Business901 *Podcast Transcription*

Implementing Lean Marketing Systems

Lean Thinking in the Office and Service Sector

Guest was Drew Locher, Managing Director of Change Management Associates

Related Podcast:

Lean Thinking in the Office and Services

Drew is currently Managing Director for *Change Management Associates.* CMA provides Lean Enterprise Consulting and Organizational Development services to industrial and service organizations representing a wide variety of industries including: Healthcare, Transportation, Distribution, Education, Financial Services and Manufacturing. Drew first became involved in the development and delivery of innovative Business Improvement programs while working for General Electric in the 1980s. In 1990, Drew left GE to form CMA. Since then, he has utilized his diverse experience to help develop creative solutions for the companies with whom CMA works, in order to improve their business performance.

In 2004, Drew co-authored a book titled, "The Complete Lean Enterprise: Value Stream Mapping for Administrative and Office Processes ". The book won a 2005 Shingo Prize for Manufacturing Excellence in Manufacturing Research. In 2008, he published a book titled, "Value Stream Mapping for Lean Development: A How-To Guide for Streamlining Time to Market ". This book demonstrates the application of Lean Thinking to the third primary value stream, "problem solving".

CMA is a consortium of individuals who share a similar business management and improvement vision. They are committed to seeing innovative strategies implemented in all business environments. The *CMA* approach is practical, and application oriented – a *'learn as you're doing and succeeding'* approach.

Joe Dager: Thanks everyone for joining us, this is Joe Dager the host of the Business901 Podcast. Participating in the program today is Drew Locher. Drew is the managing director for Change Management Associate and provides Lean Enterprise Consulting and Organizational Development Services to Industrial Services Organization. Drew, you're the first person to be on the Business901 podcast for a second time, you must be up to a lot of new and interesting things.

Drew Locher: I feel honored.

Joe: One of the things you've been talking about lately is Optimizing the Flow in Lean and Office Service Processes. You're putting a workshop on, and I have to compliment you, it was sold out in Indianapolis. Can you describe what the Optimizing Flow and Office Services workshop is about?

Drew: The foundation of the workshop is a simulated office, and we go through the entire Lean toolbox as they apply to office and service environment. The participant actually gets a chance to apply the various concepts to the simulation, and we do that by simulating two office kinds of events. So these participants actually have to come up with the ideas that they want to implement. Then they actually implement those, a whole simulated compressed kinds of events. They get up and running, and we measure the impact of their efforts, so we break up the toolbox into subgroups; one is the basics. That includes standard Word and visual management and five hours of workplace organization. Then the second group that they would implement will be the advanced concepts, which includes flow and pull, leveling those kinds of concepts.

So at the end of the workshop they will have pretty much the opportunity to apply all the concepts to a stimulated office and see the typical result that they could expect in the real world.

Joe: That's a pretty large undertaking.

Drew: It is a full day workshop. 50% of the day is in and around the simulation, so the folks are very active either coming up with the ideas, implemented the ideas, running the offices so it's a very busy day. As a facilitator for the workshop, I can tell you its a little exhausting. We actually do conduct two kinds of events doing it. Very compressed again like an hour each or so, and it's exhausting like a real Kaizen event will be.

Joe: Now from a facilitation standpoint. Does someone need a Lean background before they take their workshop?

Drew: No it is an overview, so there is no prerequisite certainly it would help if they did some reading like with my first book or attended another workshop on the subject such as Value Stream Mapping for Office and Service. But in reality there is no prerequisite it is an overview, so there's no expectation or previous knowledge.

Joe: You have authored the Complete Lean Enterprise and Value Stream Mapping for Administrative and Office Processes, and I think that one won the Shingo Prize if I remember correctly.

Drew: Yes.

Joe: You were really one of the first people to apply Lean to the office environment and the service environment.

Drew: Probably, one of the first two, my colleague and I co-authored the first book, and I've been kind of doing it since the early 90's. There are many other people that were doing it, and they called it other names. Business Processing was kind of the name de jour in the early 90's, but we were probably one of the earlier ones to actually get it in print and get it out there.

