

GETTING LEAN OUT OF THE TOOLBOX AND INTO YOUR CULTURE

IDEAS FOR CREATING AN IMPROVEMENT CULTURE

INTRODUCTION



Tim Keran

30 years of Running a Company

20 years of Lean

10 years of Coaching on How to Build a Better Company

What I'm here to do today

No book to sell...

Sharing practical experience and ideas to help you.

TOP 3 RESPONSIBILITIES OF LEADERSHIP

Set the Direction

(CEO)

Hard to improve if we haven't told people where we are going and why.

Lead the People

(Leadership Team)

“Great vision without great people is irrelevant.”
–Jim Collins

Improve the Process

(Employees)

Today!

OUR LEAN BEGINNING



\$3

RULER

7

MINUTES

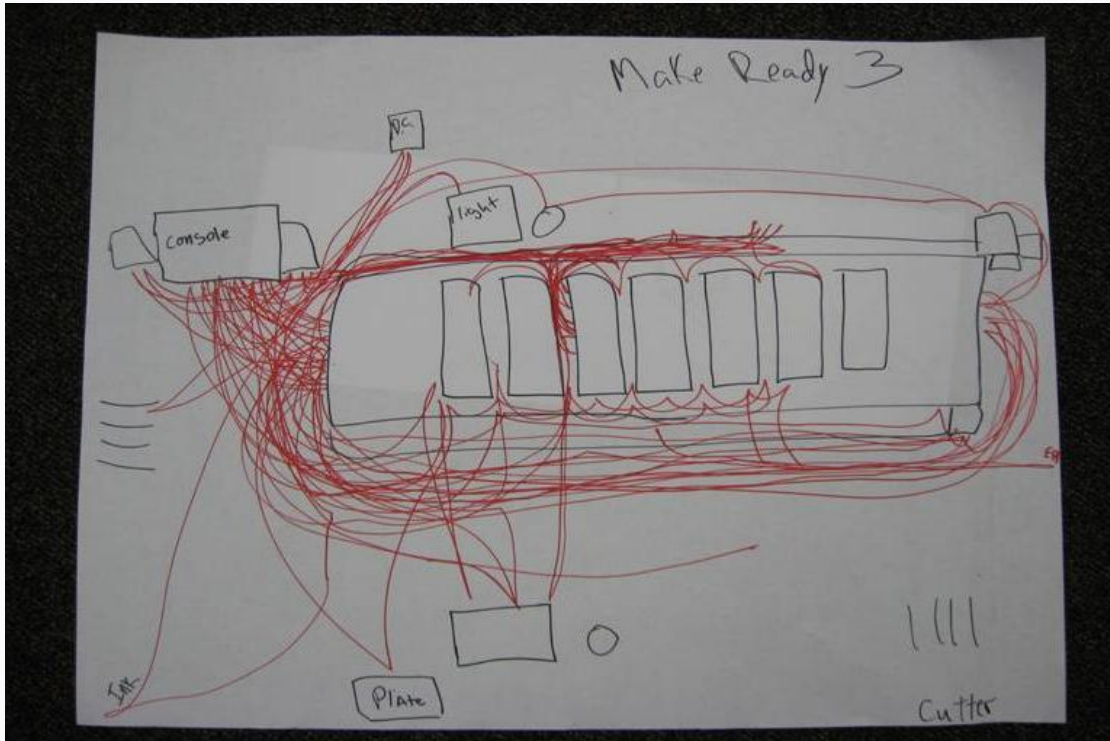
\$450 Hour Press Down

We knew waste was everywhere. From accounting to shipping.

