

Lean Enterprise Division

April 2008 Highlights

- 2 Transaction Lean Networking Session Report
- 3 Report From Lean Six Sigma Conference Networking Session
- 5 Lean Events at ASQ's World Conference on Quality and Improvement
- 6 Aligning Lean With Social Responsibility
- 7 Letters to the Editor
- 8 Note From the Editor

Chair's Message

Dear Lean Enterprise Division members,

This is my last message as division chair, as my two-year term ends June 30, 2008. I would like to share some of the highlights of my time as chair and what your overall leadership team has accomplished. During my term we progressed from a forum to a division, organized the first lean conference, and pursued lean certification (which was rejected by the Certification Committee because of results of a marketing survey). Also, when I took office on July 1, 2006, we had a membership of 4,355 and have grown to 6,127, which is a 41% increase. The division has grown each and every month. Finally, the first year eligible as a division we achieved the **2006-07 J.S. McDermond Total Quality Division Award**, and we are on track to achieve the 2007-08 award as well. I want to publicly express, to the entire membership, my deep and sincere appreciation to the leadership team who has worked tremendously hard to achieve the successes listed above and much more.



The first lean conference was a success! We teamed with ASQ's Learning Offerings workgroup and the Six Sigma Forum to offer a joint Lean Six Sigma Conference. In Phoenix on Feb. 10-11, at the Pointe Hilton Tapatio Cliffs Resort, we had a great turnout with great attendance at all the lean-related sessions and tutorials. It was a great opportunity to network and showcase our division. The Quality Café Lean Networking session was a success; please refer to the articles in this newsletter and our Web site to get more information on the topics discussed.

We will continue to discuss these same topics at the World Conference for Quality and Improvement, so sign up for this session (W14) and add your unique insights. Hope to see you all at the World Conference and especially at our annual meeting Sunday afternoon, May 4, 1-5 p.m. Make sure you stop by the booth in the exhibit hall; we would love to meet you face to face. You may even consider helping to staff the booth for an hour because it is a great way to network and meet a lot of people interested in lean.

The subgroups have been busy working hard on the key areas to keep up with the growth of the division. After getting into the process we determined that the body of knowledge and education/training had much in common and build on each other, so we combined them into one subgroup. Volunteers are still needed in these subgroups:

1. The first subgroup, Voice of the Customer, is designed to determine the needs of the members of the division for the various geographic areas, industries, and disciplines. The subchair for this group is Frank Murdock.
2. The second subgroup, Body of Knowledge (BoK) and Education/Training, is designed first to capture the body of knowledge in the field of lean and then to develop training around the BoK, understand the training needs for the Lean Enterprise Division, and determine the best vehicle to provide that lean training. The subchair for this group is Robert Damelio.

For the final time as your chair, I thank you for the opportunity to serve you as the chair of this dynamic and growing division. This has been very rewarding and I would highly recommend that you get involved as a volunteer leader in this division, your section, or any



Lean Enterprise
Division

Lean Enterprise Division Contacts

Bob Johnson, chair

Tyco Fire and Building
Products & Programs
jobbymjohnson@yahoo.com

Wayne Paupst, chair-elect

waynepaupst@gmail.com

David Behling, programs

Velvac, Inc.
dbehling@velvac.com

Tony Manos, past chair

Profero, Inc.
anthony.manos@proferoinc.com

Robert Damelio, education chair & BoK chair

The Bottom Line Group
robertdamelio@sbcglobal.net

Frank Murdock, Voice of the Customer

Kobalt Partners LLC
fkmurdock.kobalt@gmail.com

Wendy Gomez, newsletter editor & secretary

Danmer, Inc.
wendy.gomez@danmer.com

Alan Mendelssohn, discussion board moderator

Resources Global Professionals
asmquality@aol.com

Linda Milanowski, staff liaison

American Society for Quality
lmilanowski@asq.org

Chair's Message cont. from p. 1

area that interests you. You may feel free to contact me if you want to help in any way or if you have any questions.

