

THE LEAN MANAGER

a novel of lean transformation

by

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Foreword by Jeffrey K. Liker

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For Roman and Alexandre

FOREWORD

You can sense the frustration as Jenkinson explains to his young ward Andy: “Customers come first. Deliver good parts on time. Reduce your costs. Work with your people so that they solve their own problems.” Very original and unexpected, right?

Those of us who have been in the business of translating Toyota’s revolutionary system to others have felt a similar frustration. How can we make this any simpler while still communicating the elegance of the Toyota Production System (TPS)? I have been in the business for almost 25 years. In that time there was the quality movement, an employee-involvement movement, a six sigma movement, and then a lean movement. Now there is a lean six sigma movement. Each of these movements viewed Frederick Taylor’s scientific management as the villain. We need to look beyond local efficiency and consider the whole system of people and processes. That understanding has been there, at an abstract level, but getting it embedded in the organization seems to be an overwhelming challenge.

I first became a fan of Michael and Freddy Ballé when I read *The Gold Mine*. I liked the idea of a business novel, but did not expect an awful lot. As I read it I grew more and more excited. This is what I have been trying to communicate to my associates and clients for years. I immediately urged everyone I knew to read the book. Admittedly, my immediate enthusiasm that the book would transform their thinking was misplaced. That only happens by doing, a central message in the book you have before you, but we can all dream.

What got me so excited about *The Gold Mine*, and what *The Lean Manager* builds on, is that they are both good novels. Each grabs you and pulls you into the story. As you get immersed in the story you relate. You see your own problems in a different way. In short, you identify. What I have been trying to communicate to my clients and students is that TPS is a living system. It is not a toolkit or road map. You have to live it to understand it. It evolves. Yet companies find it overwhelmingly seductive to have a clear toolkit and road map. Consulting companies feed on this need and are all too happy to provide what their customers want. If I had to list the top five mistakes in learning from Toyota, they would be:

1. Giving it a name, e.g., lean six sigma, and making it a program.
2. Trying to PowerPoint and road map your way to lean.
3. Assigning the program to middle managers to deploy.
4. Failing to see this as a major cultural change that takes a lifetime to effect.
5. Senior management failing to take responsibility for leading the culture change.

Michael and I have had endless discussions about how to help organizations avoid these mistakes and move down the path of true cultural change. It is enormously complex, yet unbelievably simple. The most complex part is that you can only learn this system by doing the work. Yet people want to be convinced intellectually before they are willing to make a commitment to doing it.

In *The Lean Manager*, Jenkinson does what he has to do. As the CEO, he has the power to force people to do it or leave the company. He uses that power selectively. He clearly is focused on profitability, even if it means closing plants and letting employees go. In fact, he insists that when plants kaizen out a person that person (or equivalent) is out the door, especially if that person is not buying into change.

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This is contradictory to the Toyota way that aims for mutual prosperity and trust with team members who are protected from layoffs if at all possible. The message from Jenkinson seems to be that the ship is so far off course that its very existence is threatened, and righting it through downsizing is essential to survival.

At the same time Jenkinson is clearly committed to developing people. He has learned the Toyota lesson of the value of investing in people. He also has learned a thing or two from his sensei—that you have to identify people with the motivation to improve themselves, give them challenging goals, let them fail here and there, and support them as they learn. He is willing to let Andy struggle, but then periodically shows up to help Andy see new options. He asks Andy questions instead of giving him answers. This is very Toyota-like. The Socratic method is preferred over teaching by offering conclusions. The result is that even as CEO of a good-sized company, Jenkinson is able to penetrate down to the working level and change the culture. It also becomes clear in this story that without Jenkinson's leadership at the CEO level the plants would have no chance to find their way on their own. The Alnext Business System was a lifeless exercise because it lacked the drive and commitment of the former CEO.

To the employees who have not experienced the journey it seems contradictory that Jenkinson keeps talking about customers and investing in people and quality, while he is ordering them to reduce the quality department and shift authority from sales to engineering. In their paradigm, quality is the responsibility of the quality department, and customer satisfaction is the responsibility of the sales department. Jenkinson needs to be dictatorial to move the organization in fundamental ways and get them out of the bureaucratic rut they are in. As they experience real kaizen, they start to move themselves, and Jenkinson can shift from a role of dictator to one of coach and adviser.

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How did we get to the point where we need someone at the top of the company to fundamentally rebuild the culture? Why do we need the CEO to tell us that we are in the business of deeply understanding our people and processes and focusing first and foremost on satisfying customers? We get a refreshing contrast through the eyes of Andy's wife, Claire. As a small-business owner who grew up in the business, she knows exactly what her small riding center is about. She is intimately familiar with day-to-day operations and each person she has hired. She does not need to go to the "safety department" to look up the statistics on who is hurt as she takes a personal interest in each of her employees. She also knows the strengths and weaknesses of each and every horse. She understands what it takes to satisfy customers. She is the type of "lean manager" her husband needs to become.

All over the world there are small companies that have no trouble understanding that they depend for success on customer satisfaction, consistently delivering a value-added product or service, and they depend upon willing and able people to accomplish this. Something unhealthy happens as businesses grow and become increasingly bureaucratic. They lose their way. The secret to Toyota is that it managed to grow, become quite bureaucratic, and *not* lose its way. It may stray from time to time, but then leaders always pull it "back to basics," as we now hear from Akio Toyoda.

Value-stream mapping is a great tool for "learning to see." It helps you find the lost organization. Where is the organization that adds value to the customer? It gets lost and buried in layers of bureaucracy. Is it still there? Through value-stream mapping a team of open-minded people can sort through the mess they helped create and find the hidden value-added process. Then the future state dusts it off and puts it in the proper perspective as front and center rather than hidden by the staff organizations and layers of management. Unfortunately, value-stream mapping often becomes part of the bureaucracy and loses its power to help people to see.

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I can intellectualize all this over and over, but there is nothing like living it. A novel like this comes closest to that experience. As we are progressing on the “lean journey,” companies are maturing from process-improvement toolkits to lean value-stream management, to employee engagement in problem-solving, to aligned culture focused by self-aware leadership on the right business problems. The companies I teach are begging for guidance on leadership. They have had enough discussion of tools. They understand that path is a dead end. It is the right time for this discussion, but how do you have the discussion?

A business novel that illustrates the struggles of real people to change and learn and adapt to an unforgiving business environment is priceless. Once again I am excited and have hopes that this book will enlighten readers about what it really means to live a business transformation that puts customers first and does this through developing people. People who do the work have to improve the work. There are tools, but they are not tools for “improving the process.” They are tools for making problems visible and for helping people think about how to solve those problems. Whether it is kanban or standardized work or 5S, these are tools to set a standard and make the deviation from the standard visible to the work group. Then the work group must develop problem-solving skills to identify the root cause and solve the real problem. Any solution is an experiment that is “right half the time.” If the tools do not change the way people who do the work think about their own processes, the tools are a failure. If leaders do not understand how to use the tools to unleash the creativity and motivation of people, they are not leaders—they are just administering a bureaucratic process.

If this is only about leadership and focusing on the right business problems, then is there anything really new about Toyota and lean and six sigma? That is a good question, and we could have a healthy debate. If this is just another framework that reminds us of the basics of an excellent way of organizing people to accomplish a defined goal, that is fine with me.

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I have great admiration of Freddy Ballé's deep experience as a true lean leader. I also admire and am secretly jealous of Michael's novel-writing abilities (though Michael will swear he is a bad novelist). As a duo they have made an invaluable contribution to the movement that I have devoted my career to. They make the intellectual points in a way that makes you feel like you are living it. Now we all hope that more people will really live it!

– Jeffrey K. Liker
Professor, University of Michigan
Author of *The Toyota Way*

Chapter One

CUSTOMERS FIRST

“He’s closing the plant!”

Closing the plant meant losing his job. Losing his job meant losing Malancourt. Losing Malancourt didn’t bear thinking about.

Driving blindly through the heavy spring rain, Andrew Ward rehearsed how he was going to break the news to his wife. He had dreaded this moment since taking on the job three years ago, but as months and then years had gone by, the fear had receded. Now the monster had suddenly sprung, showing him up for the failure he was.

Ward once had been a successful consultant. For a few good years, just out of University, he had lived the high life. Sharing an expensive flat in central London with a few yuppie mates, he made good money flying around the world to audit clients and recommend ways to improve their supply-chain effectiveness. Asia was waking up. Corporations were globalizing furiously. Oil was cheap, transport costs easily dismissed. Ward wore the suit and the bright-eyed smile, full of boyish charm, just as comfortable in the glass-and-steel headquarters from Prague to Singapore as the gritty warehouses in remote industrial zones. He dazzled management with his presentations. He palled around with material handlers in dusty distribution centers. And he threw back pints with the lads in city bars anywhere. Ward was born and raised in Richmond, London’s well-to-do suburb, where bankers and music-business execs met in pubs on the Thames. He had grown up in cities, lived in cities, and traveled around the globe from one major city to another. He enjoyed the bright lights and the crowds, the high streets, the bars, the working days, and the lively nights.

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He had become the plant manager of a French factory near the German border, on the outskirts of the Champagne region for the simplest and most confounding reason of all: true love. He'd fallen absurdly in love with a girl whose dreams had been about horses: riding horses, caring for horses, trading horses, breeding horses. She was working at a posh London riding club and moonlighting as a French translator. Because he had spent summers as a kid in his parent's Provence retreat, Ward had become accidentally fluent in French and was asked to supervise when she got hired to translate a corporate brochure for the Paris practice. Bang! Lightning had struck. In no time, they had moved into a dismal studio on Earl's Court. They were young, beautiful, and in love in London. Life was a ball.

Claire's father owned and operated the Malancourt Riding Center, a modest equestrian club not far from Metz, where she'd fallen in love with the big dumb brutes with whom she'd grown up. He often joked she'd been born in a manger. When her father had a bad accident, from which he recovered slowly, physically diminished, Claire decided that she could no more abandon the center than she could wipe out her childhood, and decided to take it over. While she had always considered this to be a distant possibility, Claire found herself totally unprepared when suddenly faced with the stark choice of committing to Malancourt there and then or selling or closing it completely. Worse, as she finally managed to have a heart-to-heart with her father, she discovered the whole business was heavily mortgaged, never made much in the first place, and that her parents' spending income had always come from her mother's wages as a school principal in town. Still, she'd resolved to save Malancourt. Ward could follow if he liked, but she would not be coming back to London.

Blame it on love. Still reeling from this abrupt change of affairs, two months into Claire's moving out of their pad, Ward had realized two basic truths. First, he couldn't live without her. It might sound terribly melodramatic, but he felt that this was a straightforward fact. Second, nothing in his high-flying, global consulting job had

qualified him for a paying job in rural France. For a few frustrating months, he'd tried shuttling between London and the middle-of-nowhere village of Malancourt, where Claire was learning the difference between actually running a riding center as opposed to just working there. A city boy, he'd found the sticks terrifying beyond words, but a man's got to do what a man's got to do. At the time, Ward had been part of a long-term mission for the Alnext Corp.'s automotive division, working for Lowell Coleman, the VP in charge of logistics. Coleman had been asked to rationalize the flow of parts through a division where one component could easily travel twice around the world before reaching the customer. In one of the projects Ward had worked on, they discovered that one part was assembled in 21 steps spanning 18 countries (counting components manufactured by suppliers). On several occasions, Coleman had hinted that he would like to hire Ward for his supply-chain office, but Ward had had no motivation to make the switch. Eventually, however, Ward shared his dilemma, and Coleman proposed a solution. Alnext's automotive division had a plant in eastern France whose plant manager was soon retiring. Since Ward had been trained as a lean/six sigma black belt, he could take the job of the plant's CIO (continuous-improvement officer) for a few months, with the aim of learning the ropes and taking over as plant manager when the older guy retired. Vaudon was a 40-minute drive from Malancourt. There would be no more traveling abroad. It was the perfect setup.