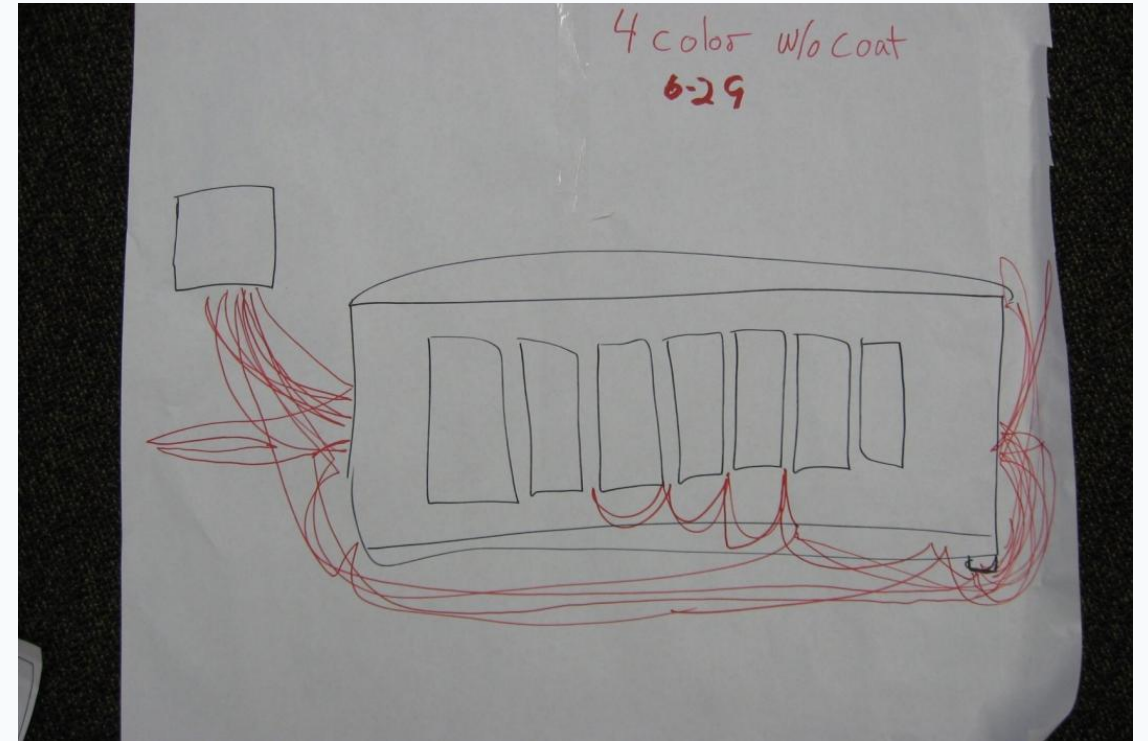


I Almost Threw Up. It made the Invisible Visible.

FIRST SPAGHETTI DIAGRAM



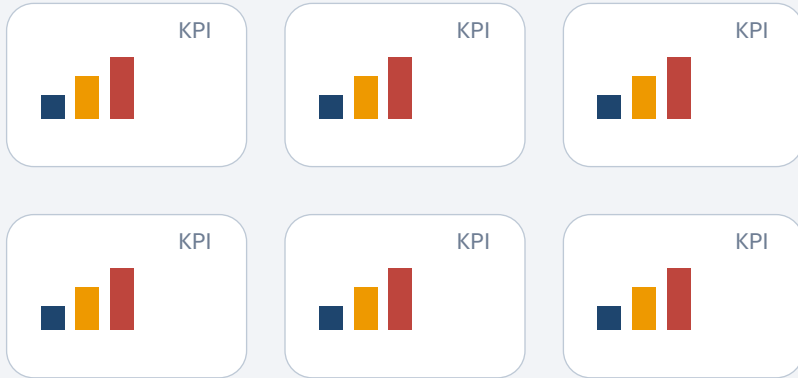
BEFORE • 68 MINUTES



AFTER • 24 MINUTES

Humbling: If waste was here, it was everywhere.

SETUP THE WAR ROOM



Lots of charts.
Lots of coffee.
Not lots of improvement.



WE HAD IMPLEMENTED THE TOOLBOX

5S

VSM

KAIZEN

A3

KANBAN

POKA-YOKE

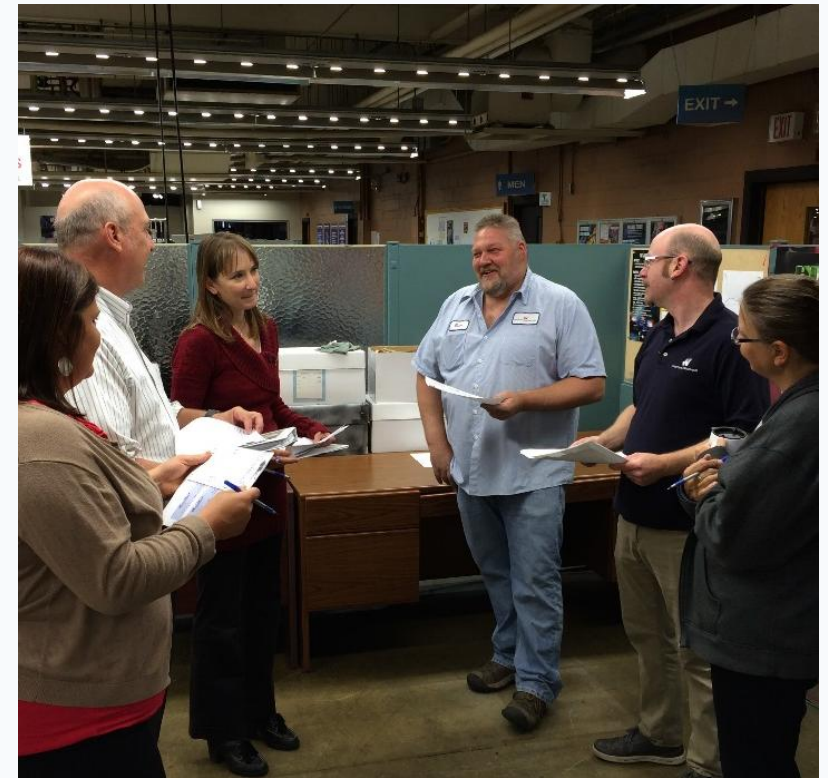
Why did we still have to push?