Jobby Johnson

MBA, CSSBB, CMQ/OE, PMP
Chair, Lean Enterprise Division
jobbymjohnson@yahoo.com

Transaction Lean Networking Session Report

compiled by Jobby Johnson

We held a café style Lean Enterprise Division networking session and one of the topics discussed was transactional lean and how the tools benefit transactional processes and businesses. The comments were grouped into categories for ease of review. We will continue this discussion in Houston at the World Conference on Quality and Improvement and on the LED Web site discussion board. The following are the highlights from the transactional lean tables:

Product related

- Improves accuracy and payment from customers
- Business as a whole becomes enlightened as to the 10x opportunity that exists by shifting the focus to the nonproduction activities of the business
- Supports paperless objectives and the residual efficiencies of running in a paperless environment
- Reduces process time and throughput times for most any business / transaction process
- Makes more tangible the differentiation between VA / necessary NVA and unnecessary NVA

People-related benefits

- Captures process insights from the workers (i.e., learn what is really happening)
- Gets buy-in by including the workers
- Improves chances of sustainability—seeing how lean works on the production side of the business fosters sustainability
- Identifies the customer
- Increases awareness of end-customer value
- Increases awareness of current customer requirements

Process-related benefits

- By going to the area we see how the process is actually running (versus our perceptions, beliefs, or what the procedure says)
- Surfaces and eliminates unnecessary legacy processes
- Forces creativity in the problem-solving approach
- The process becomes more visual; visual metrics are created
- Creates office cells to improve flow
- Puts in place metrics where they did not exist before
- Increases the recognition of what waste is, and that there are ways that the process can be done in a more effective way (QCDSM)
- Eliminates the issue that “You can’t change what you don’t acknowledge”
- Exposes the “hidden factory” and the associated costs
 - Increases employee satisfaction—we can stop doing the stupid and unimportant stuff
 - Improves customer satisfaction (better service levels and improved product/service quality)

cont. on p. 3

Challenges to Transactional Lean

- It's difficult for many people to **identify the customer**. When identifying waste in the office, the *external* customer is the final arbiter, but the internal customer needs to be actively engaged in assessing the quality of upstream output, etc. Effective process design requires we consider both types of customers.
- **Value stream mapping** is not being consistently applied in the office. Many teams are process mapping and calling it a value stream map. Value stream maps have three key elements: timeline, information and material flow, and metrics. One group discussed the value in using the metric percent complete and accurate (%C&A) in assessing output quality at each step of the process and the value in using this metric to measure improvement due to work standardization.
- Most of the participants from manufacturing reported experiencing a fair to high degree of **resistance** from their office staff in regard to lean, so we discussed sales techniques, such as showing how much of a product's lead time and quality are linked to office-related processes.

Report From Lean Six Sigma Conference Networking Session

In our café style Lean Enterprise Division networking session, another topic addressed was how to capture the voice of the customer about what the division can do to provide satisfaction to the members and what they would like from the division. The comments were grouped into categories for ease of review. The following are the highlights from the voice of the customer tables:

Use the Internet to deliver educational offerings (webinars) and facilitate discussions and links to resources on lean.

- Dial in to learn more about a topic—e.g., Tuesday at 8:00 p.m.
- Invite authors to speak about their books—may lead to in-office meetings or discussion
- Have e-seminar or webinar on educational side
- Have Web-based, mini-version of topics/tools
- Modular with a road map—webinar format
- Need webinars on lean
- Blog—suggest using these internally in organizations to help the deployment of lean
- Check out Law Enforcement Online (LEO) for how to chat on a given topic—use video teleconferencing on a specific topic
- Web site—e-mail alert system for new topics on discussion board
- Blog of discussion—have examples or case studies
- Provide other links on lean
- Web site capability to send e-mail when topic of interest is updated

Work closely with the Six Sigma Forum and focus on Lean Six Sigma—perhaps even become a single Lean Six Sigma Division.

- Like that we have divisional status
- Should combine the Lean Enterprise Division with the Six Sigma Forum into one Lean Six Sigma Division
- Lean side is new and “weak”—ASQ needs to participate (and be visible) at the major lean community activities
- Don't do any stand-alone conferences—need to be part of something else
- Six Sigma can support lean
- Work together with Six Sigma Forum to focus on Lean Six Sigma
- Create lean solutions operational definition
- Keep the conference within ASQ—don't go outside

A Thank You to the Lean Six Sigma Conference Planning Team and Presenters

To Bob Johnson, Tony Manos, David Behling, Wayne Paupst, Chad Vincent, and Robert Damelio:

Your efforts and dedication in preparing the lean track and presenting your session materials contributed to making this a memorable experience for everyone who joined us.