Everyone more or less expected this to be a stopgap solution. Coleman thought that Ward would tire of the operational role and eventually rejoin the corporate supply-chain team. A little hands-on experience couldn't hurt. Ward feared he would fail miserably at running anything as complex as a plant, but was buying the time he needed to find another job in the region. Once settled in France, he reasoned, it would be easier to look for work locally.

In the end, what was designed as a temporary solution evolved into something more permanent and satisfying. Jean Blanchet, the retiring

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plant manager, an old hand in molding injection, had taken an unexpected shine to the easygoing, hard-working young Englishman. Ward's engineering background became useful as he discovered, much to his surprise, that he liked working with machines and technical processes. He did well with various six sigma projects during his first year at the plant. Furthermore, due to the rapid turnover among managers, most of the management team was fairly young. They accepted Ward's nomination from corporate with an equal measure of equanimity and cynicism, not protesting too loudly over his ascent. After all, "parachuting" rising stars from central headquarters to completely screw up local operations was well established in both French industry and politics. And to be fair, Ward had turned out to be a decent plant manager.

Then Philip bloody Jenkinson took over the business and ruined it all, deciding to close the Vaudon plant without further ado! Goodbye job. Goodbye income. And goodbye Malancourt, Ward lamented. He could never find employment with the same pay grade in this godforsaken part of France, and there was no way Claire could keep the stable financially viable in the coming years. They'd survive it, but she would be devastated.

"Lowell?"

"Hi, Andy. I was expecting your call. He told you?"

"Yeah. He's closing the plant. You knew?"

"I did. Phil asked me not to say anything. He wanted to tell you himself, face to face."

"Well, he did. Do you think it's final?"

"What do you mean?"

"Jenkinson. You've been working with him? Is he really that tough?"

Ward heard the pause, and the indrawn breath.

"Yes, he's pretty tough. But he's not completely the madman people would have him be. He's not very good with people, you know,

chitchat. But he's quite clever. What happens is no one sees him coming. People here are starting to take him seriously, but it's so political that ... the usual."

"How so?"

"See, when he arrived, he didn't do anything for the first four or five months. No announcements, no decisions, nothing. He spent most of his time with engineering, and people figured out that he was an engineer. He ran *kaizen* improvement events in person—that threw some. He'd ask the entire plant management to attend, but never commented if some people didn't show up. He also started visiting customers directly at every complaint. Not with sales, though. He went straight to the lines, to understand how our products were fitted on the car. And then, suddenly, he starts a war on every front."

"The whole deal of selling the headquarters building and relocating every one in the plants?"

"That was just the tip of the iceberg. The real thing is he took program management away from sales. He fired most of the program managers who used to report to Wayne Sanders and put technical engineers in charge of programs. Remember that Sanders is the guy who brought the Univeq equity partners in. He was always considered more powerful than the CEO himself because he had his grip on all customer relationships—not to mention the investors. Now Phil tells him that the sales force is there to support the engineers, not the other way round. There is talk that Sanders blew up over this, but then he had to back down."

"Wow. I never realized. But relocating the engineers? These guys hate being told what to do. Didn't they quit in droves?"

"Not so much. Remember, he's been hunkered down with them for months, and he's given them a lot more latitude, so what's relocation compared to that? In any case, the move was only the start!" exclaimed Coleman, mixing outrage and wonder. "Then came the sale of the Toluca plant."

"The crown jewel, right? High-margin parts for SUVs?"

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“Again, the tip of the iceberg. Phil wants sales to go after more parts for small cars. It doesn’t make any sense because margins are so tight on the small-car market, and we think that the company *really* needs to improve its operating income right now. But Phil is adamant, and Wayne is fighting him every inch of the way. Wayne’s argument is that we need to keep focused on products with the higher margin, even if it means less volume. Phil’s point is we have overcapacity everywhere, so we need volume first, and that it’s his job to get the cost down to make operations profitable.”

“The Toyota thing, right?”

“How do you mean?”

“Well, uh, profit equals price minus cost,” stammered Ward, trying not to sound like a know-it-all. “You know, that lean slide we used to have in the presentations. Rather than calculate your cost, add the expected margin and try to sell at that cost, you sell at market price, and lower the costs until you make your profit target. Which is how Toyota attacks markets. They start with small cars, where margins are slim, but where the competitors don’t fight very hard because they consider the segment unattractive in the first place. At least that’s what we were told in the lean training.”

“No, no, you’re right. You’re right. That’s how he thinks. I wish he’d be more explicit about it, but that’s his strategy. In any case, Wayne is not having any of it, so engineering is now pulling toward pitching for smaller cars in the new bids, and sales is confused as hell. It’s a real awful mess. But I’ll say this about Phil, he doesn’t give up easily.”

“And what about his lean reputation?” wondered Ward. “He barely looked at any of the stuff we installed with the Alnext Business System.”

“Yeah, I know. Just doesn’t seem to care. Remember that we used to have a group of 15 high-potentials going around the plants and leading *kaizen* events? He’s closed that office, and given them all one month to either go back to line functions or leave the company. Claims that *kaizen* is the plants’ business, not corporate. There’s only Jared Sims left in charge of ABS now, and the poor fool is completely

clueless. Every time he asks a question, regardless of the topic, Phil answers, 'Teach the plants to run their own *kaizen* events,' as if that was completely self evident."

"You mean no more ABS audits?"

"Not in the near future, that's for certain. Don't get me wrong. Phil is a fanatic for the Toyota stuff. We supply a couple of small parts to Toyota's Georgetown plant for the Camry from the Bethany site, and Phil's fired the plant manager over service to Toyota. He's promoted some guy simply because he had experience supplying Toyota. The point is that whatever Toyota asks for, Toyota gets. Phil's attitude is do it first, figure it out later. I believe he's trying to develop more of a relationship with Georgetown, but he always plays his cards pretty close to the vest."

"So, how come he's not interested in our lean work?"

"Beats me! For my money, I suspect that what he means by lean is very different from what we meant by it. He never talks about 'lean' in any case, so it's hard to know. Every time we'd tried showing him something from our lean program he just stares back, shakes his head, and moves on. Makes us all feel like complete idiots. But he's certainly asking everybody to work completely differently, and no one is quite sure whether their job will still be there when they turn up in the morning," Coleman said.

"He's certainly asked me to look at the supply chain completely differently. He's asked me to reevaluate all our parts-localization decisions from a lead-time perspective. He wants to have a picture of what the total supply chain would look like from the point of view of truck routes and frequency. This is different from our usual focus on unit transport costs, and I still haven't figured out how to get reliable numbers out of the system."

"Mean and lean, huh?"

"He's tough, all right. I don't know about mean. He's a cold guy, for sure. Not the chatty type at all. He listens, and even appears to hear, what he's being told. People underestimate him because he seems

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so slow and doesn't speak up very often. He asks a lot of questions, but never lets you know exactly what he thinks. It's unnerving, but make no mistake, the guy is very bright and he's got the memory of an elephant. He's making a lot of enemies right now, for sure, but I don't think it's intentional. He's just difficult to work with because he's got a clear idea of what he wants, but won't tell you. Or when he does, it's hard to hear. As a result, there's a lot of resentment building up in U.S. operations. I suspect you're about to find out over there in Europe, now that he's looking your way."

"Indeed. I wish you'd warned me. He caught me completely by surprise."

"He does that," agreed Coleman, laughing quietly. "Listen, some people are keen on demonizing the guy, but my experience is that he tends to be a straight shooter. He does what he says."

"So the plant is screwed? He is going to shut us down? Is that what you're saying?"

Another long pause. Ward imagined he could literally hear the VP think it through, across the Atlantic.

"He closed the Peterborough site," Coleman finally answered.

Ward said nothing, digesting that. Peterborough had been one of the large, historical automotive plants of Alnext.

"I'll tell you what," Coleman added carefully. "Phil is determined, but he's also open-minded."

"Yeah, right!" exploded Ward, still smarting from the day's mortifying plant visit. Jenkinson had fired off questions without even waiting for the answers, or showing any interest in what he was being told.

"No, no," insisted Coleman. "He is. I've seen him change his mind. He's got this weird theory from reading the early texts of Taiichi Ohno, you know, the guy who's supposed to have invented all this lean stuff ..."

"I know who you mean."

"Anyhow, Phil believes that all of us are wrong half of the time. Himself included."

“For real?”

“Believe it. That’s why he’s so hot on trying things out. He’s convinced that the only way to figure out whether you’re right or wrong is by experimenting, trial-by-fire sort of thing. He’s a real old-fashioned engineer in that way, and he treats every problem in the same manner. Data won’t convince him, but any genuine attempt at doing something, no matter how small, will give him pause. He needs to touch it to believe it.”

“I don’t understand,” muttered Ward. “Is he open-minded or not? This sounds awfully close-minded if you ask me!”

“Think of it this way. Making an abstract case for something just doesn’t move him. He isn’t interested. And as an arrogant son-of-a-gun, he’s generally convinced his reasoning is better than yours. But show him a bona fide experiment, a *fact*, and he’ll listen. I’ve seen him radically revise a position on the spot when someone demonstrates by *doing* that there’s a better explanation or way of doing things. So if you want to convince him of anything, don’t build a paper case. Don’t argue. Show him something.”

“Thanks for the tip, Lowell,” Ward replied, deflated. “But I don’t quite see how this can help. If he’s made up his mind that the plant should be closed, what could we possibly show him?”

“I don’t know, kid,” Lowell answered. “I really don’t know, and I don’t have enough influence with the man to do anything about it at this stage. I wish I could help. If worse comes to worse, there’s always a place for you here on my team. We could use your help.”

“Thanks again, Lowell. You’re awfully kind. But you know Claire would never move.”

“How are they in any case? How’s the boy?”

“We’re fine. Charlie is going on eight months. Thanks for asking.”

“Hang in there!”

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Ward had been excited yet apprehensive about the new CEO's plant visit. He had heard about Jenkinson's reputation as a tough customer and genuine lean hero. In his continuous-improvement role, Ward found it frustrating relating his book learning to the realities of a living, breathing plant. He was looking forward to seeing a "real" lean expert in action. He had carefully prepared the visit with his management team, making sure that all the Alnext Business Systems standards were in place, and creating slick PowerPoints detailing the results of its lean six sigma projects.

And all to waste. Jenkinson had barely spent an hour in the plant. He had driven a rental from Frankfurt and returned there after his whirlwind visit, leaving Ward standing numbly in the plant's lobby feeling like he'd been crushed by the passing tornado. Ward had slowly stirred himself up from his daze, intending to go back up the stairs to debrief with his management team, but then changed his mind. He didn't feel fit to face them. The shock had to wear out first. Instead, he crossed the soulless lobby and passed through the heavy doors that led to the shop floor. At that moment he had to admit how shabby the plant looked, with its yellowish walls full of impact traces, dirty skylights that made the light so dim, and aged presses working as well they could, given that there had been no investment that he could remember, and never enough staff for maintenance, let alone daily care.

Jenkinson had brushed off the prepared presentations. "Let's go to the shop floor," he said, without bothering to step upstairs into the meeting room to meet the management team. Embarrassed, Ward phoned his assistant to tell the other managers not to wait for them, and followed the big man into the press hall.

Ward was tall and thin, almost gangly, with a mop of straight black hair and boyish blue eyes. Jenkinson was even taller, and much wider. A large, ponderous man, he wore a studious frown behind his glasses and spoke infuriatingly slowly, with a lazy Californian twang that made you want to finish all his sentences for him. He had short, graying blond hair, square Nordic features, and the kind of rough skin leftover from youthful acne.

