

Leadership and Lean for Small Business

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Overview

- SME (small, medium enterprise) leaders are often looking for the means and methods to achieve continuous improvement and improve their product / service
 - Things like “lean and six sigma” sometimes seem out of reach for small employers
- “Lean” is a term that was coined to describe Toyota’s Production System
 - Lean thinking and tools / processes were created by Toyota to follow the teachings of F. Edwards Deming
 - “Six Sigma” is nothing more than branding for controlling variation – taught by Deming and his predecessor Shewhart
- Lean works in any kind and size of organization and provides the practical, hands-on tools that allows SMEs to begin a journey of continuous improvement

Lean Background

- Toyota tells us that the foundation for lean is 1) the identification of waste and 2) the elimination of waste
 - There are seven forms of waste; 1) Correction, 2) Over production, 3) Motion, 4) Material movement, 5) Waiting, 6) Inventory and 7) Process
 - 5S is a foundation tool to eliminate waste with five repeatable steps; 1) Sort, 2) Straighten, 3) Shine, 4) Standardize and 5) Sustain
- Numerous other lean tools and processes that help to identify and/or eliminate waste include value stream mapping, one-page reports, knowledge folders, standardized work, visual controls, lean metrics and other processes.
- Lean can be used to great advantage in office and business systems
- Deming never preached lean, only continuous improvement using the concept of Plan-Do-Check-Act (PDCA)

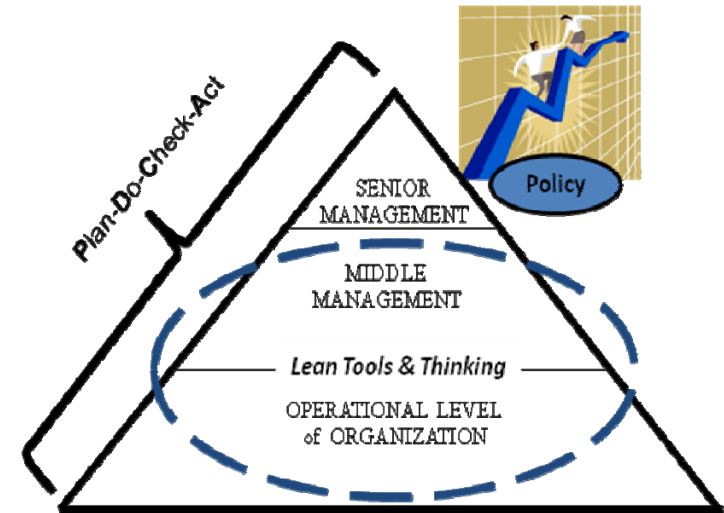
Benefits

- An organization that provides quality output with services that are faster, better and less expensive is typically the competitor who wins in a challenging economy
- A culture of “can do” and teamwork that strives for continuous improvement by the identification and elimination of waste creates a winning attitude
- The deployment of both PDCA and lean do not require capital investment or information technology – only demonstrated leadership commitment

The marriage of PDCA and Lean

Lean offers tactical tools and processes that enable the implementation of Deming’s 14 Points and **PDCA** throughout all levels of any organization.

- Deming has been criticized for putting forward a set of goals without providing any tools for managers to use to reach those goals. His typical response to this question was, “You’re the manager... you figure it out.”
- Toyota, one of Deming’s great success stories, provided a simpler answer with lean tools and processes that complement PDCA and the 14 points.



Deploying PDCA and Lean

Move from a “lean” to a “learn”ing culture by implementing structured processes for operational learning through the marriage of **PDCA and lean** at the:

- Individual or micro level:
 - 5S, knowledge folders, visual controls, standardized work and other kaizen (continuous improvement) tools.
- Individual, mid-management or system level:
 - Value stream mapping, problem solving and one-pagers
- Broader organizational level:
 - Policy deployment

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