

## Lean Processes

Recently the term 'lean processes' has appeared on my horizon. A few months ago I was invited to attend a video-conference on Lean Processes. More recently during some group coaching sessions with hospital front line managers some of those present raised the possibilities of lean processes. So I decided to have a look in more depth for this issue of our newsletter. In particular I want to explore lean leadership.

Lean processes originated in the United States manufacturing sector, more specifically in the car manufacturing sector. Since then other countries and other sectors have attempted to emulate lean processes with various degrees of success; none so well as the Japanese.

Originating from a manufacturing environment meant lean processes were focussed on waste reduction for the purposes of reducing costs. Lean processes were perceived as being a means of gaining competitive advantage through reduced operating costs. More recently lean processes have made an appearance in the service sector and there has been a steady stream of case studies on lean processes in the health sector.

Doss & Orr (*Lean Leadership in Healthcare. 2007. White Paper*) suggest that Lean Leadership is the missing link between theory and practice. They believe implementing lean leadership is the difference between superficial implementation of lean processes, where the focus is on tools and techniques, and full transformational deployment, where lean processes are embraced by the entire organisation. Doss & Orr define lean leadership in healthcare as being "the relentless elimination of waste in every area of operations with the aim of reducing inventory, cycle times and costs – so that **delivering higher quality patient services** can be provided in the most efficient, effective and responsive manner possible, while maintaining the economic viability of the organisation."

As a definition it is interesting in that it shifts the focus away from cost reduction as the sole raison d'être for lean process and adds a further reason; that being to meet the needs of the customer. This is an important shift when we consider lean processes in the context of human service organisations such as health providers and social service providers – simply due to many being not-for-profit organisations operating on a cost recovery basis - therefore a sole concentration on cost reduction would appear counter-productive and difficult to implement, whereas an additional focus on meeting the

needs of customers fits in with the personal vision of many employed in these sectors.

Back in 1979 Konosuke Matsushita is reputed to have said, *the West doesn't get it . . . their entire process of management is built upon the ideas of Taylor (and Fayol, authors note) . . . Japan has moved beyond Taylorism.* Herein may lay the key barrier to effective implementation of lean processes. It turns leadership on its head. Transformational deployment of lean processes is a paradigm shift. Lean process requires everything that is opposite to the traditional command and control management process.

Traditional management vests knowledge and decision making in the hands of those at the top of the hierarchy. Lean processes require vesting the decision making into the hands of those doing the work. Only those involved in the workplace processes are able to identify wastage through a continuous process of identifying better, and less expensive ways of doing things. With lean processes leadership becomes collective – everyone plays a leadership role in applying continuous quality processes, identifying areas of wastage, thinking of the customer and the long term viability of the organisation and sharing knowledge. Lean processes vest knowledge in the hands of those at the bottom and operational decisions are made 'bottom-up'.

As you can see lean process turns the traditional model, the Fayol/Taylor model, completely on its head. In itself, this is sufficient reason for current management to erect barriers to prevent full implementation of lean processes; their power rests in being able to strip people of their ability to say no. When people cannot say no they are stripped of their dignity, they cannot make promises and they cannot be trusted. Why is this? They live with the fear and knowledge that there is always someone else to replace them. Their focus is on survival rather than on reducing costs or improving service.

In the manufacturing sector Toyota's Production Systems (TPS) is held up as the epitome of a lean manufacturer. Terayuki Minoura is quoted as saying "a lean operating system should actually be called The Thinking Production System. In essence to truly implement Lean the organisation has to learn to think differently. To be successful everyone must engage in thinking for the organisation all the time." Toyota articulated nine leadership behaviours. These behaviours are relevant and applicable to all sectors including human services organisations. The behaviours are:

- Teaches and engages with workgroups
- Has respect for people
- Focuses on process
- Provides support & recognition
- Leads by example
- Deploys policy and objectives
- Committed to meeting high standards
- Has a long term vision
- Supports the change process

Notice four of the top five behaviours are people focused. The fifth behaviour is being focused on process – in other words understanding what needs to be done to achieve the desired outcomes. Toyota in its pursuit of lean processes and excellence clearly understands the importance of people leadership over resource management.

Lean processes focus on where the work is done. In Japanese lean processes this is referred to as *Gemba*. The focus is also on the value stream. How can processes be undertaken in the most cost efficient and customer oriented manner? Interestingly hospitals and social service providers already have in place the foundations of best practice through various accreditation, continuous improvement processes and risk management processes. The difference is that these processes are often mandated through legislation. This ensures that at least minimum standards are always being met. Lean process on the other hand cannot be mandated, by either governing bodies or management, it is attitudinal, it's something one wishes to do. Lean processes do not aim to maintain minimum standards they aim to achieve consistently high standards.

In 1982 Fernando Flores wrote "Management is that process of openness, listening, and eliciting commitments, which includes concern for the articulation and activation of the network of commitments, primarily produced through promises and requests, allowing for the autonomy of the productive unit." These are the foundations of emerging leadership practices – facilitating conversation, eliciting promises and commitments, being seen to do the things we say we will do and building trust. Do you believe this in the emerging leadership environment? This leadership process requires each individual to take personal responsibility for their own behaviours.

There are five principles of lean thinking:

1. Seek to create and add value from the perspective of the customer.
2. Identifying the value stream for each service group
3. Link value-creating steps so that service delivery can flow.
4. Enable customers to pull what they need.
5. Manage towards excellence - where every action creates value.

Lean processes are cultural as much as it is a process for achieving customer excellence. If the culture of the

organisation is such that it doesn't foster collaborative teamwork and sharing of information then it is unlikely lean processes could be successfully implemented.

Can this type of leadership emerge in the health sector or the social services sector or the non-profit sector? If not then any discussion of lean processes is doomed! For transformation through lean processes to take place the organisation needs to focus on developing leadership behaviours amongst all management and have in place a process for evaluating and measuring the implementation of those behaviours. In becoming role models managers then provide a reason for other staff to behave in the same manner. It will still be necessary for all staff to understand lean processes, strategies and tools, however this knowledge on its own is insufficient to achieve success unless it is supported by lean leadership.

The four goals of lean processes are to :

1. Improve quality.
2. Eliminate waste.
3. Reduce activity time.
4. Reduce overall costs.

Those organisations looking to implement lean processes to improve efficiencies and customer service need firstly to gain an understanding of the value stream of each service activity. The aim is to understand what happens where, for what reason and how that activity directly benefits the customer. Remember customers can be both internal and external.

Customers pull what they can from services. This is achieved by creating a seamless flow of activities where nothing is done that does not directly contribute to customer satisfaction.

Look to develop new and innovative service delivery processes, processes that eliminate waste and speed up delivery.

Constantly review the activity stream and its added value - always looking from the perspective of the customer.

Finally, tidying up the stores room so that less time is spent seeking supplies is a good start yet it represents only a small part of lean processes - whatever you do don't forget the develop the appropriate culture.

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*John Coxon & Associates work with management teams in the health sector and not-for-profit sector to develop leadership and management potential. We achieve this through a combination of consulting, facilitation, coaching, mentoring and customised professional development. See full details on our website.*

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