Jenkinson had walked slowly through the plant with Ward at his side, stopping here and there to look, asking question after question about operational details, most of which Ward hadn't known how to answer without getting someone to find out. Every time he obsequiously suggested he could ask for the answer, Jenkinson waved him away and walked on, leaving him standing with a sinking feeling in the pit of his stomach.

"You're making about 250 million euros in sales, right?" Jenkinson had finally checked. "That's about \$360 million."

"Just about," agreed Ward, his apprehension growing. "Our EBITDA is at 4.5 percent, which is on budget—but I realize it's far too low," he'd added hastily. "Our costs ..."

"Remind me, what are your customer ppms like? Bad parts per million?"

"Around 400," winced Ward. "We've got several visible parts ..."

"And internal?" interrupted Jenkinson.

"We're not even counting in ppm," Ward replied, "we've got between 3 and 4 percent scrap."

"I bet that's half your margin—no wonder your financials are so terrible."

Jenkinson stopped in front of a press, watching the robot hand slide in and out of the mold, picking up the finished part and dropping it on the conveyor, where an operator would deburr the part and place it in the customer packaging.

"Weekend shifts?"

"At the moment, we've had some press breakdowns so we need to catch up, and we've still got the parts that were supposed to be transferred to Romania. We're running seven days a week on those."

"Come on!" the CEO had exclaimed irritably, with an outstretched hand encompassing the press area. "Look around you, a third of your presses are standing idle!"

Ward kept his expression carefully blank, and said nothing. What was there to say?

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“Inventory?”

“Overall, about 20 days.”

“Work in process?”

“I’d have to check. But I’d say about three days—four at the most.”

Jenkinson had stared at the plant manager then as if looking right through him, and Ward suddenly realized how bad things were, how poor his numbers sounded, how unkempt and messy his plant looked. He had managed to tap-dance his way out of trouble many times before but, in that instant, he knew the game was over. This was not the kind of senior exec he was used to. This was not a man who was satisfied with ballpark numbers and nutshell briefings. He *saw* the plant in a way Ward himself didn’t. This was different. Ward could see that the stakes were far higher than he suspected.

“Our benchmark plant in Bethany,” the CEO said, looking away, “has less than 15 customer ppm, three days of inventory overall with two hours of WIP, and an EBITDA of 20 percent of sales.”

“We need to talk,” he added. “Better do it in your office.”

“And then he tells me he’s closing the plant,” Ward said so softly that his wife didn’t hear him. He ended up getting directly into his car and driving home without a word to anybody, arriving just as Claire was giving their son his bath. He kept blathering on about the visit, finding it hard to get to the point, the end point, and its consequences.

“Most painfully humiliating day in my life,” he babbled on angrily. “He shows up at the plant with hardly a ‘Hello,’ ignores the presentation we’ve spent ages putting together, walks straight to the shop floor without a word, and just stands there looking.”

Ward pulled a long swig from his beer and sighed as his wife wrestled Charlie into his pajamas. She glanced at him from the corner of her eye, wondering what could possibly have happened. He was generally a happy soul who didn’t take work—or himself—too seriously.

She couldn't remember the last time she had seen him so dejected. Something was terribly wrong, but she had not yet realized what it was.

"What was your last customer complaint?" Phil asks. And to my total embarrassment, I can't tell him. 'Let me find out,' I say, but he just shrugs. 'What was your last lost time accident?' I can't answer either. 'Okay,' he says, and starts walking down the alley of presses. The third press he sees is not running, and there's no one around. By now I know what's coming, and I cringe. 'Why is this press stopped? Is it not loaded? Breakdown?' I don't know. 'Right this instant, how many of your 20-so presses are running or stopped?' I felt like a complete jackass."

"Hey, babe, you're the plant manager, you're not expected to know all the details, right?" Claire appealed, carrying the baby into the living room. When they'd moved into the farmhouse, they had pulled down walls to form two small bedrooms at the other end of the building and a large open living space with an American kitchen. Claire plonked the baby in his pen and turned to Andrew.

"Well," he hesitated. "That's what I thought on the spot. I'm supposed to have the big picture, yeah? I've got people to know the small stuff, right? But that's not quite true, is it? You would certainly know which one of your riders had an accident last. Hell, I can probably tell you that goose Melanie sprained her ankle a couple of weeks ago."

"Three weeks ago," she corrected absentmindedly. "And Frédéric Hainault cricked his neck badly on Monday."

"See? And you probably can tell exactly what sort of shape every one of your nags is in, right now."

"Darling, this is what I do. I take care of horses. You run a factory for heaven's sake! It's not the same."

"Isn't it? Isn't that the point?" asked Ward, staring up at Claire in a rare moment of self-doubt. "You've got more horses in that stable than I have presses in my plant. Surely I should be able to tell which one's up and running and which is not? And why?"

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“In any case, that’s all moot,” sighed Ward. “After beating me into the ground all around the plant, Jenkinson tells me he wants to talk one-to-one. So we get to my office, and he hits me with the good news: he has decided to close the plant.”

“He can’t be serious!” Claire started, aghast.

“Oh, he is. The plant’s been barely breaking even for the past three years.”

“But you’ve been on budget every year!”

“Yes, and we both know how weak the budgets were. He’s not blaming me, well, not as such. But he knows the numbers better than I do. And he tells me that, first, the budgeted sales for the plant are going to keep dropping this year, since the engine covers will move to Romania any time now, and then next year’s pipeline is empty.”

“But I thought they were committed to find work for the plant?” Claire protested, waving her arms in dismay.

“That was before the sale,” Ward muttered, rubbing his face. “Jenkinson’s argument is that plant costs are way too high, he’s got overcapacity in Europe, and spare capacity in either the Polish or Czech plants. In any case, our quality and delivery performance are not good enough to try making a special commercial effort to get products in.”

“Ouch!”

“Ouch indeed,” Ward concurred as he picked up Charlie, who had started crying, fed up with all the serious parent talk.

“You have to hand it to the guy, he gave it to me straight. It’s one of three things: He’s aware of how complex it is to close a factory here in France, so I can stay on to help him shut the factory down and do so in the best or the least-worse conditions for everybody involved, or he can fire me and find an interim manager to close the plant.”

“You mentioned three options,” Claire said, as Ward sank back in gloomy silence, absently playing with the baby, who gurgled happily.

“Yes, well,” he stirred, turning down his mouth in distaste. “I could also resign in anger—which would save the company coughing up severance pay.”

“Did he actually say that?”

“No, not as such. He didn’t have to. But why would he sock it to me like that! No, the bastard wanted me to quit right then and there,” he snapped.

It must have been bad, Claire realized anxiously, watching Ward swing from dejection to anger and back. He was one of the most even-tempered men she’d ever known, with a generally easygoing disposition and a self-deprecating humor she loved. She saw true rage and bitterness building up in his pale eyes and, suddenly, that scared her, sending a cold shiver up her spine.

“When he took over as a CEO, you used to think he was a good guy?”

“Just serves to show,” he muttered sullenly, passing Charlie to her and crossing the room toward the kitchen.

She heard him slam the fridge door and rummage for the bottle opener. This was so unlike him. She was normally the one to fly off the handle at the drop of a hat, to make a scene, complain and blame ... in his words, to be French. It unnerved her to see him so upset.

Ward finally fought the bottle cap off, and continued to brood. True, Jenkinson had been welcomed as a savior when the Alnext Corp. had decided to spin off its loss-making automotive division in what had largely been considered a firesale. Jenkinson had come in with something of a reputation. Ward remembered the PDF copies of *Forbes* being emailed around with Jenkinson on the cover and the caption, “The Lean Manager.” The man was hailed for turning around an electrical equipment company and multiplying its market value by a factor of 10 in seven years. Some academic had even written a book about the whole “lean” transformation that Ward had never bothered to look up. The main theme, he remembered reading somewhere, was that lean is “all about people.” Yeah, right!

With hindsight, Ward felt a fool for not having seen it coming. Far away from the corporate decision centers, he had first heard of the creation of Nexplas Automotive through the press. At the time, he had been overwhelmed by the birth of Charlie, not paid attention, and

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kept his head down. Nothing had changed much for European operations at first. The deal had been set up by Univeq, a private equity group that had snapped up the division at a ridiculously low price. Under heavy Wall Street pressure, Alnext's top management had been scrambling to refocus on its profitable segments, and decided to spin off automotive. Jenkinson was rumored to have been handpicked as CEO for his turnaround track record as well as his willingness to sink a serious chunk of his own money in the venture, supposedly owning up to 20 percent of the stock.

For months on end, nothing much had been heard from Jenkinson, and operations went on with business as usual, no worse, but certainly no better. Ward had doggedly continued to struggle with his impossible customers, useless suppliers, and the nonstop demands for more reporting from corporate. He had abandoned all hope that the critical investment he needed to fix his struggling presses would ever be approved. After all, it had been refused for three straight years as the automotive division's numbers had melted away and corporate had pushed one wave of penny pinching and cost squeezing after another.

Then, out of the blue, Jenkinson had made a big splash with three sudden strategic moves. First, he had sold the Toluca, Mexico, plant, which had traditionally been considered a jewel in the crown of the division. He had come under intense fire because of this. The plant sold SUV bumpers very profitably to U.S. automakers, and was considered one of the few cash cows left in the company. Then, he'd closed one of the four U.S. plants, and announced the merger of two more, intending to halve the number of plants in North America by the end of the year. Far from the frontlines, Ward had been amused and cheered him on. But then Jenkinson took the third step of selling off the sprawling corporate headquarters and engineering complex in Ann Arbor, relocating all functions to the plants.

Throughout all of this, Europe had largely been spared. Reporting lines had remained unchanged. In the days of Alnext, the division had been organized along product lines, separating plastic engine parts

(the bulk of the Vaudon plant's activity), external parts such as bumpers, and a third branch that specialized in dashboards and all the involved fittings. To be sure, many execs had left the U.S. side of the business as a result of Jenkinson's changes, but Ward knew few of them personally. And since becoming a lowly plant manager he had made a point of keeping his nose clean and avoiding corporate battles. Now he was kicking himself. The war had finally come to Europe, and he had just become one of its first casualties.

He had met Jenkinson on a couple of occasions since the birth of Nexplas. In the early months, the new CEO had conducted a grand tour of all the facilities. This had been a formal affair, with Jenkinson constantly surrounded by apparatchiks. His hulking size, faded jean shirts, used chinos, and quiet demeanor couldn't have stood out more in the midst of the self-important suits who seemed to spend most of their time telling him how things really worked in automotive, or rather Automotive with a capital "A." What would this nerdy guy from a little electrical product company in a little equipment industry know about this industry of industries? Ward had also caught a glance of him at the companywide hoo-hah held in Fort Lauderdale to announce the changes to all executives. Jenkinson had introduced himself as the new CEO, and delivered an appallingly boring speech about people being the main asset and quality above all. Yeah, sure.

The dust had barely settled in the U.S. when Jenkinson dropped another bomb. Program managers would report to the engineering VP and no longer to sales, which, in a sales-driven company was a true revolution. Furthermore, he was doing away with the product line organization. He had attached the smaller plants to regional managers, essentially the plant manager of the largest regional site. Financial and administrative responsibility would remain region-based, which meant that Vaudon still depended on Neuhof for most corporate functions. It was all rather confusing. Klaus Beckmeyer, the manager of the Neuhof plant would become Ward's direct boss, but Jenkinson would oversee plant operations directly. The CEO had explained he

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would visit plants regularly by himself, as he did that day, and would phone each plant manager once a fortnight, on Friday mornings. “I’ll be looking forward to that,” groaned Ward under his breath. Even his favored Corona tasted sour as he blamed himself for not realizing that eventually Jenkinson would do to Europe exactly what he’d done in the U.S. Press overcapacity had been the elephant in the room all along, but none of the previous top management team had been willing to face this issue. And now the bill had come due.