Joe: What makes office services different with regard to your standard Lean concepts?

Drew: Well, the arguments that people give us, and they're just that: they're arguments. We believe that they're really not that different. Most of the folks that come out of manufacturing that I work with, like the training, developed our understanding of Lean, and it applies to the office and service environment. When they've had that experience in manufacturing, they almost always reach that point of saying, "It really isn't any different, is it?" I'm like, "Nope. You pass the class; you can go." The arguments that we hear - and people love to focus on differences or create differences, even when none exist - are several fold. One is the high variability of the office environment. Oh, everything's different. You don't know what the demand is. Every order is different. Every quote's different.

What people don't realize, and we get them to recognize, is that there is a lot of variabilities in the office and much of it - I mean a lot of it - is self-created. We're creating it by our practices or lack of practices in the office and service environment. Once people realize that, all of a sudden they're like, "We really can have standard work, and we really can apply some of the other Lean concepts."

So we're just getting people over the hump of just accepting that variability and realizing much of it is actionable and, therefore, once they get that clear in their mind, then we're off and running.

What's interesting in services - I mean true services where you're just dealing with people that near real-time creation and consumption of value - a lot of those organizations have already realized this. So we don't get as much argument from call centers and hospitality industry because necessity is sort of the mother of invention. They realized a long time ago that they need standard processes and standard training of other associates.

They have to often understand the basics and the foundation concepts. Might not be doing it as fully as they should be but that definitely gives them a good foundation that we can build the more advanced concepts of Lean on.

Joe: When I first visualize Lean in an office environment, I think that this guy's going to come in, he's going to create this U-shaped work cell around my desk. He's going to get rid of all these extra papers on my desk that I'm not using, or someone does not need that I'm creating, and that's going to be the Lean concept of it. Is that way off base? Am I visualizing it correctly?

Drew: It is way off base. However, that is the most common understanding of what Lean Office is. When you talk to people, "What are you doing?" "Oh, we're Leaning the office. What are you doing?" And almost nine out of 10 times, they just describe what you just described, Joe, where, "Oh, we did some 5S, and we labeled our file cabinets, and cLeaned out our desks, and we've got my stapler labeled and all that," and I said, "That's not what it’s about."

Because they approach it that way, they generate a lot of resistance because people will resist what they're not seeing benefit from. If all we're doing is some housekeeping-type things in the office under the guise of 5S. Then people are going to say, "I'm not getting any benefit from this. This Lean Office stuff is a bunch of hogwash." And they would be right.

So what we've really got to get people to recognize is that it's really about changing how we perform work; how work flows and how we perform activities. So when we 5S, the emphasis should be on the first S, which is standardized. That's where people are going to get the benefit; by developing standard work, not so much sorting out your desk and your file cabinets, not so much labeling the heck out of things, under set and order or straighten; whichever S you want to use for that one.

It's really going to come in the standardized. That's where people will see benefit because a big part of standardizing work is to streamline the work. So it's good news. And that also reduces the variability that we spoke of a moment ago.

Joe: When you sit there and say standard work, can you just define that. I mean that might be a tough question.

Drew: No, it's a great question actually, because people really throw this word around, and I find that a lot of people don't fully understand what it is. Basically, the objective is to get everyone doing every activity. We focus on activities in a similar way - in a similar sequence. That's in order to reduce variability; reduce variability of the result of that activity, as well as performance of that activity. Within standard work, there are four key elements. One is the desired sequence, as I just mentioned. These are the steps and the sequence that we want people to follow, because we proved to ourselves that's the most effective and efficient way. What most people fail to include in their standard work is what we call the key points. Key points include quality, efficiency and safety. Now safety has more of an application in a manufacturing environment, but certainly quality and efficiency.

For every key point, there should be a "why." So you want me to perform this task in a certain sequence? Why? We've proved this is the most efficient way. You want me to do certain steps? Why? If you don't do it, you're going to create a quality problem. You may not for yourself but some downstream process. We want the key points in there because that reinforces to people performing the work, why we're asking them to do it the way we're asking them to do it. Humans want to know why: You want me to do something; you've got to tell me why.

