

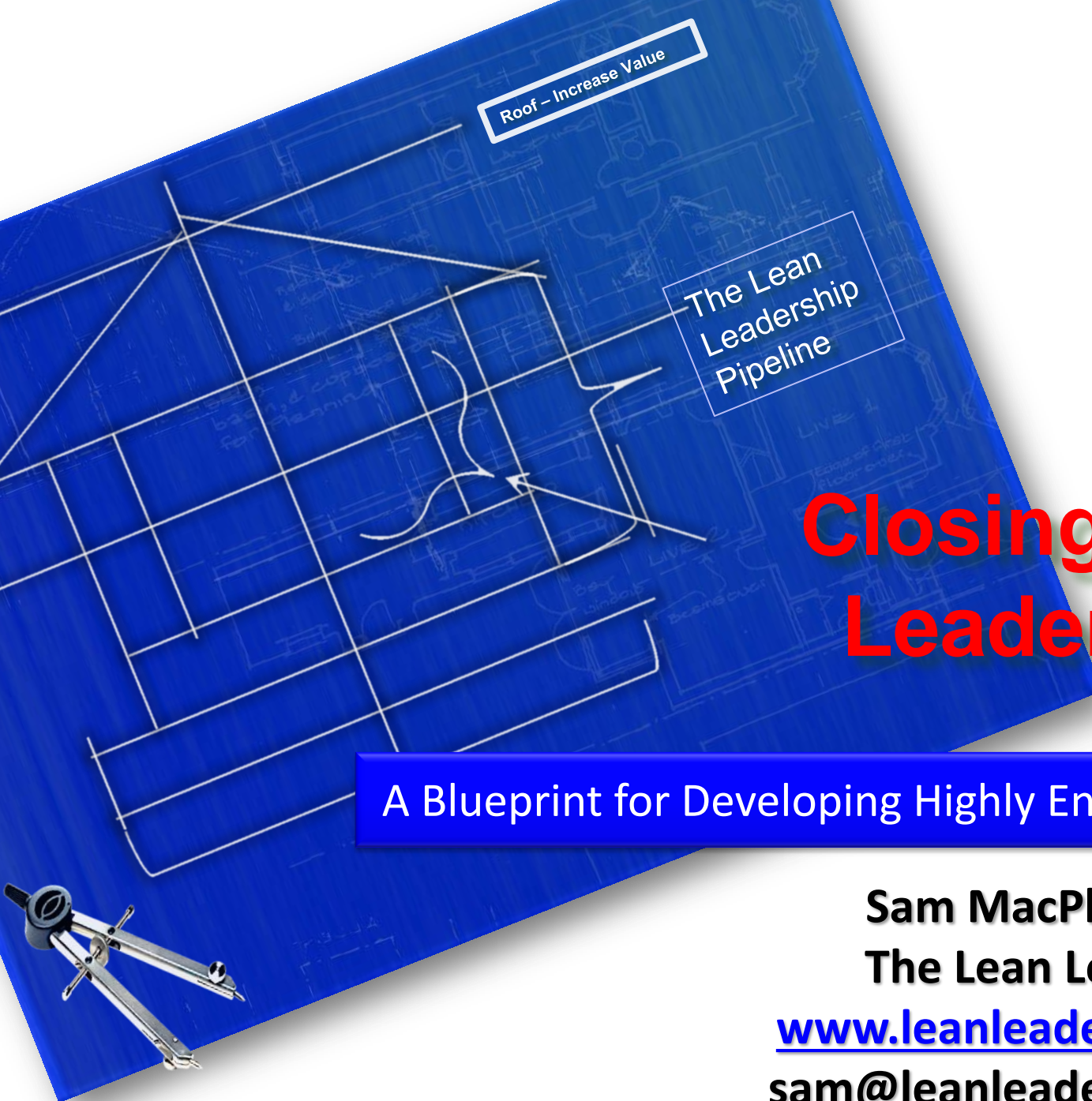


**The Lean Leadership
Academy®**

Closing the Lean Leadership Gap

A Blueprint for Developing Highly Engaged Lean Leaders

**Sam MacPherson, Co-Founder
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Presentation Agenda



- Introduction
- Current State of Lean
- The Prerequisites of a Successful Lean Transformation
- Current State of Lean Leadership Development
- What to Look for in a Lean Leader
- How to train and develop a Pipeline of Globally Deployable, Highly Engaged Lean Leaders
- Summary: Basic Fundamentals of Lean Leader Development Success
- Q&A



**Why should the Lean community
take a look at our current
Leadership development methods?**

Shortage of Leaders Threatens U.S.

Industry

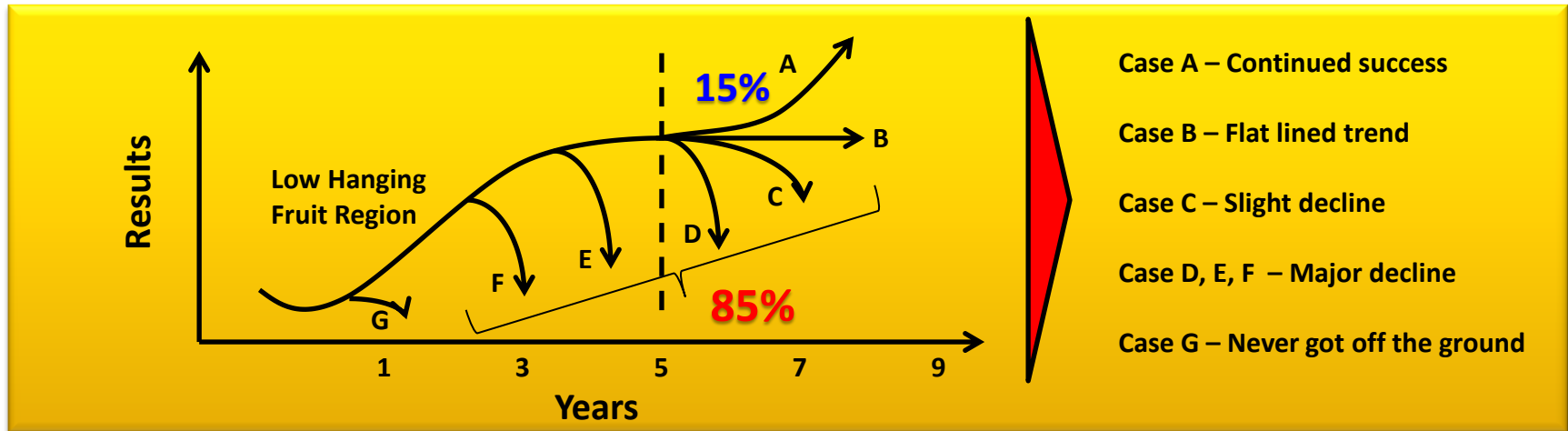
31%
GAP

**Shortage
of Hi-Po
Leaders
Threatens
U.S. Industry**

The “Top 5” most pressing talent concerns, according to executives? (January 2012 edition of “Talent Edge 2020/Accenture survey):

- 1. Developing Leadership and Succession Planning**
- 2. Keeping their Leadership Teams Intact**
- 3. Predicting Globally Deployable Leadership Needs and Shortages**
- 4. Focusing on their building their Leadership Pipeline**
- 5. Developing or acquiring high quality supervisors**

Current State of Lean



- According to **Shingo Prize Institute** data*, only about **15%** of organizations, attempting Lean, continue to produce measureable results or continue to improve after 3-5 years.
- In other words, **85%** of organizations attempting lean either flat line in terms of performance or slowly regress back towards their original state.
- In most cases, a reflection of management's focus on "Lean Tools," willingness or ability to lead, ability to connect to vital organizational needs, communication of a compelling need for change, non development of others, and lack of problem solving skills.