“Here,” said Claire, pushing a cup of bubbly in his hand as he stood staring numbly into space. “Charlie’s asleep, so I thought we’d have a quiet drink.”

“Are we celebrating something?” asked Ward, with a puzzled smile.

“I don’t know,” she smiled back in forced good cheer. “Are we?”

“He means it. The Vaudon plant is history.”

She shrugged, and touched her glass to his, looking him in the eye. “You know what my father always claimed. The quicker you’re back in the saddle after being thrown, the faster the pain will fade—and the fear. ‘If you can talk, you can ride,’ the man said.”

“Oh, what the hell,” he submitted. “You’re right. I’ll get a fire going, and we can get drunk, you and I.”

“That sounds like a plan!”

Ward carefully placed the firewood in the ancient fireplace, and set a match to it. The flame stirred and crackled. A few minutes later, a cheerful blaze was warming the hearth. Claire had switched off the lights, and lit the row of orange candles she kept on the mantle.

Ward wasn’t fooled. In the flickering light of the fire, he could see the drawn lines of her face, the false smile. She was putting a good front on it, but they both knew the score. Since they’d taken over the old, fortified farmhouse and the adjacent stables, they’d been sinking a steady flow of cash into their upkeep. They’d already started converting one of the abandoned buildings into bed and breakfast

guest rooms. Without his paycheck, they'd probably have to give up their dream of restoring the place to its former grandeur.

"You'll find another job, you'll see. We'll be fine."

He sighed heavily and took another long sip, savoring its bite. Another perk of living so close to the champagne region, he thought. We couldn't afford anything half as good anywhere else. And with the taste of the wine chasing that last thought, the anger and frustration he'd been carrying all evening finally came together, congealing itself in a form of reckless defiance. It wasn't just the material implications for his family, for the plant, and everyone who would have trouble finding another job in this region. He couldn't remember ever feeling as ashamed at work as today. His pride and self-confidence had been cut to shreds by the unsavory certainty that he should have done better. Jenkinson had been brutal.

But, Ward had to admit, he had not been wrong. The plant was losing money. They had too many delivery and quality problems. It was getting by, but just barely. He had felt lucky to survive in the job, happy to be good enough and fly under the radar. Well, his luck had finally run out. He'd have to work at it now.

"I'm not closing the plant," he told Claire, with more confidence than he felt.

"What do you mean?" she wondered, clearly puzzled. "What can you possibly do?"

"I don't know yet," he admitted. "But, to start with, I can try reasoning with the man. Bloody hell, closing a plant in France is a mighty pain, so surely it can't be high on his agenda. There must be a way to buy some time."

Here's what I'll do," he resolved, rolling over the carpet to rest his head on his wife's legs. "He's visiting the Neuhof plant tomorrow. I'll drive to Frankfurt and try to talk him around. What can it hurt?"

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As he cooled his heels in the Neuhof lobby, Ward thought to himself, here's a real plant. In the spacious reception area, several sleek, glass displays were showing off the products, a model of a car with the bumper and dashboard fittings tastefully accented by well-placed spotlights. Two pretty, uniformed *frauleins* smiled sweetly as a voice told him they were trying to locate the plant manager. Numerous cost-cutting exercises at Vaudon had long ago done away with live receptionists; visitors signed themselves in and called from a phone booth to get picked up.

Against his better judgment, he felt vaguely intimidated. The three-hour drive had been rather harrowing, particularly on the German highway where keeping pace with speed racing under the pouring rain had left him somewhat shaken. Time enough to have second thoughts about showing up uninvited. The enormous plush reception sofa was making Ward feel smaller and smaller, and he hoped that nobody would notice that he was shrinking by the minute.

"Herr Ward," one of the girls suddenly seemed to say, "Herr Ackermann will shortly come for you."

That was a relief. Hans Ackermann was the plant's continuous-improvement officer, and they'd slogged through several six sigma and lean training courses together. He was a big, buff chap with a drooping moustache. He had been promoted to his current job from being a mold maintenance technician. He had long given up on getting any lean started in Neuhof, but had taught Ward more about molding than any one else.

"Andy! Good to see you!" Ackermann beamed, pumping his hand vigorously. "Come through, they're at the paint plant."

Neuhof was about three times larger than the Vaudon plant. It had historically been the European administrative center for the Alnext Automotive division. Most of the European engineers were based there, as well as admin staff for all three units. Ward wondered about the current status now that Jenkinson had abandoned the branch concept, but things traditionally moved slowly in Neuhof, so he suspected the

tsunami had not hit yet. He didn't know the plant very well, as most parts made here were bumpers and dashboards. The other engine parts in Europe were largely in the Wroclaw site, in Poland, and some in the Czech site. Neuhof had a large everything: large press shop, large assembly shop, and, of course, large paint plant, the pride of the factory.

"How's it going?" Ward asked cautiously.

"A bloodbath!" answered the big man heartily, with an undercurrent of amusement. "We just spent at least two hours in shipping trying to figure out the *real* service rate."

"I know how it feels," agreed Ward. "I was through it yesterday."

"Logistics maintains that our service rate is 98 percent, citing data in the MRP. But it is unclear whether this refers to orders served in the day, week, month; how they count negotiation with the customer; and so on."

"Sounds familiar."

"So, Herr Jenkinson had them list all 27 of yesterday's trucks one by one, and made them detail customer orders per truck. Then he had them compare the data with what was actually sent in the truck, and count only the trucks with exactly what the customer asked for in the truck—no more, no less."

"And?"

"Four out of 27," Ackermann answered knowingly, "and 15 percent on-time delivery. He had Herr Kastner, the logistics manager, write it large on a whiteboard: 15 percent. Then he asked what they expected these numbers to be today. How many trucks would have exactly what the customer ordered in it? Herr Beckmeyer looked like he would blow up," Ackermann continued. He had been put in the role of CIO because corporate had requested a continuous-improvement office in every plant, but clearly no one in Neuhof had been very interested. He'd gone into the job full of enthusiasm and optimism only to discover he'd walked right into a dead end. He'd bitterly resigned himself to keep up all the paperwork required by Alnext's Business System, the so-called "lean" program, but had mostly given up on the shop floor.

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Ward imagined that Beckmeyer would indeed be ready to explode if he were getting the same treatment from Jenkinson that he had received in Vaudon. The man was generally considered to be a competent administrator, even if widely disliked as supercilious. Ward couldn't deny that he shared this sentiment. Suddenly, coming all the way here sounded like a much better idea.

Nonetheless, Ward felt humbled by the quality of operations in the German plant. He envied its clean, neatly color-coded zones and indications helping people throughout. Where he thought he had made an effort in applying the corporate "lean" standards, this plant had done twice better. Large panels of Alnext's official "roadmap" to lean were posted along the gangways, as were huge boards displaying flurries of indicators. As they walked through the injection shop, he breathed in the familiar smell of burnt plastic, and marveled at the huge tonnage the presses needed for bumpers and dashboards. He had to admit that, at first glance, their machines appeared to be in much better conditions than his own, with none of the oil and water leakage one could find pooling around Vaudon. On the other hand, seeing the plant differently since yesterday's dressing down, he now noticed the waste of large numbers of people walking around, moving parts and equipment, or simply standing idle next to the presses, and generally keeping busy with non value-added work.

They had to don special coveralls to enter the paint installation, which was a massive white box in the center of the plant, surrounded with racks and racks of shining, colorful bumpers waiting to be fitted with components. The paint installation was kept under positive pressure to keep dust contamination down. Dust is one of the main enemies of industrial painting. Every little grain can show up in the paint as a defect in the finished product. Consistent with Alnext's previous strategy of delivering specialty parts to high-end vehicles, the plant catered to the German power cars, and quality was of the essence. Which, it turned out, was exactly what was being debated there.

Ward and Ackermann caught up with the group on the far end of the painting installation, in front of a steadily moving conveyor. Workers were picking the painted bumpers off the conveyor's jigs, inspecting the parts for paint defects, directing the bad parts to the rework stations, and placing the good ones in buffer racks from where they would be picked for assembly. Various fittings were assembled at individual stations there before being inspected again and then stored in a large, supermarket-like series of neatly marked shelves, where they would be picked in the right sequence to deliver to customers.

Klaus Beckmeyer was standing rigidly, looking livid. He was surrounded by a bevy of aides and managers, a few of whom Ward recognized. Ward could read volumes from their body postures alone: Jenkinson's tall frame seemed to lean over them all, as they wilted, like trees bending in a storm.

"What do you mean, you can't count the percentage of parts that are good on their first pass through the paint process?" Jenkinson was asking slowly.

"This is not what I said," Beckmeyer replied sharply. "All these figures are in the computer. As I said, I shall call the paint technical expert, and he will be able to answer exactly what you ask."

"I am not interested in what the computer thinks. And I am not interested in what the technical expert thinks," said Jenkinson, with exaggerated patience that bordered on being patronizing. "I am trying to find out whether the people doing the actual work know if they are producing good parts or bad parts. Look at how many parts you're reworking. No one is even counting. Do *they* know how well they are producing good parts for their customers?"

"Herr Jenkinson," replied the German general manager, clearly exasperated. "These are just rework operators. What would they know about the operation of a robotic paint plant? In any case," he added, clipping his words, "our quality is irreproachable!"

Ward noticed that Jenkinson had a nervous tick of pushing his glasses with his forefinger on the bridge of his nose when flustered, a

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nervous movement he repeated a couple of times while listening to Beckmeyer. He frowned, and stood there with wide eyes, as if he had never seen the man before. The entire group felt the tension rise between them, and the operators could no longer just glance at them furtively: many of them stopped work to witness this showdown.

“First of all,” said Jenkinson, breaking the silence, “your quality is not irrefragable. Have you counted your customer claims lately?”

“Impossible expectations,” huffed Beckmeyer. “These are German OEMs. Their standards are the highest in the world.”

“Impossible or not, I’ve spent hours listening to your sales manager complain about how hard it is to try to discuss price or pitch a new program with a customer when the first thing he encounters is hell from the client for your poor quality. You should try it, some time, Klaus. In fact, I strongly suggest,” he added with a long pause for emphasis, “that you personally visit your customer about *every* quality complaint.”

“Second,” he pursued relentlessly, “your level of quality is higher than the other plants in the group. Much higher, I’ll grant you that. But you must understand that this quality is extremely costly. Look behind you.”

Jenkinson gestured for every one to turn around.

“Don’t look at me. Look at what they are doing. Rework and rework and rework. Quality here is purchased through inspection and rework. I cannot afford this any longer, and neither can you. This company is on the verge of bankruptcy because of *this*, everywhere!”

Unlike everyone else in the small group, Beckmeyer refused to turn around, standing his ground and glaring at Jenkinson. Considering his own poor level of quality, Ward felt like he should disappear into thin air. And yet he couldn’t help enjoying Beckmeyer’s misfortune with guilty pleasure. Especially after the beating he’d taken the day before, this felt like justice.

“Herr Jenkinson,” Beckmeyer said venomously, “if you care to reproach me, I would appreciate the courtesy that you do this in private and not in front of my staff.”

“These are not reproaches, Klaus,” snapped back the CEO. “These are *facts*. And I expect this plant and this company to work as a team. We *are* going to confront our problems, and we *are* going to solve them together. Any one not happy with this can leave right now,” he added, looking at each of them challengingly, as if expecting immediate resignations. Ward had half-a-second of a wild fantasy of doing so, followed by Beckmeyer, but, of course, no one even breathed.

“Now. Let me be very clear about this,” Jenkinson continued. “Making money is what we do. We make money when we service our customers by delivering the parts they want exactly when they want them and with the quality they require. Every time we send them a part they don’t like, we’re giving them an electric jolt, saying go and buy elsewhere. We make money every time we send them a part they can use, a part that has passed through our process without a hitch, which means first time through. This is how, and only how, we make money. Every time a part is reworked or repacked we lose money! Is this very clear for all? Because, in this company, every one, from the CEO to the janitor, must be obsessed with this simple idea: We make money when parts are RIGHT FIRST TIME. And we are going to make money together by putting ... our ... customers ... first.

