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A WHITE PAPER BY PRODUCTIVITY

DEVELOPING LEAN TALENT
HOW TO BUILD STRATEGIC SKILL-SETS FOR THE LONG TERM

A recent study by executive search firm The Avery Point Group revealed that demand for continuous improvement (CI) talent is strong post-recession; it has more than doubled since 2010 and is up over last year. Of particular interest to the Lean community, this eighth annual study also showed that the need for lean-centered skill-sets is accelerating, surpassing that for six-sigma-centered expertise. In fact, lean skills are preferred by a margin approaching 70 %.

What's behind the trend?

Tim Noble, managing principal and partner of The Avery Point Group, postulates that it's related to « companies shifting their priorities to ... get the best leverage with their continuous improvement initiatives and seeking the required talent to execute those initiatives. »

That is, Noble says, companies are focusing in particular on lean as a hedge against the steep challenges of today's economic climate, which they feel may be better served by lean's more immediate and practical focus on waste, flow, and flexibility.[1]

With ever-growing demand for lean talent, combined with an ongoing need to position and realign CI initiatives, how can companies strategically develop the right internal talent in keeping with the constraints and opportunities of the current economic climate? Here is a concise perspective on current issues faced by organizations, and a practical approach for expanding the talent base to reliably move an organization forward over the long term.

WHERE ARE LEAN INITIATIVES HEADING?

One recurring theme was a history of a false start or setback that resulted in a significant reassessment and realignment of efforts.

Leaders involved with operational excellence discussed their track records with improvement initiatives in a recent survey sponsored by **Productivity Inc. and The Ohio State University Fisher College of Business' Center for Operational Excellence.**[2] One recurring theme was a history of a false start or setback that resulted in a significant reassessment and realignment of efforts. Such setbacks generally require rewinding to basic concepts, this time with a clearer intent and strategy (and in some cases new leadership).

Organizations have increasingly recognized the inherent value of lean as the foundation of enterprise-wide process improvement, but they continue to experience both confusion and missteps when it comes to defining and implementing lean. People still have different perceptions of what « **Lean** » is.
We define Lean as the umbrella strategy for improvement, encompassing **total productive maintenance, just-in-time, six sigma, high performance work systems**, and **total quality contro**l.

When it comes to implementation, people also have different ideas about the varied skills and tools needed to improve productivity and reduce waste. Some start with kaizen events, others introduce Lean in pilot areas without an overarching implementation plan, and still others develop a plan but don't have a firm conception of how to deploy resources over time.

Six sigma provides an invaluable skill-set that can be applied to solving complex and technical problems, and can be used in tandem with Lean practices. But in standard deployments of six sigma methodologies, high-powered experts generally lead the charge to solve a problem in a specific area.

When the six sigma project has been completed, the expert team moves on. Oftentimes, the associates working in the target area are not trained in-depth, nor are they closely involved with the problem-solving activity.

When the experts leave, it can be difficult to sustain improvements that haven't become a part of daily work, and indeed difficult to generate or sustain a culture that fosters organic continuous improvement.

SO, WHAT'S NEXT?

Full rollout that? engages the entire organization continues to be an issue, even for organizations that consider themselves to be at a mature level of implementation.

Regardless of a company's maturity level with continuous improvement, the most frequent response to the « what's next? » question in the Productivity/OSU survey was continued expansion of efforts to educate and involve all employees and ingrain the philosophy in the company culture.

Translation: full rollout that engages the entire organization continues to be an issue, even for organizations that consider themselves to be at a mature level of implementation.

Other next steps frequently cited included expanding efforts beyond production to administrative and support areas (that relates to enterprise-wide engagement), improving project selection criteria and management processes (a key issue for ensuring alignment and integration with core strategies), and—no surprise considering the frequent need to restart efforts—refocusing on disciplined execution of fundamental tools and skills.

HOW DID WE GET (BACK) HERE?

Those charged with implementing Lean far too often lacked the leadership and motivation required to influence behavior companywide.

