

The Courage to Lead a Lean Journey

September 15, 2010

***Virginia SPQA
28th Annual Virginia Forum for Excellence
Richmond, VA***

***Presented By: Joseph C. Barto, III
Founder and President
TMG, Inc.***

Core Beliefs

- **Start with the end in mind! ...take a Systems Approach**
- **Be in the business of making hard things easy...not easy things hard.**
- **People are good and want to do the right thing**
- **It is the organization's responsibility to create an environment for its people to be successful...and our people's vote counts more than ours.**
- **If you believe the workers can only be as good as their leader then you also believe leaders can only be as good as their leaders!**
- **Every organization has an un-limited bandwidth for change**
- **Culture vs. Change and Leading**
- **Change Requires Trust —Trust Requires Stability—Stability Provides the Foundation for Continuous Improvement— Continuous Improvement means we Win and Win BIG!**
- **Business is a Team Sport**
- **Turf, Ego, and \$\$\$ and the end of the day it is about...**

Army Basketball Team

1976-1977





September 2009
Army Sports Hall of Fame Induction Ceremony

Task Force 2-4 Cavalry Tactical Operations Center Team Feb 21, 1991 - Northern Saudi Arabia





Team Barto
June 2010

Duke Medical Center



Team Barto: Rich Scherr and Kitty Lockhart
August 2010



Team TMG
September 2009

Business is a Team Sport

- Think Hard: Are we organized for success and doing the right things?
 - Right People: Individual Talent vs. Team Character
 - Right Plays
 - Right Rules
 - Right Positions
- Work Hard: Are we executing the plays?
 - Putting the right people with the right skills in the game to run the plays
 - Motivating them to produce and Win!
- Talk: Communicate
 - Everything is constantly changing
 - Providing Aggressive Leadership

FEAR

Lean Culture Shared Assumptions

Vision and Mission

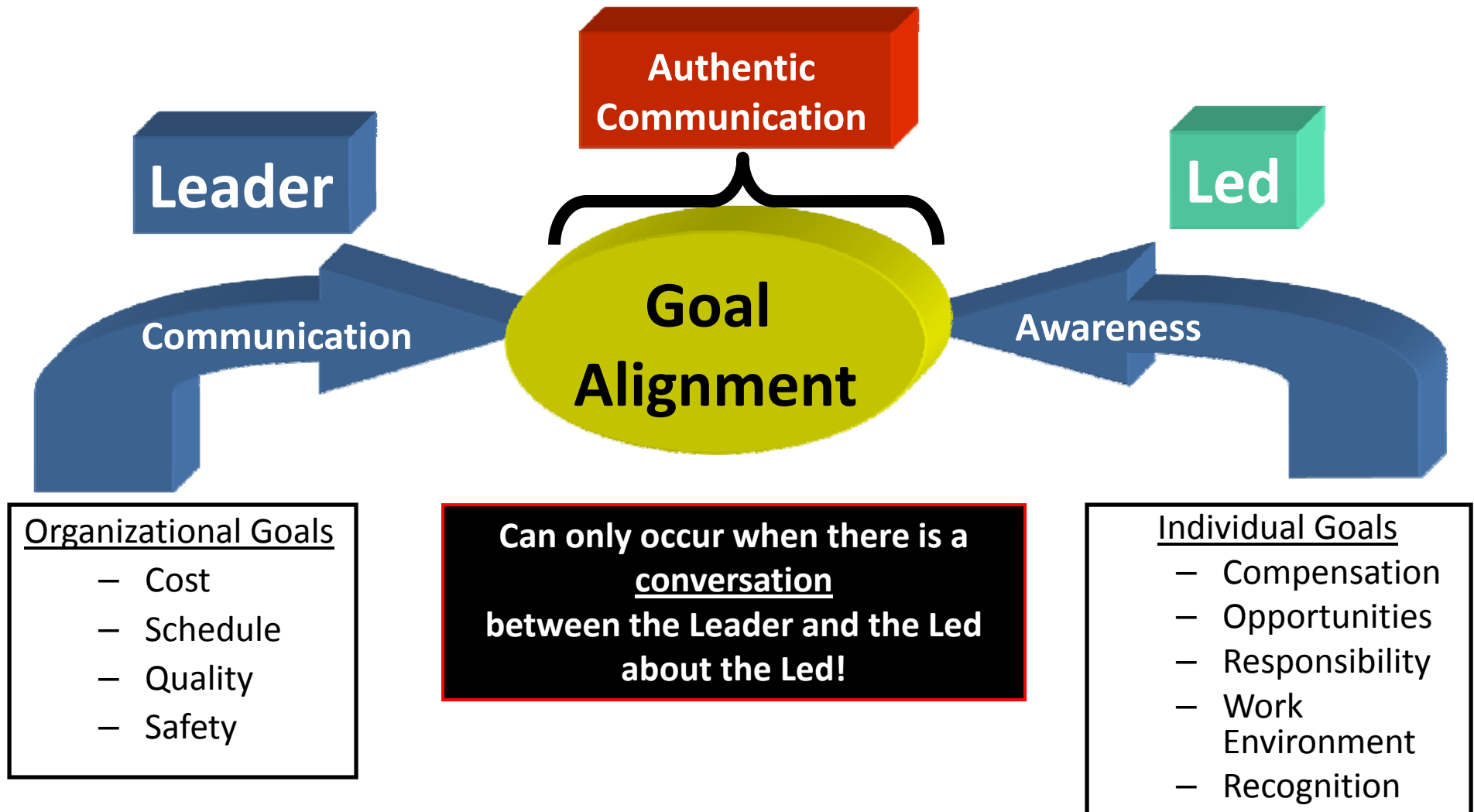
- Leadership without a Goal is irrelevant. (Goals)
- Goals without a Plan encourage activity not productivity. (Plans)
- Plans align the team and assign responsibility and authority from the Senior Executive to the value creating Teammate. (Accountability)
- Alignment shows every team member what they need to do everyday for the team to Win. (Alignment)
- The Team Wins when every team mate is engaged to execute the plan. (Engagement)

