



Key Enablers to a Lean Enterprise Journey

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March 25, 2010

LAI Operating Model



Conference Accomplishments

- We shared stories of progress, impact, insights, lessons learned, principles, problems, plans, and prospects for the future
- We continued to build a learning community and network of resources bridging across government, industry, and academia:
"I love LAI because when I first came the light bulbs went off! It was my first benchmark. I love coming back and sharing experiences."
- We challenged ourselves to dream big: from local projects to global enterprises, operational to strategic, customers to stakeholders, aerospace to healthcare: *"All we have to do is integrate all the business operations of the DOD."*
- *"The body of knowledge created by LAI is probably one of our great national treasures."* (EB member)
- We had fun!
"If I'm not going to get the best race time, then I'm taking your car out with me."

Some Observations of the Conference

- A lot of positive energy in the room during the talks: real interest, excitement, questions, continuing conversations into the breaks
- A trusting atmosphere where people could reveal setbacks as well as successes, ask tough questions, and talk about the politics of change: *“The integrity and openness [of sharing] is unique.”*
- Many examples of learning from others, inside and outside the organization and the industry, asking for and getting help: *“I’m glad to see we aren’t the only ones having this problem.”*
- Our graduate students have had wonderful conversations and offers of support (more needed)

Voices of the Consortium: Winds of Change

- *“Change is like a tornado because even the smallest details can turn into deadly projectiles.”*
- *“If you start lean and you start laying off, you’ll lose it.”*
- *“Each person wanted all the money and all the control.”*
- *“What is the prescription to change the management model, and sustain it?”*
- *“There are no new problems, only nuances.”*
- *“ESAT gave us a plan we could follow to get to our goal.”*
- *“The ESAT process provided the important and powerful benefit of producing shared artifacts.”*
- *“In the past we hadn’t been able to measure our progress; this was new hope.”*
- *“Partner with finance to calculate cost avoidance and savings... no one has ever challenged our numbers.”*

Voices of the Consortium: It's the Culture, and Culture Is People

- ***“Culture is the issue.”***
- ***“At the end of the day, it’s ‘what is our culture and what does it need to be?’”***
- ***“People, process, tools. In that order only!”***
- ***“Lean is 90% people and 10% tools.”***
- ***“Putting IT on a broken process only makes it a really fast broken process.”***
- ***“Anything good or bad that happens in this business has a temperature of 98.6.”***
- ***“Believe that employees want to see their company succeed.”***
- ***“We’re going to treat each other with respect.”***
- ***“Getting people together and talking.”***
- ***“The problem with communication is people think they have already done it.”***



Voices of the Consortium: Changing Mental Models

- *“From thinking it’s a set of charts to ‘the way we operate’.”*
- *“Away from a budget culture [where] your goal is to spend every dollar... beginning to talk about value proposition.”*
- *“That’s the battle I was fighting – I’ve got a lot of people in my company at the level of ‘I’ve gotta get my gold badge’.”*
- *“Lean in our culture meant getting rid of people” [but now] “lean means more chance to win new business.”*
- *“I had an engineer who said he thought he wasn’t allowed to know how much a part costs.”*
- *“Challenge the idea of holding people accountable... You choose to be accountable... has shifted the culture.”*
- *Material Enterprise “is not really an organization; it’s an abstract concept of collaboration.”*
- *“At the enterprise level most of the time a process leader did not exist.”*
- *“The ‘hospital’ is where the patient is.”*