So you have key points, as well as the desired sequence and the steps. The other aspects that you should have is time and timing. There should be some aspect of "How long should it take me to do this activity?" You can express that in a range. Ranges are certainly acceptable. That can deal with the more common, understandable variation in an office or service environment.

People get hung up on this: I can't put a time on it because it's so variable. It's like, well think of it this way: Why do we want the time on there? We want the time on there, for the real purpose of all standard work, is to really identify non-standard conditions. A non-standard condition can include a task that is taking me longer than it should. If this document says, this should take me five to 10 minutes to complete - because there's some variation in there - natural variation. If it's taking me 15, that's a non-standard condition. I should raise my hand and say "Why is this taking longer than this document tells me it should?" That starts a dialogue. Maybe something unforeseen crept into the process that we need to react to or correct.

This can work the other way. If it tells me it should take me five to 10 minutes, and it's taking me two minutes, once again I should raise my hand and say, "Why is this taking me just two minutes?" That prompts a dialogue, which could be - "Hey you're taking shortcuts; you're not following these key points." That's going to create quality issues. It could be, "Hey maybe I truly indeed found a better way." That could, if everyone agrees, become our new standard.

You can't even have that discussion if you don't have reasonable expectations of time on the standard work document. Most people overlook that, some put it on there, and some struggle with the fact that a range is acceptable. With ranges, I always say, "When do you want to be flagged? When do you think - all right that's too much? They'll say: 10 minutes -after 10 minutes something's wrong. I want to know that. So we'll put that in there.

The last aspect, which is extremely important in an office environment, is timing. When do tasks have to be done? What day? What time of the day? What day of the week? What week of the month? There are a lot of activities that are interrelated to other activities in other departments, in office environments in particular. Their timing can be very important - you have to do this by 2:00 in particular. Their timing can be very important. You have to do this by 2:00 on Tuesday. If you don't, we are going to lose a whole week of lead time or something like that.

So those are the key elements that should be in all standard work and standard works should be documented in a simple, visual way. I want the page posted, in areas, to serve as a constant reminder. How you were taught, and this is what you should follow.

Joe: Having one on a particular time that it needs to be done is interesting because so many people miss cutoff dates by 15 minutes, an hour or a day that doesn't allow a process to happen the next day or next week.

Drew: Exactly. It is the awareness, or they forgot that part of their training from a year ago. The other misconception in standard work, people think "Oh, you picked this document up". Anyone off the street can pick this document up and do it. I am like that is not what standard work is for. It is to remind the person that is already been trained how to do it and what is important about it. If you want to document that gets you into great detail of how to do it activity. For someone that comes in off the street, that is your standard operating procedure, your SOP. It has a different purpose than standard work.

So standard work document is kind of like cliff notes. This is what you already were taught. This is to remind you why you were taught what you were taught in the manner that you were taught. And why you have to stick to it.

Joe: I think the other thing about standard work is that people mistake it because it is supposed to be a learning experience. It is supposed to help you learn and go through the process so that if there is an issue like you said, it takes you 20 minutes. 10 minutes you raising your hand finding out why because maybe the issue that you struggle with if you hand it off and leave it go. It just goes down the chain further.

Joe: One of the things that I see wrong first in the environment is that we are all computerized now, and Lean is all about being visual. How do you tie them two things together? I mean all the files are hidden inside the computer there.

Drew: There are different ways in doing this. One thing you could do and more and more companies are doing this, and it depends on what kind of information you need to get out in the open. But you could make information visual by monitors. You can put large monitors up. We've done that in companies like my job shops where they kind of designed to order and pre-production process. There is monitor up and around the facility, so you know the status of every order, every job, where it's at, that kind of thing and identify which jobs are not progressing. We've atTakthed monitors to some systems to know that, but that is a high end approach. But basically, you got to go back to what is it you want to make a visual.