***Engaged Leadership Reduces Uncertainty and
Increases Situational Awareness***

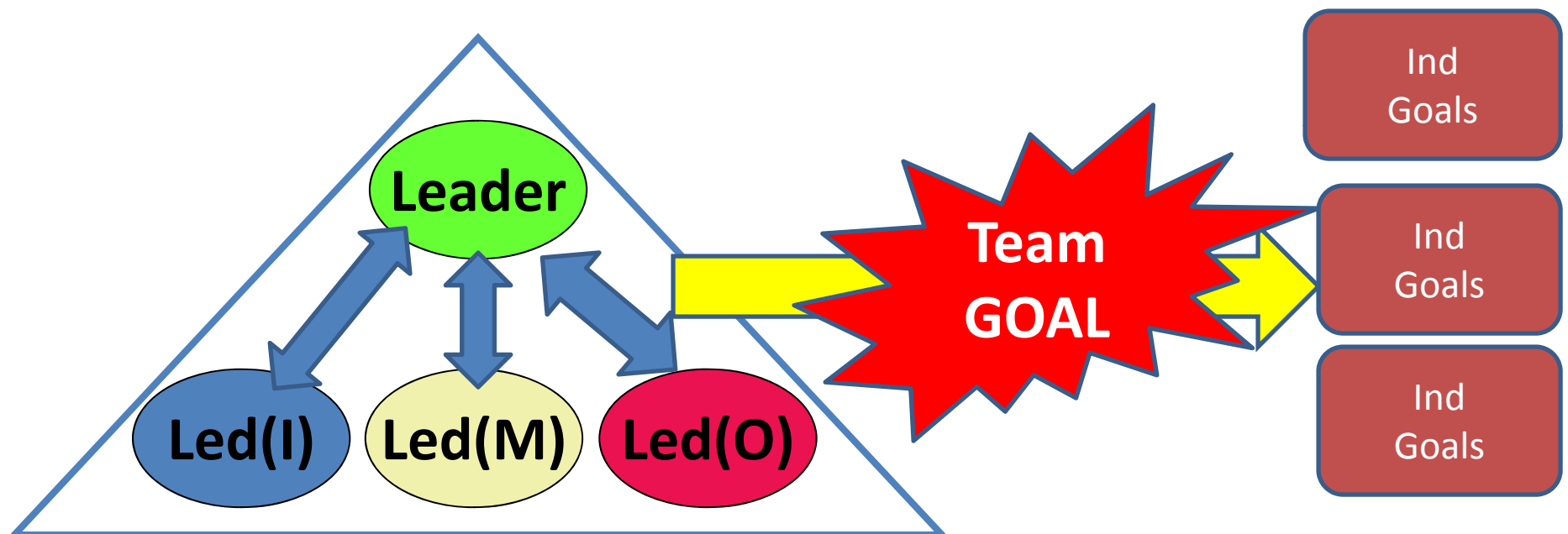
“Trust”