* 2012 Shingo Prize Institute proprietary data by Art Smalley

We Wait Too Long to Train our Leaders



* "We Wait Too Long to Train Our Leaders"

[Jack Zenger](#)

Harvard Business Review, DECEMBER 17, 2012

The Elephant in the Room

The Current State of Lean Leader Development



Many Lean Leaders leave their jobs to continue their education in order to qualify them for positions that will provide a Lean Leadership development opportunity

The Elephant in the Room

The Current State of Lean Leader Development



**We Train Lean Leaders through
PowerPoint**

The Elephant in the Room

The Current State of Lean Leader Development



**We Train Lean Leaders as if they
were still in school**

The Elephant in the Room

The Current State of Lean Leader Development



Many Lean Leaders look to Six Sigma
And Lean-Six Sigma certification programs
To provide Lean Leadership Training

The Elephant in the Room

The Current State of Lean Leader Development



Many Lean Leaders are left to
Figure it out on their own

Shortage of Leaders Threatens U.S. Industry

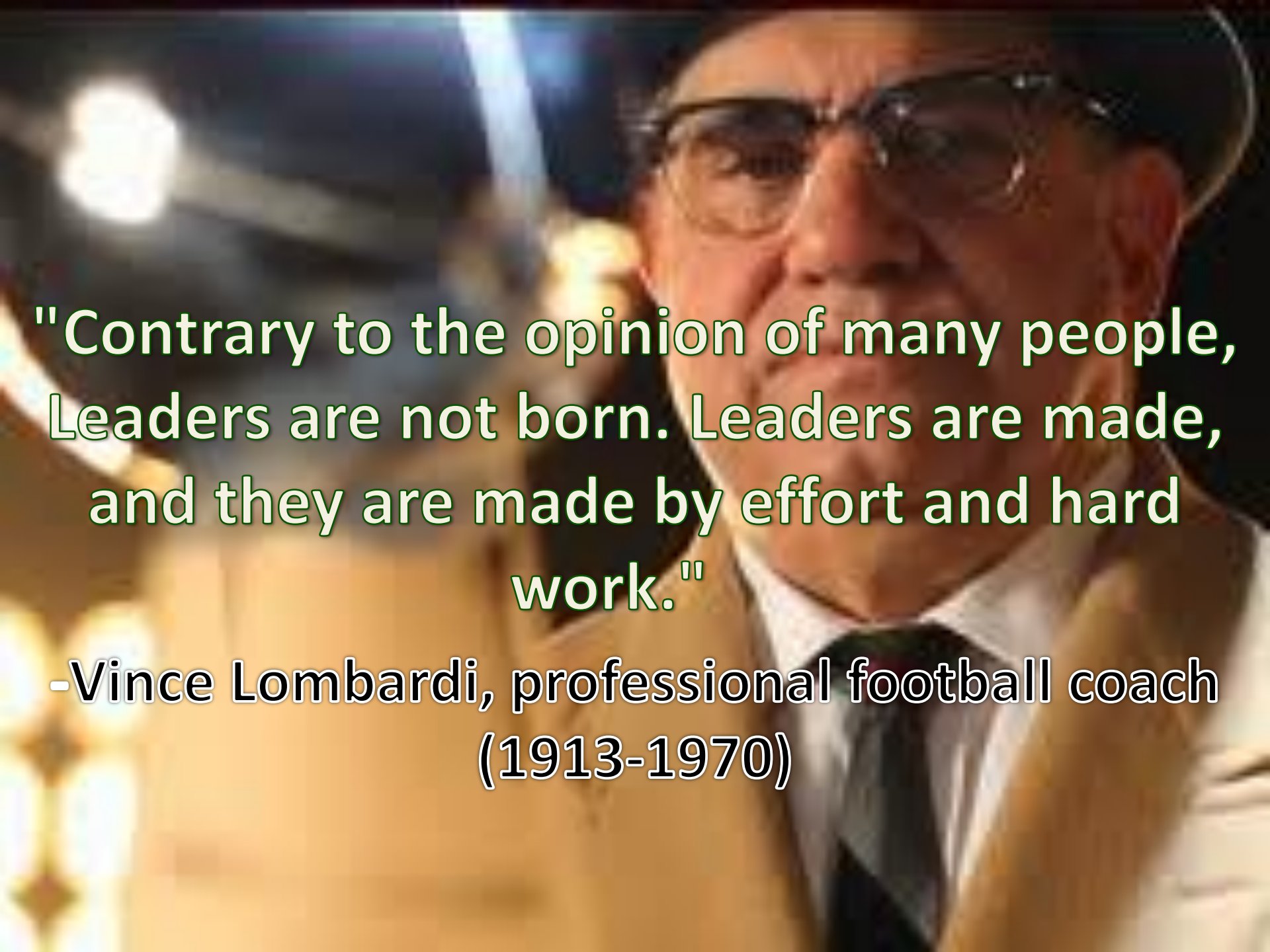
Bottom-Line

Most Industry Executives agree that developing their pipeline of future high potential, globally deployable leaders is critical to their organizations' growth and survival, as well as, U.S. competitiveness.

However, admit they lack the capability to deliver the leadership talent and skills they need.



Organizational Leaders should be the main focus of training efforts in since they directly and dramatically influence safety, quality, cost, productivity, and the morale of their teams and provide the pipeline for future leaders.



"Contrary to the opinion of many people,
Leaders are not born. Leaders are made,
and they are made by effort and hard
work."

-Vince Lombardi, professional football coach
(1913-1970)



**We are lucky that true Leaders with
the “Will and Need to Lead and
Influence Others” will always find a
opportunity or way to Lead**

The Three Prerequisites of a Successful Lean Transformation

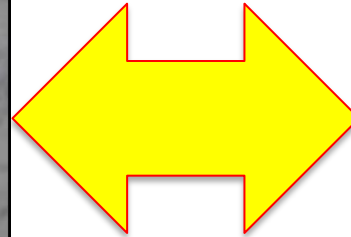
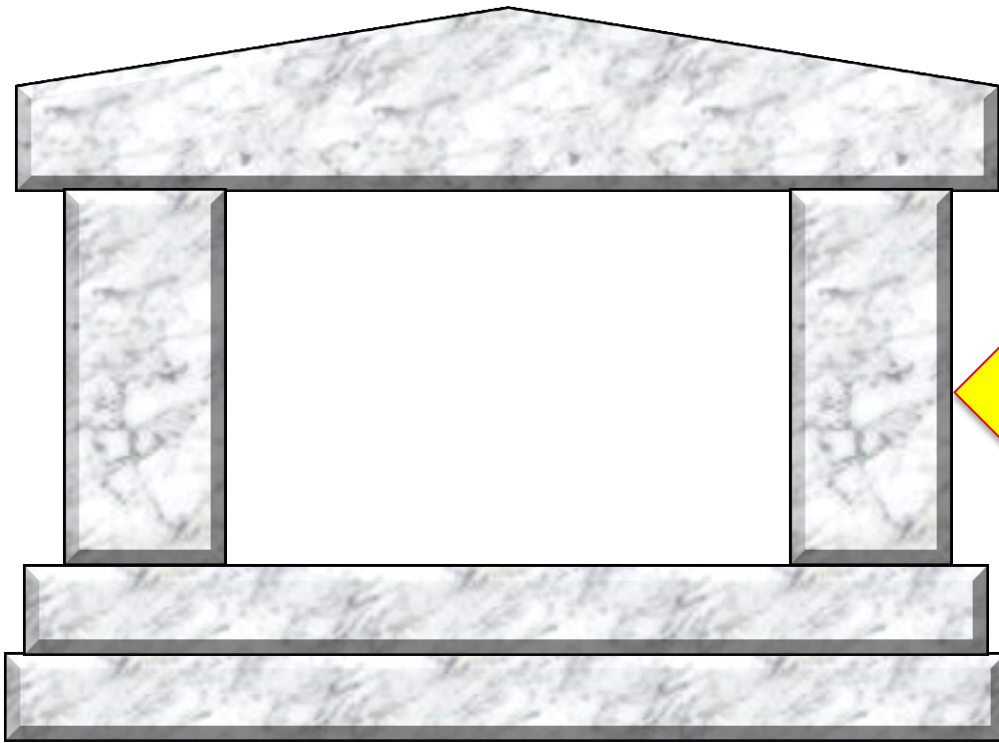
1. Strong, Clear Business Case for Change