Why wasn't Lean part of our Culture yet?

TOOLS DON'T SOLVE PROBLEMS. PEOPLE DO.



**We had the tools, but we
didn't have the people.**



WHY WAS LEAN STUCK IN THE TOOL BOX?

Doing Lean “TO” Them

Leadership:

- Identifies the problem
- Designs the solution
- Assigns & employees comply

PUSH LEAN



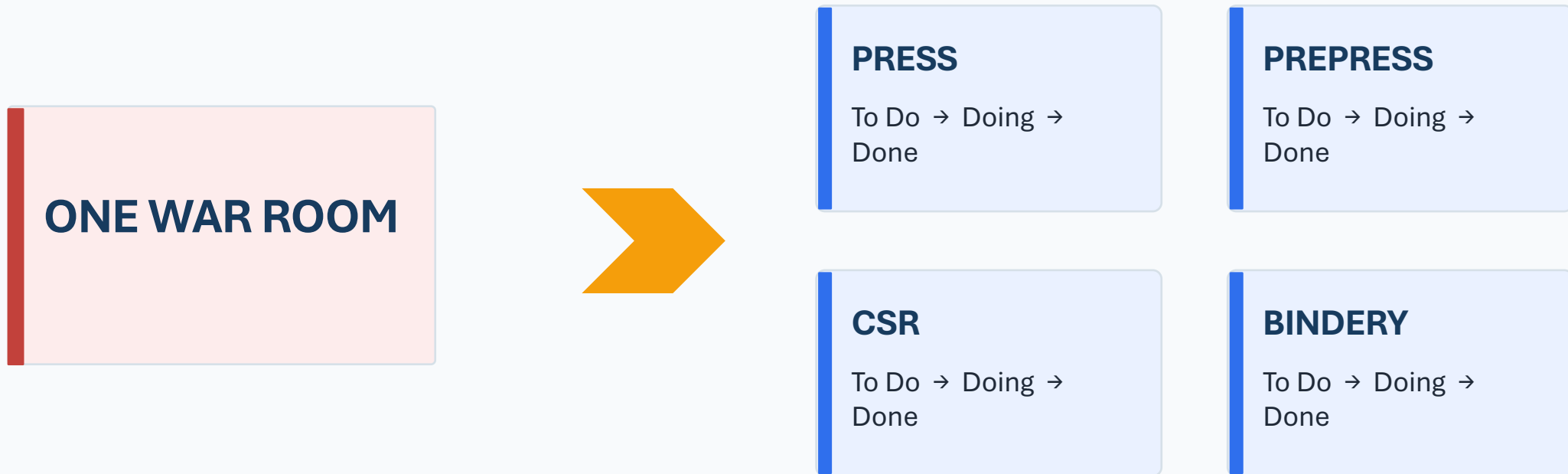
Doing Lean “WITH” Them

People:

- See problems
- Design & test the change
- Own the result

PULL LEAN

STOP TELLING & SELLING. START INVOLVING & SOLVING.



People doing the work are the best people to improve the work.

7 CLASSIC WASTES

T I M
W O O D S

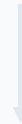
T Transportation
I Inventory
M Motion
W Waiting
O Overproduction
O Overprocessing
D Defects

S Skills (Underutilized Talent)

**The 8th waste
is People
Waste.**

**The first seven wastes are things
your people can see.**

T I M
W O O D



**The eighth waste is failing to use
the people who can see them.**

**What unused capability is sitting with the people doing the work?
Are we using their knowledge, ideas and judgement?**

OUR BIGGEST LEAN WASTE

We were attacking the seven kinds of waste...
...while creating the eighth...