- Exists in very personal, irrational, and operationally volatile terms between the Leader and the Led
- Trust is a function of Situational Awareness
- High Trust increases SPEED and decreases COST
- Low Trust decreases SPEED and increases COST

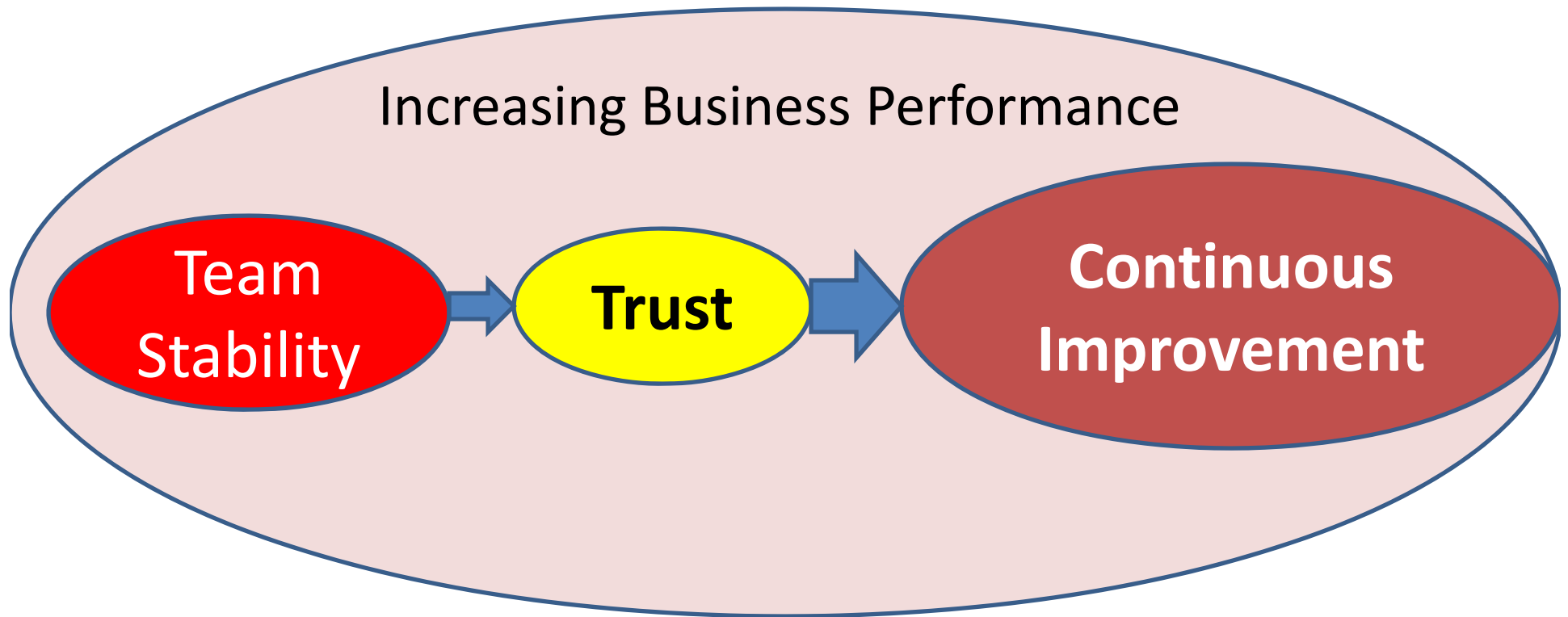
Leader to Led Linkage



It is All About the Relationship Between the Leader, the Led, and the Goal



First Things First



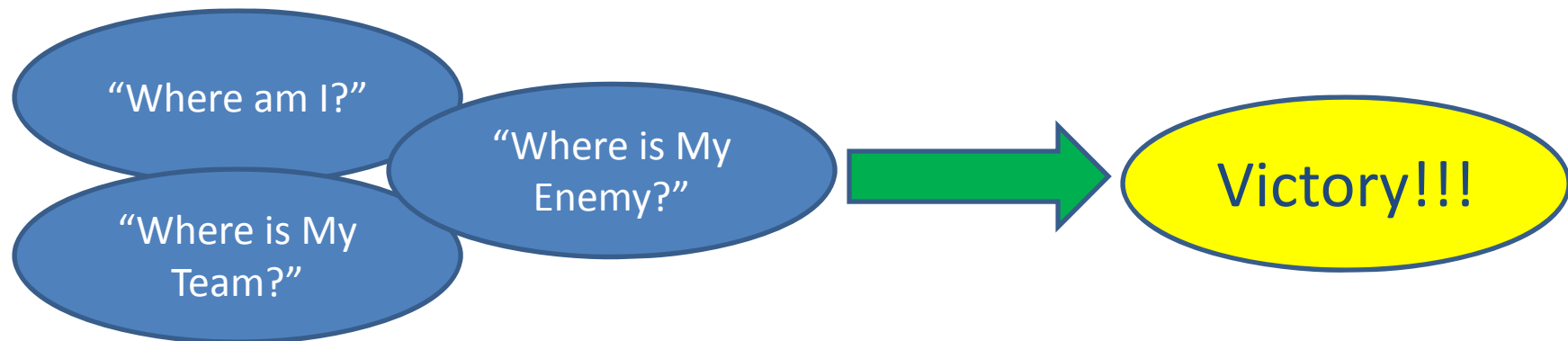
**Customer Demands, Suppliers, or Shareholders will always induce variability and
UNCERTAINTY!!!**

Courage = Situational Awareness

Near Perfect Situational Awareness

=

Near Perfect Decision Making



The Geometry of the Battlefield

WHO before WHAT

What group represents the biggest risk for the future of your business?

(Rank Order with 1 the Highest Priority)

- ___ Hourly Workforce
- ___ 1st Line Supervisors
- ___ Plant Middle Management
- ___ Plant Managers
- ___ Executive Staff

Which part of the People Value Stream requires the most urgent attention?

