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Implementing Lean Marketing Systems



Liker on Coaching Lean

Guest was Dr. Jeffrey Liker,
author of *The Toyota Way*



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Dr. Liker is a nationally recognized authority on lean manufacturing methods and Professor of Industrial and Operations Engineering at the University of Michigan. He is an expert on U.S. and Japanese differences in manufacturing and supply chain management, and co-founded the Japan Technology Management Program at UM.

Dr. Liker has authored or co-authored over 70 articles and book chapters and eight books. He is author of the best-selling The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer (McGraw Hill, 2004), which speaks to the underlying philosophy and principles that drive Toyota's quality and efficiency-obsessed culture.

He co-authored The Toyota Product Development System with James Morgan (Productivity Press) that won the 2007 Shingo Prize for Excellence in Manufacturing Research. This is the first book to examine in detail the product development side of Toyota.

Dr. Liker is also the Editor of Becoming Lean: Experiences of U.S. Manufacturers (Productivity Press, 1997), winner of the 1998 Shingo prize (for excellence in manufacturing research). He has also won Shingo prizes for his research in 1995, 1996, and 1997. He is active as a keynote speaker, speaker for executive retreats, Lean consultant, and co-founder of Optiprise, Inc.

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Joe Dager: Welcome, everyone. This is Joe Dager, the host to the Business 901 podcast. With me today is Jeff Liker. Jeff is the author of the bestselling book, "The Toyota Way," and Professor of Industrial and Operations Engineering and co-founder and director of the Japanese Technology Management Program at the University of Michigan. Jeff, I'd like to welcome you. It's my honor to talk to you. You've got a couple new books coming out. Could you give me the titles of them?

Jeff: Well, the first one, which is, I've worked on for several years, is called "The Toyota Way to Continuous Improvement," and that had started because we, I was working on this with David Meyer, a book about each of the four Ps of the Toyota Way, philosophy, process, people and problem solving. We wrote, "Toyota Talent," which was about people, and then I wrote, "Toyota Culture," which is broader and macro about people. The next title up was "Toyota Processes."

Every time we tried to write about it, we kept on getting into a trap, where we found we couldn't really talk about processes without talking about people and problem-solving, they're so interrelated.

Ultimately, I began working with another colleague, Jim France, and we ended up calling the book, "The Toyota Way to Continuous Improvement." The book is really about the philosophy of continuous improvement. Using case examples to illustrate the difference between continuous improvements, based on Plan, Do, Check Act.

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As you know, Deming, Dr. Deming was one of the main teachers of Toyota. Toyota was perhaps the best student of Dr. Deming. We talk about a PDCA approach, what are the philosophy and how do you approach a company when you're taking that philosophy in a way that's very different from a normal consulting project that you might call a Lean consulting project, or Lean Six Sigma consulting project.

So we illustrate that with many different industries, and it ranges from product development to iron ore mining, to nuclear fuel rod assembly to various hospitals. An insurance company, that's part of the health care industry.

So we try to give as many different examples as possible in order to show that the thinking process, the way of approaching the organization is actually the same, it has the same roots and the same philosophy, even though each organization is unique. And the problems they have are different.

Joe: I kind of get the feeling that you think a coach is pretty important in this process.

Jeff: I think a coach is important in any process I've learned. I personally have been trying to improve my body. So I have a personal trainer who acts as my coach. And I'm relearning guitar. I used to play guitar when I was younger all the time. Then I stopped. Now I'm learning classical guitar. And I have a classical guitar teacher. I wouldn't even begin to be able to do the exercises I need, to improve my body on my own just by reading a book. I wouldn't have the discipline. And when I play guitar I need somebody to tell me each week -- I do it weekly -- but each week I play something. And the instructor has a specific idea of why I'm playing that piece, or why I'm playing that exercise.

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Then I go ahead, and I play it, and then he tells me what I'm doing wrong. I make an adjustment. I say, "Wow. That really makes a difference." As going along each week, I'm learning something new. It's based on feedback. Sometimes we stay with the same piece or the same exercise for weeks and weeks until I get it right.