“By customer I mean the *next person in the process*,” he continued after a moment’s silence. “Not just the end customer. This is going to be our obsession—all of us. Customers come first, before job descriptions, rules, systems, whatever. I expect every working area to track its own on-time delivery and defects, and to discuss them with the next step in the process. We need to understand what the next step needs from each of us to be able to do their work correctly: We need to work as a team, across departments and process steps. If everyone in the company does this, our final customers will be well served and we’ll finally have a chance to turn this thing around! No ifs. No buts.”

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Ward had not heard Jenkinson make such a long speech before. It gave him time to reflect on the Vaudon operation from this point of view. The infuriating thing was that he actually made sense.

“Now,” the tall American continued with a deep breath, taking his glasses off and cleaning them on a pocket handkerchief, “if we’re all quite clear about this, I’d like to show you why we need to understand this together, starting with operators. Let’s go back into the paint area.”

The small group followed him through the pressure lock. Within the positive-pressure paint area, white-clad operators were inspecting and cleaning the black plastic bumpers and then placing them on the conveyor that would take them through the automated painting process. To Ward, paint plants had always been reminiscent of James Bond secret bases, with their technicians in lab coats buzzing around in the glaring light of the glossy white room. They all climbed a set of narrow stairs and walked in single file along a tight corridor where they looked through large windowpanes at the gee-whiz robots spraying the parts on the conveyor in gleaming metal booths. After coming down another set of stairs on the other side of the robots, they entered the paint mixing room, where they were overwhelmed by the strong chemical smell.

“I wonder what he’s seen,” whispered Hans Ackermann as he held the door for Ward. “We’ve been here before, and he said nothing.”

In the paint area, a network of tubes ran from giant vats to the paint robots. The place was covered with remains of dry paint, but seemed otherwise reasonably clean and well maintained to Ward. Jenkinson went straight to a low rack where paint pots were lined up. An operator was busy unloading more pots from a pallet truck.

When the little group had assembled around the rack, Jenkinson deliberately passed his finger over the cover of one of the paint pots, leaving a shiny trail on the lid where he wiped away the thin layer of dust.

Without commenting on this obvious problem, Jenkinson politely asked the German team to ask the operator to demonstrate how he opened a paint pot. After a lengthy discussion, the confused operator

finally understood what was expected of him. He picked up a screwdriver, and undid the lid of the next paint pot.

“Stop!” ordered Jenkinson in mid-operation. The operator froze, like a child playing a game of statue. Right then everyone could clearly see how in the movement of opening the can, he briefly tilted the lid over the liquid paint in the pot. With an emphatic finger jab, Jenkinson showed how the ill-fated dust would fall straight into the paint. Ward swore he felt the group wince, as everyone knew that every particle of dust could create a grain in the paint, causing the part to be reworked.

“Let’s go and see where you store the paint pots,” he instructed.

As expected, the paint pots were methodically lined in the storage racks of the incoming-materials warehouse, where dust motes could be seen lazily swirling in the light slanting through the high windows.

“*Results*,” lectured Jenkinson, “are the outcome of a *process*. What we want are *good* results from a *controlled* process, because they will be repeatable. Bad results from an uncontrolled process simply mean that we’re not doing our job. Good results from an uncontrolled process, however,” he added with a rare smile, “only mean we’re lucky. And in automotive, luck ran out years ago. Today, bad results from a controlled process just says that we’re stupid: we expect different results from doing the same thing over again.

“Now, I know that corporate has traditionally been interested only in financial results, regardless of how you deliver them. The guy with the results gets the bonus, right? And here, in this plant, you’ve been mainly concerned with controlling the process through increased automation, conveyors, and other methods like this. Yes?”

The Neuhof team shifted uneasily, wondering where this was going.

“What I expect,” he explained carefully, “is that every employee understand the link between their results and the process they use to get them. You are convinced that only the paint specialist can improve

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the paint plant quality, and if he can't, no one can. But I tell you that only the operators that live and work here every day fully understand how the process works.

“Any operator could have told you about the dust contamination from the paint pot lids, if you had asked the right question,” Jenkinson said. “So what I expect from management is to get the paint specialists and the operators working together to fix problems and paint parts right first time, so that we can satisfy our customers *and* make money!”

The opulent meeting room was deathly silent as the group settled down for the visit's final debriefing. Coffee and cookies stood untouched in the center of the lacquered wood conference table. Although Ward was dying for a cup after his early morning start, he was reluctant to break the spell of immobility that seemed to have settled on the German team.

“Where is the HR manager?” asked Jenkinson upon entering the meeting room. “How the hell are we supposed to progress without HR involvement?” They had all looked at each other in confusion wondering what HR had to do with anything that had happened earlier on. Ackermann had finally picked up the company phone to locate the human resources director. Now they were all waiting for him to show up. Jenkinson sat slumped in one of the plush leather chairs, wearily rubbing his eyes. Beckmeyer stared obstinately at the distant pine-clad hills out the window.

The HR manager finally arrived, a mousy little man with a startled look on his face. He seemed to enter the room in segments—his head first, as if checking he'd really been asked to be here, then a hesitant torso, and finally dragging the rest of himself into the room. He took a seat next to his general manager. Jenkinson acknowledged him with a nod, and straightened up. He addressed the group, most of whom had sat as far across the polished table as possible.

“Three things,” he began slowly, while looking straight at Beckmeyer, as if no one else were in the room. “First, I want an ergonomic assessment of the plant from the HR department. I’ve noticed that the plant’s employees’ overall age seems high. And there’s a lot of handling of large and heavy parts, even with the conveyor, which, for other reasons, we will discuss again later. This assessment needs to be done quickly, and I expect to be copied with the report personally by the end of the month. Furthermore, now that the plants report directly to me, I’ll ask you to notify me of every lost time accident within 24 hours of its occurrence. This is not debatable.”

Ward couldn’t stop himself from nodding: Jenkinson had asked the same things from the Vaudon plant, although its operator population looked, on average, much younger than Neuhof’s.

“Second, you will immediately stop the implementation of your new MRP system.”

“You can’t mean . . .,” blurted one of the execs.

“I do mean it. Listen carefully. Stop the implementation. Send the consultants home. Don’t pay a penny more.”

“But the contract? The sunk cost? The . . .”

“The bank is closed. There is no more money for IT. Period. So you break out of the contract, and you write off the sunk cost. Clear?”

“Herr Jenkinson,” insisted the production manager, who seemed as confused as he was annoyed. “We have many problems with the current system. We need an improved version.”

“This is precisely the point. You need to learn to solve your own problems, and not expect the computer system will do it for you. It won’t. You’ve been producing parts well enough with what you’ve got. Keep on doing so. Learn to solve your problems. In any case, the decision has been made at the entire company level, so, again, no debate.”

Ward thought the stunned silence was a sight to see.

“Third, the cost of protecting the customer from the plant’s quality problems is simply too high, and needs to be reduced radically. To start with, I’ll ask you to cut the quality department by a third.”

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This actually elicited gasps from around the table, and Ward wondered for a second whether he had heard correctly.

“Yes. I want you to shrink the quality department, while also lowering the number of quality incidents to customers.”

“Impossible!” exclaimed Beckmeyer out loud, as the room erupted in German.

“Maybe,” replied Jenkinson evenly. “But I’ve heard you use this word before, about your customers’ expectations. We can’t prove whether these things are possible or impossible in this room. We can only pursue this goal. And if this management team can’t do it, I’ll find one that can. As I mentioned earlier, using the same method and hoping for different results borders on insanity. This company needs a radical improvement of its quality, with an equally radical reduction of its cost base. Therefore, I am not asking to do more of the same and reduce quality complaints through your current approach. I want to clearly shift the responsibility for quality from the current quality department to production.”

The production manager, a thin, intense man sporting a shaved head and an ear-stud, looked shell-shocked. He opened his mouth to say something, but no words came out. The quality manager’s face was pale. Surprisingly, Ackermann seemed to wink slyly at Ward—or maybe he’d dreamed it. At least someone was having some fun. Ward guessed that for the continuous-improvement officer, after years of being under fire to “improve,” only to be blocked by the resistance of line management on one hand and the lack of interest of the support function on the other, today’s massacre must have been a satisfying comeuppance.

“Production is directly responsible for its quality,” repeated Jenkinson. “I don’t give a damn about any quality procedures or any quality-management systems you might have. It’s completely up to you whether you keep them or not, but I’ll now expect each area manager to answer for their quality performance, no one else.”

“You tell us!” exploded the production manager with a thunderous scowl. “How can we do that? You tell us? You say customers come first, and now you want us to cut the quality department! You tell us how!”

“Red bins,” answered Jenkinson evenly. “Or red racks. Every cell must have a specific location to place bad parts as they occur. Then you must conduct an analysis of every nonconforming part. To start with, I suggest, that you create a quality task force led by yourself, the quality manager, engineering manager, and whoever else you might think relevant. Tour all the red bins every shift to understand where and what your quality problems really are. This isn’t hard, it just demands organization and determination. And it always pays.”

“Pfff! Red bins!” scoffed the production manager, with an exasperated hand gesture. He then crossed his arms tightly and scowled at the table, refusing to look up.

“In any case,” continued Jenkinson unflustered, “let me be extremely clear. Production will take responsibility for its own quality. And you will take the heads out of the quality department, and the cost out of the business. What is more, I’d like you to do this smartly.”

Turning back to the terrified HR manager, he continued to drive his point relentlessly.

“I want human resources to provide the names of the real quality experts you have in this plant by next Monday. People who can recognize the difference between a good part and a bad one and know what part of the process causes what kind of defect. Even if they turn out to be the older people who are most likely to take a severance package. HR needs to explain to me how these people will be retained, not lost. So to make myself crystal clear: The quality department must be cut by a third, and none of the people leaving should be real process experts. Beyond that, who goes and who stays is completely up to you. Again, you can reshuffle people as you like internally, but I’ll expect the heads out of the business. Any questions?”

The strain in the room had become so high that it was almost palpable. Ward struggled to hold back a nervous giggle, as he found

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himself wondering whether being told the plant was to be closed was not the easier way after all. This was the hard way. The silence pulled and stretched, as Jenkinson sat there looking at people one by one, doing nothing to alleviate the tension.

“Is there a timeframe to this?” Beckmeyer finally asked tersely, visibly struggling to contain his fury.

“The ergonomic assessment and the hold on IT development are to be acted on immediately,” Jenkinson answered without emotion. “In the next two weeks I’ll want to review your proposal of how you intend to carry out the quality streamlining. As for actual implementation, there is no deadline yet—we’ll discuss that when you’ve got a working plan.

“That more or less covers it, gentlemen,” he concluded, standing up. “If you have any questions, don’t hesitate to email. Remember, there will be a fortnightly call for the plant manager to discuss specifics. In any case, I’ll be coming back soon. Thank you for your welcome, and good luck.”

“Andy,” he turned to Ward, acknowledging directly his presence for the first time. “Did you drive up here?”

Ward nodded mutely, cursing himself for feeling so intimidated. I’ll be saluting next, he thought wryly. And calling him “sir.”

“Do you mind driving me back to the airport, then? I’m due on a flight home this evening. We can talk on the way.”

As the miles passed by on the way to Frankfurt, the CEO remained quiet, lost in thought. Jenkinson didn’t look much like a millionaire, casually wearing a navy blazer over a faded jean shirt and beige chinos, which Ward found rather tasteless. The only sign of real wealth the man sported was the flashy Rolex on his wrist. Other than that, he looked more like an archetypal engineer than a CEO, down to the nerdy collection of pens in his shirt pocket. More than anything else, he came across as *earnest*, in that particular way that Ward associated with Americans. The man also suddenly looked exhausted and jet-lagged.