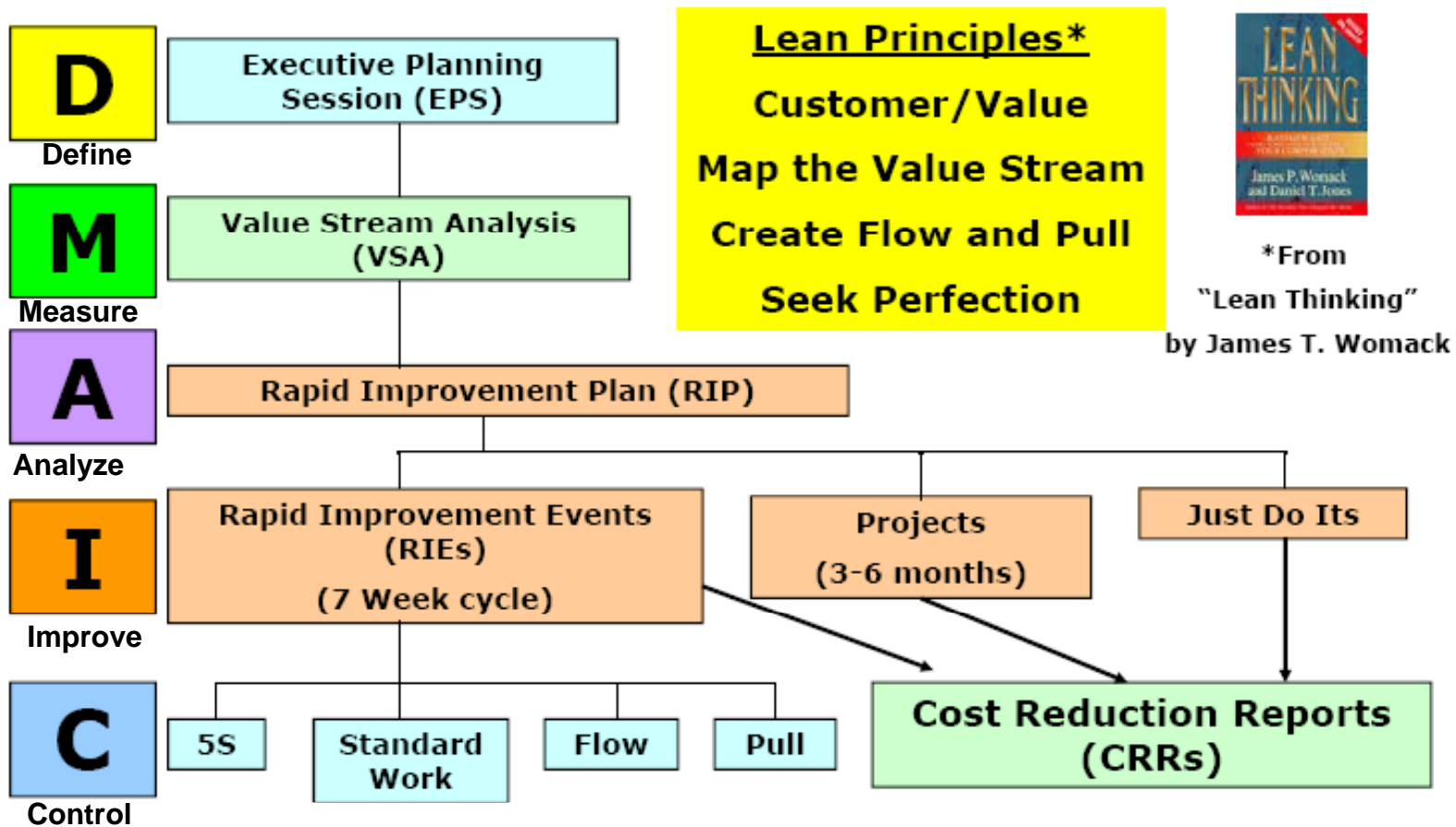
(Rank Order with 1 the Highest Priority)

- On Boarding (e.g. Acquiring New Employees)
- Incumbent Production Workforce
- Line Supervisors Performance Improvement
- Building Future Leader Benchstrength
- Executive Leader Development