\$5,225,000

annual payroll investment

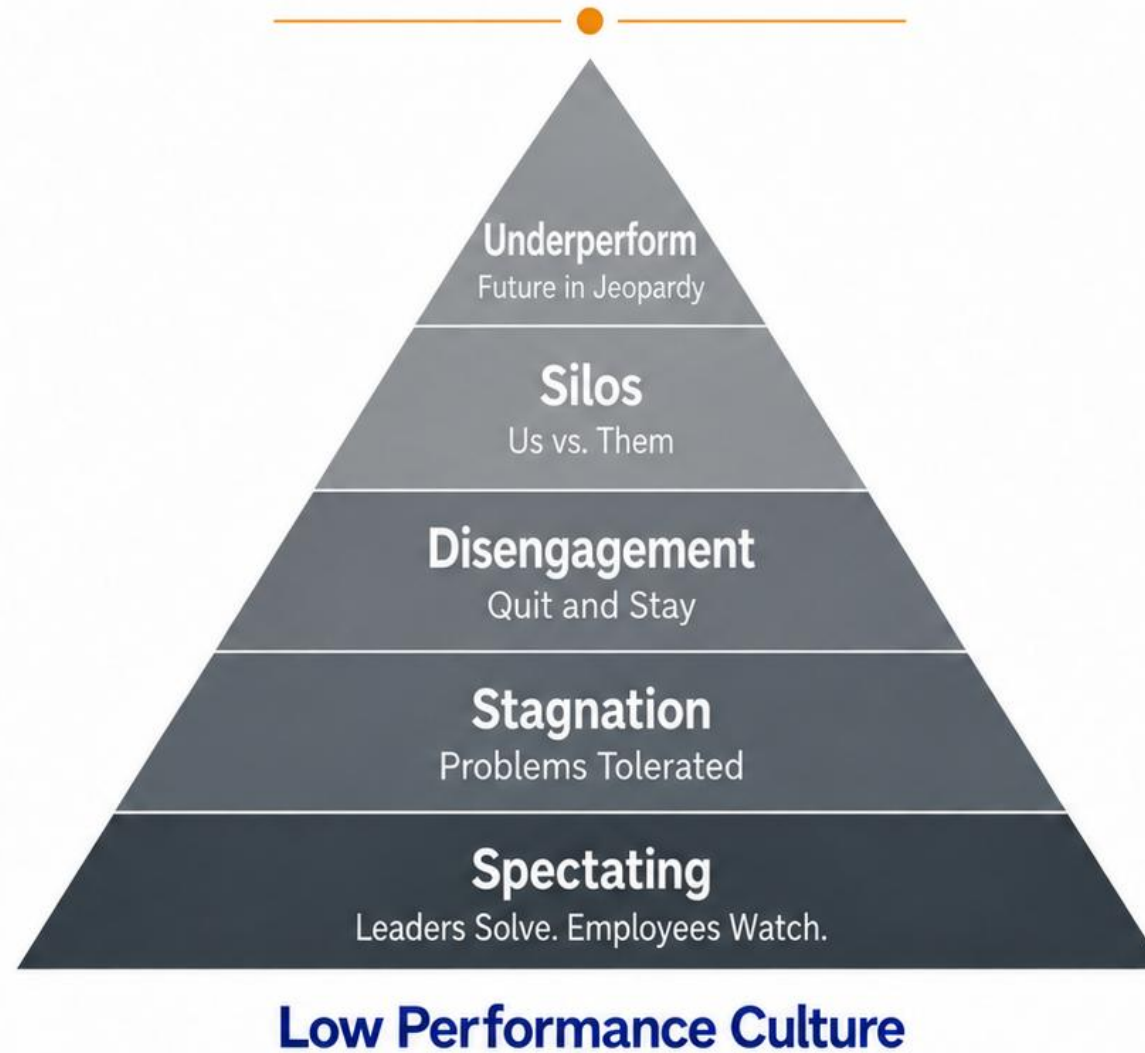
≈ \$20,000

every single business day

**Using their hands to do the work —
but not using their heads to improve it.**

THE IMPROVEMENT CULTURE MODEL™

**What's at Stake
For Not Getting
People Involved?**



THE IMPROVEMENT CULTURE MODEL™

Benefits of Getting People Involved



WHO OWNS LEAN AT YOUR COMPANY?

**If Leadership Owns it,
it's a Program.**



**If Employees Own it,
it's your Culture.**

It has to become “this is how we work here.”

UPDATED JOB DESCRIPTION

DO YOUR JOB

Make the numbers.
Serve the customer.
Do the work.

&

IMPROVE YOUR JOB

Remove frustrations.
Solve problems.
Make tomorrow better.

THE LAST EIGHT WORDS OF A DYING BUSINESS

“That’s the way we’ve always done it here.”

- Companies who don’t Improve the Process.

**We are either getting better or getting behind.
Next challenge is already coming.**



“PROBLEMS ARE GOLD. FINDING GOLD MAKES YOU RICH.”

- Humans are either going in or out of a problem — that’s life.
- Problems are evidence that work is happening.
- Solving problems is the job. Makes everything better.

Give your people *their* problems.

IDEAS DON'T COUNT



Why the Suggestion Box Fails

- Ideas Pile Up on a Manager's Desk.
- Managers Caused Most of the Problems.
- Improvement = Someone Saw It, Changed It, and Documented it.

**The goal is not more suggestions.
It is more completed improvements.**

LEAN IS A FRUSTRATION REMOVAL PROCESS

1

“What makes your job harder?”

2

“What could you do to improve it?”

