

# Preface

*The significant problems we face cannot be solved by the same level of thinking which caused them*

Albert Einstein

## A Brief Summary of the Rationale for This Book

The decision to carry out this project has been triggered from various sources; in general, there are six very diverse yet interconnected reasons.

In the first instance, I have been requested on numerous occasions to undertake this. Often clients have indicated that when they follow the numerous Lean manuals and “how to” guides, they still encounter practical and everyday issues which are not clearly identified within the literature. Whilst the term “Lean” was conceived in excess of thirty years ago by Krafcik (1988), there still remain erroneous illustrations of the concept Lean as a perception. Despite the advancement made as regards the ingredients professed as vital for Lean to be successful within an organisation, undertakings to deliver a translucent comprehension of the philosophy have been and continue to be relatively mystifying. There currently blatantly exist procedural and philosophical cavities in the prevailing literature which attempts to clearly exemplify the indisputable and decisive requirements which any organisation attempting to adopt Lean and its ideology should both consider and integrate within their own Lean journeys.

Secondly and regrettably, I still find efforts to align the Lean initiative to the prevailing culture of organisations rare. In my experience, the majority of Lean initiatives which fail to achieve their intended objectives can be contributed to this factor coupled with the change management principles adopted by the respective organisations. Lean always needs to be envisaged as an everlasting expedition. Inherently within this voyage, efforts need to be made to alter the prevalent culture

of the organisation in question which is often either overlooked or meagre efforts made to accommodate this. The organisation then seems flabbergasted that its Lean efforts have not materialised into a successful implementation.

Thirdly, I still encounter too many Lean efforts focusing upon the immediate organisation or particular functions within that organisation, namely manufacturing. Lean should always be viewed as a holistic ideology which also requires a need to embrace suppliers rather than viewing them as adversaries. The full benefits of Lean can never be realised unless the continuous improvement principles are applied throughout the organisation's value chain. Within this book, there is awareness that increasing product obsolescence, tighter launch deadlines and shrinking profit margins are forcing organisations to look for many ways to reduce the cost and time involved in manufacturing. Once we add the pressures of sustainability demands and a struggling global economy, a Lean supply chain becomes imperative to success. The book proceeds to indicate the notion of outsourcing, which is typically and erroneously employed to save costs. Very few companies are in a position to produce everything in-house, and the financial investment to do so would be unfeasible.

Fourthly, Lean is and constantly should be observed as integrating a commercial perspective; this has been clearly represented by Toyota who is devoted towards discovering improved methods of creating cars; with this in mind, performance management should be clearly integrated within any efforts to integrate Lean. A comprehensive investigation will be demonstrated in order to decipher whether organisations embracing the Lean principles as part of their overall strategic option managed to secure a competitive advantage. The intention is to decipher the potential benefits an organisation experiences by analysing the impact that the organisation's Lean journey has on its financial and operational efficiency levels. This is considered to assist in establishing an ideal promotional opportunity of any Lean initiative. I am often perplexed when Lean champions state to me that their organisation is seeking the return on investment from their Lean initiative; yet in the first instance, no efforts had been made to integrate effective performance parameters. A balanced portfolio of metrics is often necessary. Lean does not easily correlate itself to the traditional accounting systems; it is for this reason that organisations need to embrace systems which can suitably measure the impact Lean is making within their own organisations. Undeniably, Lean does involve a substantial investment which subsequently reaps exponentially a greater degree of savings. It is for this reason that it is important to gauge reliably the impact of Lean; this information is vital for policy makers within the organisations to make evidence-based decisions. A modified balanced scorecard will be discussed and recommended which embraces strategic, operational and indices focused towards the future prospects of an organisation.

Fifthly, the implementation of any major initiative requires bespoke and dedicated interjections required at particular junctures of the initiative; consequently, a considerable effort will be made to exemplify the phases of a Lean journey which often organisations, whilst espousing to the continuous improvement ideology, pay scant attention to. It is considered vital to plan out the Lean journey and then be

able to categorise the stage of Lean an organisation exhibits in its overall implementation journey. This presents a prospect to guide an organisation of precise prerequisites it needs to gratify if the company is serious regards embracing Lean as an ideology. I have witnessed numerous Lean audits which can often be placed at two extremes of a continuum; they are too vague and consequently not supporting many organisations' Lean journey; alternatively, they are too prescriptive with little flexibility. In the latter's case, the organisations struggle to apply the audit effectively. In this case, I have devised a comprehensive audit which organisations can suitably adapt to gauge their progress.

Lastly, if one seriously proposes the above objectives, it is important to promote the view of Lean as an overarching ideology. An exhaustive review is needed focusing upon the fundamental ingredients of modern-day thinking such as culture, the strategic inferences of Lean, implementation problems, obstacles to Lean, and performance measurement. This includes an evaluation as to whether Lean is indeed a panacea to all manufacturing problems. Lean should not be viewed as another process or initiative; instead, it requires a total radical transformation of existing practices and interconnections. Neither should its principles be viewed as gospel since they constantly need challenging in order to move things forward. However, this needs to be undertaken systematically through evidence-based decision-making and not in isolation without considering the impact upon other areas both within the organisation and across the value chain. This can only be undertaken, in my view, when Lean is adopted and executed by the organisation as an overarching ideology.

## Reference

Krafcik, J. (1988). Triumph of the lean production system. *Sloan Management Review*, 41, 41–52.

Lean Management Beyond Manufacturing

A Holistic Approach

Bhasin, S.

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