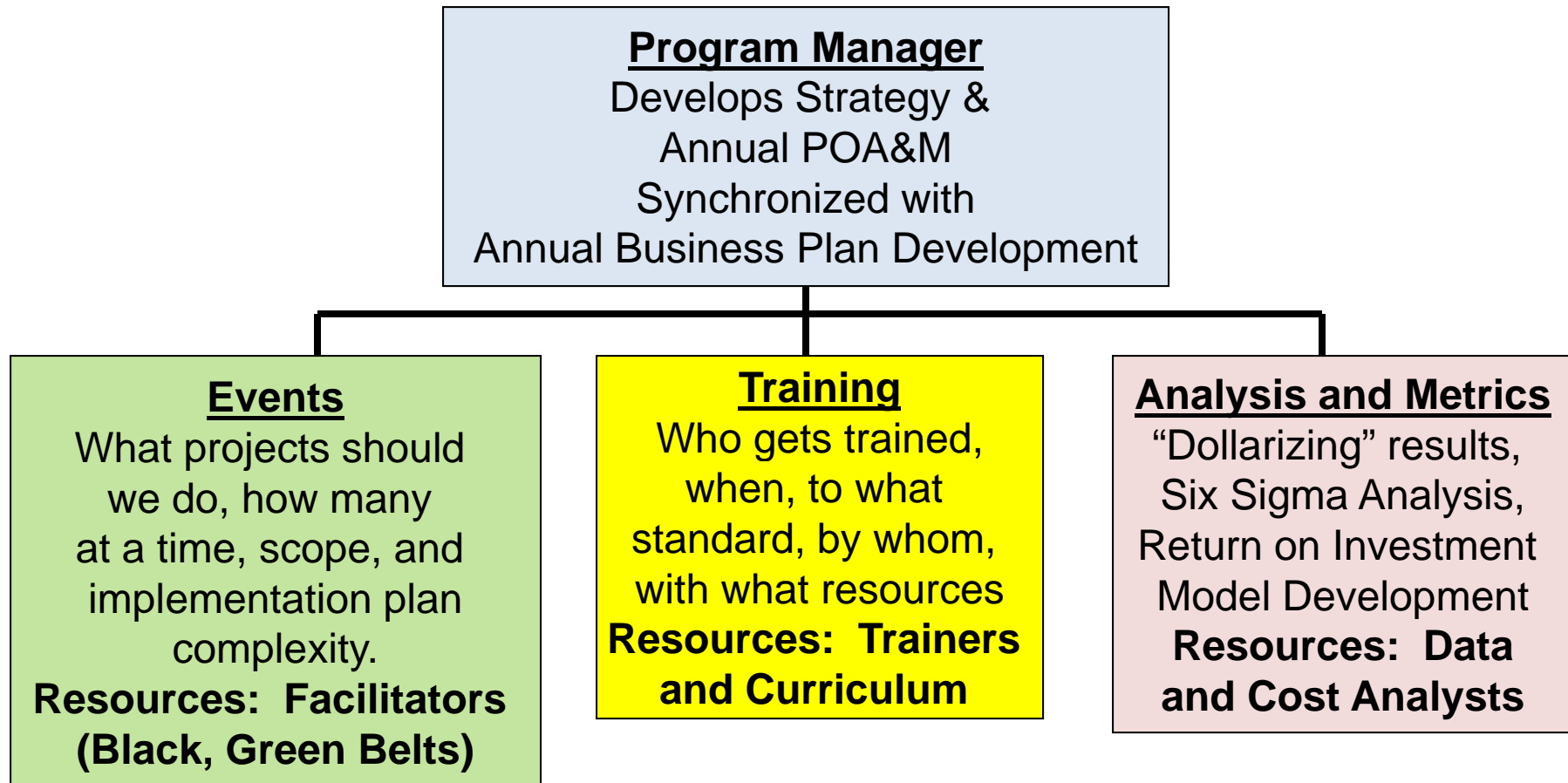
Common Current State Issues

- Operational Responsibilities have exploded, yet no clear articulation of those roles and responsibilities
- Leaders can't see the process through the data haze
- Lots of 'stick' if you mess up the data/admin; very little 'carrot' to be out in the patch LEADING
- Cultural bias for solving today's problems right now – not necessarily in priority order based upon biggest bang.
- “5 Year Old Soccer” Crisis Management Culture creating waste in the Leadership Bandwidth

Lean Process Chart



Continuous Improvement System Organization



Continuous Improvement Roles

Lean PM Team

- Enables successful deployment / execution
- Develops and reports metrics
- Coordinates training
- Leads change management and internal / external cross-communication

Executive Review Board

- Owns vision, direction, integration, business results
- Leads change by ensuring CI Execution (PM Drumbeat)

Champions

- Provides Senior Executive Support to PM Team
- Owns outcome for ERB

Process Owner

- Implements solutions
- Owns financial results
- Part time as part of job
- Develops Project Charter

1st Line Leaders

- Just Do Its (Identify and Eliminate Process Waste)
 - Increase Team Engagement
- Provide data and voice of customer inputs to VSA,RIE and Projects.
- Apply concepts to their own teams and work areas.