Congratulations on a job well done. Your contributions as our program experts helped ASQ to score the highest satisfaction ratings for any ASQ Lean Six Sigma Conference: Top Box Overall Conference Satisfaction rating, Top Box Conference Program (content) rating, and Content Relevancy for Attendees. The top box ratings include only scores of a '9' or a '10' on a 1-to-10 scale. 97% of attendees would recommend this conference to others. Your efforts and contributions are deeply appreciated.

Lean Session Presenters: Lean Metrics for Office and Service Environments

Karen Martin and Mike Osterling

Kaizen Events for Office and Service Processes

Karen Martin and Mike Osterling

CT Utilization

Greg Boos

Value Stream Mapping on a Budget

Gary Burger

Improving Knowledge Work: Lessons Learned

Robert Damelio

How Lean Can Reinvigorate Your Organization's Improvement Program: A Unisys Case Study

Vik Kortian and Michael O'Connor

Lean Enterprise Division Networking Session

Robert Johnson and Wayne Paupst—Facilitating

A 14-Year Journey of Lean Implementation

Butch Yelliot and Phil Cain

We look forward to seeing you again in Phoenix at the 2009 ASQ Lean Six Sigma Conference.

cont. on p. 4

Invitation to Attend the ASQ Lean Six Sigma Leadership Dialogue May 8th, Houston, Texas

Dear Lean Enterprise Colleagues:

The Government Division of the American Society for Quality invites you to consider participation in this exclusive and unique learning event focusing on the use of **Lean Six Sigma in Government**. The program is specifically targeted at senior governmental officials and focuses on how city, county, state/provincial, and federal agencies can achieve *concrete dollar savings and breakthrough improvements in service delivery*. In particular, please note three of our participating organizations:

- **U.S. Navy** which has recorded more than \$9 million in direct savings
- **Service Ontario** (Canada) which has introduced the world's first public sector "*Money Back Guarantees for Service*"
- **State of Iowa's** Lean Enterprise Office

In addition we will feature Professor John Maleyeff, author of the recent **IBM Center for the Business of Government** report, "*Improving Service Delivery in Government Using Lean Six Sigma.*"

This one-day event will provide participants with an opportunity to dialogue with the *world's leading practitioners* and come away with a detailed understanding of how each of these organizations has successfully adapted the concepts of lean and Six Sigma to the political and challenging world of government.

For more information, please click on the conference button at: www.asq.org/gov

Report From Lean Six Sigma Conference Networking Session cont. from p. 3

Provide peer-to-peer contact opportunities for executives to help motivate them to learn how to successfully deploy Lean Six Sigma throughout the enterprise.

- Put lean in a business context—the enterprise
- To what extent should lean be separate from the operations—taking what used to be quality's job—it should be the operation's responsibility and not kept as a separate organization. How can we get it and integrate Lean Six Sigma with operations—lean can't be separate.
- How to convince management—for them everything is a checkbox
- Need peer-to-peer contact at the executive level—perhaps an Executive Roundtable with some well-known CEOs (e.g., Jack Welch on lean)
- Need support trying to sell ASQ to management—starting out developing their quality system from scratch
- Need to deploy in a strategic way—dealing with lots of ex-military people
- Leverage that both the Army and the Navy are deploying Lean Six Sigma
- Really hard talking to management from the Middle East regarding lean—cultural differences

Continue to emphasize the application of lean across a variety of organizations including small businesses, job shops, supply chains, and services.

- Focus on small-and medium-size businesses as well as large
- How to apply the concepts to all types of organizations
- Apply lean to supply chain operations model
- Presentation on how to apply lean to industry—like the job shop presentation
- Be application focused
- Suggest "Performance is the Best Politics" by Graham Richard, mayor of Fort Wayne, IN, for examples of applying lean in government
- State of Iowa is also very involved in implementing lean in government
- Really helpful to include service now that we are branching out beyond manufacturing
- Need LED offerings—formally for the service side

Include more practical knowledge (including lessons from "failures"), reviews of books and educational offerings in LED News.