2. Lean Management System

3. Highly Engaged and Capable Lean Leaders

Let's Talk about Lean Leadership

TPS Needs Strong Leaders The System Refines Leaders

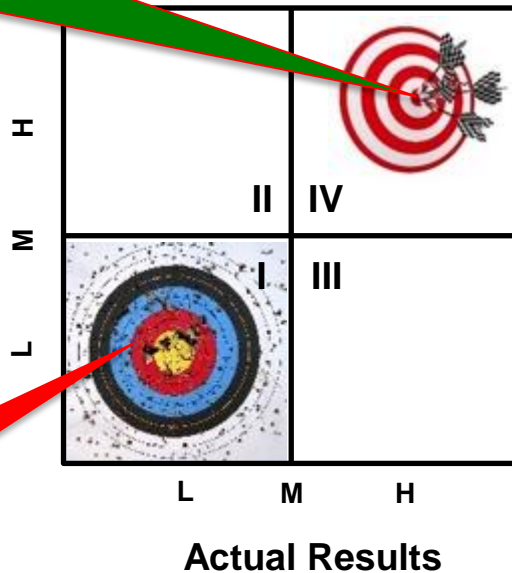


Leadership vs. Management

“Managers manage things, Leaders lead people. You cannot lead things and you cannot manage people”
- Stephen Covey, *Principle Centered Leadership*

What do the 15% of companies (like Toyota) succeeding in Lean actually do?

Process Adherence



Question: Why do 85% of cases surveyed exhibit this problem and fail to sustain?

- Leadership is the art and science of influencing others to achieve results
- Management tends to be more about adhering to a process and managing complexity
- Most American companies are over managed & under lead

Toyota's View Leader vs. Manager

工場長 Plant Manager (Plant Leader)
部長 Department Manager (Department Leader)
課長 Area Manager (Area Leader)

係長 Section Manager (Section Leader)
一般 Staff Employee

工長 Production Foreman (Leader)
組長 Group Leader
班長 Team Leader
技能員 Team Member

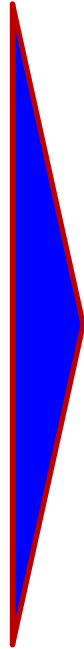
長

Pronounced: Osa or Chō

Meaning: Leader, Head, Chief, Director, Commander

Leadership Structure Operations

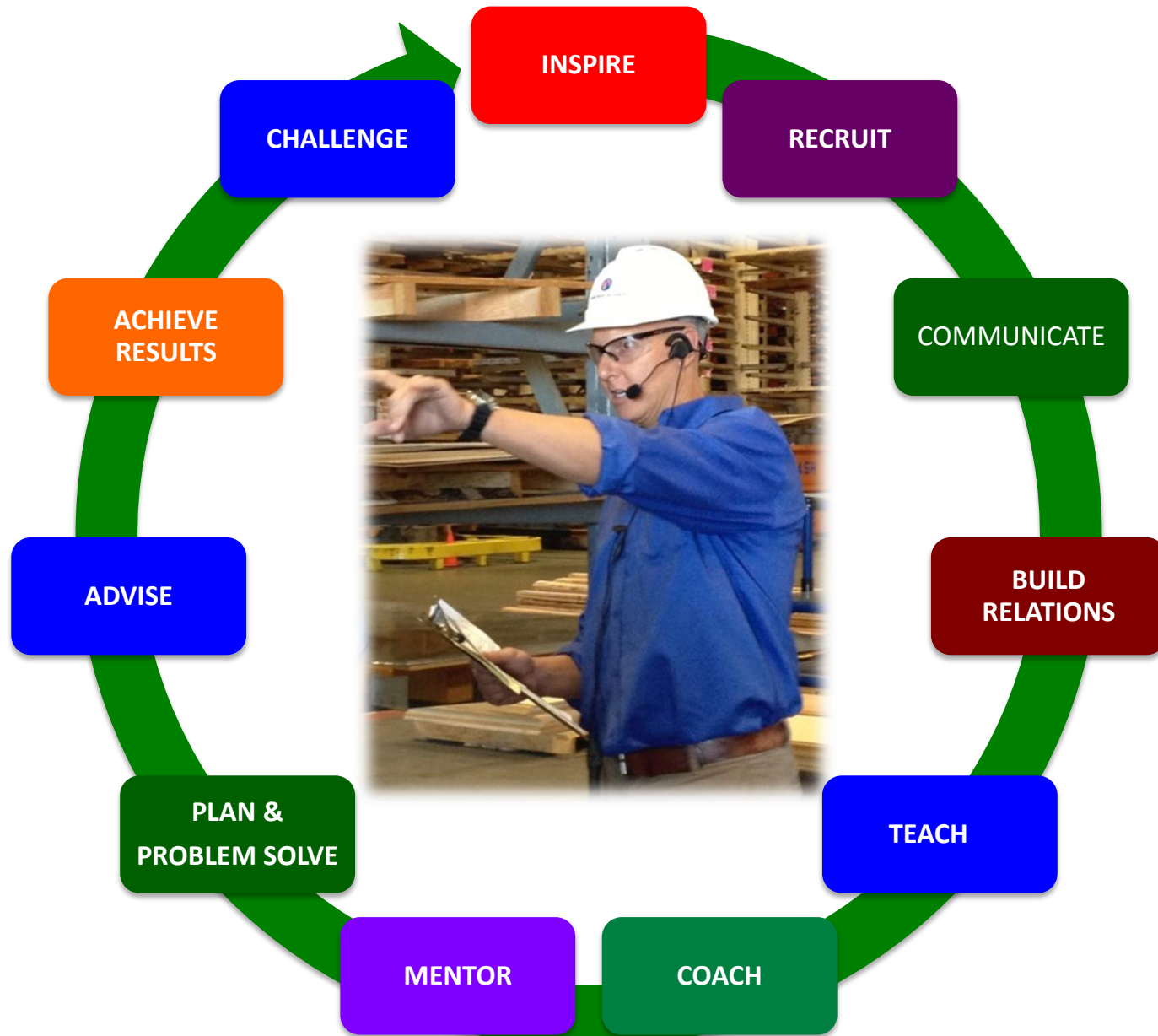
工場長	Plant Leader	1
部長	Department Leader	5
課長	Area / Production Leader	25
組長	Group Leader	125
班長	Team Leader	625
技能員	Team Member	2,500
Sample Plant Head Count		3,281



