuse; militant union; an backlog of over 5,000 union grievances.

**POST-NUMMI (1984-PRESENT)** — From worst to first in two years; achieved world class productivity and quality; enhanced worker motivation and satisfaction; productivity higher than any other GM plant by 1986; absenteeism reduced to 3-4%; participation in suggestion program rose steadily from 26% to 92% over the first five years; and over 90% of associates “satisfied” or “very satisfied”.

Only one thing changed. It was the same plant, with the same equipment, the same people and the same union. The only thing that changed was the shift to a Lean culture. How? Here’s how: employees became “Scientists,” “Industrial Engineers” and “Quality Inspectors; employees were taught the scientific method — PDCA (Plan, Do, Check, Act); employees understood work analysis, planning, problem-solving; and employees were empowered to stop the line when a defect was encountered to prevent defects.

In short, how the people were managed was the only thing that changed. This is not possible just by working with Lean practitioners and bringing in Lean tools alone. In fact, I prefer to call Lean “Lean/TPS” to acknowledge Toyota but also the “Thinking Production System.”

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