One of the biggest things we want to make visual is the queue of work. Where are the queues? And in the old days, this is quite easy to do because you had mail coming in or faxes, and there was a basket at the fax machine and you can see. There is a queue. You have inboxes on people's desk, and you could look to that and get an idea if someone is behind or not.

It was kind of hidden behind cubicle walls. It was always an issue. Even back to those days, what I've learn in terms of the simplest way is to let it be worker managed. So, if I need to know what the queue of work is Joe at your desk or maybe you are processing orders. We would like to know that every two hours.

Wouldn't it be easier if you tell us, to spend 15 seconds, checking your inbox, your email inbox how many orders you have and post that number up on this little dry erase board at your cubicle? You wouldn't even ask you to get out of your chair. Could you do that? Most people say, "Yes, I could do that."

So that is another way of making it visible. So you can try to go the sophisticated route which I've seen companies do with monitors and software. But there are other approaches if you are willing to engage your people and trust your people which you should. You should respect them, therefore; you trust them to monitor their...Make things visual on their own.

Give them simple ways of doing it and be reasonable about it. I'm really going to ask you to check your queue every two hours. I would not ask you every two minutes. I wouldn't blame you if you don't do that.

Things like multiple sites is of issue, and we very easily add a dry erase board of some visual management system at one site and we just say, "once a day, one guy is going to take a picture of their board, email us." Very simple these days with digital cameras, you can do it right off your phone now and send it around the world.

That will allow them to adjust their board and keep the boards synchronized. So, you can do that, so you still using kind of a visual manual board but you are able to deal with the proximity issue without having to go to a more electronic dependent use. A lot of its schemes just depend on the people closest to the process to handle it, and they'll do it.

Joe: Are saying the visual aspect is just leaving it to the person that is doing the work? Leave them create the image, not really try to make it all complicated where everybody is doing all those reporting all the time, where things like that is just a process, make it part of their work day.

Drew: Yes. Again, how you would do these will depend on what information you are trying to make visual. You are trying to make performance visual. You are trying to make nonstandard condition visual. You are trying to make choose a work visual. But at one small company, I go and hand off information to you for you are the next person to process. And I just flip that Rolodex it over to the proper number that shows what is in the queue right now. So if I hand two things off to you, I add two numbers. If it is six, I go up to eight. As you take the work and process it, you bump it down. You are talking in seconds of people's time to do something like that. But anybody walking by knows where the queue of work is, who is ahead and who's behind.

That's a very, very big part of what we try to do in Lean service. At Lean Office and Services is get visibility of queues of work so we can start better managing and maintaining flow.

Joe: Now, you talk a lot about flow and of course managing what you called the queue as real important part of the flow. When I think of the flow, I always think of the Theory of Constraints. I mean that's one of the first things that pops up to me. Do you deal with these type of concepts in the Lean Office? Do you think of the bottleneck or the Herbie let's say in that process?

Drew: Yeah, we are always looking at that. When we value stream map, one of the things that we do in the future state design, well, during the current state mapping we are going to look for the Herbie or constraint or bottleneck. That can be very apparent by the queue in front of it. You have to be careful with the office environment. We can’t always jump to that conclusion. We might look at the process time, capacity at certain steps in the office or service and compare it to the demand rate or Takt time in order to find where our bottlenecks or constraints, most of the time it is not a revelation to people. They kind of knew they have a problem and kind of ignored it maybe.

So we are always looking for that, and we want to address those. That might be added constraint, might be where we focus our standard work effort. Again, reminding people that standard work is part of streamlining your work. So let's focus our standard work there. We can streamline it. We can relieve that constraint.

We can put a pull system in that constraint where we actually pull resources in when demand requires such to help out periodically. We could do a major shift or resources if it is a critical constraint, or it is constantly plaguing us. Pull system help at that. Pull systems are good for triggering a relocation of resources or temporary imbalances or temporary constraints.

Now a part of that is cross training and cross training is added work. When people are pulled where the need is, they really can contribute. So, yes we always want to understand where our bottlenecks or constraints are because that's an impediment to flow and flow is one of the key concepts of Lean.