In *general*
there is a 1 to 5
leadership ratio

Main emphasis
in leadership
training and
development is
at G/L & T/L
level

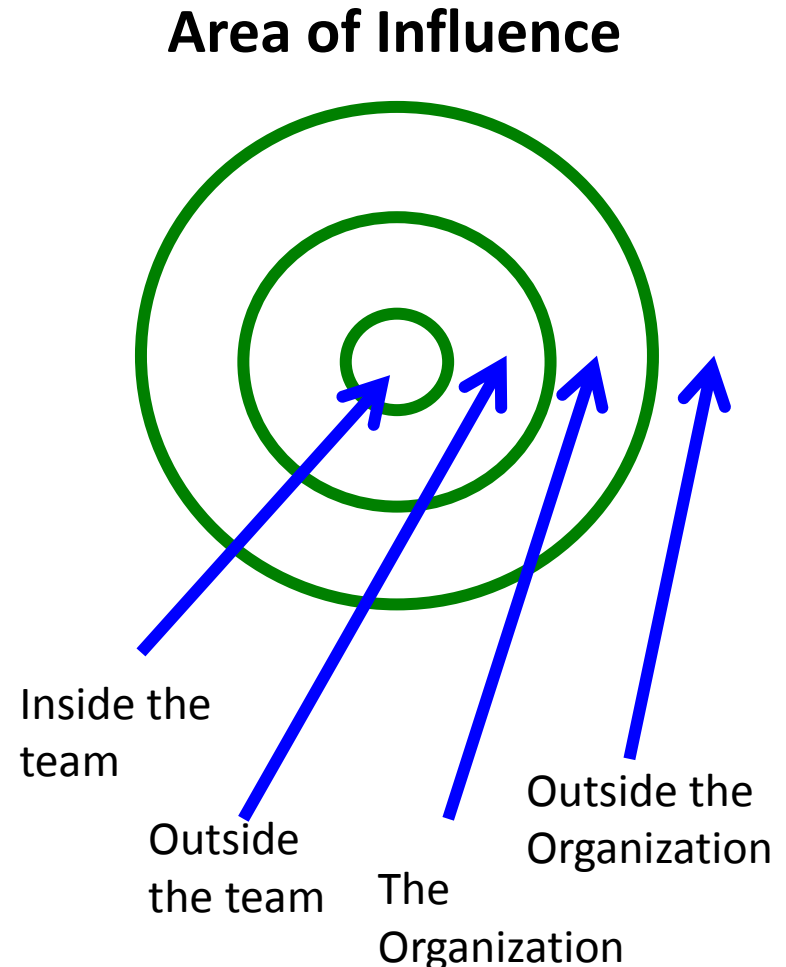
Lean Leaders must...



Leaders Must Influence and Shape

Shaping Principles

1. Shape the purpose
2. Shape the timeline
3. Shape the structure
4. Shape the thinking patterns
5. Shape the behaviors
6. Shape the environment
7. Shape the system / tools
8. Shape the procedures / standards
9. Shape the results



Lean Transformation Pyramid



**Tools
And
Techniques**

**Brilliant Processes
Management**

**Management
System and
Organizational Structure**

**Leader Values,
Thinking Structures,
Behaviors, and Routines**

Why Leadership Development Programs Fail



*Pierre Gurdjian, Thomas Halbeisen, and Kevin Lane, *McKinsey Quarterly*, January 2014

1. Reliance on individual participant based canned programs vs. planned pathway of Mentored Leadership Education and Role-based Challenges
2. Leave alone/Zap! Method
3. Underestimating fundamental existing leader mindsets and behaviors*
4. Overlooking the importance of situational and environmental context for leadership*
5. Leadership development has been separated from real transformation and business efforts*
6. Failure to tie leader development to measureable results*



**How can we do a better job
Developing our future Lean Leaders?**

Here are a few ideas to try out

1. Start with Need: Role & Competency Based Development – Two Levels Up



Supervisor practicing running a managerial level meeting for development

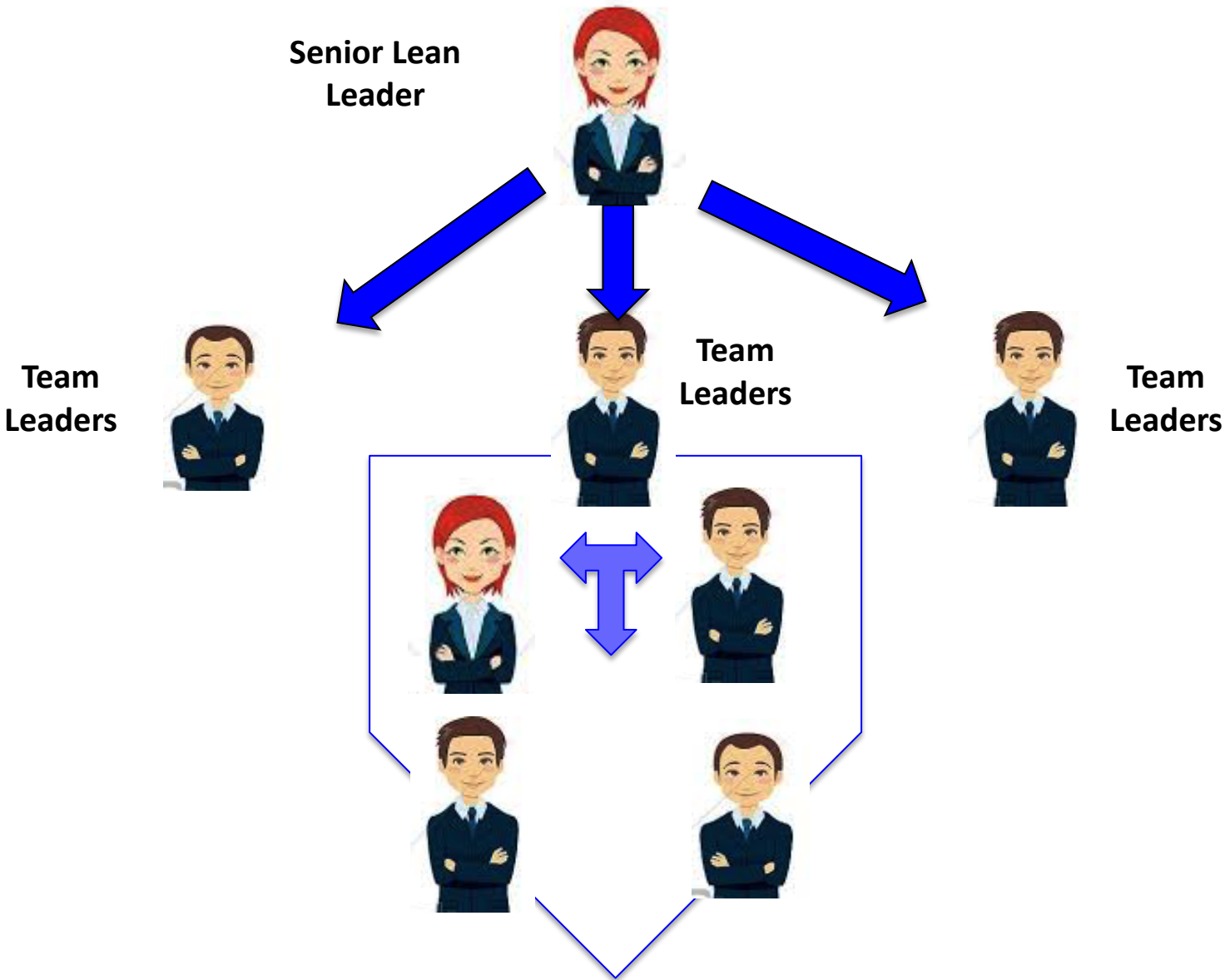
Emphasis in Lean Leadership Pipeline development. Lean Leadership training must begin to prepare Lean Leaders for responsibilities two levels above their current level of responsibility.

Clearly define and train to competencies and prerequisites for future Lean Leadership roles

Identify development gaps needs and find tasks to begin to develop people for two levels up from current position

Critical to Lean Leader development is to assist sister operations, suppliers, and customers with their Lean transformation.

