

# Is Your Company Ready For Lean?

Too many companies see Lean as just a collection of tools. They underestimate the importance of organizational culture and employee involvement. This brief assessment will help you determine if your company has the right foundation to begin Lean implementation. If your company is not ready, this assessment will help you discover the areas where your company may need some work before starting on your lean journey.

Lean requires competent, flexible, highly motivated employees working in an environment of enlightened experimentation. Let's see how your organization measures up. Print this out to help you keep track of your answers. Scoring can be found at the end.

Circle the number next to the statement that most closely matches your organization.

## 1. Decision Making

- 1 We avoid making difficult decisions on important matters
- 2 We put off making difficult decisions as long as we can
- 3 We make some important decisions in the appropriate time frame
- 4 We make most important decisions in the appropriate time frame
- 5 We make all important decisions, difficult or not, in the appropriate time frame

## 2. Follow Through

- 1 We have no system/process for following up and making corrections, some of our biggest problems keep recurring.
- 2 We have a system/process for following up and making corrections, but rarely use it
- 3 We follow up and make needed corrections only when the problem creates a crisis
- 4 We follow up and make needed corrections somewhat consistently
- 5 We follow up and make needed corrections very consistently, our problems rarely repeat.

## 3. Communicating about Problems

- 1 No one speaks up out of fear, it is not acceptable to disagree with superiors
- 2 People rarely speak up because they are afraid, they've seen the messenger get shot
- 3 Management blows up over bad news, but they do get over it quickly, and no one gets hurt
- 4 Managers rarely blow up, but set about solving the problems
- 5 Employees know they can bring up bad news and will likely be invited to work with management on a solution

## 4. Providing Appropriate Employee Training

- 1 We don't provide training. It is too expensive and we pay people to work, not to learn
- 2 We do limited on the job training. We try to hire only experience people
- 3 Almost all of our training is on-the-job
- 4 We periodically assess for training needs, and address those needs when we get caught up
- 5 We continuously assess for training needs, and address those needs right away

## 5. Problem Solving

- 1 We don't admit our problems or mistakes, our customers might lose faith in us if we did
- 2 Some of our employees have been involved with informal problem solving
- 3 Most of our employees have been involved with informal problem solving
- 4 Some of our employees have been on at least one formal problem solving team
- 5 Most of our employees have been on at least one formal problem solving team

# Is Your Company Ready For Lean?

## 6. Tolerance For Legitimate Mistakes

- 1 Make a mistake, legitimate or not, and you'll get creamed (so we are really good at hiding them)
- 2 A mistake is tolerated if the employee is valuable enough
- 3 It's OK as long as you don't make the same mistake twice
- 4 It's OK to make an honest mistake, but we don't have a system for sharing lessons learned
- 5 Sharing failures for knowledge purposes is part of our culture

## 7. Information Sharing

- 1 Employees prefer to be experts whose value to the company increases when less experienced employees make poor quality product
- 2 Our employees/managers do not see a value in sharing information
- 3 Some employees like to share information to help their co-workers
- 4 Our employees get along and like to help each other out by sharing information and knowledge, but we don't have a system for doing this
- 5 Our employees understand that sharing job knowledge is critical for customer satisfaction and do so regularly

## 8. Employee Motivation

- 1 Fear is the best motivation. Why should employees enjoy their jobs? Work isn't spelled F-U-N.
- 2 Some of our employees are motivated by opportunities to "fight fires" or be the hero in a crisis
- 3 We've tried to motivate our employees, but it just doesn't seem to work and we don't know what else to do
- 4 The managers/supervisors make every attempt to motivate each employee individually according to their goals and aspirations
- 5 Our employees experience a high degree of job satisfaction because they know they matter and that they can make a difference

## 9. Employees Are Encouraged To Improve Their Processes

- 1 "We don't pay you to think, so leave it alone!" is one of our company mottos
- 2 Our processes work just fine, they don't need improving
- 3 Sometimes managers/supervisors seek employee input before making a change to a process
- 4 Employees must seek management approval before they change a process
- 5 Employees are empowered to improve the processes within their sphere of authority without management approval

## 10. Rewards and Recognition

- 1 Employees who do well get a paycheck and get to keep their job, why should they want more?
- 2 Rewards and recognition is only for those at the top
- 3 We've tried rewards and recognition programs but they didn't work or they backfired somehow
- 4 We offer fair raises and rewards for a job well done, our employees don't complain much about pay
- 5 We routinely recognize those who support company values AND we share rewards with our employees through some kind of profit-sharing plan

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## 11. Cross Training

- 1 Same answer as question number four, we don't offer training
- 2 Only when an employee changes jobs within the company or needs to fill in for someone who is on vacation
- 3 Cross training is done when an employee requests it if the management sees a value in it
- 4 Some floor employees have multiple job skills, and this is encouraged
- 5 All plant floor employees have multiple job skills

## 12. Effective Meetings

- 1 Our meetings are like a scene from *Black Hawk Down*
- 2 Our meetings are long and rarely accomplish anything
- 3 Sometimes our meetings yield good results
- 4 Meetings are often productive but sometimes are too long and/or a bit disorganized
- 5 Meetings are brief, on time, with a pre-prepared agenda and result in action items and follow-up

## 13. Improvement Activities

- 1 You can't make money if your employees are wasting time in "improvement" meetings
- 2 When a need arises, a meeting of managers/supervisors is called to improve something
- 3 We haven't really figured out how to manage continuous improvement but would like to
- 4 The average employee spends at least one hour a month doing improvement activities
- 5 Employees at all levels spend at least four hours a month doing improvement activities

## 14. We set improvement goals, monitor and measure them and follow up as needed

- 1 We only measure monetary goals
- 2 The managers measure certain goals, but employees are not involved
- 3 We do some measurements throughout the company but we don't have a program for follow up
- 4 We regularly set and monitor improvement and sometimes follow up
- 5 We regularly set and monitor improvement and follow up when we aren't meeting the goals

## 15. Risk Taking

- 1 Nothing has changed in this company since it was founded
- 2 We are the last to try anything new, and only then when we have a gun to our head
- 3 If it ain't broke, don't fix it
- 4 We try something new for a short time, but we usually end up back where we started although some initiatives have stuck and we're better for it
- 5 We understand improvement requires change, and change involves risk. We desire improvement, we're willing to take the risks.