Joe: When you have an impediment do you notice a lot that it is the most variable part of the process?

Drew: Sometimes. Not always, but sometimes.

Joe: Now you talked about Takt time a bit. Could you just describe what Takt time is first, but does it really apply to the service environment?

Drew: Absolutely, services and most office activities it applies. But basically the term Takt is a term where it means interval of time. Way back someone created a calculation to take demand divide it into effective working time to meet that demand in that period and come up with a number. That number is in terms of time, minutes, seconds, hours. What that allows us to do is to compare that directly in an apple to apple comparison of the work content, to perform the activity. If, for example, my Takt time for order processing is 10 minutes, one average order in every 10 minutes, it doesn't come in precisely like that but on an average, an order is coming in every 10 minutes, the next question will be, "What is your process time?"

How long does it take to actually process an order? Let's say that's 20 minutes. Well, if it takes 20 minutes to process an order, but I have to be, in order to keep up with demand I have to, you know they're coming in every 10 minutes, then one person can't keep up, you know, we would need two people. Together two people could process orders on average every 10 minutes, and that would be in line with the demand rate or Takt time.

So that's how we use Takt time is to really look at capacity, see where we have constraints, see where we have imbalances and then we work to resolve those. So it applies to any process. As long as you have a demand, Takt time applies.

The question is, how do you make it meaningful? So you have to express demand in ways that are meaningful. What is meaningful? Meaningful is as it relates to the work content. In my order processing example, I get so many orders in, and if I just consider orders, the Takt time is 10 minutes, but then someone says, "But Drew, orders are not orders.

I could have a one line item order; I could have a thousand line item order and the time to process those can vary tremendously." In that situation, the demand rate or TAKT time should not be expressed in orders but in line items because that relates more to the work content.

The next process, they might say, "We don't care about line items. I'm invoicing; it's just orders, because we invoice every order." OK, their Takt time would be expressed in orders because it relates to the work content.

So what people struggle with is they don't understand that they can change the Takt time. You might have a different Takt time for every activity in a value stream because the nature of the work is a little different. And that's OK. There's nothing wrong with that. Because remember, the purpose of Takt time is to help us understand constraints and make sure we can level our resources to meet demand and within the value stream on a level.

So once people understand it they're like, "Wow, I could have you know three, four, five Takt times?" Yeah, you can. And as long as we understand what the intent is then people can understand how this works, which is no different from people lining up at the hotel registration desk. You can measure that demand and how long it takes you to process a customer and make sure that you have the right resources at the right time, even looking into demand rates that vary during the day which is very common in service industries.

Phone centers, call centers, same thing. So absolutely it applies to every, if there's a demand, it applies to the process. Where it gets a little iffy are on things you do very periodically, like the annual budgetary process at a company. We can actually still apply the concept, but it's a little bit trickier because there's still a demand. There's so much work that has to be performed in that certain period of time, "I've got to have the budget done in two weeks." So you actually can still calculate a Takt time for that.

Joe: When you start talking Lean to different people, how do you get them to start accepting that they are going to learn this terminology? This is factory stuff. I am an office worker. Do you talk about Takt time? How do you get them to relate to the importance of understanding it or if it is even important to do?

Drew: I am a firm believer that we do not need to create another set of terms. And so, what people have to do is just expand their narrow definitions for the terms. Just like we were discussing on Takt time and then they can start seeing at how it applies. It is true of all the terminology: pull, flow even though the weights of Lean. In a lot of times, people say don't we need a whole new set for the office, and I'm like well, not really. We just have to expand our narrow definitions for those to see how they do apply. So it is really just relating to what they do. And that is the real key. Until you do that, the light bulb cannot start going on.

I like to use common every day, examples to help with that like pull. There are pull systems going on all around you in your daily lives especially on consumers. So if I go to a fast food restaurant and the line is growing to beyond a certain point, customers are getting up agitated because they there is only one worker. The wait is long.