PFEP Two Levels Down Model



Develop Leaders with a PFEP (Plan for Every Person) Approach

- The Plan for Every Person (PFEP) is a detail development plan designed to help team members and leaders, alike, reach their full potential.
- The PFEP must support and be aligned with the strategic needs of the organization at least two levels up.
- The PFEP must be developed as a partnership with the developing leader's aspirations, and their team-based leader-mentor at least two levels up.
- The PFEP is a team-based, career long mentoring development and mentoring model.

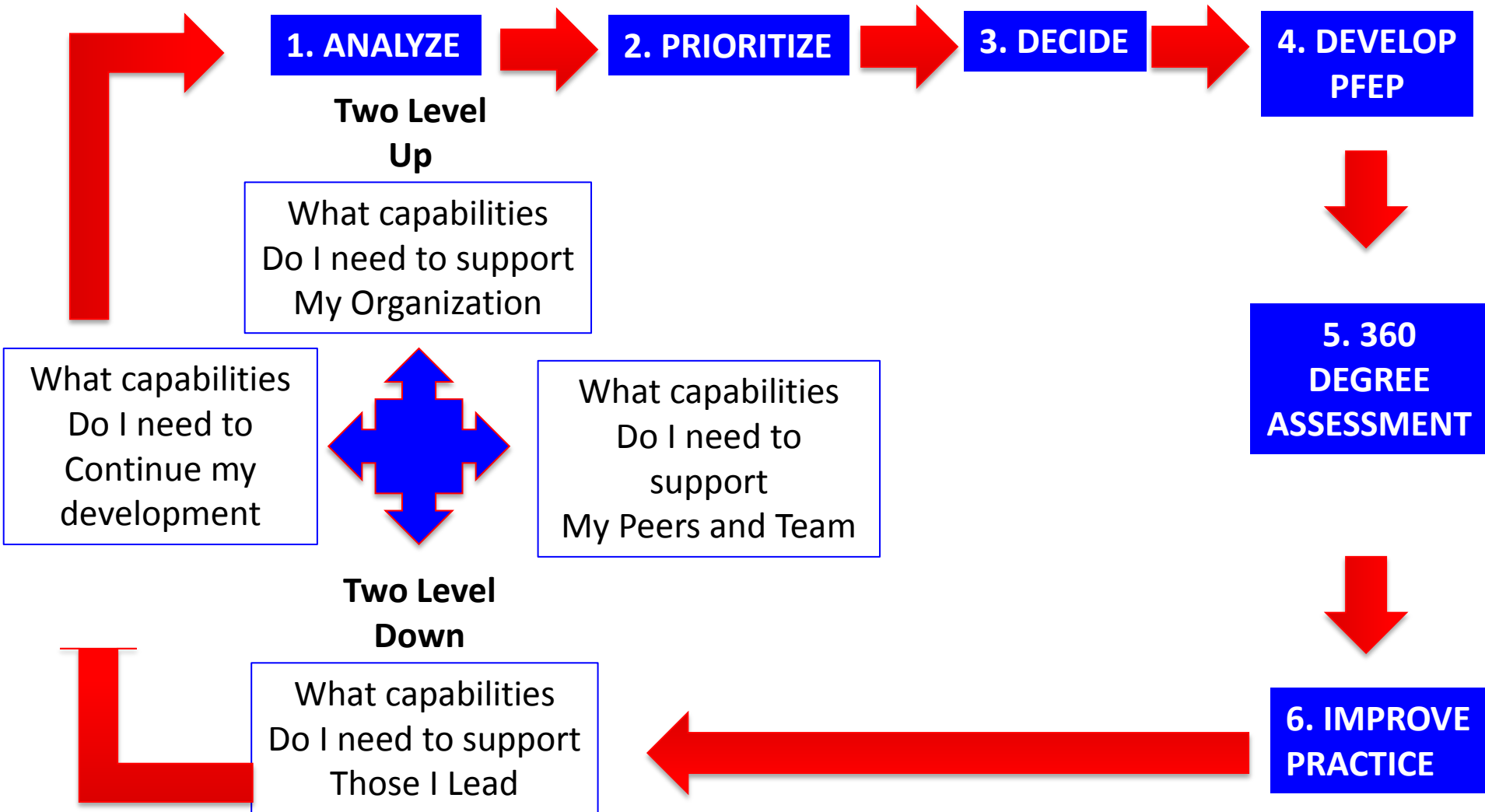
Develop Leaders with a PFEP (Plan for Every Person) Approach Background



“My boss at Kamigo (Toyota’s Engine plant in Japan) used to keep a stack of 3”x5” cards in his desk with the name of everyone that reported to him on the card. When I asked him about the cards, he said it was his P.F.E.P. Plan for Every Person.”

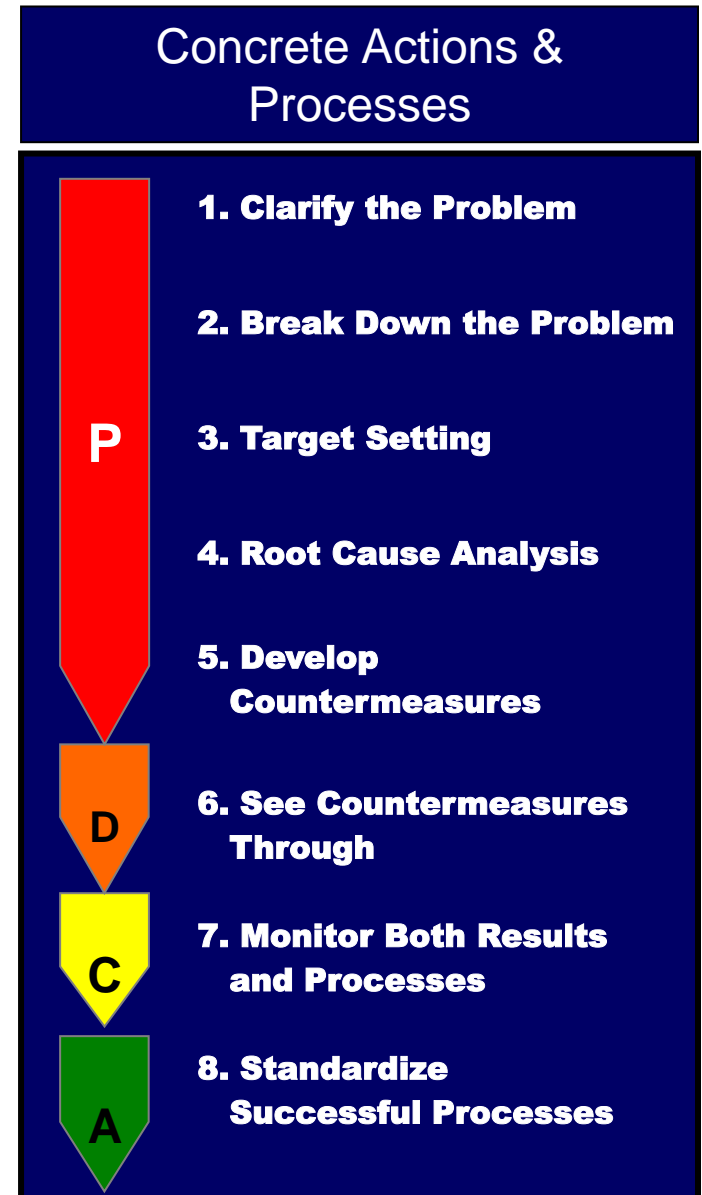
- Lean Leadership Academy Co-founder, Art Smalley

The PFEP Process



A Problem Solving Approach

- Ideal Knowledge and Skill Target Condition Situation (Flexible Manpower for Enterprise)
- Current Situation
- Gap
- Target Situation
- AQD – Analytic, Quantitative, Detailed
 - My work and responsibilities?
 - My job's purpose
 - The goals that guide my work's purpose
 - The Knowledge and Skills required to do my job Safe, Correct, With Great Care, and Efficiently
 - Are all above aligned two levels up?
- APD – Analyze, Prioritize, and Decide (Top 5)



Pacemaker for People Development and a Lean Culture



“The PFEP or Plan for Every Person is where Lean Leadership, Lean HR leadership, and TWI connect! The Lean HR Leader is the Pacemaker for people development; however, we, as Lean Leaders, from the team leader to the CEO, are responsible for people development and must make it a priority; it is a fundamental value of the Toyota Way and the Lean Way. By creating a comprehensive, well thought-out Plan for Every Person that you are directly responsible for as a leader, you are living the pillar of Respect for People, lift the capability of the Lean enterprise, and light the pilot-light of a Lean Culture.”