- Beef up newsletter content—more practical knowledge
- Whitepaper book reviews
- How to implement lean—one topic in each newsletter
- Provide list of top training books—top articles
- Feature best books and educational offerings
- There's lots of value in exploring the "failures"—case studies

Host tours and facilitate benchmarking opportunities for organizations that want to see lean in action.

- Opportunity for on-site tour of lean implementation—use "Kaizen Institute" as an example
- Went to semi-conductor plant—more tours
- Valley of the Sun benchmarking tour—group that goes around to other area businesses to review kaizen events. Kind of like a SIG (special interest group).
- Google "plant tours" to find facilities that are willing to participate
- Offer tours—ASQ sponsored
- Benchmarking opportunities—not just tours—e.g., benchmarking on lean distribution
- Maintain a list of organizations willing to benchmark on lean

Other Comments:

- On-site workshop of lean implementation—fairly easy to set up
- "Need someone to show me" how to get started by myself
- If you are running Six Sigma, applying lean is easy
- New people in lean—use lots of tools

cont. on p. 5

Report From Lean Six Sigma Conference Networking Session cont. from p. 4

- Once a month mentoring conference or periodic (weekly) focus events on the lean tools
- Lots of value in interaction
- Lean certification—what direction are we headed?
- Should have one certification—it is time—need to collaborate with the others
- Suggest something like the TL 9000 quarterly meetings of an executive board; requires “C-level” participation and uses that for developing the strategic implementation
- Somehow get keynote speaker types in a focus group to discuss how to get started
- Need an “elevator chat” for Six Sigma practitioners on lean
- Possibly develop regional special interest groups meeting as often as monthly
- This was one of the best sessions I have attended
- Focus on the common problem

Now that you have reviewed the comments, make note of what is important to you or anything else you would like to see the division doing. Then provide us additional feedback, as we want this division to focus on the members’ needs. We will continue this discussion in Houston at the World Conference on Quality and Improvement (Session W14) and on the LED Web site discussion board.

Frank Murdock, Chair, VOC Committee

Jobby Johnson, Chair, Lean Enterprise Division

Lean Events at ASQ’s World Conference on Quality and Improvement

The following are Lean Enterprise Division sponsored sessions at the World Conference for Quality and Improvement, along with the respective presenters:

Monday, May 5

M01—A Continuous Improvement Process for Excellence—Business excellence is best achieved by integrating the right action elements into a total continuous improvement process with the committed leadership to execute the process.—**Hank McHale**

We have multi-sessions on office and support functions/processes:

Tuesday, May 6

T09—Value Stream Mapping in Office and Support Functions—Take value stream mapping (VSM) beyond the shop floor! This session will show you how VSM is used in nonmanufacturing applications including office and support functions.—**Tony Manos**

T19—Kaizen Events for Office and Service Processes—The kaizen event is a proven tool for realizing rapid improvements. While manufacturers have been reaping the benefits of kaizen events in production areas for years, it is also a highly effective method for applying lean thinking in office, service, and technical environments.—**Karen Martin and Mike Osterling**

T29—Lean Metrics for Office and Service Environments—One of the greatest obstacles in improving processes in office, service, and technical environments is the lack of performance data, particularly related to quality and service. A related challenge arises when we are selling the value of your improvement efforts—**Karen Martin and Mike Osterling**

Wednesday, May 7

W14—Lean Enterprise Division Networking Session—The café style networking consists of three 15-minute sessions where participants rotate between three different topics (one for each session). Each participant adds their own insights and experience to each of the topics.—**Robert “Jobby” Johnson and Wayne J. Paupst**

Other Lean Topics of Interest:

M05—The Application of Lean to Transactional Processes

M16—The 3S of Organizational Change

A Quality Press Best Seller

Office Kaizen: Transforming Office Operations Into a Strategic Competitive Advantage

by William Lareau

Many business functions have been significantly improved through the use of a variety of quality techniques, but for the most part office and administrative functions have not kept pace. Most companies find it difficult to reduce costs in the office without noticeable sacrifices in performance. Some progressive companies are seeing improvements in their office environments through the use of Office Kaizen, which emphasizes making continuous improvements over the long haul. *Office Kaizen: Transforming Office Operations Into a Strategic Competitive Advantage* presents a unified, consistent approach that enables businesses to establish a strategic competitive advantage by significantly improving the efficiency, quality, and productivity of their office and administrative processes.