**Leader’s Job:
Help Employees ‘See & Solve’ Problems.**

DATA COLLECTION PROCESS

7,350

orders / year

×

15

entries / order

×

13

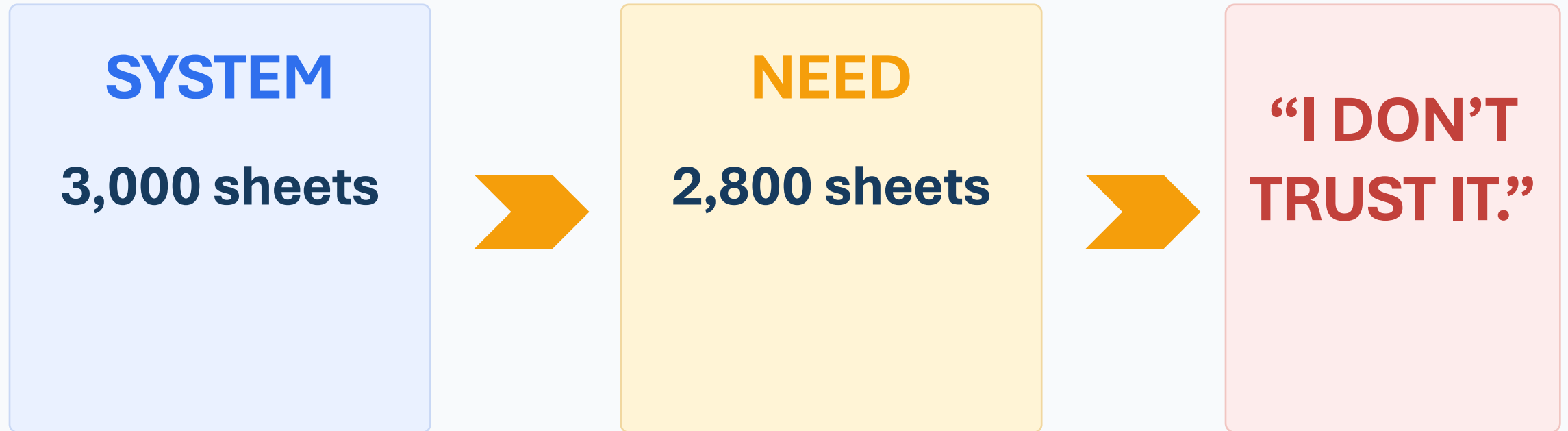
clicks / entry

1,433,250

clicks / year

And nobody trusted the data.

“WHY ARE THE CSR’S IN THE WAREHOUSE?”



WE JUST UNPLUGGED IT

OLD SYSTEM

Collect Data on everything

Audit & Correct it

Argue & Still Question It



JOB TIME STUDY

Important Project

Golden Ticket

Data Collect All Time & Materials



PROCESS TIME STUDY

Machine or Process

Review/Adjust in Real Time

2-4 Weeks

From Pushing Everything to Pulling Selectively.

THE UNPLUG AWARD



The homemade traveling Un-Plugged Award

OPTIMIZE or ELIMINATE?

Best improvement that
“unplugged” something
unnecessary or obsolete.

THE RED TAG CHALLENGE



Original Western Graphics red-tag cards

EQUIPMENT

SUPPLIES

FURNITURE

PAPER & DIGITAL FILES

2 Rules: No removal of tags.
No people.

“Do we really need this?”

WE GOT EVERYBODY INVOLVED

5

40-yard dumpsters
total (1 paper)

30×40 ft

old deck's red-tag holding /
auction area

13,500

electronic files / ~10GB
deleted in the old deck

Challenge



Quarantine



Reuse



Auction



Eliminate

*“I don’t know what you’re doing at work, but keep doing it.
Our garage has never looked better.”*

SHARE THE INSOMNIA

WINNING?

Sleep well.



STRUGGLING?

Everyone awake at 3:55am.



If people don't know, how can they know what to improve?