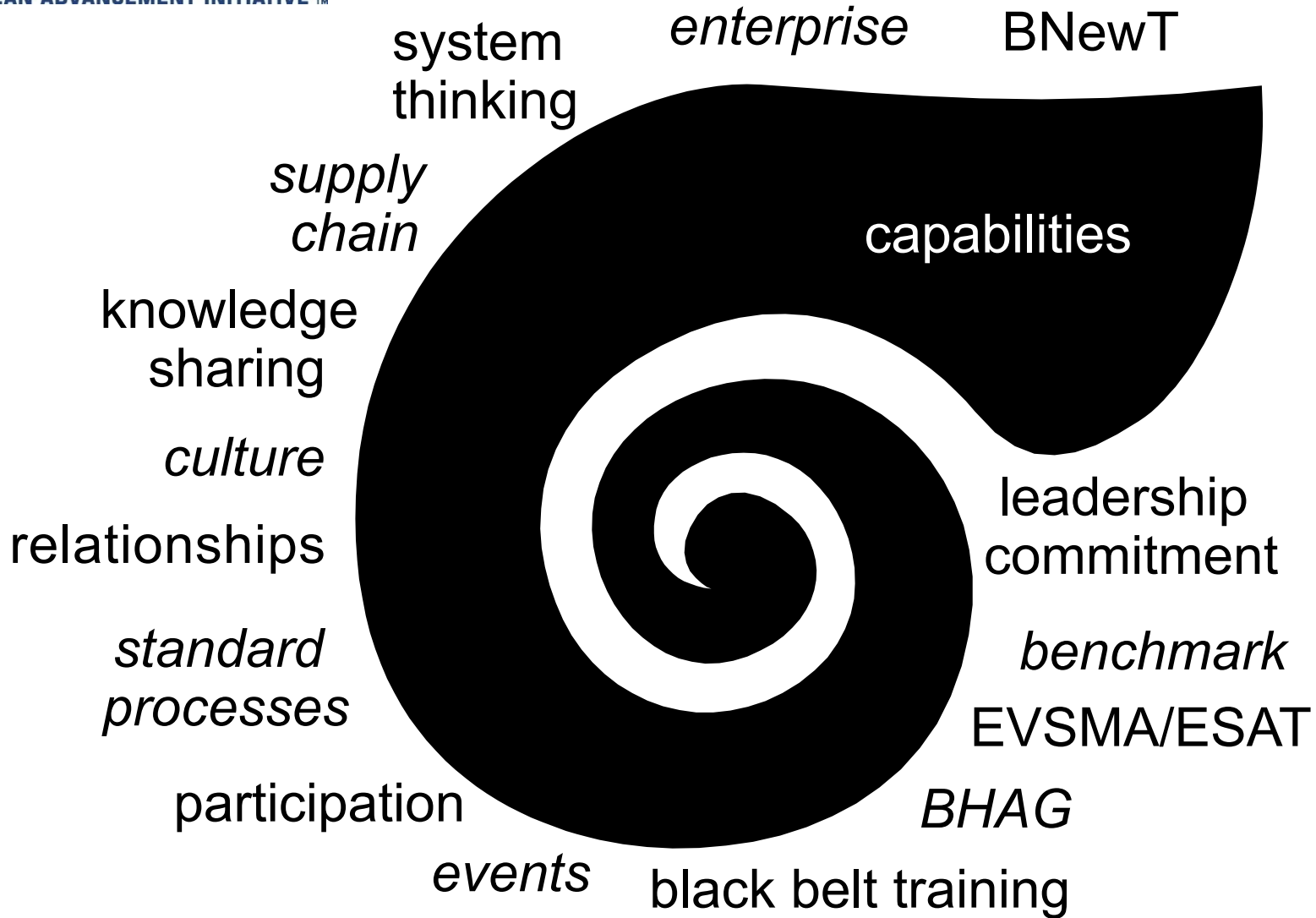
Voices of the Consortium: Leading Leaders

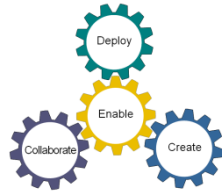
- *“Having leaders bought into the change and leading the change is critical.”*
- *“Show the leaders what’s in it for them.”*
- *“The group was starting to realize that they might actually have to do something and be accountable for it, and they started getting nervous.”*
- *LESAT score “...wasn’t very pretty and that got leadership attention.”*
- *“Until you learn to serve, you are never going to be a leader.”*
- *“The tasks of deployment and enlightened leadership are still ahead of us.”*
- *“Middle managers are responsible for ensuring that senior leaders are engaged rather than the other way around.”*
- *“Availability [when putting a team together] is not a skill set.”*