The rain had stopped, but the weather remained moody and gray, and the road was still wet enough to force Ward to concentrate on his driving. As the airport got closer, he was feeling increasingly flustered, trying to work his nerve up to confront Jenkinson, reluctant to intrude into his obvious brooding.

Finally Jenkinson stirred, muttering to himself, "Why does it have to be so damn hard!"

"You could try explaining more," answered Ward impulsively.

"You think?" asked Jenkinson, stretching in the passenger seat. "Probably. Never was much good at it. Too me, it feels like that's all I'm doing: explaining, explaining, talk, talk. The more I explain, the more they find reasons *not* to do."

"Maybe it's because what you say is not what people expect."

"That so?" Jenkinson asked with a chuckle. "Customers come first. Deliver good parts on time. Reduce your costs. Work with your people so that they solve their own problems. Original and unexpected, right?"

"You know what I mean," insisted Ward, speaking more cautiously. "I certainly expected you to come with some lean stuff, you know, value-stream mapping, improve the flow, and that kind of thing. And there you are hitting us over the head with quality. I'm not saying you're wrong. It's disconcerting, is all."

"Lean, lean, lean," grumbled Jenkinson. "What the hell is lean? All I know is that Toyota didn't get to where they are today by simply improving their flow and reducing costs. They build cars people buy, that's the real trick. They build them better, faster, and cheaper. Lean is customer satisfaction first, before getting into eliminating waste. And in any case, the only way to do this is through people."

"Customer satisfaction, eliminating waste, developing people," repeated Ward. "I buy that. But what about flow?"

"Oh, don't get me wrong. Flow is important. *Leveling*, flow when you can, pull when you can't. Of course it is. But that's just technique, it's a way to reveal problems, nothing more. The fundamental issue is attitude. People have to be determined to put their customers first.

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They have to be fanatic about developing people. They must understand that everything they do is ultimately all about the product—the product that customers buy. And this product must solve more problems for the customer than it creates. If we want customers to purchase from us, we should work tirelessly at keeping the inconvenience cost down. And for that, you need people.”

“You mean that people need to improve products to solve customers’ problems?”

“Yeah, making people before making parts, that’s what it’s about. Name of the game. But it is sure hard to get across.”

“Were you serious about that stuff back there?” asked Ward, after mulling it over.

“Usually am,” replied Jenkinson, rubbing his face tiredly. “What stuff did you mean, in particular?”

“Getting them to cut their quality department by a third. If you’ll excuse me for saying so, that sounded fairly ... radical.”

Jenkinson didn’t answer right away and, for a moment, Ward feared he had pushed his luck too far. He cursed inwardly as he almost missed the Frankfurt Airport exit.

“A few years ago,” his passenger eventually said, “I had the opportunity of visiting Toyota’s Cambridge plant in Ontario. The tour was nothing special, just industrial tourism. They put my group in a small train, sort of like a theme-park ride, and gave us the standard tour through the plant. Obviously, there is nothing more like an automotive plant than another automotive plant, and nothing looks more like a Toyota plant than another Toyota plant, so I didn’t expect to see very much, other than confirming what I’d seen in their other plants. But I did wonder about one thing.

“You see, that plant builds the Lexus, Toyota’s luxury high-end car. Now, legend had it that only Japanese plants had the necessary rigor and discipline to maintain the level of quality required for the Lexus. So, as we toured the plant, I wondered, what is so special about this plant that they get to build Toyota’s most demanding product?”

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“So in the end, I asked them. The guys giving the tour weren’t execs. They were retired employees showing the tourists around, regular joes. But their answer really struck me.

“It’s because of the *kaizen* by team members and team leaders, they said. They believed that Toyota had given the plant its top product because of the problem-solving activities of their operators! In all my time in industry, I had never heard anything like this. Not because of superior engineering. Not because of new investments. Not because of better management. The plant earns the right to build the very profitable, high-end product because of the continuous-improvement activities of its operators. The idea is that in order to build the company’s most demanding product, what was needed were operators who would constantly seek small improvements and, hence, spot minute problems and find ways to solve them.”

“In a way, it’s common sense,” agreed Ward. “The most demanding product is given to people with the proven ability to solve all the small problems. Hell, I wish someone said that about my own plant.”

“*Sense*, certainly,” said Jenkinson, giving him a quizzical look, as if to say that he had been saying that all along. “*Common*, unfortunately not. Look, I don’t know if it’s true, and I certainly have no idea of how Toyota’s senior management actually makes its product allocation, but these guys certainly seemed to believe it. So I asked them how they did it. How come they had all this *kaizen* activity?”

“And?”

“Because of the work of the team leaders and supervisors. They have five to seven team members to a team leader, 25 to a group leader, and the leader’s job is to sustain *kaizen* efforts. ‘We are organized for problem-solving,’ they said.

“And that’s when the light bulb went on. You see, as managers, that’s what we do. We organize things. This is the one thing we should know how to do.”

“Yeah,” nodded Ward, but having serious private doubts about his ability to organize in that way.

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“But our understanding is that we organize ourselves to deliver product, nothing more,” Jenkinson said. “Ship the product out the door; provide the service. Use the minimum resources, have clear job descriptions, build integrated systems, and deliver. Toyota was doing something radically different; it was organizing for problem-solving. Think about it. Is the problem-solving activity organized in your plant?”

“I guess, no. It’s sort of assumed that people solve problems as part of their work. Nothing special.”

“Exactly!” exclaimed Jenkinson, warming to his subject. “Problem-solving is not organized. Jobs are. Consequently, any issue is always someone else’s problem—particularly at interfaces and exchanges. And so the restrictions of the job become more important than serving customers first. I had been doing lean for years, but suddenly I saw the light. The line management had to be taught to recognize, address, and solve problems: customer problems, operator problems, process problems.”

Just as Ward was about to ask for clarification, Jenkinson pursued his thought, in full lecture mode.

“I think I’ve figured it out. I researched this topic all the way back to the late 19th century. In the old days, business owners used to be managers. They surrounded themselves with a few trusty people and ran the business centrally, with a strong line, few chiefs and many Indians, and very little structure. Sort of like having a secretary handling personnel files rather than a full-fledged HR department that does who knows what. As Peter Drucker explained, Frederick Taylor then arrives and convinces owners to delegate the running of their companies to professional managers, who will organize work scientifically.”

“Scientific management, right?”

“Yep. Taylor persuaded the bosses to invest in specialist functions to organize the shop floor. This meant paying for an engineer, staff, special equipment designed by an engineer, and getting back direct labor productivity. And it worked spectacularly well! This is how we ended up with the corporations we know, with Finance running the

show, IT organizing everything, and a weak line management whose main job is to deal with the unions and fight the fires. This enabled us to create mammoth global corporations. But it's incredibly *wasteful*."

"How so?"

"Taylor taught us to gain productivity by applying knowledge through staff structures. This is far better than not applying knowledge at all. But ultimately it relies on specialists whose knowledge of day-to-day, real-life conditions is tenuous at best. The solutions they invent might work, but they work very inefficiently. Come on, have you ever had an IT system that actually helped you? Or a quality department that solved quality problems?"

"Pass," answered Ward, chuckling.

"What specialist staff structures produce are *systems*: IT systems, quality procedures, human-resources manuals, automated lines, and so on. As a result, line management can't resolve any real problem because what is mainly asked from them is to implement the systems. Compliance, compliance, compliance, often at the expense of competence. Systems are far too general and devised too far away from local work conditions to be effective at improving detailed work."

"So, what's the alternative?"

"Applying knowledge through the line rather than through staff structures. This is what Toyota hit upon. It's the line management's job to *improve* operations day to day by working with operators, not just to implement systems invented by eggheads. This is a lot leaner because, first, all processes are improved by the very people who run them, and, second, staff structures are now composed of real experts rather than specialists. I don't need an IT department to run my system for me. I need one guy who can teach me how to really use my existing IT system. I don't need a quality department to produce quality procedures. I need someone who can explain to me exactly what goes wrong where in my process so that I can see how it creates specific quality problems. I don't need a financial function to run my ratios and tell me what I can spend or not spend. I need a real financial

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expert who can teach me how to use my budget to manage my plant effectively. Overall, I need far fewer people, but with greater *expertise*. The key to a lean operation is that management organizes people to develop knowledge continuously.”

As they neared the airport they hit traffic, giving Ward time to chew this over. He wasn't certain he understood or even agreed with what Jenkinson was saying, but he recognized true belief when he heard it. The guy had a vision, that much was certain. It was maybe a totally crackpot theory, but he sounded sincerely convinced. Ward didn't know whether to be reassured by this or more worried. True believers tended to give him the jitters.

“You see,” Jenkinson started in again, “for years I've studied lean with various *sensei* who kept saying in one form or another that lean is not about applying lean tools to every process but about using the lean tools to develop *kaizen* spirit in every employee. When you're on one side of the mountain, it's so hard to see how the valley looks on the other side. Applying lean tools to every process is simple for us. We create a new structure, call it a lean office, staff up continuous-improvement officers, and then dispatch them to apply lean tools to every area. And meanwhile line management continues to do what it does, uninvolved, and uninterested. And then we are surprised that after gathering the low-hanging fruit, the whole thing sinks in the mud. And the whole effort is abandoned until the next program of the year comes along.

“Believe it or not, this company is far better organized than my previous business was. People have clear job descriptions. You have far better, more integrated systems. Procedures are much clearer. As a result, however, no one owns problems because they always belong to somebody else. It's precisely because the division was so good at doing the wrong things that it didn't make money for Alnext, and could be bought so cheaply. If I want to make this work and make money from it, if we all do for that matter, then I need to break you guys from your hope that clearer organizational charts, more structure, and neater

systems will improve the situation. The only thing that will make things better is a radical change in attitude, in which people learn to recognize problems and try things out until they're solved. And to understand what a problem is, you've got to put customers first."

"A lean company is an outfit where *everybody contributes directly to adding value to customers*. Adding value starts by solving problems. How do you get there? Start by making all your managers spend as much time as possible solving customer problems and eliminating waste as they fight fires and organize the problem-solving in their areas. Then you need to convince all your operators to contribute their ideas and suggestions so that the company is using their heads as well as their hands. And you need to do all of this before the customers pull out or the automotive market slides even lower, before materials inflation puts us out of business, before the banks call in the loans or increase interest rates, and before the board kicks me out of this job. Simple really. Not easy, but simple."

"Wow."

"So, here, I've explained," Jenkinson said, sounding amused. "Let's test your theory. You suggested that I need to do more explaining. Well, I just did. Does it help?"

"Yes," Ward said uncertainly, and added, "and no."

"There you go. What's the point of explaining? One only learns by doing."

"It does help in one way," Ward ventured. "It helps to feel that you know what you're doing. I mean, even if I don't get it all ... it's good to know there's a plan."

It sounded good, but he still worried about Coleman's comment that Jenkinson was taking program responsibility away from sales and placing it in engineering. Just as with cutting the quality department in Neuhof, the man seemed to have a strange way of putting customers first. Ward had always heard Alnext's honchos claim that "customers came first," Sanders in particular. What that usually meant is accepting any kind of crazy request and blaming production for not

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delivering. Jenkinson seemed to have a different take on the phrase. What Ward understood was to solve existing customer problems or problems for the next step in the process rather than imagine extravagant solutions to vague customer wishes. One more troubling notion he needed to think through.

“In any case,” Jenkinson said, switching gears and turning to face Ward directly. “I’m sure you didn’t drive all the way here to hear me pontificate about lean. What did you want to talk about?”

“Ah,” hesitated Ward. “How should I put it?”