“Office Kaizen is the most complete and practical guide to continuous improvement in a service environment I have seen.”

– Neil Novich
Chairman and CEO
Ryerson Tull, Inc.

“Finally a book that recognizes the need to get off the factory floor and improve the operations of the rest of the organization. Office Kaizen provides the foundation for continuous improvement for the entire organization.”

– G. Thomas Marsh
President and General Manager
Astronautics Operations

Item: H1168

Member Price: \$28.35

List/Forum/Division Price: \$47.25

From the Lean Enterprise Discussion Board

Would you like to learn the opinions of other Lean Enterprise Division members on the pros and cons of lean and Six Sigma methodologies and how they work (or don't work) toward overall quality improvement? If you would, we have a discussion to engage you.

Would you like to share a great story or article? The Lean Enterprise Discussion Board is the place. Do you have a problem that might be resolved with some input from your fellow Lean Enterprise members? Post your question on the Lean Enterprise Discussion Board.

The following are some topics posted on the discussion board during the last few months:

- Change Management
- LeanSigma Measurements of Success
- Kaizen Facilitator Help
- Identifying Constraints
- Lean Around Ann Arbor

To contribute to the discussions above, or to start your own discussion, you can enter the discussion board through your "My ASQ" page on www.asq.org or by going directly to the Lean Enterprise Web site at www.asq.org/le and clicking on "Discussion Board" along the left column. Either path requires that you logon using your ASQ membership number. The discussion board is open to all ASQ members. If you don't know your password, there is a help link, or you may call ASQ at 800-248-1946 for help. Have Fun!

Lean Events at ASQ's World Conference on Quality and Improvement cont. from p. 5

T28—Strategy Deployment for Optimizing Lean Six Sigma

T31—Lean in a 365/24/7 Clinical Laboratory Setting

T42—Applying Lean Six Sigma to Environmental Management

T49—5S for Service and Information Processes

W01— Strategic Planning and Execution Using Lean Tools

W11— Strategic Planning and Execution Using Lean Tools

After 5 Session With Lean Application:

AF2—Lean for Your Life

Kanbans in your kitchen? 5S for your pantry? The Lean Lady from ASQ's Women in Quality Network will share her secrets on using the tools of lean at home. There will be something to share and something to test from this idea potluck, for the professionals to practitioners, from the tiny apartment renters to palatial estate owners, for men and women! Bring your own ideas to share at this leanest of smorgasbords!—**Aimee Siegler**

Aligning Lean With Social Responsibility

Companies have always made decisions based on dollars and cents. And quality has always played a key role in that process.

But today, more and more companies are seeing beyond the bottom line. Responsible and effective leaders recognize that we also need to conduct business in ways that protect the future, develop communities, and advance the health of our planet.

The term "social responsibility" has come to stand for a broad collection of organizational concerns, including environmental impact, corporate citizenship, ethics, stakeholder accountability, and community relations. And quality continues to play a key role in making decisions that address these concerns.

The Lean Enterprise Division would like to help ASQ tell that story, by demonstrating how lean tools (quality) and social responsibility go hand in hand.

What Do We Mean by Social Responsibility?

Quality professionals have long recognized the importance of socially responsible business behavior. No less a quality guru than Genichi Taguchi drew a direct connection, saying that a product or service demonstrated good quality if its production and use caused little or no harm to society.

Today the International Organization for Standardization is developing ISO 26000, a proposed social-responsibility standard. The latest working draft defines social responsibility as "people and organizations behaving and conducting business ethically and with sensitivity toward social, cultural, economic, and environmental issues."

Business leaders also are increasingly aware that "doing the right thing" need not be at odds with business success. Quite the opposite: Embracing social responsibility, effectively and publicly, creates new opportunities for businesses to grow, adapt, and win new respect from customers and the larger community.