Wrestling With Big Questions

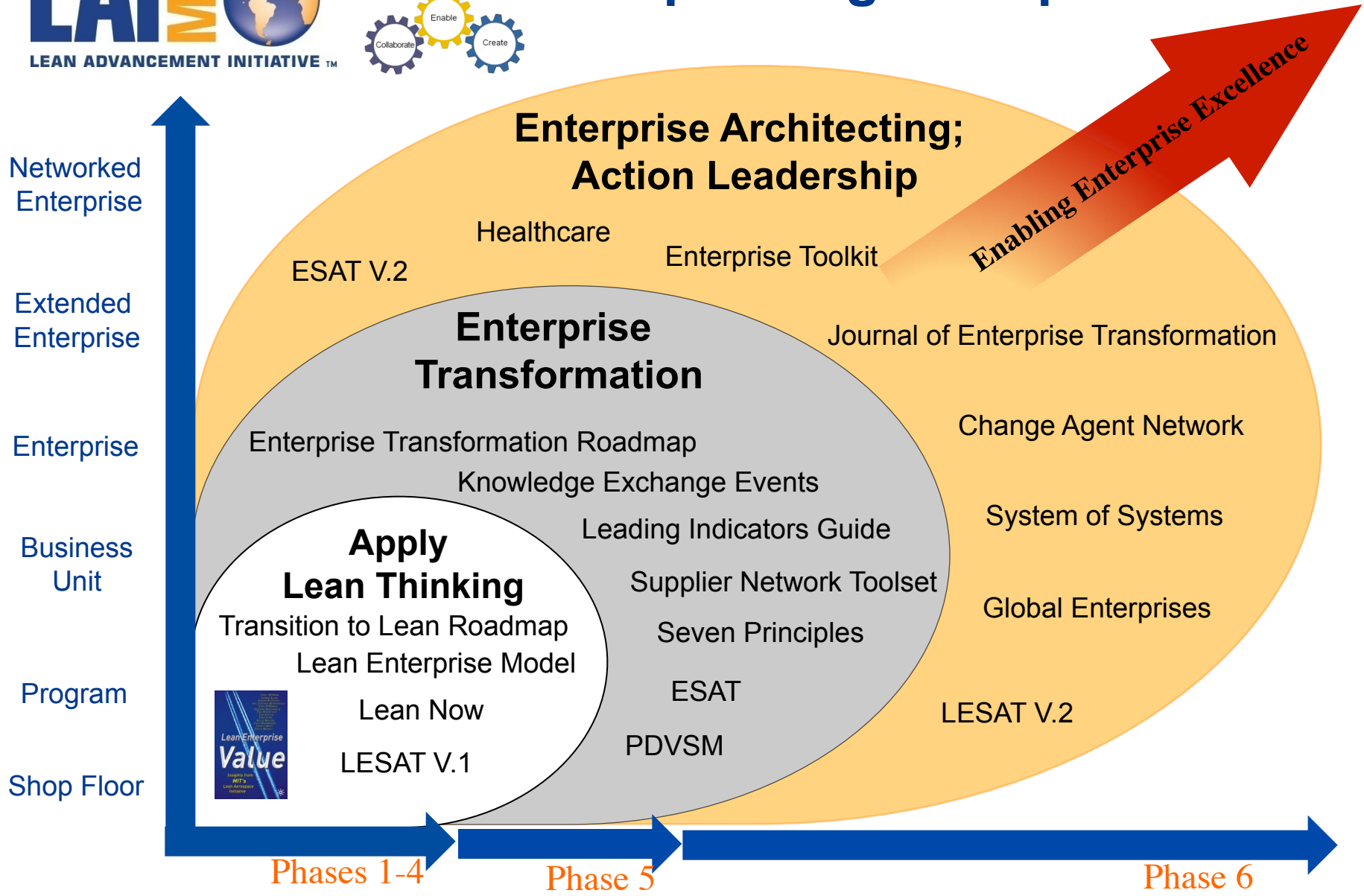
- **Delivering tactical results quickly and enterprise transformation over time**
- **Being top down and bottom up**
- **Standardizing and innovating**
- **Working with structures, processes, and people**
- **Including the entire enterprise: moving lean into engineering settings, plus the supply chain --**
"In partnership with LAI and MIT, we want to design the future, not just live it."
- **Does the same approach work in every organization, defense or civilian, large or small?**