Master Black Belts

- Train Black Belts/Green Belts
- Coach Black Belts/Green Belts
- Lead Complex/Large projects
- Full-time position

Project Team Members

- Provide project-specific support
- Part time on projects

Green Belts

- Participate on Black Belt teams and/or lead projects
- Part time on projects

Black Belts

- Execute CPI projects
- Train and coach Project Teams
- Full-time assignment

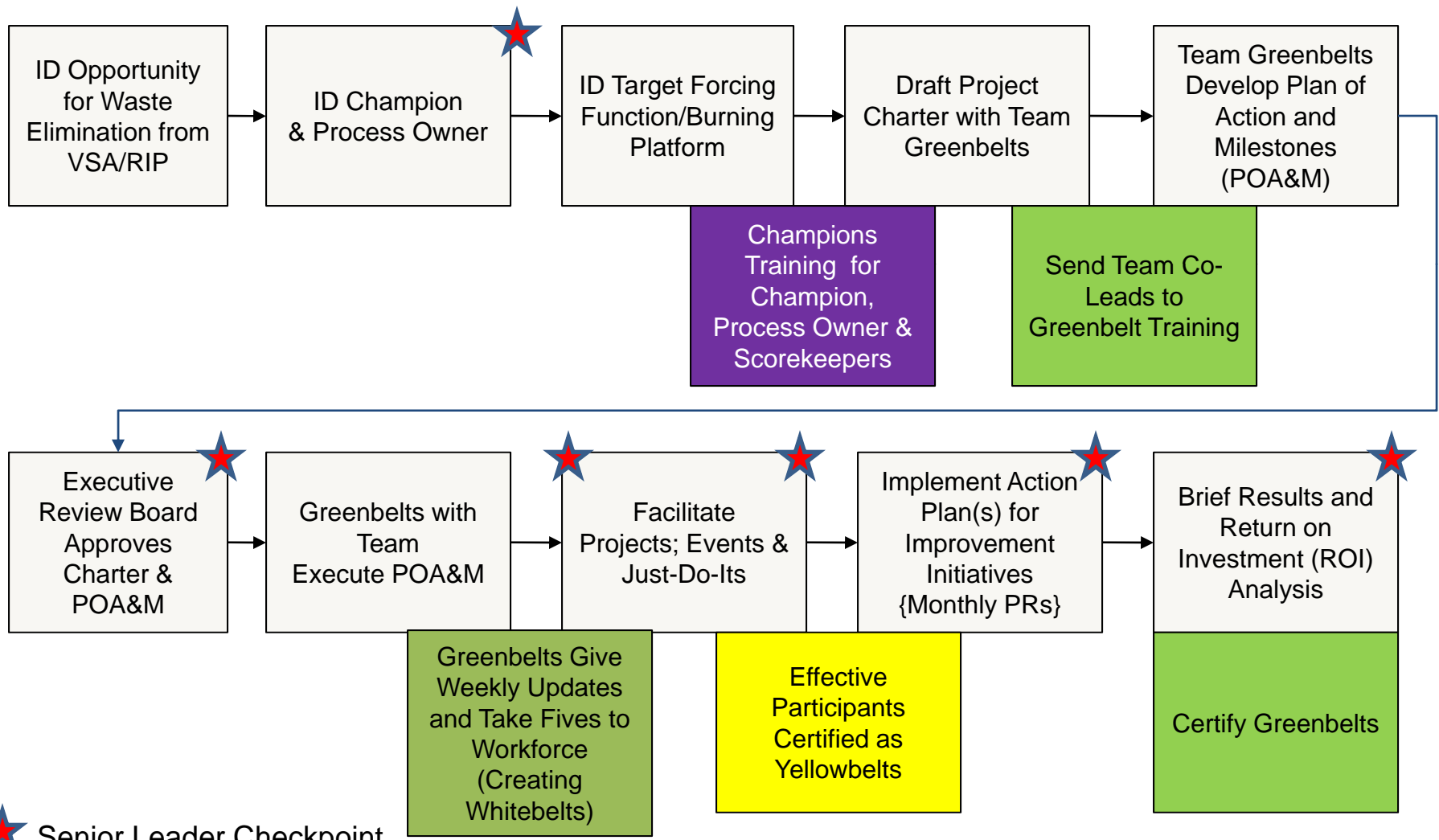
Continuous Improvement Plan






May 2010

| <u>Project</u> | <u>Q2 2010</u> | <u>Q3 2010</u> | <u>Q4 2010</u> | <u>Q1 2011</u> |
|--|---------------------------------------|---|--|----------------|
| Production Control VSA | Implement/Sustain | | | |
| Warehouse VSA | Implement, Report ROI | | | |
| Palletizer Area RIE (from Warehouse VSA) | | Plan, Facilitate, Coach Implementation <i>Jul 14-16</i> | | |
| Label Change RIE | | Plan, Facilitate, Coach Implementation <i>Late Aug Event</i> | | |
| Warehouse Utilization RIE & 5S (from Warehouse VSA) | | Plan, Facilitate, Coach Implementation <i>Aug 2 – Map Aug 9 – 5S</i> | | |
| Truck Driver Flow (from Warehouse VSA) | | | Plan, Facilitate, Coach <i>Sep 20</i> | |
| White Belt: Classroom Training | | Implementation | | |
| Greenbelt Training | Hooked to projects and class schedule | | | |

Event Continuous Improvement Program Management Process & Training Strategy



CI Training Delivery and Objectives

| Title | Training Duration/ Delivery Method | Certification | General Learning Objectives & Expectations | End State Pop. | By Jan 2011 |
|---|---------------------------------------|--|---|----------------|---------------------------|
| Champion | 1-2 Days | NA | Champions Events and CI Personnel – Sustains Improvement | 12 | 8 |
| White Belt  | 2hr/Inst Led Module | NA | Can Identify Waste, Knowledge of Tools to Eliminate Waste | 200 | 200 |
| Yellow Belt  | 1 Event (with Targeted Lessons) | 1 Event | Observes Waste Identification and Elimination, Understands Lean Events, Tools, & Green Belt Responsibilities | 200 | 110+ 20 (est.) =130 |
| Green Belt  | 5 Days | 1 Event Observed + 2 Events Co-Facilitated | Applies Tools, Develops Charters, Co-Facilitates Events (w/ Black Belt), Understands Black Belt Responsibilities | 25 | 10 |