## 16. Letting Employees Go

- 1 We never have to lay people off, we have trouble keeping enough people here.
- 2 We have regular layoffs based on our work load
- 3 When we absolutely must lay off, it is done on the basis of seniority
- 4 When we absolutely must lay off, it is done on the basis of productivity and the adherence to company values
- 5 We only let employees go if they cannot fit in and be productive despite our efforts to train and assist them.

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## SCORING

Count the number of 5's, 4's etc and write them below

Number of 5's = \_\_\_\_\_

Number of 4s = \_\_\_\_\_

Number of 3s = \_\_\_\_\_

Number of 2s = \_\_\_\_\_

Number of 1s = \_\_\_\_\_

## So, are you ready for Lean?

Mostly 5's with no 2's or 1's

Your company is ready to start on Lean now! You can expect to see significant improvement in lead time, profitability, and customer satisfaction within weeks or months

Mostly 4's and 5's with no 2's or 1's

You are also ready to start Lean now. Work on your weak areas (where you scored 3) as you go and you will see dramatic results very quickly.

Mostly 3's, some 2's, 4's and 5's, no 1's

You are almost on the right track. Work on those 2's now, your culture is in trouble and needs work first. Build employee trust by finding and living up to any past broken agreements. Get disruptive, negative, and oppressive managers and employees out of the way. Get input from employees and take steps toward involving them in decision making. Be sure you choose a consultant that specializes in addressing cultural issues to help you on your Lean journey.

Mostly 3's with a few 1's and 2's

Your management is at a loss when it comes to leadership. Seek help that will focus first on strengthening the skills of the executives, starting at the very top. Doing this assessment is reason enough to have hope for your company...the question is, are you serious about changing the way you do business and will you stick with it long enough to survive in this tough business climate?

Mostly 2's or 1's

Don't even think about attempting lean. It will only serve to light the fuse of the powder keg you are sitting on.

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## What the scores mean:

### 4's and 5's

Fours and fives indicate a strong cultural foundation, which is required for long-term success with lean. Fives are typically scored by companies already doing Lean well and by companies that have been successful with other continuous improvement/customer focus/employee empowerment initiatives. Fours indicate a desire to do the right thing for the customers and employees, but a better system and strategy are needed. The Lean philosophy and tools come easily to companies that score fours and above.

### 3's

Threes indicate a well-meaning but ineffective management strategy. Lean implementation requires a strong commitment on the part of the person(s) at the top, it will not be successful if it is done half-heartedly or on a "trial" basis. With Lean, it is definitely NOT the thought that counts, it is the actions...actions that are clear and consistent, day in and day out. Lean must be lived and breathed, it is something every employee must eventually embrace. At some point, each employee must decide whether to get on or off the bus. It is the job of the top management to define the bus, and if it is the Lean bus, you are either on the bus, or you are in the way. Threes must be raised to fours or fives for Lean to work.

### 2's

Twos indicate an organization that has no cultural strengths, and some serious weakness. You are not on the right track toward customer satisfaction, continuous improvement, or employee empowerment. Your problems are deeply ingrained and come from those at the top. Your employees are unhappy, even if they are too afraid or apathetic to tell you. This is not to imply that any of this is intentional. It is meant to be a wake-up call for the misguided companies that want to change and do better. You can, but it will take time and willingness on the part of the top management to eat a little crow, roll up their sleeves and do the hard work of change. For many companies in this situation, it is often learning how to involve and empower employees that proves to be the most difficult task, but it is this change that proves the most rewarding. Good luck to you.

### 1's

If your company scored more than a few ones, it is time for the top managers to "quit their day jobs." Your style of management was proven to be unsuccessful back in the 1950's. Your customers hate you and only use you because they hate your competition even more. Your employees are either on auto-pilot or are plotting your demise. These are harsh words because we've worked for companies like this...not for long...and we've seen lives ruined. With great power comes great responsibility. If you are just some poor schmuck who stumbled upon this assessment and have no authority to do anything about the state of your company, we say to you, "run, run while you can!"

# Is Your Company Ready For Lean?

## What can we do for you?

### 5's

We can assist you to use Lean thinking and Lean tools to halve lead times, dramatically reduce costs, double production, and delight customers. Your return on investment is measured in weeks and months, not years.

### 4's

We can help you by first introducing Lean concepts that will have you making improvements more consistently and with more employee involvement. Your Lean implementation will not be without it's hiccups, but you will be delighted with the speed at which you see results.

### 3's

We can help you raise those 3's to 4's and 5's. Before you know it, your employees will want to stick around and help transform your company into a competitor-eating machine.

### 2's

Please call us only when you are serious about changing the way you view your employees and customers. If your company is a two, we request that only the CEO or owner contact us. If you aren't THE decision-maker, contacting us will be a waste of your time and ours.

### 1's

I don't have to tell you not to call. You're not really interested anyway.

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