- Lean Leadership Academy Co-founder Sam MacPherson

2. Design Your Lean Transformation for Lean Leadership Development

Start with Senior Leaders and connect Leadership development efforts to your lean transformation efforts and/or your organization's breakthrough improvement needs.

Build in senior leadership commitment and mentoring by having key senior leaders directly involved in lean leader training.

Connect to critical business objectives in safety, quality, delivery, cost, as well as sales, product development, engineer, and other key areas and involve the leaders of these area.

Senior Leaders should develop a detailed Plan-for-Every-Person (PFEP) and PACE (primary, alternate, contingency, and emergency) plan with detailed Lean Leader development opportunities.



Foreground L-R: President, General Manager, Inside Director of Inside Sales, Director of Finance, Director of Strategic Accounts

3. Establish a Daily and Weekly “Top 5” as an Engagement and Coaching Tool

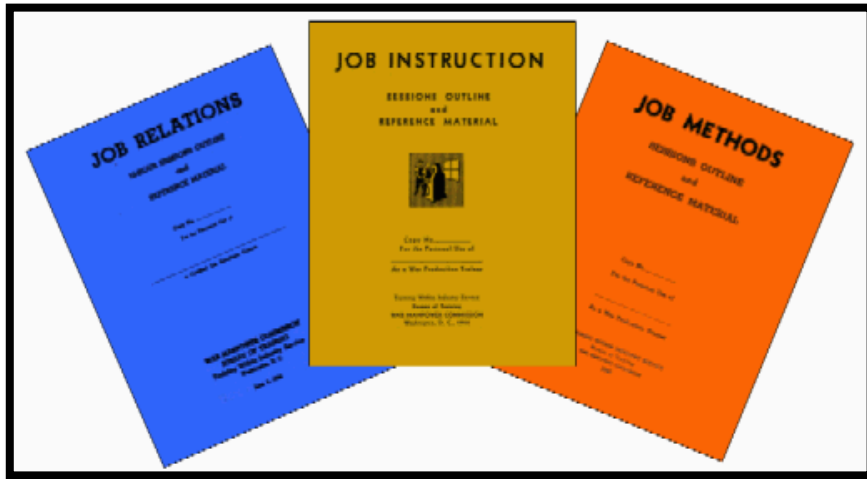


TOP Five Should Include:

- **System Advancement Priorities**
- **Problem Solving and Improvement Priorities**
- **People Development Priorities**

- As a Senior Leader, establish and commit to a daily and weekly “Top 5” priorities and communicate them every morning.
- Ensure Lean Leaders aligned their daily Top Five priorities, accordingly, and brief their daily and weekly Top Five plan.
- At the end of the day, review accomplishment of Top Five priorities (Red or Green) with developing Lean Leaders.
- Discuss team member development observations and concrete actions for the next day.
- Following reflection of lessons learned, Lean Leaders develop the Top Five priorities for the next Day or next week.

TWI Emphasis



Participants study the original TWI course material as part of homework, training, and self improvement.

Lean Leader development must include concepts of Training within Industry (TWI) and model core concepts, in practice, at every level.

Cascaded and force multiplier concept

Job Relations – Get results through people. Make the best use of everyone’s ability. Emphasize foundational aspects of good relations.

Job Instruction – Emphasis on major steps, key points, and reasons why for ALL work not just production tasks

Job Methods – All work can be broken down and analyzed for improvement. Eliminate, Combine, Rearrange, Simplify, Improve!

3. Business Case Emphasis



Participant practicing articulating the business case for some key scrap reduction activities.

“What is your \$5mm problem?”

- Art Smalley

If you want Senior Leaders engaged in Lean Leadership development, put a price tag on it that related to a compelling business need and objectives.

Ensure relevance. Connect Lean Leadership efforts to objectives two levels up. Throughout Lean Leadership development efforts, continually emphasizing the connection to “TOP 5” business objectives and measures and ensure Lean Leaders build a business case for their lean efforts.

Aligned Lean Leadership development activities with Hoshin, business, and operational goals.

4. Leaders Responsible for Development



Small group learning activity with active hands on coaching from a coach.

TWI – Job Relations reminds us: **“Leaders get results through people.”** Leaders are measured on how they achieve results through others rather than individual efforts

Make leaders take responsibility for development of others.

Ensure there are challenging academic and team performance standards that requires collaboration

Organize Leaders into Buddy teams, providing the maximum opportunity for leading through developing others

Strive to create both expectations and situations where leadership and coaching roles must be exercised

Require active coaching and mentoring by everyone leader in the training.

Make Leaders Responsible for Others' Performance

Class Leader
or
Group Leader
(Senior Leader On -Site)



Ex. Lean Leadership Class Organization
The Buddy System

Score 79%

Class
Team
Leaders



Class
Team
Leaders



Score 79%

Class
Team
Leaders



Class
Buddy
Team



Split
Team



Score 79%

Full
Team



Score 79%

Class
Buddy
Team



Developing a P.A.C.E. Plan

P Primary

A Alternate

C Contingency

E Emergency

- A Special Forces Concept of Development
- Based on the Whole “Man”ager Concept
- Because departments are supported by staff experts, rotate leaders/managers into peer staff roles for training and coverage
- A PACE Development Plan prepares leaders and managers to lead those who head these functions and prepares them for the next level of leadership
- A PACE Development Plan can be developed for any level position