What should happen in that case? You should open up a new register ring, probably...I actually worked for a fast food restaurant as a child, as a teenager and then also as a consultant. I can tell you that the ones that I worked for has a pull system in place. They used the terminology, but it was a pull system.

The register people were instructed of use this if the line gets longer than X number of people, go call back, and usually it was the supervisor on duty at the time at the restaurant would then come up and staff a register. Have a pull system. What that triggered or identified with is that the managing feeding capacity we had to reallocate our resources to get it in line again.

Once the line goes down to a certain level, then that person who is again this supervisor on duty will go back to whatever they were doing. That is a pull system. It is helping to maintain customer service. It is helping to control the flow of resources. In this case people and it is set on very clear rules. They knew on average how long it took the process each customer.

They knew how long from market research, how long people were willing to wait before they leave. And they set those rules. And those rules that have changed over the years based on changing needs of customers because people are getting very impatient these days.

Joe: Yes, expectations are changing.

Drew: I see these things everywhere. I was in a food market the other week, and I looked behind a counter, I saw five S's in this service industry of food markets. Wow, you get the five S's. I started talking to the supervisor, and he said they had just started this a year ago. They changed some of the S's a little bit to be more relevant to them. I don't get too hung up on that, but they definitely seem to have the concept right. It wasn't just about housekeeping and tidiness. They were really focusing on functionality as well which is really important. So they all apply, all the terms apply; all the concepts apply. We just have to help people with examples and things that they can relate to.

Joe: We talked before the podcast about people adapting to Lean because they think that their getting into this real structured situation. Everybody's got to do this standard work. Everybody's got to do this regimented process to make it all work and what's... Is that what Lean is?

Drew: Well, standard work is a foundation concept of Lean. The quality management folks can appreciate what we are trying to accomplish there. We are trying to reduce variability in the process and then in the result of the process. So that is the foundation concept. That doesn't mean we make everyone robots. We can allow some flexibility. We distinguish kind of what's important versus not so important by what we call the key points which are a part of standard work. The key points are nonnegotiable. They're quality, efficiency and in some cases safety. You've got to do them in these ways because we proved they're the most efficient way. We proved that it is the safest way. We proved that they provide the quality result we're looking for.

There are a lot of non-key point activities or steps that we can allow some flexibility on. Style, we can allow people to have a different style. We're not going to make them all robots. They're not all going to speak the same way and behave the same way. That would be boring in any environment, work or otherwise.

People have to realize that's not what we're trying to do. I've heard that for 25 years, all the way back to manufacturing days. You're going to make us all robots. No, that's really not what we want. People have that misconception. We have to get over that.

They also have to understand the other big purpose of standard work which is to identify nonstandard conditions. How can we identify nonstandard conditions if we don't have standard conditions to begin with? We'll forever not know. We'll be confused. We'll be for forever not knowing what we need to act on and what we don't need to act on.

Joe: I think that's very true. How do you know where to go if you don't know where you are? The question that I have in the Lean process, Lean Office and Processes, do we always create standard work and basically our current state situation and then map a future value stream? Is that a common process you take someone through?

Drew: In general, we start off with value stream mapping. That is our assessment and planning tool. We allow that to tell us where the lack of standard work and what areas we need to kind of focus our efforts on, because there may be constraints or bottlenecks as we discussed earlier. In general we'll always start with value stream mapping just to assess to make sure we don't overlook anything. That includes the current state and the future state. Do you always have to do that? No, if you really have a good strong sense that hey, here's our problem area. Let's start there.

You can do that, but I always tell companies we would be remiss if we really didn't assess the overall value stream, the overall system. We may overlook something. So we do encourage that. Sometimes that's a little strong medicine, stronger than people are willing to accept, in particular when we get into the product development or just development in general processes and systems.

People resist value stream mapping. So I've been more recently taking different approaches there that are more of a tools approach rather than a system approach which value stream mapping encourages. Just to open the door, open the mind a little bit that there's opportunity there. But generally speaking we would encourage people to start with mapping.

