

WHEN LEAN & SIX SIGMA WON'T WORK

By Gregg Stocker, The Praecedo Group

It's encouraging to see the popularity (and staying power) of six sigma and lean manufacturing in American business these days. Both methodologies have been fairly mainstream for the last several years and it is not unusual for companies to list them among their high level strategic initiatives. It has also very common to see job listings with requirements for certifications in one or both methods.

With the high level of attention given to these philosophies, we should begin to see significant improvements in the quality, productivity and competitiveness of American companies, right? Well . . . unfortunately, no.

A closer look reveals that companies often cling to the technical side of improvement while ignoring the human/cultural elements. Many executives still believe that if you train a team of people in statistics, problem-solving, 5S, etc. and turn them loose on the organization, improvement will happen. Although some improvement can occur under these circumstances, it will most likely not match the level of frustration created and overall disappointment in the process. There are too many barriers within most organizations that interfere with improvement initiatives and prevent them from reaching their full potential.

During a visit to the Toyota factory several years ago, I noticed a group of representatives from a U.S. automaker touring the plant. I was a little surprised to see the people at Toyota allow competitors into their factory, but was later told that the company allows this as a way to repay the U.S. automakers for helping Toyota back in the 1950s during the reconstruction of post-war Japan.

As I watched these visitors take notes and listened to their questions, I noticed something very interesting about how they approached their visit. They spent their time copying the "things" they saw – tooling, machines, factory layout, etc – while ignoring the fundamental reason that Toyota is different – its culture. By the time the visitors could return to their factories and implement what they learned, it is conceivable that the processes they copied would have improved beyond what they copied.

During the tour, Toyota demonstrated some very interesting approaches to production. The simplicity and innovation evident throughout the factory was impressive, leaving no doubt that the people at Toyota have developed a very high level of manufacturing and quality expertise. After talking with team members about the company and what they have been able to accomplish, however, it became clear that the processes at the factory resulted from much more than just an understanding lean manufacturing or kaizen. They were a direct result of a culture that facilitates creativity, enthusiasm, and improvement, which allows people to apply the tools successfully.

Without a supportive culture upon which to implement an improvement process, you can train as many people as you'd like in the tools of improvement and never see a return on your investment. This is the most common reason for disappointment in lean and six

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sigma initiatives. The cultures in many organizations lack the necessary elements that give it the strength with which to support improvement.

To be successful with an improvement process, the culture must include the following traits:

- **Trust:** There absolutely must be a high level of trust between management and workers. Workers must trust that management will not eliminate jobs as processes are improved (layoffs will kill an improvement initiative more quickly than virtually any other action). In return, managers must trust in the abilities and motivations of workers;
- **Teamwork:** People need to understand who their internal customers are and how they can better serve their needs. To do this, there must be a great deal of open and honest communication, as well as a desire to work together for improvement of processes and systems;
- **Ability to Take Pride in Work:** Managers need to understand how their actions (including micromanaging, managing by fear, disrespecting workers, apathy, etc.) directly interfere with a person's ability to take pride in the work they perform. People are not a short-term, disposable resource and when they are treated as such, pride in the company and the work they do suffers. Pride drives a person's intrinsic need to contribute to improvement in an organization – without it, the chances to succeed quickly diminish;
- **Enthusiasm for Improvement:** One element that is common to organizations that are highly successful with improvement initiatives is the thought that, no matter how well things appear to be running, there is always room for improvement. People at organizations recognized for operational excellence have a sense of humility that keeps them looking at the problems yet to be conquered more than sitting back and admiring the improvements achieved. They also exhibit a high level of excitement when addressing problems and implementing improvements;
- **Focus on People/Processes/Customers:** If improvement is the objective, then people, processes and customers must replace financial statements as the main focus of management. Spending more time with spreadsheets than people leads one to believe that developing the knowledge and skills of workers is not worth the investment;

It is absolutely necessary to understand which of the above elements are not present *before* initiating lean or six sigma initiatives. Throwing an improvement process on top of an unhealthy organization will only serve to give people one more thing to worry about and can result in further weakening the company.

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We have to fight the urge for “instant pudding” as W. Edward Deming called it, and assure that the culture is ready before embarking on an improvement process. Doing so will greatly increase the likelihood that the investment in these methodologies will yield the type of results that meet or exceed expectations, and make the company a much more enjoyable place to work.

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