P.A.C.E. Key to Cross-functional Development

P

Primary



Production
Mgr

P

Primary



Controller

A

Alternate



Quality
Mgr

A

Alternate



Production
Mgr

C

Contingency



Customer
Service
Mgr

C

Contingency



Customer
Service
Mgr

E

Emergency



Controller

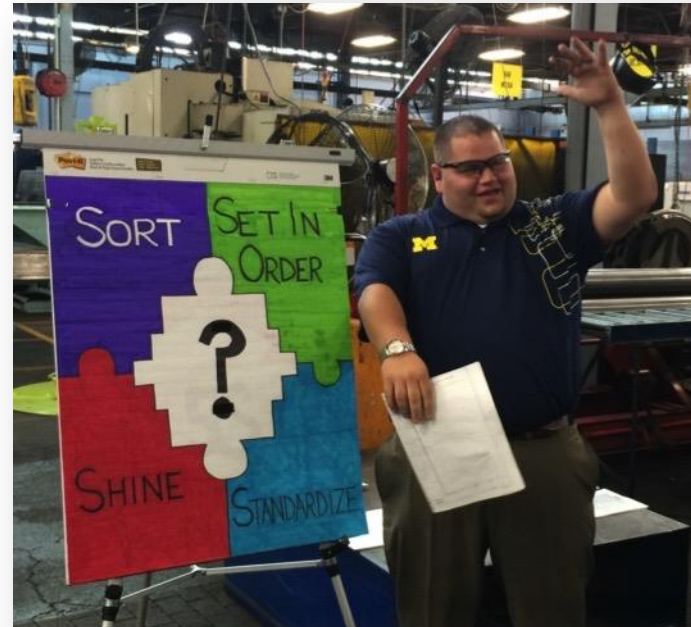
E

Emergency



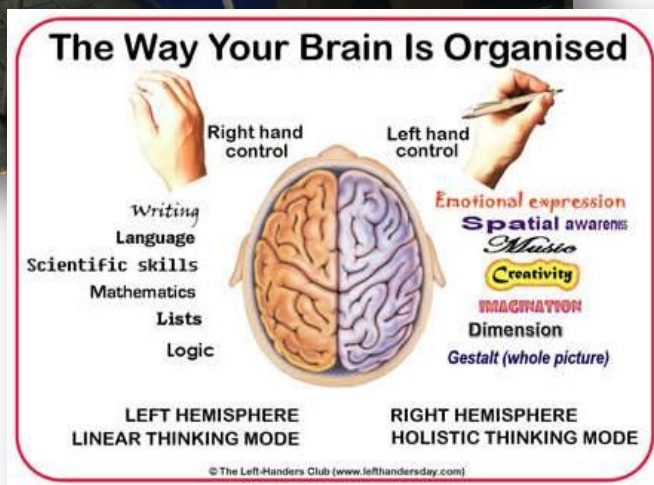
Purchasing
Mgr

5. Train-the-Trainer for Lean Leaders



Pull the plug on PowerPoint for a while!
Using “Old School” flip charts, in the beginning connects Left and Right hemispheres of the brain, reconnecting our creative centers, and undoing the linear thinking that PowerPoint can induce over time. Additionally, teamwork can be used in developing the material.

Use a “Train-the-Trainer” approach to Lean Leader training and development.



Emphasize Communications, Teaching, Training, and Presentation Skills

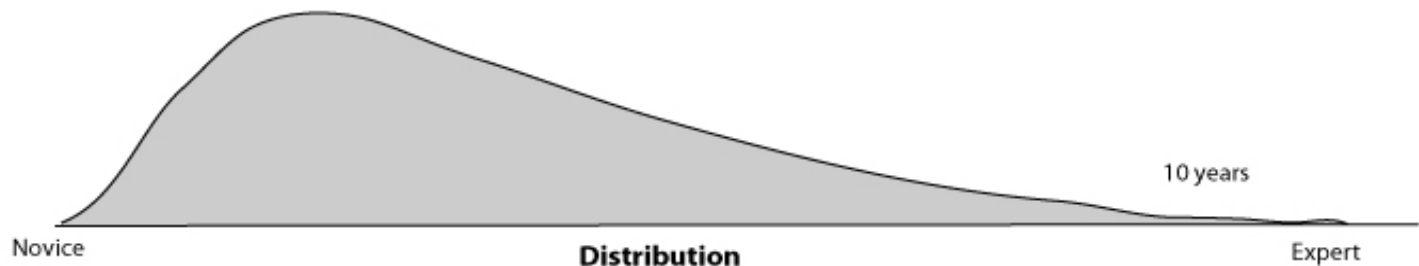
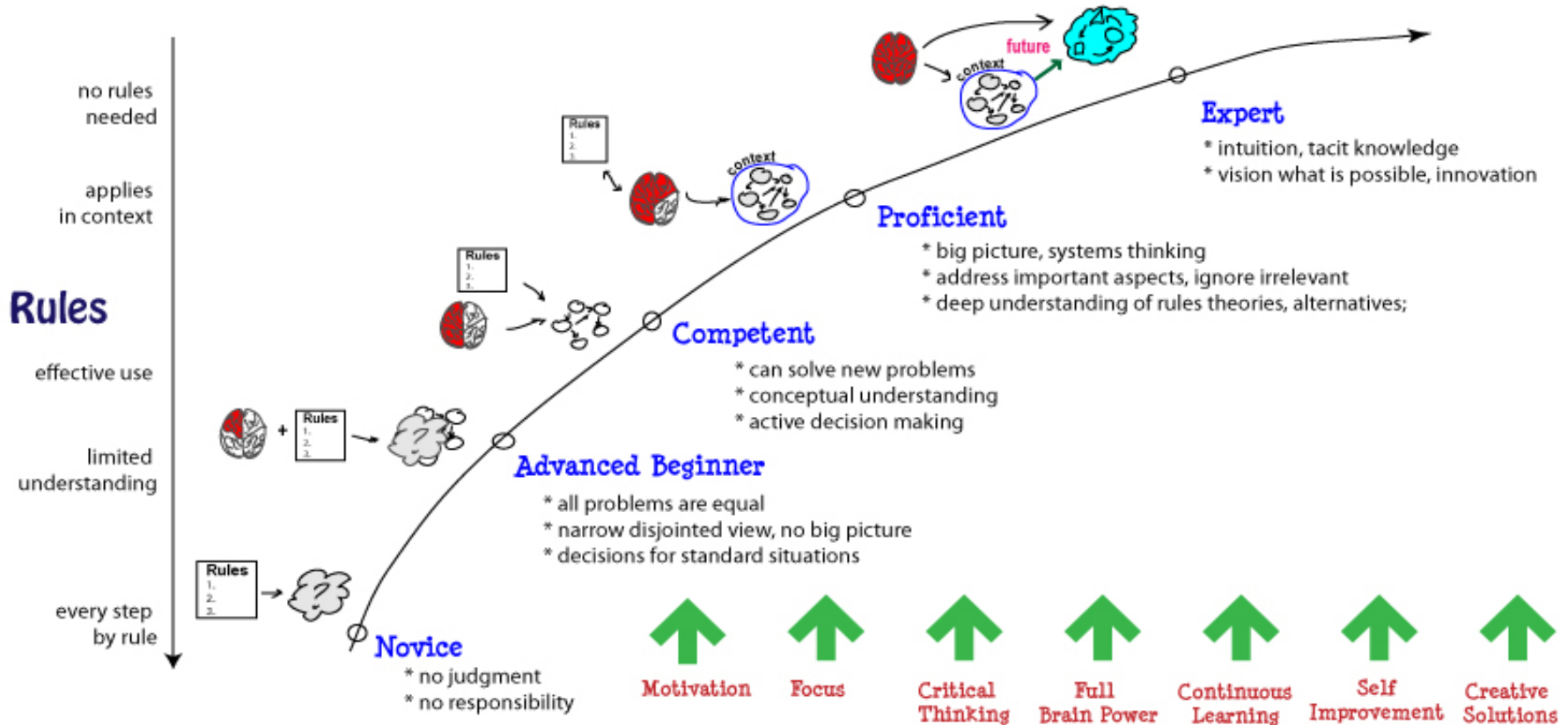
Allow Lean Leaders to teach many common Lean subjects

Use presentations as an opportunity to teach coaching skills and re-enforce a kaizen mindset.