Now without the coach I wouldn't know whether I was doing it right or wrong. I would think I was doing it right. I would think I was doing what the book said. I'd be happy, and I would continue doing it the wrong way forever because I would have no way of knowing.

Joe: It's amazing how intuitive a good coach can be in what you're doing. I relate it a lot to sports, like you were talking about the golf head early, I mean that's...

Jeff: Right. It takes a certain type of person to be able to bring themselves back and relate to the beginner, and remember, here is what I had to learn five years ago. There are some people who just can't do that. They can do it, and they don't understand, or get frustrated when others can't understand what they understand. That's another kind of an important issue, is that teaching is different than doing. Very often, we just assume. For example, somebody is a Black Belt, and they do enough projects they become Master Black Belt. Now presumably they can teach. That's not a good assumption.

You need to learn how to teach. That's a whole separate process of learning how to teach others. The teaching, one thing that happens with teaching very commonly is we overwhelm the student.

We've got to break it down and say, "Right now here is what I want you to do. Here's an exercise that I want you to do. For the next week, this is what you should do."

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Then next week he'll look at what the student has done and then he'll decide if the student is ready to move to another step. And based on what the student does, when he sees a weakness that will determine what he asks the student to do next. That's the teaching process.

We don't do that in many situations. I think good sports coaches or good sports teachers do it naturally. I think in most workplaces, whether it is a restaurant or whether it is a hotel or a manufacturing company very few people really have ever learned how to teach.

Very few people were taught themselves how to do the jobs they do in a systematic way. They can't teach anybody else because they never really learned in the right way.

So if you go back to the book, the other book we did David Meyer and me, "Toyota Talent" that the whole book really is about how you teach. It focuses on the job instructions training methods, which was taught to Toyota by Americans that include instructional designers. And really, they're teaching Toyota, here is how you teach.

Taiichi Ohno was smart enough and wise enough to realize that that was missing from the Toyota Production System. They had sales and one piece flow, and he had this concept of people being cross-trained and he had a concept to standardized work.

He could kind of figure out the standardized work, but he was missing the method of training people in following the standardized work. Standardized work was not at the level of detail that you could effectively train people.

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Then over time as a learning organization has learned. They introduced more recently something that they call fundamental skills training. They went back, and they looked at jobs in each area, stamping, and painting, and assembly and even things like troubleshooting equipment as a maintenance person.

They said, "How can we break this down to the most fundamental skills that the beginner needs to learn, before they can even get started doing the job, before we're even going to send them to the assembly line?" And that's offline training.

I remember talking to a golfer who was watching me swing, and I just happened to be at the driving range. This guy had been trained by Sam Sneed. He just gave me a tip, he just gave me one tip and he said that when he was being trained by Sam Sneed, Sam Sneed would not allow him to go to a golf course for three months.

For three months he was just at the driving range, and he was working on very, very basic swings, and body motions and things like that. There was some period of time when Sam Sneed wouldn't even let him even handle the ball.

So that's sort of like this fundamental skills training which was in advance of them going to the workplace. When you go to the workplace and actually do a real job then, you use the Job Instruction Training Method. The Job Instruction Training Method breaks down the task into small steps, and then you repeatedly do those steps over and over again.

With each step there are key points that are the right way to hold the tool, the sound that you should hear when the nut is locked in place. Its various key points and you have to be able to hear those and understand them, repeat back to the instructor what the key point

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is. You master that step and practice it. Then you move to the next step, and then you move to the next step.

So in that book we then talk about how would you train a nurse to do rounds? How would you train a nurse to resuscitate a patient? If you follow that method, how would you train an engineer? How would you train a Lean coach? What are the skills required by a Lean coach? The definition of the coach is that you're coaching and teaching, not that you're going in and doing a project yourself.

So at first a Lean coach has to learn and become an expert and master of the methods themselves. Then they have to learn how to teach. I don't know how long that takes, but it takes a lot longer than a two-week Lean certification program.

Joe: How would you recommend someone to get started? I mean if I want to really start to develop a PDCA culture, what do I start thinking about? Do I have to go out and get a coach? Do I need to maybe first read your book?

