

Respect for People or ... Distributed Accountability?

Many Lean practitioners advocate that a founding principal of an effective Lean program is based on “**Respect for People**”. However, before you can gain respect you need to build and infrastructure of “**Distributed Accountability**” ... and believe me this requires hard work, tenacity and dedication because it takes some serious investment of time and effort before results will be delivered.

I believe that during this turbulent economic time organizations have avoided the power of Distributed Accountability and have reverted back to traditional Command and Control. I am seeing organizations reduce their work-force without a specific plan that will preserve Value Stream Performance. Instead we reduce the work-force and then re-engineer the process ... whereas in a solid Lean Enterprise Infrastructure it is easy to engineer out costs.

So how does Distributed Accountability look like in a Lean Enterprise? If we look closely at **Workplace Organization (5S+1)** we are forcing accountability within our workplace to insure that our employees have designated a space for everything and that everything is in it's place. 5S when properly complemented with Work Instructions and Work-Balance charts will insure standardized work is accomplished with predictable out-puts.

Many organizations implement a 2-bin system and call it a **Kanban** because the system will track more closely to customer demand than any ERP system. But a Kanban, is also your inventory investment budget. I do not hear frequently of companies going back to see how they can lower the quantities contained within their Kanban system. Inventory is the largest cash investment of any organization ... so it is prudent to keep a close eye on bettering your inventory system. If you pay particular attention to operating supplies (non-BOM items) you will be amazed at just how many dollars you can harvest.

Run-Charts are a powerful visual within any workplace environment. Normally found within a plant environment they are just as applicable in the office environment. It is important during these times that the entire organization operates to a common cadence or Takt time. Taking the concept of Takt time into the office will be challenging but equally rewarding.

But gathering data is not enough ... it is what the organization does with the Data or integrates Distributed Accountability into the metrics. For each metric The individual or team should be held accountable to deliver A corrective action or an action plan for improvement that Should be reported on a weekly or daily basis.

The action plan should deliver incremental improvement. I remember while at CAMI my plan to reduce inventory from 14 hours inside the plant to 4 hours presented to my Sensei. The plan was quickly dismissed as my Sensei liked the Vison but wanted to see my plan to reduce inventory to 13 hours and 59 minutes by the next day.

"Unless you try to do something beyond what you have already mastered, you will never grow."

Ronald. E. Osborn

Where Lean Thoughts can become Reality

Distributed Accountability

The important lesson learned ... was that although vision is an excellent motivator it is what you can accomplish today that matters.

The use of **Daily-Report-Outs** is a great assist in driving accountability into every individual within the organization on a daily if not hourly basis.

I was reminded about how important it is to have Distributed Accountability within an organization by the recent article in Fortune Magazine (volume 159, number 11, May 25, 2009) titled "**Ford's comeback kid**". It is an interview of the current Ford President Alan Mulally. If you feel that you are a Lean Leader ... this is an excellent article riddled with attributes of TPS being employed.

In particular, I truly liked the new mission statement he created for Ford, or as Alan explains the organization's True North;

"To use a disciplined business review process that continuously assesses the business environment, updates our strategy and plan accordingly, and relentlessly drives execution and performance individually and as a team"

To support his mission statement Alan has next to his conference room two additional rooms where the walls are lined with 280 performance charts, arranged by area of responsibility, with a big picture of the executive in charge. Of course, the charts are colour coded and if tagged with a Yellow or Red designation an Action Plan for immediate corrective action is posted.

He is almost religious about the intensity he places on his metrics and the action plans. During his weekly review meetings no BlackBerry's are allowed and no side conversations.

So once you have the proper infrastructure in place to deliver results you can then gather respect for your people. Respect being defined as the following;

- esteem for or a sense of the worth or excellence of a person, a personal quality or ability, or something considered as a manifestation of a personal quality or ability: I have great respect for her judgment.
- deference to a right, privilege, privileged position, or someone or something considered to have certain rights or privileges; proper acceptance or courtesy; acknowledgment: respect for a suspect's right to counsel; to show respect for the flag; respect for the elderly.

Recent visits to companies showed that despite good planning a failure to work their plan. In one case, a company that I had admired with a great A3 methodology, their charts are out-dated by close to 1 year and they are scrambling to preserve cash and all they have to really do is get back to basics. While in another case the plan is reviewed monthly with a commitment to work the plan only for the leader to get consumed in daily fire fighting in his attempt to survive.

So it still comes back to basics;

- Make your plan
- Work your plan
- Meet your numbers

Oh ... and by the way there are no more secrets in Ford, since they have become a data driven.

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