“Just shoot.”

“Now, then. Lowell Coleman says you believe you are wrong half of the time. Is that right?”

“He said that, did he?” chuckled the CEO.

“Indeed.”

“The trouble is knowing which half,” he laughed. “But that’s right. This is a core assumption of lean: No matter how confident we sound, we are all wrong at least half the time. The only way of knowing is by testing our beliefs, our hypothesis. This is nothing more than basic scientific thinking. Theories must be backed by empirical evidence. What makes you ask?”

“How can I convince you that you’re wrong about closing the plant?” asked Ward.

“Ah,” Jenkinson sighed, and then fell silent.

Ward took the slip road to the airport terminal while his passenger said nothing, and he worried again he might have overstepped the line.

Eventually he pulled the car into the passenger dropoff lane and cut the engine. Jenkinson just sat there, in no hurry to get out, mouth pursed in deep thought.

“What’s the plant’s problem?” he eventually asked.

“You told me. It’s not making any money right now and you don’t know how to put any new products in it.”

“And I’ve got overcapacity across the company,” completed Jenkinson. “So what’s the plant’s problem?”

“Its quality reputation is not good enough to earn the right to produce more parts for the company, and its operating costs are too high to run it as a second-tier job shop. I can see that. But I can fix it. I just need some time. And some help.”

To Ward’s surprise, this actually drew a smile from the man. Not a put-down sneer, but more of a genuine, somewhat wistful grin.

“Andy,” he said looking straight at him. “*You* are the help. *You* are the plant manager. *You* are all the help the plant needs. There is no cavalry to the rescue. We have no cavalry. The plant’s got *you*—and that’s it.”

“What about time?” asked Ward, taken aback by the man’s sudden intensity.

“Here’s the deal,” Jenkinson replied, after another pause. “People who know Europe better than I do tell me that closing a plant in France takes time and requires a lot of administrative work. Convince me that you’re working seriously at coming up with a feasible plan to shut the place down, and I’ll be willing to listen to alternatives. For starters, fix your quality problem. No more customer complaints. No more missed deliveries. If you can do that, it might not save you, but it’ll buy you some time. And sometimes, miracles can happen if you survive long enough.

“Remember,” he added with another slow grin, “80 percent of success is showing up. You showed up today. Now show me results.”

Put customers first by getting line management to own and fix quality and delivery problems. As compared to the current approach of relying on job descriptions, systems, and procedures, this definitely sounded like a shock to the system. Maybe it was exactly what Ward needed to stir things up at the plant. He also realized he’d have to start with the obvious: immediate, concrete complaints rather than some abstract notion of “customer satisfaction.” Delivering on-time, defect-free products sounded like a pragmatic place to get started, as opposed to

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whimsical notions of what “customers” in the abstract would like in absolutes. The next process is the customer. Indeed.

Ward felt both reassured (slightly) and more worried (enormously) by his chat with the boss. He realized that he had to do something drastic. Otherwise the same causes would lead to the same results, and Jenkinson would not tolerate failure for long. To be sure, this would mean changing a lot of minds, starting with his own, he thought gloomily. Ward had never considered lean to be a management issue. It always struck him as a useful operations method. He’d always assumed that his management was basically sound, and that lean techniques reinforced this by smart cost-cutting. Disturbingly, Jenkinson seemed to think the entire management approach needed to be questioned. Probably the most startling takeaway from this conversation was the implied challenge thrown down by this way of seeing lean. Ward would have to rethink fundamentally his whole approach to everything that every person did in the plant in order to start building the kind of management in which everyone could contribute directly to adding value for customers.

To save the plant, Ward concluded sarcastically, he only needed to completely revolutionize its management approach as well as fighting the 1,001 daily fires. A walk in the park.

He was not surprised to see the light on in the old stone stables on the left side of the farmhouse. The house and adjacent barn were the best of what remained of the old fortified farm, with two other buildings linked by a ruined wall on the other side of a central pond. Over the years, Claire’s father had kept the barn more or less in shape to hold three stalls, where he kept a few horses apart from the main modern stables across the road.

As he turned the corner to park the car, the headlights painted Claire in stark light, standing by the first stall, brushing a dappled

gray horse. She was grooming Pagui, an aged hunter who had been her favorite show jumper when she'd been a young girl.

"Hey."

"Hey yourself," she answered with a quick, anxious smile. "How did it go?"

"I'm not sure," hesitated Ward. "Not at all what I expected."

Pagui nickered and nuzzled her back, eliciting an automatic slap. Whenever she turned her back on him, he had the habit of butting his forehead between her shoulder blades.

"I've been thinking about it," she said, brushing away a stray lock of dark hair with the back of her hand. "All of this. We can do without, you know. It's not our life. We can move. Do something else."

He saw her involuntarily shudder in the dim light as she actually voiced the thought out loud, trying to put a brave front on it all. Malancourt had become their joint passion, their impossible dream, and simply hearing her mentioning the possibility of defeat broke his heart.

"Remember when you used to kid me about all these 'just so' stories I told to liven up my presentations?"

"Some of them were awful," she smiled.

"Remember the one from Herodotus, the old Greek guy?"

"The one about the thief and the horse?"

"Yes, just before being executed, the thief makes a bargain with the king. In one year he will teach the king's favorite horse to sing. The other prisoners all laugh at him—how can he teach a horse to sing? No one can. 'Well,' the thief replies, 'I've got a year, and who knows what might happen in that time? The king might die, the horse might die, and—perhaps the horse will learn to sing.'"

"Will you sing for me, Pagui?" she laughed, stroking the old warhorse's forehead.

"That's how I feel now. I think I've gained some time, so who knows what might happen? Jenkinson might leave, the plant might get sold again, or, perhaps, I'll manage to get it lean!"

Chapter Two

EVERYBODY, EVERY DAY

It took all of five minutes back at the plant to do away with Andrew Ward's post-holiday glow. That's when he was told of the accident that had occurred while he was away. And suddenly all warm memories of sun, sea, and shining white houses perched improbably on the hilltops of the Greek islands melted away into the noise and smell of the factory.

It was late September, and Ward had just returned to work after a week of holiday with his family. They chose September over August, the traditional French holiday, for two reasons. First, August was gorgeous at the farm. Most patrons of the riding club were away in August, but horses still needed to be fed and cared for. The other was that Ward had gambled a sizeable chunk of cash on the major overhaul of two of his presses. So while the plant usually shut down for two weeks in August, a mix-up with customer demands forced them to keep certain products running. This mini-crisis turned out to be a small gift, for it gave Ward an excuse to continue the work of the past months and finish the progressive overhaul of the main equipment. The slower pace of work enabled him to actually enjoy taking the time with the maintenance team to learn more about the machines. The only drawback had been that since most key people took their holiday at this time, Ward had to deal with a crew of mostly unsupervised temps in the shop. Ward had left for Greece delighted to recharge his batteries, but had worried about the quality level resulting from the undertrained temps. Sure enough, customer complaints about quality had been building up during his absence.

Everybody, Every Day

The relaxing time had given him time to steel himself mentally for his return to the siege situation caused by his boss's impossible demands. Since Jenkinson's visit, he had never worked so hard in his life. It was a constant struggle keeping up with all the changes he had called for while wrestling internally with fits of self-doubt. Every trip to the shop floor was a new adventure. Ward would be faced with yet another problem needing a fix. And he usually had no clue where to start.

As he walked down the steps from the management offices, he swore to himself again that he would move all managers adjacent to production. The plant extended through three halls. The first one housed the injection-molding presses, some of them with a few assembly stations attached. The second hall had mostly assembly cells, and the third hall was dedicated to storage and loading docks. In the first hall, presses were neatly aligned on both sides of a central alley, with small tonnage and maintenance areas on the left side, and the larger machines on the right. Ward frowned as he passed the first high-tonnage press, which was standing idle. He couldn't recall whether the production plan called for it to be running or not. Instead of losing time on this distraction, he chose instead to find Mathilde Régnier, the operator who had been hurt last week. She was supposed to be back at work that day. He vaguely remembered her as one of the younger employees working in the press shop, a shy, hard-working woman he rarely dealt with and who was never any trouble.

Jenkinson's marching orders still stung, but Ward was determined to follow them as literally as possible, figuring that he had nothing much to lose. It couldn't hurt kissing up to the man who determined the future of his plant. And, who knows, maybe some of his "advice" could actually help. Ward launched "Operation Suckup" by asking the supervisors to warn him first thing after any accident. Next he e-mailed Jenkinson the moment there was any accident that was bad enough to account for lost time or keep an employee from returning to work within the shift. Each time he did so Ward got a Blackberry message within 24 hours, with the same deceptively simple question: Why did

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this happen? The first few times, Ward couldn't reply immediately and had to fish for answers from his own management team. Frustrated by this approach, he began to conduct the interviews and do the accident analysis himself.

To his amazement, their main tracking measure, the number of consecutive days without a lost-time accident, improved twofold immediately. Ward was delighted to realize these gains, though he knew there were still too many incidents. He also was puzzled over why the performance had soared so quickly—until the human resources manager, Jean-Pierre Deloin, cynically commented that the measure improved because there were no more Monday morning accidents. When Ward had asked him to explain what “Monday morning accidents” were, Deloin suggested that a pulled muscle first thing Monday morning following a local football match on Sunday evening was, perhaps, not so accidental. He would not say more, but Ward understood that when people hurt themselves during the weekend, they'd declare it as a work accident on Monday morning. This was exactly the kind of sly innuendo and jaundiced worldview that Ward found irritating and counterproductive, but he had to admit that the figures bore it out. Since he had personally been conducting the inquiry into each accident, Monday mornings had become almost accident-free.

Ward could not bring himself to like Deloin, with whom he spent many hours wading through the administrative and legal requirements of a credible timetable to shut a site in France. Deloin was a short, tubby man in his late 50s, with a face like a wrinkled apple. He had sparse white hair, a white beard, yet no moustache—like an ancient mariner, thought Ward. The man was a skilled survivor. He had started his career nearby, working for another company in a neighboring plant. That plant had closed long ago, and after a series of restructurings and acquisitions his former employer had become part of the U.S.-based group Alnext. In the heyday of la Française de Plasturgie, Deloin had moved up the corporate ladder methodically, becoming second-in-

command to the group HR director. Dodging the witchhunt that followed the acquisition by Alnext, he wisely took the job of Vaudon HR manager. There he found a kindred spirit in Jean Blanchet, the ex-plant manager, and together they had maneuvered tirelessly to keep Vaudon open while its sister plants were closed, one after the other.

Deloin had accepted Ward's nomination as plant manager with world-weary skepticism, and mostly kept his thoughts to himself. He did the job with minimal fuss and occasional acerbic comments about the beyond-belief stupidity of the universe, capitalism, management, and plant managers, though not always in that order. Ward had to admit he had never caught the man being forthrightly obstructive. In fact, Deloin's knowledge and experience were invaluable. He had a lifetime's practice in dealing with the fractious French unions, the yearly ritual strike, and the constant strain of a working culture in which every negotiation started with conflict rather than discussion. Ward still got surprised by the French tendency to start with a show of force and then back down toward a compromise, rather than simply try to talk it through upfront. In the beginning, this had really thrown him. Indeed, three years ago, Ward's promotion to plant manager had been duly greeted by a general strike, which Deloin had handled deftly, compensating for many of Ward's own beginner's mistakes, with long-suffering and all-knowing little smiles that grated on Ward's nerves. Yet, in the course of the dispute, they'd hammered out something of a working relationship, and Ward had learned to take the other man's side comments at face value.