Joe: There's been a lot of different talk about the different methods. I'm seeing Continuous Improvement methods from Six Sigma to Lean to Agile to Scrum to Kanban; all of these terms and they all seem to mix, Theory of Constraints, there's another one. It's kind of confusing because they all have a little different take, but they seem foundationally a lot the same. How do I know which one to choose and follow?

Drew: You're absolutely right. They're all the same. And you're also absolutely right. People are creating a lot of confusion out there, and that's unfortunate. To me, it's whatever resonates with you. I would strongly encourage folks not to seek differences because there really aren't any. For someone that's been doing this for 25 years, I can tell you with pretty good certainty, there's really no difference in all these things. It's all about continuous improvement. How you go about doing it, you should have a methodology of doing that and that should be a standard methodology within your organization. As far as the concepts, the tools, Lean has a box, Project Management has a toolbox. They should be viewed as a very complementary toolbox. You need both. You need both sets of tools.

Like any tool, you've got to pull it out at right time and when the opportunity arises. I cringe when I hear Six Sigma's people speak badly about Lean or Lean people speak badly about Six Sigma. I was never taught it that way. I grew up in GE in the '80s, and we were taught world class. And we had a quality leadership curriculum. We had; you know a manufacturing curriculum that covered a lot of Lean. And we were taught here's your toolbox.

These are all the concepts that you want to apply wherever you work: office, manufacturing, it didn't matter. So hopefully, and unfortunately they do, they get hung up on terms. They get hung up on terms. And they try to say, it's different, it's different, it's different and it isn't. You can just pick it whether, in the quality management circles, it's known as DMAIC for Six Sigma or the old Plan, Do, Check, Act, from the folks back in the Deming days.

They all originate to the scientific approach which is really a four step process that was first applied in industry by a gentleman named Dr. Walter Shewart in the 1920's and then Deming admittedly lifted for his Plan, Do, Check, Act in the 1940's and '50's.

Everything originates from there. It's that scientific method of understanding a problem; the current condition, the current, where, defining where you want to be, your desire state, what's the gap, how do I get there. Whether it is a specific problem or issue of performance of a process, it's all about that, so it's all really about continuous improvement.

The cultural side has always been like that too since the Deming days, using his thirteen points in his own way was trying to get people to change the culture of how people run their businesses, engaging people in problem solving. That's again Lean; that's again underpinning of Six Sigma. There really are no differences. So if you're going to choose a methodology or terminology, just be consistent and be prepared to explain how these really are all the same and how they're complementary if questions do arise.

What you don't want to do is create this confusion that we see in companies. I've seen large corporations have a Lean group and a Six Sigma group. Invariably that creates confusion in the organization, creates conflict in the organization and the best things are not being done for the organization.

There was a survey done; I think by Michael George, who's one of the early folks to bring Lean and Six Sigma together and kind of coin the term Lean Sigma and some others. He did a survey of CEOs and Presidents, and we all just cringed when we saw it. It was like, "Oh, Lean and Six Sigma do one or the other, apples and oranges." I mean these people did not see these as complementary or part of the overall same business model.

Joe: When I look at Lean and Six Sigma, they are very complementary of each other. I've seen a recent survey where they say Lean is the most favorite continuous improvement tool and is escalating quicker than what Six Sigma is. What I always thought is that Lean has better stories, they make it seem simpler for an entry point and Six Sigma, a person resists that because they think we're not going to go to Six Sigma level quality.

Drew: I just had this discussion at a company yesterday. It really depends on whom you learn it from. If you learn Six Sigma from kind of the classicist of, "Every Six Sigma must be a project of three months or longer, and you must apply the advanced quality tools to it or it doesn't qualify," you're going to have a very different view. As opposed to, it's really about continuous improvement. DMAIC is our process, if I can get through the DMAIC process in 15 minutes, great. If it takes 15 months, OK. If I need to apply a heavy statistical tool, a more advanced statistical tools fine. If I can get by with the seven basic quality tools, even better. If people learned it in a pragmatic way, as I was taught, then they don't get hung up on these things.

