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**Critique on Lean and
comparative Operational
Excellence Techniques**

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Presentation

- Why, What & How
- Summary of Findings
- My personal views – next research topic
- Process Management Evolution
- Fad in exchange for dollars
- Credibility
- Pedigree of the training
- Industry Integrity
- Tools of quality improvement
- The Deal
- The Reality about Lean Principles
- Summary

Why, What & How

- Challenged by a mutual colleague of ours
- Hypothesis that 'Lean' Principles are not new
- To establish a vehicle to express my concerns to a wider forum
- Those concerns include
 - Perception the industry is creating about 'Lean'
 - Credibility of training courses
 - Perception of the industry
 - Skepticism of industry leaders

Summary of Findings

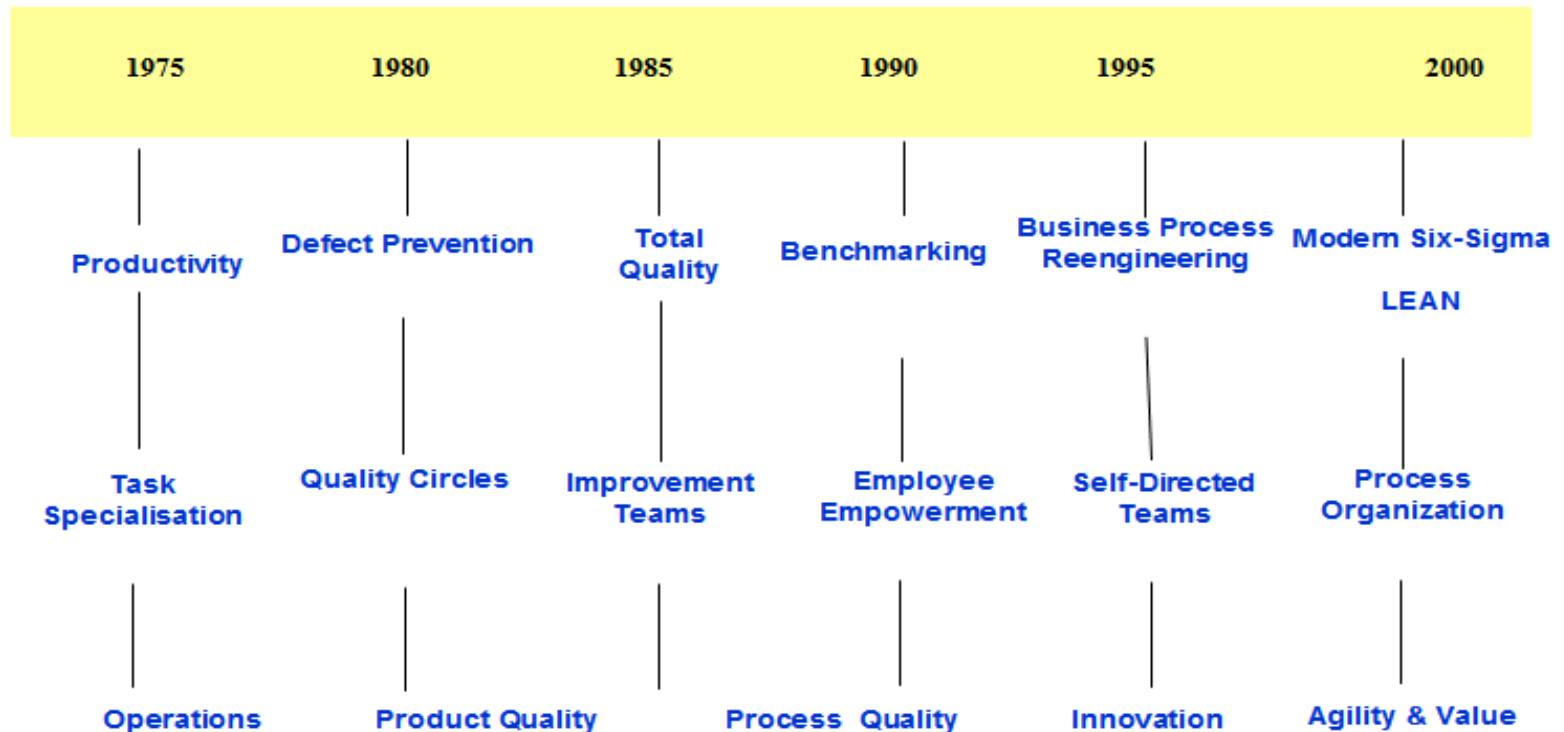
- Commonalities include: understanding and reducing variation; systems thinking; and leadership
- Concepts are at the core of the approach defined by Deming, which became TQC/TQM and are central to 'Lean'
- 'Lean' begins with defining the strategy and policies before developing processes to support them.
- Scepticism is growing as every new approach is labelled as a fad

My personal views – next research

- ‘Lean’ should not be compared with these models but rather embraces; 1930-2000 principles
- The ‘Lean’ body has gracefully developed through a series of improvements arising out of these business models, especially over the past four decades and
- Should continue to do so into the future

Process Management Evolution

The Evolution of Process Management



Cost of cutting corners for certification

- We are all aware of examples of poorly delivered material
- Several examples are present now in Australia
- Some training providers will take what \$\$ they can get, giving little in return
- It is up to the customer to identify the value

Credibility of pedigree

- The quality movement appears to be the developer of a perpetual suite of programs
- There are credible training programs and there are not
- And there are those which are less credible leaving you with an empty helpless feeling at the end
- This is where our industry faces a challenge

Pedigree of the training

- Know where the pedigree of the training is; an example is ASQ, Q C of Indiana
- Know what training you will receive; body of knowledge
- Understand what the BoK will prepare you for; examination or nothing.
- Understand what you are not getting or giving in development programs

Industry Integrity

- If an organization has been historically reactive and has no skill at improving its operating systems, there will be both employee scepticism and a lack of skilled change agents.
- Great applications like 'Lean' can be jaded by fad like approaches

Tools of quality improvement

TQM has left enduring legacies which are obvious in 'Lean' methods. They include:

- Quality Matters (Today quality is a given!)
- Customer focus is essential
- Continuous Improvement is necessary to compete in business
- Understand your business processes
- Measure them! and understand variation.
- Challenge the rule: Quality ↑ Cost ↑ (eg defects – prevention costs more)

The Deal

- While TQM is reported as an effective process for improving organisational functioning, its value can only be assured through a comprehensive and well thought-out implementation process as per 'Lean' principles

The Reality about Lean Principles

- There is a place for sophisticated statistical techniques, but equally there is a place for the simpler approaches that **everyone** can master such as those promoted through 'Lean' thinking.
- The basic assumption is that companies get better by small-step continuous improvement. Lean strongly supports this approach.

Summary

- There is strong evidence that Lean should not be *compared* with these models, but rather
- Lean promotes the involvement of people who do the work as part of the improvement cycle
- Practitioners of improvement have failed to educate organisations where 'Lean' is considered as another fad



Questions