Jeff: No. Actually in reading my book, it would be contradictory for me to say you can learn any real skill based on reading my book. Because that would be -- if you want to use a sports analogy or golf analogy, that would be like the first thing you want to do, if you want to learn how to play golf, the first thing you should do is buy this great book, that's *The 15 Principles to Become a Great Golfer*, or *The Story of Tiger Woods*, or something like that. The first thing you would want to do if you want to learn how to play golf would be to get a very basic golf set and go out and hit some balls. I do think that I would recommend to anybody that they get a golf instructor, because otherwise they are going to start to learn bad habits that will, through muscle memory become hard to overcome, hard to

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change. I think there is great value in a coach. Some companies are fortunate that they have coaches already inside the company.

One of the cases in the Toyota Continual Improvement was written by Charlie Baker. Charlie Baker was the first Chief Engineer, American Chief Engineer in Honda. He then worked his way up to the first American Vice President of Engineering in Honda of America. Then he worked for several companies. He works for Harley Davidson now. But as the Vice President of Engineering, he's actually the master black-belt in leading product development. And that's a wonderful situation to be in.

Unfortunately, there are very few Charlie Bakers. If you have somebody that's great, inside but if you don't have somebody to teach you inside, you have to go outside and get somebody to teach you. The important thing about getting a teacher is that the teacher needs to be able to teach, and it's not enough that they can do, and it's not enough that they can promise great results.

Too many companies make the mistake of hiring consultants based on the promised return on investment. I read a proposal that said, "I will, in this year; it will cost a million dollars, and I'm going to generate \$10 million in cost savings. Here is how I am going to do it, and here is my road map, and my job for the year is to get the \$10 million. It's not to teach and coach."

Anyway you need to get the right kind of Sensei, as they call it in Japan or the right kind of coach, then you need to identify who the students are, who in your company are going to be the students. How much money can you spend on coaches, how much, are you going to get the weekly lessons, or the daily lessons, or have five teachers, or what can you afford.

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Based on the coaching capacity that will determine how far you can go, how much you can do at once inside your company.

If you have one good coach who's coming once a week, then I would suggest that pick one pilot area. Pick, select some high potential people who can learn to become your future coach or your future coaches, and then give them a chance or the resources for that one small project. Don't judge the project based on the overall return on investment for that project. In other words, the project shouldn't have to generate enough savings to pay for all the time, all the coaches, all the people and the outside consultant.

The point of that first project is to, like the loaves and the fishes, generating teachers who are then going to teach others, and they are going to generate teachers, and there is an exponential effect over time of that teaching.

We always recommend starting with pilot projects. The number of pilot projects depends on the number of the coaches you have. We recommend finding some of your best people, who have the right kind of characteristics, who can learn or are open to learning, who have really good interpersonal skills, who have good communication skills, who have empathy.

Because if they are going to be taught to be your internal coaches, they have to now teach others, and part of teaching others requires patience and empathy. You can't get frustrated because they are not getting it, and do it for them.

Then the coach comes in, and the coach gets you started, and you start to work on a project. Like teaching anything else, every time they come they are checking what you

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have done, they are deciding what your strengths and weaknesses are, and they are figuring out what you should try next. What the next step is, a dynamic process.

The coach won't know exactly how this will go over the next six months or year. They have a general idea, but they won't know until they get into it, and they see how you are doing and how seriously you are taking this. If you are not practicing and you are not doing your homework, you might have to go back and redo something several times.

That's how you get started. It's just like getting started with any basic skill. That's not what I see happening in very many companies, and that is the approach we try to use with companies we have a lot of trouble. One of the first questions we get is, "What will be the return on investment? And what is your road map for Lean? How long is it going to take before we are done?"

What we want is for somebody to say that's great. We want to do this; we want to learn. We see this as a lifetime investment. We'll get started wherever you suggest, and we're going to judge by how much people learn?

In fact, we're going to put four of our best people onto this project with you for six months, just to learn. After six months, we can spread the four people to four additional places.

One will be the person who stays in the area, who's managing the area, and the other three will go back to their home departments and then they will start projects in those home departments and they'll go through the whole pilot program again in their departments, and that's what I mean, the loaves and fishes starts to then spread.