Unfortunately, there are people out there that keep trying to distinguish and why they're different. Even within the Six Sigma world, there's still a lot of people that approach it like I just described and if it's not a three month project and you're not going to save $50,000 or more or some magic number, oh the green belt project's 50 and the black belt project's got to be 100.

I don't know where anyone came up with these rules, but somehow people are, have picked this stuff up, and they're teaching others and they're passing on these misconceptions. That's part of the battle we're fighting. It's about improving. You want to use the DMAIC as your improvement process instead of PDCA or one of the other tenets that are out there, I don't care.

Every business should have one. You should be consistent in using it. If there's no aspect of time assumed around that and tool-wise, recognize when you should use a tool don't force use a tool, and use the basic tools. That will get you by 85% of the time if not more for most problems that you encounter.

Joe: I think those are very good points. I think you make some great common sense approaches to continuous improvement Drew. I appreciate your outlook on that. Is there anything you'd like to add about, to this conversation before we end it?

Drew: Just, be brave to the folks that are listening to this and try. Every company has to adapt the concepts to what they do. And unfortunately so many folks are looking for an answer from somewhere else or someone else. I mean I get phone calls, emails every week, "Can you send this to a company that's like us or doing it?" It's like what are you trying to do, copy from your neighbor's paper? And what worries me about that is when people take that approach, they're not trying to learn. They're not trying to understand deeply what the concepts are about. And it's that deeper understanding that, number one, allows folks and organizations overall to adapt the concepts to meet their unique needs, because once again, they have to be. Even within industries they have to be.

Different people and different systems and you know different layouts and everything. So you have to adapt the concepts. The deeper you understand them, the more confidence you have in adapting them. You won't be reluctant to adapt them for fear of undermining the principles themselves. You only can learn by doing, you try.

If you fail, you know, I mean, you try something else. If it doesn't quite work the way you expected, you try something else. So we encourage experimentation. And this is all back to the 1800's with scientific methodology, scientific method. So try. You learn more by doing than talking about it. And you learn more by doing and the experience you gain to tweak it and try something else.

So that's the message I always leave with groups. Go forth and apply. You'll learn more by doing, and you'll get there faster.

Joe: Now, someone to get a hold of you. What's your website?

Drew: CMA, the letters "C", "M", "A", the number four, results, with a "S" dot com. Or you can just Google Drew Locher, "L", "O", "C", "H", "E", "R", I'm pretty easy to find.

The website has a lot of information. It has case studies. A nice broad, I just updated it a few months ago, a nice broad set of case studies and projects. There's a design, like a product development example. There's an office example. There's a job shop example. There's about five different; there's a health care example up there. So we try to provide a lot of information on the website. There's a page called, "News," which has a lot of articles. A lot of those articles are the foundation for chapters of book, of a book that I have coming out later this year called, "Lean Office and Service Made Simple." It should be out in November of 2010. For those that can't wait, you can actually get a lot of information right off the website under the "News" page.

So we try to provide as much information as we can provide a helping hand to folks. And a lot of the articles, given my first book on the subject, tend to gravitate towards office and services.

Joe: OK, well I'd like to thank you very much. It was very informative. This podcast will be available on the Business901 podcast site and the Business901 iTunes Store. So thank you, Drew. I appreciate it.

Drew: Thank you, Joe.

Business901 *Podcast Transcription*

Implementing Lean Marketing Systems

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***What others say:** In the past 20 years, Joe and I have collaborated on many difficult issues. Joe's ability to combine his expertise with "out of the box" thinking is unsurpassed. He has always delivered quickly, cost effectively and with ingenuity. A brilliant mind that is always a pleasure to work with." James R.*

Joe Dager is President of Business901, a progressive company providing direction in areas **such as Lean Marketing, Product Marketing, Product Launches and Re-Launches.** As a Lean Six Sigma Black Belt, Business901 provides and implements marketing, project and performance planning methodologies in small businesses. The simplicity of a single flexible model will create clarity for your staff and, as a result, better execution. My goal is to allow you spend your time on the **need versus the plan**.

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