WHY SMALL BEATS BIG

LESS RISK

LESS TIME

LESS APPROVAL

LESS TALKING

MORE DOING

Faster → More Experiments → More Learning → Compounds

Everyone Can Play → Creates Better Solvers → Small Reveals Big Oppty's

**We didn't make 3,865 employee improvements.
We got in 3,865 reps.**

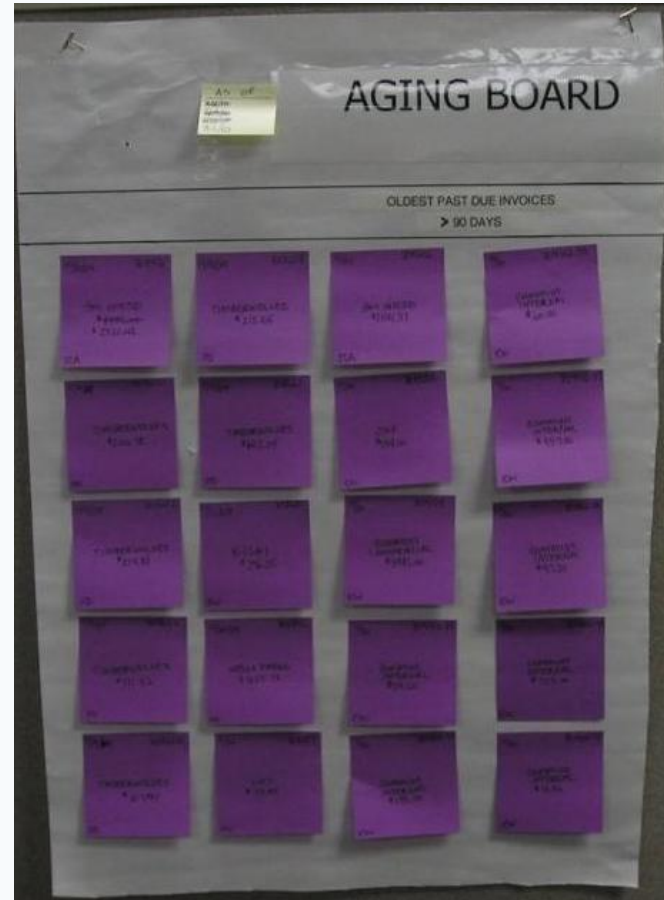
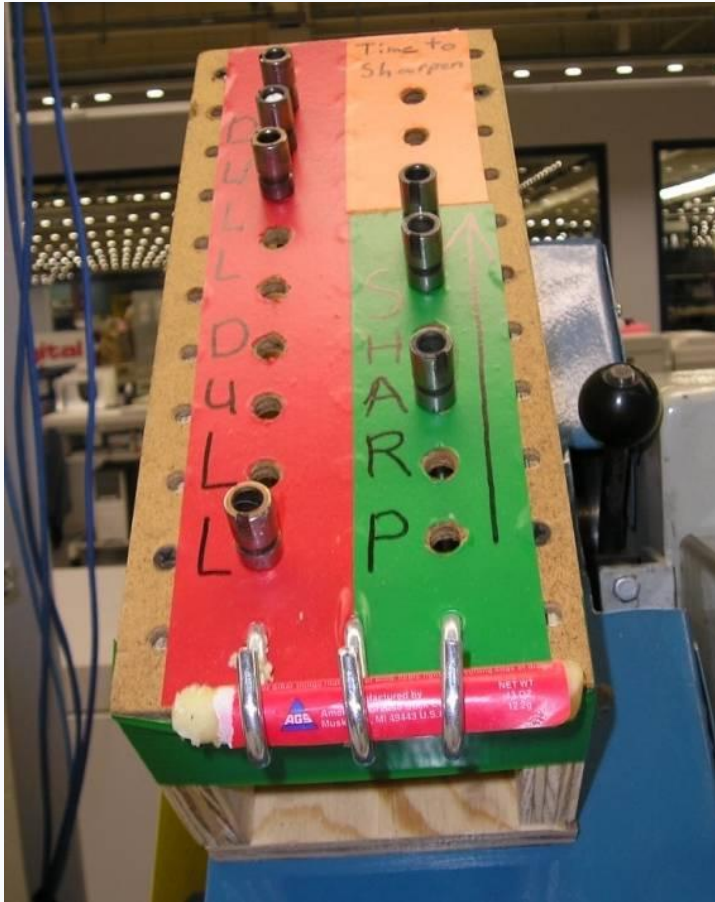
“IT’S ON ITS SEVENTH ITERATION.”



**You don’t need to see improvement #7.
You just need to see improvement #1.**

Improvement reveals more improvements.

SIMPLE & SMALL SUCCESSES



2 IMPROVEMENTS REQ'D A MONTH

Great Idea

Bad Requirement

ENGAGEMENT



COMPLIANCE

QUALITY



QUANTITY

FIXING



BOX CHECKING

**“What can I improve?” became
“What can I count?”**

3,865 IMPROVEMENTS

Year 7 — 502
Year 6 — 572
Year 5 — 746
Year 4 — 765
Year 3 — 560
Year 2 — 545
Year 1 — 175

**Which One Built Our
Improvement Culture?**

**Not One Single
Improvement.**

**Accumulation of the
Improvement Reps did.**

HAVE A REVERSE GEAR



**People won't live with a problem
they created.**



If you own the improvement, you can also reverse it.

RECOGNITION OVER REWARDS



“I saw what you did.
It mattered.”

- Recognition reinforces.
- Rewards distort behavior.
- Don't bribe people to get better.



BRIBING PEOPLE TO IMPROVE

0 late arrivals

2 tickets

1 late arrival

1 ticket

2 late arrivals

0 tickets

\$7.50 each • \$15 max / month

“So... We’re Paying People to Come to Work on Time?”

TEAM REWARD: PROFIT SHARING

“Lots of money is laying on the floor.”

People doing the work can find and pick up profit.

For every extra \$1 found, we put 25¢ into profit sharing.

TEAM BONUS

If we win, we share.

We recognized individuals. We rewarded the team.

DOCUMENT YOUR IMPROVEMENTS

Why Document?

- Show and Tell- Recognition.
- What actually changed? Makes the invisible visible.
- Steal/Borrow each other's ideas.
- Inspires the next improvement.

Emmy Voting Form

TV Show: _____ Date: _____

Participant Names: _____

Title: _____ Type:     

Problem: _____

Solution: _____

Benefit: _____

To Be Filled Out By CI Team Leader:       _____

☐ Has Standard Work Been Updated?
☐ Have Affected Departments Reviewed?
☐ Has it Been Tested?