Quality can, and does, play a central role in helping companies grow in socially responsible ways, by maximizing the efficiency with which new, socially responsible practices and processes are developed and implemented.

What's more, quality professionals with a demonstrated commitment to social responsibility are helping to create new opportunities for themselves in the future, as more organizations look for help to develop and sustain their socially responsible platforms.

Send Us Your Lean and Green Story

We want to know:

- How is your organization or community currently addressing social responsibility?
- What quality tools and resources are used to achieve social responsibility?

cont. on p. 7

Aligning Lean With Social Responsibility cont. from p. 6

- What are your measures of success?

Send your Lean and Green Story to Wendy Gomez: wendy.gomez@danmer.com

If you are not a writer but have a story to tell

ASQ's professional writers and editors can work with you to turn your story into a case study, journal article, or online testimonial.

For more information, please e-mail qualitySR@asq.org.

Letters to the Editor

Hi Wendy,

I received the latest [Lean Enterprise Division] Newsletter in yesterday's mail and wanted to send a thank you for the great article. The article I'm referring to is Connie Tolman's "Post-Mortem of a Failed Lean Project."

I've now passed the article along to our senior management team to read and am anxiously awaiting feedback.

Thanks again to you and Connie.

Best regards,

Art

Arthur A. McLaughlin

Continuous Improvement Manager

Morgan Advanced Ceramics - Alberox Division

To: Wendy Gomez

Subject: "Post-Mortem of a Failed Lean Project"

I found this article to be very much to the point. I hope that other readers look beyond the words and see the real cause of the failure of this project. We have been using lean manufacturing here for a couple of years and of course some projects have been more successful than others—but everyone has saved our company money, and I mean thousands.

The program guidelines work; it's the people that make it a failure. I can't help feel that the wrong person was fired for not "performing up to expectations." It appears that Connie Tolman was dealing with some pretty egotistical people who seemed to have their own agendas. My recent past experience with the medical world is that there are a lot of egos out there that are not subject to shifts in paradigms. The doctors don't listen to the nurses (who have the most contact with the patients)—the surgeons don't listen to the doctors, the specialists don't listen to the doctors or surgeons, and for heaven's sake don't throw in an anesthesiologist with an opinion. So maybe medical device companies have the same situation.

I do hope that this little incident didn't discourage [author Connie Tolman], because if you follow the rules of "lean" you will get positive results. Perhaps the only failure in this project was the selection of the company or the players in the company that participated in the project.

Name withheld

Dear Wendy & Jobby,

Unfortunately I read the "Post-Mortem of a Failed Lean Project" in December 2007, Volume 6, Issue 2. It appears to me that you have allowed Connie Tolman to use this journal as a place to "VENT" her frustrations. She, by her own words, was fired. Hence, she spent most of this article describing the people and what was probably their way of working and accomplishing something few start-up medical device companies can achieve, \$1M in sales in Europe in a short period of time. She used every opportunity to trash the

cont. on p. 8





600 N. Plankinton Ave.
Milwaukee, WI 53201-3005
t: 414-272-8575
800-248-1946
f: 414-272-1734
www.asq.org

NON-PROFIT
U.S. Postage
PAID
Milwaukee, WI
Permit No. 5419

Lean Enterprise Division | April 2008 | Volume 6, Issue 3

Letters to the Editor cont. from p. 7

people while putting in just enough about the workflow to get into this journal. What is it we all learned here??? If you listen to C. Tolman, she didn't make a difference at this company and they fired her, so now she is using this journal to write up something negative to make herself feel better. Sad indeed.

Yours very truly,

Ron Wettstein



Note From the Editor

I hope this newsletter finds all of you in good health and spirits. This issue highlights the upcoming events at the annual World Conference. I hope many of you will be able to participate. Also, we received reader feedback regarding one of the articles we posted in the last newsletter. Some agreed with the article and others did not. Overall I was pleased to hear back from our readers. If you ever have any questions, comments, or concerns regarding the newsletter, please feel free to contact me.

Regards,

Wendy Gomez

wendy.gomez@danmer.com