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By the end of the year you may have done one area really well, and you may have great results in that one area, even though it's not enough to justify all the expense, and now you've got four or five people who have training, and they can go to the next four or five areas.

Then they can spend six months or so in those areas to get them started, and in the process of doing that, you're training now the coaches and they're helping you train the next level of coach. Over several years, it starts to really multiply.

What happens with companies is that they say, "Well, we don't have time for that. We've got these objectives, assigned by the CEO, for this level of cost reduction and this level of improvement of sales," and, you know, whatever the objective is, "We need to double our capacity without adding any floor space."

So in that case, you have to be very directive as a Lean expert. You become more of a Lean expert than a coach. You know, become very, very directive, and tell people what to do in order to get those results very quickly. People kind of learn from seeing it, but they're not really learning in a deep way.

Joe: So learning in a deep way may have to come second to actually instilling a Lean culture?

Jeff: Well, I would put it a little differently. Inspiring a Lean culture may have to come second to... If the company, I'm not sure what you're saying, but if the company... What will sometimes happen is it's very clear that the company has very, very aggressive targets for performance improvement and if they don't achieve those targets, the Lean program's

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going to die. So just to stay in the game, you have to start...as a consultant, you have to start by being very directive, and by getting the results.

At that point, you don't have the opportunity, really, to do the kind of deep coaching and training necessary to begin to really seriously develop the culture. The hope is that if you are successful, say, in the first year, and you deliver the results, you then gain some good will and some, believers...You develop enough believers in senior management that they will now let you go onto phase two.

Phase two is taking more of a teaching and coaching approach and slowing down a bit, where you can say, look; this is what we accomplished in a year. Imagine if this same thing was happening in every part of your company. We weren't the ones that were doing it, but it was your own people who were leading it, and therefore you multiply our capability, instead of, you know, five consultants, we've got a hundred leaders who are all leading this. Imagine the power of that. If they're insightful and intuitive, they may be able to make that leap and say, "My God, you know, we'd be unstoppable."

Then they might move into a phase where they say, let's now focus on teaching and what I'm really interested in is that the projects are done well and that people are using the right way of thinking and they're learning from these projects and this is going to be an investment in the future. At that point, you're really more seriously working on cultural change.

I've seen that happen in a lot of companies, where they've even spent several years using a tool approach and being very, very results focused, and then after several years, the senior leaders, sometimes it's because the senior leaders change or because somebody

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gets promoted who's part of the Lean process and they understood it deeply and they get promoted into a high enough position.

There's various ways that you get there, but you see the companies get to a point where they say, "You know, we've been doing this, we've been getting some results. Some places they're sustained, other places they're not sustained. We're believers now, and what we really need to do is to now start to focus on building the culture and getting the right people in place with the right knowledge.

I don't care about results for this next year. What I care about is what people learn and how we mature as a culture. That's like heaven when that happens, but it does happen. I don't think those companies made a mistake. I don't think that they blew it because they used more of a tools/results based approach for several years.

I look at it as that was part of their journey, and now they've evolved to another point. So what gets me the most discouraged, because they're not able to sustain the changes, or because of new management that doesn't understand what actually, they have in their company and what they've developed. It bothers me when they just drop the program, and they start the new program of the month. And that's the worst thing that you can do.

Joe: Well, I've taken way too much of your time here. I do really appreciate this. How can someone get a hold of you if they want to learn more?

Jeff: Well, my email address is Liker@umich.edu. Liker@umich - for the University of Michigan.edu. So I check email all the time, Liker@umich.edu, and I get emails from all

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sorts of people. A lot of people think that I wouldn't respond, but I do, so that's the best way.

Joe: I'd like to thank you very much. It was very informative. This podcast will be available on the Business 901 and also the Business 901 iTunes store. So again, thank you very much, Jeff.

Jeff: You're welcome. Thanks for having me.

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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.**

An example of how we may work: Business901 could start with a consulting style utilizing an individual from your organization or a virtual assistance that is well versed in our principles. We have **capabilities to plug virtually any marketing function** into your process immediately. As proficiencies develop, Business901 moves into a coach's role supporting the process as needed. The goal of implementing a system is that the processes will become a habit and not an event.

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