____ Manager Approval 9930_Improvement Form



**Keep Stacking Improvements.
Let Improvements Compound.**

LEAN BUILDS LEADERS, ACCIDENTALLY

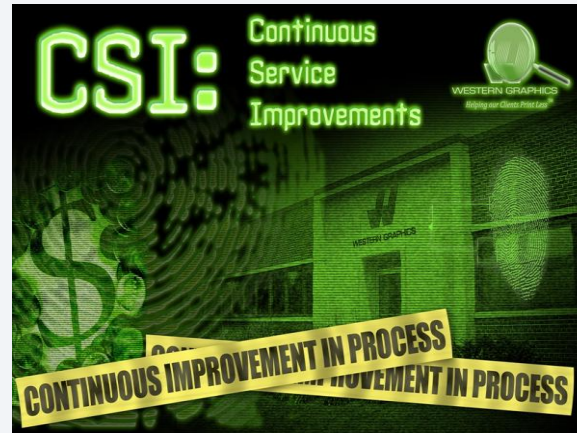
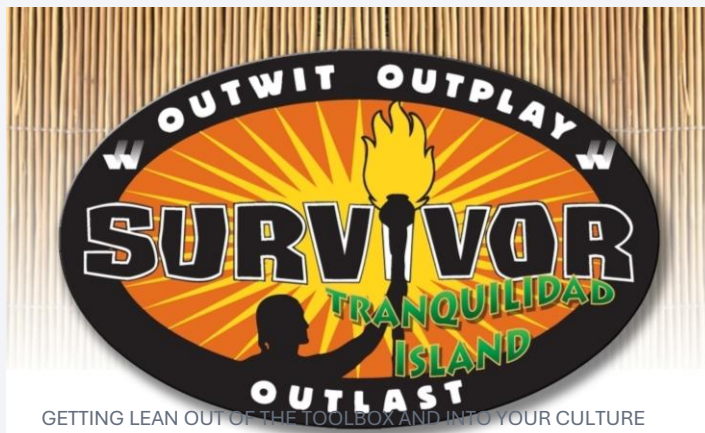


Employee-led report-out at a department meeting

**They led improvements.
They led change.
They led people.**

You don't have to manage people to lead them.

ANNUAL THEME: HAVE FUN GETTING BETTER



ANNUAL THEME: HAVE FUN GETTING BETTER



QUARTERLY GAMES KEPT IT FRESH.



Holly-Lean Squares



The Amazing Race

**Lean Should Create
Energy, Not Stress.**



Find the Real Muda

WHAT'S IN IT FOR ME? WIIFM?

Improvement is for them!



**Everyone Wants to be
Part of Something that
Just Flat-Out Works**

AN EMPLOYEE FIRED US

“They told me I can just come in and do my job.”

“... they don’t require me to do improvements.”

7 weeks later: “Can I have my job back?”

WHAT SHE MISSED

Problems kept reappearing.
Nobody is making it better.
Her ideas went nowhere.

WHAT THE TEAM SAID

“We think we can hire better.”