When Lean and six sigma began to catch on in the early 1990s, many organizations ran with what they felt constituted a Lean process—however they may have defined it—and began turning their Lean responsibilities over to people who may or may not have been trained, mentored, and positioned to succeed over the long term.

The trend was to learn a Lean skill, attempt to incorporate it into the workplace, and then, if time and resources permitted, move on to the next round of tool applications.

For the most part however, organizations failed to develop a comprehensive Lean plan or strategy, and those charged with implementing Lean far too often lacked the leadership and motivation required to influence behavior companywide.

More importantly, what was missing was a systematic process that, first and foremost, could help organizations better understand the top-down philosophy of a well-crafted Lean plan, or that could encompass both real-world practicality and an in-depth education in the basics behind Lean leadership.

WHAT CAN BE DONE TO DEVELOP THE RIGHT TALENT AND SKILL-SETS?

Noble recommends looking to organizations that offer certification in Lean.

As companies continue to launch or enhance Lean initiatives, they can take a new strategic approach including acquiring the right talent or developing it from within and positioning those people to lead systemic change. To meet the demand for that talent, **Noble** recommends looking to organizations that offer certification in Lean.

Lean certification programs began to turn up in the mid-1990s, as the need for employees with Lean expertise continued to grow. Companies were seeking a better-defined process to shore up their existing Lean initiatives and beginning to recognize that amidst the potpourri of tools and training programs, a missing element was leadership training to instill confidence in CI personnel and help guide them in their role as champions in the Lean journey. Sending employees through certification programs to develop more comprehensive in-house expertise became an option for these companies.

Organizations can strategically use certification programs to kick-start a new initiative or restart a misaligned one.

Lean certification programs can provide an effective way to develop personal and organizational skill-sets. If properly constructed, these programs can provide the necessary education coupled with on-the-job application.

Organizations can strategically use certification programs that specialize in Lean management to kickstart the learning needed to get a new initiative off the ground, or restart a misaligned initiative.

HOW COMPANIES USE LEAN CERTIFICATION PROGRAMS?

Organizations that have successfully used Lean certification programs for developing internal talent have found them instrumental in getting traction with their Lean initiatives.

The following examples are based on companies that have sent employees through the Productivity/Ohio State University Lean Manager Certification (LMAC) program.

A**ntonio Del Rosario, Manufacturing Operations Manager at FS Precision Tech**, participated in the LMAC program as part of FS Precision's strategy to make a newly acquired company profitable again. FS Precision is a maker of precision investment castings for automotive, aerospace, and commercial applications.

Through the initial company project he completed during the LMAC certification process, Del Rosario was able to demonstrate big savings in material, labor, lead time, inventory, and floor space, while achieving smoother flow. As Lean was rolled out on a broader scale in the company, FS Precision reaped substantial benefits, including a reduction in floor space by almost half; the company was able to rent out the freed-up space.

Del Rosario attributes the survival of the company through the 2008 economic downturn to the results achieved with Lean, which, in turn, was implemented as a result of his comprehensive skill-building through the LMAC program.

Wayne Marhelski attended LMAC and sent others through the program when he was **manager of continuous improvement and quality at U.S. Boiler**, a manufacturer of heating products. Lean principles were employed in a large transformation at the company that involved the consolidation of multiple facilities into two greenfield locations, and the development of next-generation processes. Significant results included increased cash flow; delivery of a vast array of product models in season, in a shorter time, at a lower cost, with less inventory investment; and a notably improved cost structure.

« Because of the processes we developed and put into place, » Marhelski said,

« We were able to capture market share and improve competitiveness. »

Sending others through the certification process helped reinforce their in-house Lean training program, and positioned the participants to help drive the change. Marhelski has brought his learnings to bear at other employers and supplier facilities, and calculates savings totaling millions of dollars.

Sending people from different plants through a common training process provides continuity and builds a common vocabulary and core set of knowledge and skills.

Tom Deschler, vice president of continuous improvement at T. Marzetti, a leading specialty foods company, said the company originally sent about 35 plant managers and assistant plant managers through an abbreviated version of the LMAC program several years ago, when the company was aggressively driving the adoption of Lean practices.

