Key Enablers to a Lean Enterprise Journey

John Carroll

March 25, 2010
LAI Operating Model

Deploy Knowledge
- Enable Transformation
- Exchange Knowledge
- Measure Value

Enable Enterprise Excellence
- Conduct Enterprise Research
- Develop Transformation Products

Collaborate, Build Relationships
- Accelerate Deployment
- Engage all Stakeholders
- Collaborate To Transform
- Annual Conference

Create Knowledge

http://lean.mit.edu
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?
Expanding Enterprise Focus

Enterprise Architecting; Action Leadership

Enterprise Transformation

ESAT V.2
Healthcare
Enterprise Toolkit

Journal of Enterprise Transformation
Change Agent Network
System of Systems
Global Enterprises

LESAT V.2

Apply Lean Thinking
Transition to Lean Roadmap
Lean Enterprise Model

Leading Indicators Guide
Supplier Network Toolset
Seven Principles
ESAT
PDVSM

Enterprise Transformation Roadmap
Knowledge Exchange Events

Phases 1-4
Phase 5
Phase 6

Networked Enterprise
Extended Enterprise
Enterprise
Business Unit
Program
Shop Floor

http://lean.mit.edu

© 2010 Massachusetts Institute of Technology - 11
Upcoming Knowledge Exchange Events

April 8, 2010
Metrics for Enterprise Transformation
Dr. Ricardo Valerdi and Craig Blackburn, 1st Lt., USAF

May 5, 2010
Understanding Enterprise Behavior Using a Hybrid Simulation
Dr. Chris Glazer, MITRE

May 18 and 19, 2010
Principles of Enterprise Transformation
Prof. Debbie Nightingale and Dr. Jayakanth Srinivasan
UPCOMING EVENTS

Lean Education Academic Network
LEAn and EdNet

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/
This Summer at MIT

**June 14-15, 2010**
Architecting the Future Enterprise
Prof. Debbie Nightingale
Dr. Donna Rhodes

**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

**July 14-16, 2010**
LAI Lean Healthcare Academy
Dr. Earll Murman

http://lean.mit.edu

© 2010 Massachusetts Institute of Technology - 14
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.”