Lean is not just about waste

By Kevin Meyer

One of my company's competitors, which will remain nameless so I don't create any more Google love for them, recently added a page on their website talking up their lean efforts. Some of the quotes are:

Lean systems are the ultimate measure of a company's ability to survive.

Growtth - Get Rid Of Waste Through Team Harmony

Our lean philosophy focuses on the customer's requirements and Takt time, which drive and determine balanced workflow, proper layout and the required work sequence to meet demand, while achieving exceptional quality. This approach also enables us to poke-yoke processes and lock in a consistently high performing, low DPMO production line with maximum flexibility for the customer.

Perhaps I should applaud them, even as a competitor, for embracing lean. Or are they? They were recently acquired by a large euro-japanese conglomerate which embraces the "Growwth" methodology. That conglomerate is very successful, and although the acquisition has been rather tumultuous for other reasons, resulting in some additional business for us not to mention our ability to hire a couple of their stars, I do maintain a watchful eye on them. There's enough pie for all of us, but I want to keep my share and then get some more.

So what about that lean philosophy? Are lean systems really the ultimate measure of a company's ability to survive? What the heck does that even mean? The ultimate measure of a company's ability to survive is the creation of value from the perspective of the customer. Sure part of lean, but not exclusively lean. And lean systems, when done right, are just tools to support value creation. When done right - which isn't all that often.

"Get Rid Of Waste Through Team Harmony" is the core of a philosophy? Creating value is the key. Getting rid of waste is one way to create value, but there are many others. Understanding the customer, working with the customer, new technologies, increased knowledge - lots of ways to create value. If you focus on reducing waste at some point you'll hit real or perceived walls where the cost to reduce real waste begins to skyrocket. Not that it shouldn't be done, but many organizations then take the easy way out: they start whacking knowledge resources (errr.. "headcount"). Danger Will Robinson!

Team harmony? Really? Kumbayah, my friend, kumbaya. Head for the campfire. Ok, perhaps that's a bit harsh. But do you really want everyone all aligned in perfect harmony? Or does that kill critical debate? Instead a preferable situation is to operate in a state of continuous positive tension - always challenging, always debating, always with some healthy fear if not paranoia about the market and competition. That's what Toyota embraced before they decided to focus on growth instead of value, and got slapped.

Finally they are right that lean should focus on customer requirements - thereby leading to synchronizing to demand takt and hopefully creating balanced flow. But again that's not the entirety of creating value.

Lean is not just about tools and it's not just about waste. It's a leadership philosophy centered around creating value for the customer and stakeholders. Don't constrain the opportunity.