Within the past couple of years , the company's president has made a serious commitment to continuous improvement, and T. Marzetti has added CI principles to its core values and doubled down on its Lean efforts. As they continue to send people through the LMAC program, Deschler cites the program's skill-building power, especially the combination of exposure to concepts with practical application, as a key benefit.

Deschler says this continuity is essential in achieving outstanding alignment across the organization.

Another benefit of the certification process is that it supports T. Marzetti's choice to develop a more grassroots approach to continuous improvement rather than relying on external consultants.

It may take longer, but the strategy allows them to build their own culture from the inside.

FINDING THE PROGRAM ELEMENTS, THAT WILL BRING THE ROI ON CERTIFICATION BACK TO YOUR COMPANY.

For a Lean certification program to be of the most benefit, consider what elements will yield the greatest value for your organization, both near- and long-term.

Del Rosario found that hands-on and group exercises were particularly helpful in driving home the lessons learned.

Marhelski agreed:

« The combination of classroom and hands-on exercises served to reinforce concepts and ideas being taught. »

He also added that:

« The project portion helped present a structure often missing in Lean practices » and showed how the various principles and methods could be unified in a synergistic manner, versus the typical 'tool' approach so often used. »

This in turn helped them establish an overall roadmap and a disciplined approach to implementation as it rolled out across the organization.

Some key considerations in finding the right certification program include a few essential factors: whether the program is presented by a group that has deep and well-established Lean credentials, whether it provides a good mix of classroom and applied learning, and whether it covers a good balance of the technical and social skills required to initiate and sustain Lean efforts.

Look for a program that includes the elements and features in the following checklist.

CHECKLIST FOR CERTIFICATION PROGRAMS

- Leverages real-world business experience and success combined with academic research and resources.
- Taught by a combination of seasoned management educators and successful business practitioners with hands-on experience.
- Limited class size.
- Highly interactive approach to instruction.
- Ample opportunity for one-on-one interface with instructors.
- Significant track record of graduating successful Lean managers.
- Used by both leading organizations and smaller, independent companies.
- Designed to combine intensive classroom learning interspersed with time between sessions to apply learning on the job.
- Overall time span for training, on-the-job application, and mentoring is sufficient to allow an indiviual's Lean practices to take root.
- Integrated debriefing and follow-up of on-the-job projects back in the classroom.
- Imparts the leadership strength and know-how needed to view Lean as a companywide process and take Lean initiatives to the next level.

DECIDING WHO SHOULD BE CERTIFIED

Choose candidates who have the ability to grasp the ideas and run with them, as well as to serve as champions and influence others in the organization.

Equally (or perhaps more) important is the process of choosing the right candidates to be certified from a company. In selecting people to attend, **T. Marzetti** has progressed from the upper levels of management into the lower ranks.

Deschler says that choosing who will go at this point is based on a combination of potential and responsibility. Marhelski characterized the right candidates similarly: those who have the ability to grasp the ideas and run with them, as well as to serve as champions and influence others in the organization.

If he had it to do over, he said, « I would also have tried to convince a person higher up the corporate ladder to participate. I think there would have been the ability to produce greater value if a key decision maker had attended. »

The checklist that follows provides some general guidance on identifying appropriate candidates for certification who have a good chance of succeeding when applying their training on the job.

CHECKLIST FOR CERTIFICATION CANDIDATES

Your ultimate objective is to develop lasting Lean talent that can move your organization forward.

- ✔ Well-organized individual with good project leadership aptitude and skills.
- ✔ Capable of empowering and enabling others to succeed.
- ✔ Has good coaching and facilitation aptitude and skills.
- ✔ Is respected by peers and facility management.
- ✔ Is an opinion leader.
- ✔ May be a candidate for a senior-level management position.
- ✔ Possesses good verbal and written communication aptitude and skills (up, down, and across the organizational structure).

Lean certification can provide a useful resource to companies and individuals, but remember that when selecting an appropriate program, your ultimate objective is to develop lasting Lean talent that can move your organization forward strategically and tactically over the time it takes for broad continuous improvement processes to take root.

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