if Industry Forum
Business Excellence Through Inspired People

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Current issues in Lean.

MIT's Lean Aerospace Initiative has rebranded itself as the Lean Advancement Initiative (LAI), broadening its scope and relevance. Siemens in the US has joined LAI.

Working with the Project Management Institute and the International Council on Systems Engineering, LAI has published a substantial study - The Guide to Lean Enablers for Managing Engineering Programs - edited by Jospef Oehmen of MIT.

Experts from industry, academia and government worked together in 2011 to prioritise the top 10 challenges facing contemporary engineering programs. Using lean thinking they identified 300 best practices in 40 categories to tackle these challenges. The ten challenges include firefighting, unstable requirements, unclear roles and responsibilities, unsuitable metrics and KPIs and lack of proactive risk management. The recommended best practices fall under classic lean headings – capture the value defined by key customer stakeholders, map the value stream and eliminate waste, flow the work through planned and streamlined processes and letting the customer stakeholders pull value.

On a related tack, Dan Jones has circulated some reflections on the state of lean practice in firms that he has worked with recently and identified key themes. One theme is that many organisations find it hard to look end-to-end at the horizontal flows of value creating work and to diagnose the systemic causes of waste within them. He recommends starting by mapping the core high-level value streams, observing the biggest delays and the sources and consequences of variability.

Dan's Lean Enterprise Academy produced an important report last year about introducing lean into the NHS. On the basis of a lot of work in the organisation, LEA concluded that NHS managers are locked in a viscous circle that distracts them from tackling key issues because they are continually responding to new policy initiatives from central government - the "Bermuda Triangle" of management in the NHS. This makes it impossible to support managers in improving patient journeys or to focus efforts on the vital few actions that will make the biggest difference to the performance of the organisation. What is needed is a period of stability in which hospitals and commissioning bodies can work together to align demand and capacity with the available resources and remove sources of unnecessary variability in the healthcare system.

According to Mark Britnell, head of healthcare, UK and Europe, at KPMG, his recent research has found that... successful healthcare organisations have a strategic and long-term focus on patient value; consciously empower healthcare professionals and give them greater autonomy; systematically apply leading-edge business and care process redesign methods; improve clinical and management information so it is routinely used in day to day

June 2012

activities; and have unambiguous staff performance management and accountability frameworks.

The NHS Institute for Innovation and Improvement is tackling these challenges by developing a special tool set under the 'productive' heading. The first unit in the series was The Productive Ward – Releasing Time to Care. Further units have been developed covering Mental Health Wards, Community Hospitals, Productive Leaders, Operating Theatres, Community Hospitals and General Practices. The goal for the Productive Ward element of the initiative is to yield savings of £267m by 2014 in 139 acute trusts.

An impact study of the Productive Ward published just over a year ago concluded that for every £1 spent average savings of over £8 should accrue over the four years to March 2014. This is achieved by empowering ward teams to identify areas for improvement by giving them the information, skills and time needed.

The Productive Leader is an important element in this NHS drive - a systematic, evidence-based programme for managers to examine personal, team and organisational activity and instil a culture of improvement at all levels of their organisation.   The program covers individual behavioural change and looking at day-to-day processes to release the time to reinvest in value-adding activities.

The Productive Leader emphasis on both social and technical factors is reflected in some current work by LAI. Research is focusing on the link between systems thinking and socially oriented factors play in high-performing enterprises. The first steps in this research have emphasised that improvements to the social side of complex systems are still needed. While socially oriented characteristics such as trust, confidence, voice, and loyalty are often perceived as being less important than the technical capabilities, particularly in highly technical environments, studies have found that these capabilities have a significant impact on performance in various complex work systems.

Research about systems competencies at the individual level exists, but there is significantly less understanding about the team, organisational, and system of systems or enterprise levels. As technical experts work in increasingly complex, team-oriented, and cross-functional settings, the role of individual and team interpersonal traits, as well as individual and collaborative systems thinking, becomes more critical. The next steps in the LAI research is to define the critical socially related competencies that influence high performance, develop measures for these capabilities, and explore the role of context in influencing social capabilities and high performance.   Critical areas identified for further inquiry include:

- Achieving and sustaining alignment between an organisation's technical systems and collaborative work systems
- The role of (intra-organisational) social media and meetings in enabling or inhibiting performance
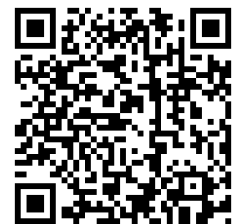- The taxonomy of social capabilities, measures and enablers

- Exploring how social capabilities relate to enterprise performance and profitability
- Strategies for managing the social dimension in an uncertain environment
- The balance of incentive and reward structure as related to context and environment

Early in the development of Industry Forum it was realised that social and leadership skills were a key element of successful business improvement initiatives and our portfolio was expanded accordingly. IF has transferred its approach to a number of manufacturing and service sectors. It has worked in complex engineering systems particularly in the aerospace sector.

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