Genesis of a Lean Leader

Quality as a Lean Leader

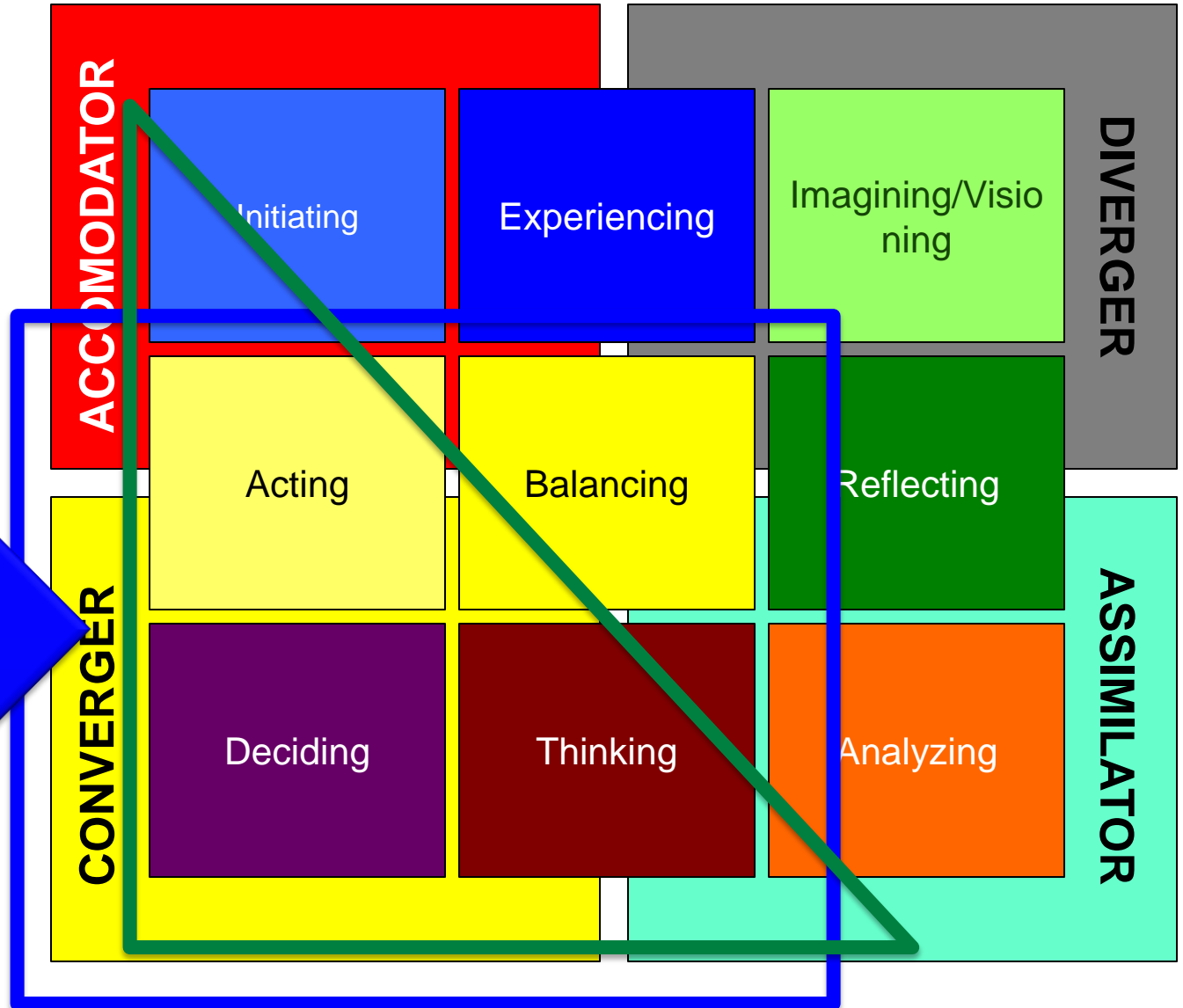
poor optimal



Train-the-Trainer and Adult Learning Emphasis – Kolb Learning Styles

Kolb Learning Styles and Leadership

Our current research of successful career **Toyota and Senior Lean Leaders** indicates that they are **Convergers** who naturally follow a PDCA cycle or have learned to “Flex” to the **Converger Style**



6. Use the Obeya Concept To Accelerate Lean Leader Development

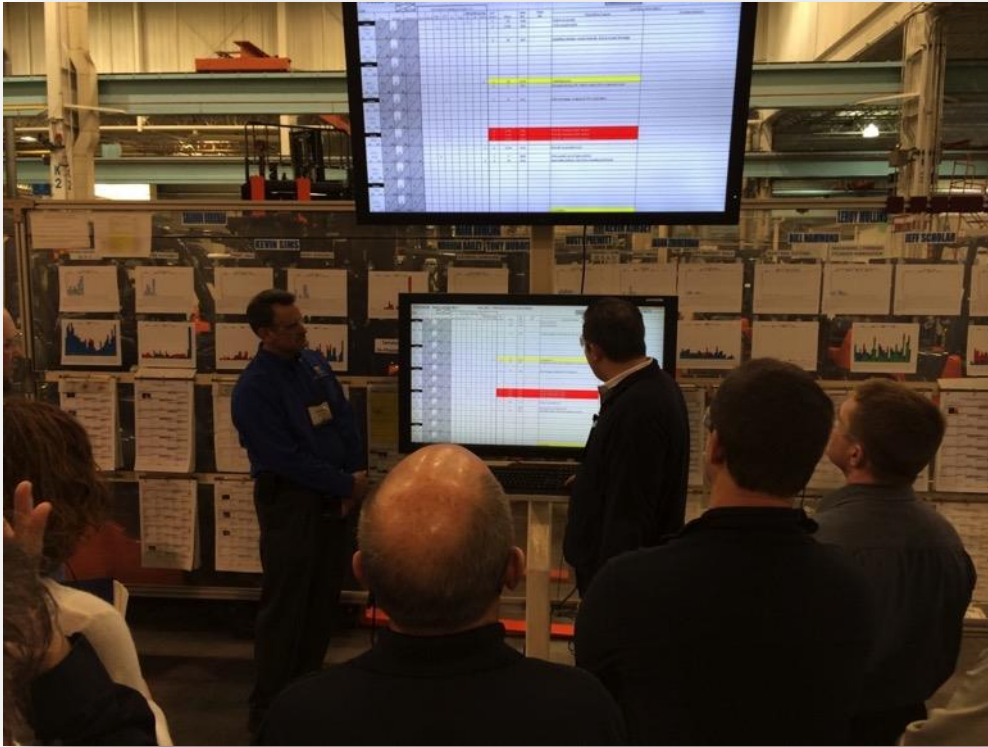
Use the open format of an Operations Center or Obeya (Big Open Room) to accelerate Lean Leader development, organizational learning, and re-enforce the shop-floor leadership culture of Lean.

The Obeya approach connects lean leader efforts to Lean and Business objectives through connecting daily activities with Hoshin activities.

The Obeya approach ensures communication, collaboration, and timely problem solving and improvement activities for Lean Leaders.

The Obeya approach provides a platform for Lean Leader accountability, A3 mentoring, and coaching.

Re-enforcing Structures: An Obeya approach physically changes the leadership environment, sustaining leadership expectations for the future.



Basic Fundamentals of Lean Leadership Development Success

1. Lean Leader development must actually involve Leading!
2. Senior Operational Lean Leaders must develop Lean Leaders
3. Lean Leader development must be connected to Lean Transformation and Real Business Growth platforms
4. Lean Leadership development must be both educational, experiential, and challenging
5. Lean Leadership must have context
6. Lean Leader development must have clear
 1. Qualification prerequisites
 2. Core Lean skill competencies,
 3. Leadership Role based competencies,
 4. System integration competencies, and
 5. Situational Context competencies
7. Leader development must be career-long vs. “Once and Done”



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THE SUMMIT ON LEAN LEADERSHIP

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Chris Burnham**



**Sam
MacPherson**



**Robert
Miller**



**Jeremiah
Duncan**



Lean Leadership "Unplugged" Next Friday, Oct 2 at 12:00 EDT on Blab.im

Lean Leadership Unplugged on Blab.im



**Thank you for allowing me to
share my Lean Leader
Development Ideas, today.**

**What Questions may I answer
for you?**