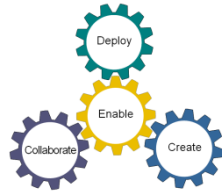
Spiral Development





Expanding Enterprise Focus





Upcoming Knowledge Exchange Events



Knowledge Exchange Events

Network - Share - Learn

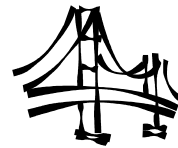
April 8, 2010

Metrics for Enterprise Transformation

Dr. Ricardo Valerdi
 and
 Craig Blackburn,
 1st Lt., USAF



Web KEE



Knowledge Exchange Events

Network - Share - Learn

May 5, 2010

Understanding Enterprise Behavior Using a Hybrid Simulation

Dr. Chris Glazer,
 MITRE



Web KEE



Knowledge Exchange Events

Network - Share - Learn

May 18 and 19, 2010

Principles of Enterprise Transformation

Prof. Debbie Nightingale and
 Dr. Jayakanth Srinivasan

**MIT Campus
 Cambridge, MA**



Web KEE



Web KEE

**MIT Campus
 Cambridge, MA**




EMBRY-RIDDLE
AERONAUTICAL UNIVERSITY
DAYTONA BEACH, FLORIDA
MAY 19-21, 2010

LEAN EDUCATOR CONFERENCE "SHIFTING THE STATUS QUO"

"Integrating the Lean Enterprise"



Prof. Debbie Nightingale
MIT, Aero-Astro and ESD
Co-Director, Lean
Advancement Initiative

"Teaching Lean in a Manner Consistent with How People Learn"



David C. Wisler, Ph.D.,
NAE, MIT CDIO Initiative
GE (retired)

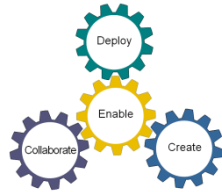
The First Lean Dentist



Dr. Sami Bahri
Bahri Dental Group
Author, "Follow the Learner:
The Role of a Leader in
Creating a Lean Culture"

Keynote Speakers Workshops Presentations Panels
Kennedy Space Center Tour NAVAIR Lean Operations Tour

<http://www.lean.org/LeanEd/>



June 14-15, 2010
**Architecting
the Future Enterprise**

Prof. Debbie Nightingale
Dr. Donna Rhodes



July 14-16, 2010
**LAI
Lean Healthcare
Academy**

Dr. Earll Murman

July 19-21, 2010
**LAI
Lean Academy
Course**

Prof. Annalisa Weigel
Dr. Hugh McManus

July 22-23, 2010
**LAI Lean
Engineering
Seminar**

Prof. Annalisa Weigel
Dr. Eric Rebentisch

July 26-28, 2010
**Value-Driven Tradespace
Exploration for System
Design
Future Enterprise**

Dr. Donna Rhodes
Dr. Adam Ross

July 29-30, 2010
**Epoch-Based
Thinking: Anticipating
System and Enterprise
Strategies for Dynamic
Futures**

Dr. Donna Rhodes
Dr. Adam Ross

PARTING THOUGHTS

- We are ***all*** part of this learning community.
- We need your participation and inputs.
- Help us make research part of ***all*** we do.
- Your inputs are essential in shaping the Consortium's future direction and goals.
- Hope you have enjoyed the conference and are taking away some new ideas you can use.
- Stay connected! See you next year!
- *"It's cool to be lean."*