RESULTS AS THE CULTURE GOT STRONGER

-67%

Rework dollars

-\$164K

+28%

Sales / employee

18% → 6%

Employee Turnover

\$-383K

Inventory Reduction

One major improvement

10 / 12

**Profit-Sharing
Quarters**

NUMEROUS

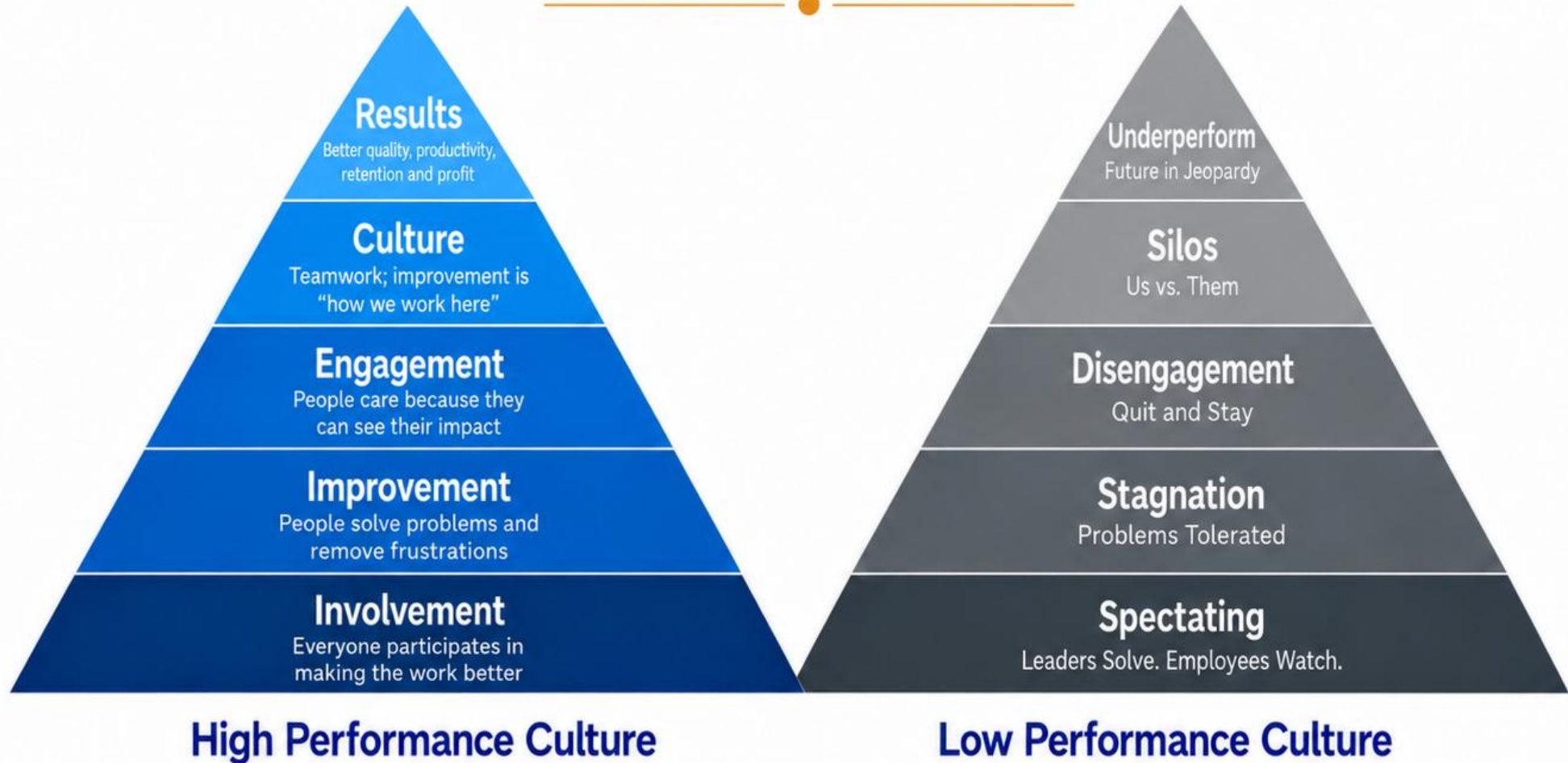
Leaders created

Results are what you get. Improvements are what you do.

THE IMPROVEMENT CULTURE MODEL™



THE IMPROVEMENT CULTURE MODEL™



BUILDING AN IMPROVEMENT CULTURE

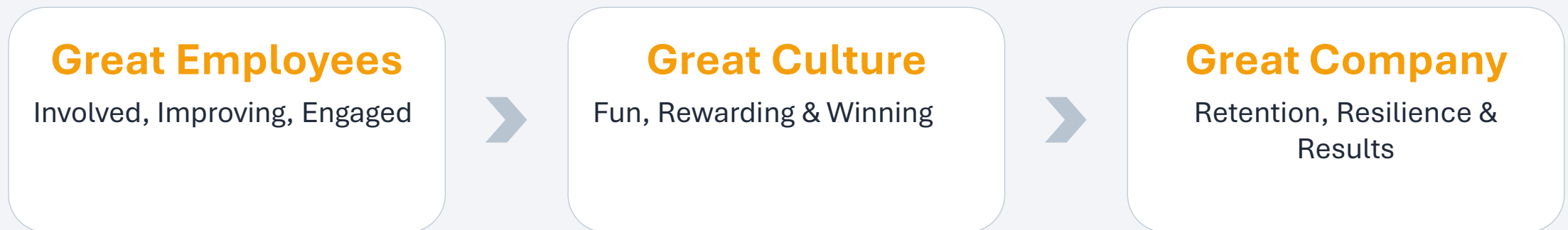
1. Stop Telling & Selling. Start Involving & Solving.
2. Give people closest to their work the problems.
3. Remove frustrations and start small.
4. Count finished improvements not ideas.
5. Document them and recognize them. Share the wins.
6. Repeat until improvement becomes “how we work here.”

TOOLS DON'T CREATE CULTURE. PEOPLE DO.

WE DON'T ACTUALLY BUILD A GREAT COMPANY.

We Build Great Employees and They Build a Great Culture.

And a Great Culture Builds a Great Company.



TOMORROW MORNING

Ask employees:

“What makes your job harder than it needs to be?”

Let them answer. Then ask:

“What could you do to improve it?”

**Get Lean Out Of The Toolbox and Into Your Culture
By Involving The People Holding The Tools.**

TWO ASKS

1 Grow Manufacturers Alliance

Tell 2 people in your network this week about MA.

Let's get this bigger.

2 Stay Connected

Connect with me on LinkedIn & Self-Made CEO on Substack.



THANK YOU!

**Thank you for listening
and for your interest in building better companies.**

I appreciate your time!

-Tim Keran

**Congratulations to this year's
Manufacturer of the Year winners!!**