Enterprise Transformation:
Closing the Gap Between Knowledge and Implementation

Lessons Learned on Enterprise Transformation

Prof. John S. Carroll
Lean Aerospace Initiative Plenary Conference
April 19, 2007
LAI Operating Model

**Transformation Events**
- Enterprise transformation focus
- Enterprise level training
- Roadmap for Enterprise transformation
- Fee for service model

**DEPLOYMENT**
- Enable Transformation
- Exchange Knowledge
- Measure Value

**Knowledge Exchange Events**
- Workshops, seminars, roundtables & tutorials
- A membership benefit via point system
- Available to customers, suppliers and consultants
- Events are self-supporting

**Educational Network**
- Learn from doing
- Research validated
- Impacts future research

**Enhance Membership**
- Benchmarking
- Sharing Lessons Learned
- Neutral broker
- Website
- Active community of practice
- Annual Conference

**RELATIONSHIPS**
- Accelerate Deployment
- Engage all Stakeholders
- Collaborate to Transform

**KNOWLEDGE CREATION**
- Conduct Enterprise Research
- Develop Transformation Products

**Create collaborative value for customers**
- Contributed SMEs
- Learn from doing
- Collaborations

**Expand Lean knowledge**
- Applied research
- Best practices
- Transformation strategies
- Change management
- Future enterprise design

**Products and tools**
- Publications

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Deployment

Assistance with members to help them with enterprise transformation using LAI products/tools and knowledge

• Deployment support for transformation
  • Contractor and LAI@MIT resources used to support
  • Members contribute resources for help and experience
  • Develop certified providers (enterprise level LAI products)
  • Feedback lessons learned into knowledge creation

• Knowledge exchange events
  • Workshops, seminars, roundtables & tutorials to share knowledge
  • Fosters two-way exchange of knowledge

• EdNet
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

• We challenged ourselves to dream big: from local projects to national and global enterprises, from operational to strategic, from customers to stakeholders, from aerospace to healthcare

• We had fun!
Some Observations of the Conference

• A lot of positive energy in the room during the talks: real interest, excitement, 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
• “Change management is a full-body contact sport”: many examples of learning from others, inside and outside the organization and the industry, asking for and getting help
• Our graduate students have had wonderful conversations and offers of support (more needed)
Voices Of The Consortium:
Enterprise Transformation

- “The Lean Enterprise journey is a marathon”
- “Taking an enterprise look is… a new way of thinking”
- “You’re only as lean as your customer and supply base”
- “Vision without money equals hallucination”
- “Those who initiate change will have a greater opportunity to manage that change”
- “Corporate ego – they live in a stovepipe of activity”
- “Ten 4-stars bumping up against each other”
- “It costs more to change at the end so make your plan right”
- “Go beyond engagement and start producing results”
- “People at the grass roots level have to believe this is good for them… then it will self-sustain”
- “You can’t simply train your way to a new culture”
- “What lean and six sigma have done is give me the opportunity to tell my bosses they’re stupid, respectfully”
Voices of the Consortium: Role of LAI and Tactics for Change

- “The power of LAI is the ability to bring multiple disciplines and experience bases together in a single venue”
- “Conversations with our industry partners never had been like this outside the Consortium umbrella”
- “LAI has turned on a dime [to focus on deployment]”
- “Everywhere LAI engages the results are overwhelmingly positive”
- “Knowing comes from doing and teaching others how”
- “I have been spending far too much time thinking about what to do rather than doing and learning”
- “Once you’ve convinced one engineer, you’ve convinced one engineer”
- “Gotta get in close with the systems engineers, ‘cause they have the secret handshake”
- “What am I going to do with a beautiful princess? Now, a talking frog, that’s cool.”
Wrestling With Big Questions

• Deliver tactical results and enterprise transformation
• Working with structures, processes, and people
• Does change require a “burning platform” or “plasma”? Can a mature culture sustain and grow lean without fear?
• Does the same approach work in every organization, defense or civilian, large or small? Top-down, bottom-up, middle-up-down?
• How can we influence things outside our control or stop trying? “…like trying to teach a pig to talk… it wastes your time and annoys the pig” [2006]
Spiral Development

- System thinking
- Enterprise
- Supply chain
- Knowledge sharing
- Culture
- BNewT
- Standard processes
- Participation
- Events
- Black belt training
- Leadership
- Commitment
- Benchmark
- EVSMA
- BHAGs
- Capabilities
- Thinking
Research Deployed for Transformation

Legend
- Assessment
- Resource
- Transformation
- Training

Research
Expanding Knowledge Base

1994 - 2007 and beyond

G-LESAT
PO-TTL
TTL
TTL Guides
G-LESAT Facilitator Guide
PVSM
PDVSM
SN Roadmap
EVSMA
Leading Indicators Guide
Supplier Mgmt. Self-Assessment
Cost Estimating Tool

G-LESAT
lever
Facilitator Guide

LEV Book
LEV Short Course
Lean PD
Lean Academy

1994 - 2007 and beyond

LEPD

Cost Estimating Tool

Facilitator Workshop

1994 - 2007 and beyond

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MIT Model: Five Capabilities for Lean Enterprise Change

- Rethinking organizational boundaries
  - Value stream with suppliers and customers
- Installing sets of innovations
  - Complementarities of programs in a system of change
- Pushing and pulling change
  - Sequence and integrate divergent change approaches
- Seeking growth opportunities
  - Project positive vision for continual growth & renewal
- Distributing leadership practices
  - Recognizing a system of leadership at all levels
Successful Lean Enterprise Change

The *system* of change
~ leads to a ~
lean enterprise *system*
Enterprise Transformation Lessons

- There is no transformation without leadership: “Changing behavior is an executive task… you have to sleep, eat, drink, live this philosophy”
- Leaders go first, except when they go second: “Biggest challenge was actually getting the leadership in the room”
- Leaders come out from behind the curtain (or the podium) to “go to the Gemba” and connect: “If you’re not doing it, hands dirty at the most senior levels, then you won’t succeed”
- Effective leadership is not about commanding obedience but about developing leadership capabilities throughout the organization
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!