Enhancing Enterprise Value:
An LAI Plenary Conference
Welcome and LAI Overview
March 29, 2000

Presented By:
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MIT
LAI Evolution

A research partnership among industry, government, labor, and MIT

1993-1996: Consortium formed and collaboration established
- Focus on defense aircraft
- Research on benchmarking best practices
- Lean Enterprise Model (LEM) conceptualized
- Industrial base pilot projects initiated

1996-1999: Membership expanded and space sector added
- Research on cross-cutting topics; e.g. cycle time
- Collaboration with international programs initiated
- Focus on products; e.g. LEM, policy recommendations

1999-2002: Phase III focus on “Best Life Cycle Value”
- Five key themes identified
- Address barriers to implementation & transition to lean
- Enhance effectiveness of the national workforce
- Emphasize knowledge deployment
“To deliver military aerospace products at significantly reduced costs and cycle time while meeting or exceeding performance expectations and enhancing the effectiveness of our national workforce”
A system offering best life-cycle value is defined as a system introduced at the right time and right price which delivers best value in mission effectiveness, performance, affordability and sustainability and retains these advantages throughout its life.

“To enable fundamental change within industry and government operations that supports the continuing transformation of the US aerospace enterprise towards providing aerospace systems offering best life-cycle value”
Phase III Goals

➢ Develop fundamental understanding of value added practices offering best life-cycle value
➢ Address barriers to implementation
➢ Develop a lean self assessment tool
➢ Make LAI a success for the workforce
➢ Deploy knowledge of lean practices to facilitate & enable change
➢ Enhance the Lean Enterprise Model to facilitate usage at all levels
➢ Extend and enhance the collaborative nature of the project
➢ Develop and effectively transmit recommended policy changes based upon LAI research findings
Phase III Research Themes

Measuring Value to the Enterprise
➢ Adding value to shareholders, public, customer, workforce and suppliers

Time
➢ Measured both by clock speed and cycle time

Organizations and People
➢ Essential to enterprise success

Knowledge and Information Infrastructure
➢ Key enablers for an efficient enterprise

Government as a Lean Customer & Operator
➢ Central role in pace of change
➢ Lean principles as tools for acquisition streamlining
Phase III LAI Product Value Stream

Research
Real time Implementation

Policy Recommendations

Web site Workshops

Working Papers

Courses Curriculum

Implementation, Self Assessment Tools

Lean Enterprise Book Series

Knowledge Base • Implementation Framework • Research Products • Neutral Forum

Stakeholder Defined Value
Better, Faster, Cheaper?

➢ “Wake-up” call book
➢ Central messages
   ➢ Lean must be elevated to a total enterprise system from its present “islands of success”
   ➢ Implementation of the lean vision represents two very different possible paths:
     ➢ One narrowly focused on cost reduction
     ➢ The other emphasizes value
   ➢ The latter path is needed to revitalize the aerospace industry to meet future military and economic challenges
➢ Manuscript expected Aug 2000
LAI Consortium Process Flow - Shared Roles and Responsibilities

Industry, Labor, Government

Research Priorities

Experience

Implementation

Research

Awareness

Data

Enablers: LAI Teams Leadership

Products

Imperative

MIT
Phase III Structure

MIT LAI Co-Directors
Engineering & Sloan School
Stakeholder (Industry or Government)

Research Teams
Acquisition
Product Development
Manufacturing Systems

Organizations & People
Supplier Networks
Test & Space Operations

Product Teams
Lean Enterprises
Knowledge Deployment

The action is on the teams. Join a team meeting!
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<td><em>Multiple Dimensions of Value</em></td>
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<td>Focus Team Meetings</td>
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