| Black Belt | 25 Days (Over 6 Months) | 2yrs of Exp as Green Belt (Min: 12 Events) | Execution/Facilitation of EVSAs & Strategic Sessions, Guides Events, Green Belts & Champions, and Strategic Plans | 1 | 0 |

Event Charter

Charter Summary For: Title

Improvement Opportunity / Problem Statement:

- Sets direction for the team
- One or two sentences that describe the team’s task

Objectives:

- Major goals of event
- Expected benefits
- What the sponsor(s) want to see

Scope Information:

- Baseline metrics
- Process begin & end
- Dates to complete tasks

Governing Documents & Constraints:

- Governing procedures, regulations, current SOPs

Dates:

Champion:
Process Owner:

Scorekeeper:

Black Belt:
Team Leader/Green Belt:

Team Members:

- Name, home department
- 4-12 active participants
- Customer voice
- Outside eyes willing to ask “Why?”
- Members with support knowledge, skills

COURAGE TO LEAD!!!

- Create, measure, and focus on Team Stability to build Teams with Character: Ready to Change assessments
- Align entire Chain of Command using CI Standardized Work– a Program Management “Drumbeat” embedded in the “normal” business operational tempo.
- If you don’t put your best people to execute your lean program you do not care about it.
- Make the CI program Visual so it can be managed and led based upon near perfect situational awareness.
- Teach every person on the Team:
 - How we make money: Business 101
 - The Team Playbook (Who does What to Who) to build team work
 - Lean 101 to create a common language
- The result of every Lean Event is a TRAINING requirement to create new behaviors and eliminate the old behavior.
- All Leaders are Teachers ensuring change is fully implemented– full deployment is when “we can’t remember how we used to do it”
- Know the last “Why” of the root cause analysis model is **always**: Leadership Failure
- Keep Score to enforce near perfect situational awareness: Must have an independent scorekeeper
- Continuous Improvement is how we Win!

Cultural Assessment

“My Leaders are working harder than ever but we don’t seem to be making much progress”

“We are too busy doing our real work to do Lean”

Killing Alligators or Draining the Swamp

If you like...

The Organization Takes on the Personality of its Leader!

Culture

Let's Talk...

In Appreciation of the Brave Men and Women Who Serve Our Nation



Thanks... and Good Luck!