Ward was depressed by Deloin's knack of always suspecting the worst in people. In this particular instance, he knew that nobody could think poorly about Régnier. She was a fresh-faced woman with curly brown hair and an open, toothy smile. She had been working afternoon shifts at the end of the hall in one of the massive, 2,000-ton presses. Ward had asked to be called when the mold was being changed. He wanted to observe Mathilde's normal cycle of trimming and packing the parts coming off from the press. As two setters used the overhead

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crane to lift the large metal cube of the mold out of the press, Régnier swept up fallen cores and plastic dust from the area around the press.

“Hello, *Mademoiselle* Régnier,” he called. “Are you all right?”

“Oh, *M’sieur* Andy,” she answered, blushing slightly. “It’s *Madame* Weber, now. I just got married.”

“Ah, congratulations, Mathilde,” Ward said, kicking himself—he’d known that, having signed the company check for a wedding present. It seemed to him time spent on the shop floor only opened up the number of opportunities to make a fool of himself, what with all the things he should have known and, evidently, didn’t. He felt he lived with his foot in his mouth these days. “Can you tell me what happened last week?”

“Oh, it was such a stupid accident, *M’sieur* Andy,” she answered sheepishly. “Completely my fault. I was distracted and stepped in front of a moving forklift. Like this.”

Along the wide alley dividing the press hall a steady stream of forklifts were picking up containers of finished parts or dropping off pallets of components. Within this area a narrow strip of faded green paint signaled a pedestrian alley. Ward could immediately see how the proximity to the operator’s station made it so easy to back into the path of a lift truck.

“The driver honked,” she continued, embarrassed, “and I stepped back. But I stumbled and fell ...,” she hesitated, “flat on my bum.”

“Ouch,” he said, trying to keep a straight face as he visualized the scene. “Must have hurt a lot.” Accidents are stupid by nature, and she could have injured herself seriously, either by being hit by the truck or by the fall.

“Oh, yes,” she nodded emphatically. “The nurse feared I’d broken my tailbone, and I had to go to the hospital and have x-rays and so on. They said I’d be fine, but it would be painful for a while.”

“I’m sorry to hear that. But what made you walk into the alley without looking?”

“Oh, I’m so sorry. I don’t know what I was thinking. I was so preoccupied, you see?”

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Although perfectly fluent in French, and having lived among the natives for years, Ward still felt like a fish out of water when it came to casual chitchat. The French were so bloody difficult and contrary that he never knew when compassion was going to be interpreted as patronizing, friendly curiosity as an invasion of privacy, or, on the contrary, tact seen as aloofness. He was about to extricate himself with a “carry on,” when she jumped the gun anxiously.

“*M’sieur* Andy, may I ask you a question?”

“Certainly. Anything.”

“Is it true that the plant is going to close?”

He nearly did a double take, but had the presence of mind to frown and answer “No! Absolutely not!” with as much certainty as he could muster. “Where did you get that idea?”

“At the bank. They told me the plant would close soon.”

“At the *bank*?” he exclaimed, totally bewildered now.

“Yes, sir,” she said, wincing, probably thinking she’d talked too much. Social relations in the plant were not bad per se, but private conversations with the plant manager on the shop floor were definitely unusual. “You see, my husband and I, we went to the bank. There’s this nice housing project in a village a few miles out of town, and we’d like a home of our own, now that we’re married.”

“Sure. Great idea.”

“The man at the bank would not let us have the loan,” she spoke softly, her face flushing. “He said that our income was too low. And, more importantly, he said our status was too uncertain to qualify. ‘Uncertain?’ I asked. ‘I work at the Vaudon plant,’ I tell him. ‘Everyone knows it’s going to close soon,’ he says. ‘No guarantee,’ he adds. So is it true?”

“It is not true,” repeated Ward guiltily. “We have to work hard, but there are no plans that I know of to close the plant,” he lied. “Is that the bank on the main square, next to the Tabac?”

“Oh, yes. I think that’s why I was so preoccupied, you see?”

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The internal phone he carried on his belt buzzed as he was furiously trying to think of an adequate response.

“Andrew,” said Anne-Marie, the management team’s assistant, “Philip Jenkinson is on the phone—do you want to take him now?”

“Yes, transfer him in just a second, please.” To Mathilde, he apologized. “Mathilde, I’ve got the CEO on the line, I need to take this call—but we’ll talk again, right?”

She nodded without saying anything as he rushed away, her face blank as she returned to her sweeping. “What did I miss now?” muttered Ward to himself, as he told the assistant to put Jenkinson on the line.

“Andy? How are you?”

“Yes, I know,” he answered resignedly. “This is the second lost-time accident this month. I was just carrying out the analysis.”

“Ah,” paused Jenkinson, making Ward realize he was probably not calling for that at all. “The woman who fell, right? What happened?”

“She says she was distracted, and walked into the path of a forklift. The guy saw her in time and honked, and she took a step back, lost her balance, and fell on her tailbone. Must have hurt like hell. They had to send her for x-rays at the hospital.”

“So what’s the root cause?”

“Hell, I don’t know! Not enough training? I thought about putting physical barriers between the machine area and the alley. But, well, then we would run into all sorts of problems getting the containers in and out of the zones.”

“Come on, what was the proximate cause of the accident?”

Bollocks! Ward hated when his boss went into these didactic modes. He didn’t need Jenkinson’s help to feel stupid most of the time. He did quite well on his own.

“What’s the but-for cause?” insisted Jenkinson “But for that ... she would not have fallen.”

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“Her distraction?”

“Okay, that’s one, but pretty fuzzy. What else?”

“Uh—the forklift?”

“You got it. Forklifts running around within working areas—what are you thinking about?”

“You mean, no forklifts in the plant?”

“Only in clear, designated areas, of course. Not where you’ve got plenty of people working and walking along the aisle.”

No forklifts?

“Ah, I see,” mumbled Ward, although he clearly did not.

“I wasn’t calling about that,” Jenkinson said. I’ve got people asking for your scalp here.”

What now? Ward thought, prepared for the worst.

“First, we’ve got PSA screaming bloody murder about a washer problem in a gearbox.”

“What?”

“Yeah. Apparently, there are two diameters for the washers. You guys sent them the wrong ones or the wrong label or something, and they installed them without noticing. They found out at final testing, when some cars were already on the park. So they had to go and look for all the cars with washers from this batch, and get back into the gearbox. A real mess. Must’ve ticked off someone really high up, because they called me directly.”

“Jeez, sorry about that!” said Ward feebly.

“Okay. You’ll obviously have to go and find out what happened. I’m not sure why PSA went straight to me before you heard anything about it.”

“We do have a complaint from them this month, but it’s about scratches on an engine cover part. They claim that is a visible part, but in our specs we’ve got it as a functional part and without the same requirements as a part that can be seen. We’re still arguing about it, but it doesn’t seem like too big a problem.”

“Have you gone and visited the customer line about it?”

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“Ah, not yet,” Ward winced. Jenkinson really cared about these followup visits for quality complaints. And of course with everything else going on he had not made the time for this.

“Andy, listen carefully,” Jenkinson said slowly, in his annoying way of talking as if you were rather dim. “Doing the visits is about understanding the quality issues and developing a *relationship* with your customers. It’s about getting to know someone in the customer plant who’ll bother to give you a call when there’s a problem. Nobody should learn about disasters from their CEO. Got it?”

“Got it,” he sighed. He had walked back to his office and was now feeling a powerful urge to simply lay his head on his desk.

“But that’s not all. Finance is pissed off with you as well. They say that you’ve got large, unexplained expenditures in August. And so their projections are off for Europe. Care to let me know what’s going on?”

This time Ward had prepared himself.

“I’m still on budget, though.”

“I didn’t say you weren’t. I just want to understand.”

“Before we get to that, have you seen that we’ve cut the cost of nonquality by half in three months? We went from 3 percent of sales down to 1.5 percent. That’s about half the ppms.”

“Yes, I’ve seen. You’ve been working very hard to get these results.”

“Second, we’ve still got the parts the customer wanted us to transfer to his Romanian supplier. Apparently, they haven’t succeeded at making the parts right yet, so we’re still producing seven days a week. It’s going to cause us big problems. The demand is so high that we haven’t had time to do any proper mold maintenance. So far, our sales are beating projections with this extra volume but sooner or later we’re going to hit the wall.”

“Andy, that’s fine. Your sales are holding, and you have reduced your nonquality costs. That’s very good. Stop beating about the bush: what about these expenditures?”

“I changed the screws on two presses this summer,” Ward confessed.

“That costs money,” replied Jenkinson noncommittally.

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“Yes. We had known for years that two of our main presses were shot, and we’d put the investment request in the budget year after year, but you know how it has always been with Alnext. We kept being refused. And when our quality problems became such a high priority over the summer, I just felt that we would never make real progress until we dealt with this head-on. So I just signed for it.”

“Why not tell me about it first?”

“Yes ...,” Ward hesitated. “I should have. But I know what you would have said.”

“Which would be?”

“No investment. *Kaizen* first. And motion *kaizen* before equipment *kaizen*.”

Unexpectedly, Jenkinson laughed at that—his long chuckle coming through the line as clearly as if he’d been standing right there in the room.

“I probably would. But give me some credit, man. I might have said ‘Yes.’”

“Hell, Phil, you know how it is,” Ward exclaimed, suddenly venting his frustration. “Plants are supposed to be autonomous, but the plant manager has got his hands and feet so tied up that he can’t buy a bag of peanuts without having to clear it with corporate first.”

“We’re not talking peanuts in this case, we’re looking at some serious money.”

“I know, I know, I’ve spent most of what I’ve regained from the Romanian stuff and the reduction of nonquality costs. I realize that. As I told you before, I’m going to go down fighting, and I really believed this needed to be done.”

“Okay,” said Jenkinson after a long, uncomfortable pause. “I’ll cover for you. Just this once, however. Please don’t do this again: talk to me first. You’ve created more of a political problem than you know, and I’ve got enough on my plate already without needing you to add to the list.”

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Ward hoped his deep exhalation didn't sound as loud over the phone as it did to his own ears. He hadn't realized he'd been holding his breath all the way through the blank in the conversation.

"Now for the real work," Jenkinson continued. "I am serious about *kaizen* before investment. Very serious about it, indeed. In fact, I believe that if we were good enough we should never have to reinvest money on existing processes. Investment should be reserved for new products and new installations. Your job is to keep existing machines and tools running at top level through *kaizen*. Are you clear on that?"

"No investment on existing processes. Results through *kaizen*. I understand the words, and see where you want to go, but I have no idea of how to do this. How can you run old equipment *and* reduce nonquality without reinvesting?"

"It's hard," agreed Jenkinson. "To start with, I want you to make a persuasive case for changing these two injection screws. Not rhetoric, mind you. I want clear before and after data."

"I can try, but what's the point?"

"Learning," replied Jenkinson tersely. "I don't mind mistakes so much if you draw the right lessons from them. Now, I'm not saying that investing in rehabbing your presses is a mistake, but the way you went about it certainly is. So I want a clear *PDCA cycle*."

"*Plan, do, check, act?*"

"Correct. Look, you've planned this, right? Then you've gone and done it—which is to say you bought and installed the parts, yes? Now, I expect a convincing *check*. That will enable us together to draw the proper conclusions when it comes to *act*."

"You mean regarding the other presses?"

"Yes. Let's consider you're changing the screws on two presses is an experiment. The deeper question is: What conclusions do you draw from this about every other press. Also, rather than '*act*,' I often feel '*adjust*' is a better word. If you didn't get the results you hoped for on these two presses, how are you going to adjust your action in order to

reach your target. Andy, you need to learn from this!" he emphasized. "The clock is ticking, and *you need to learn.*"

"Let's take a step back," Jenkinson continued. "What is your main problem now?"

"My main problem?" sighed Ward. "Where to start?"

"You say you've lowered nonquality costs, correct? Listen to me, that doesn't mean squat. What is the cost of a customer complaint? A few percentage points of sales? Or a whole new program that goes to the competition! The question is, 'Are you producing fewer bad parts?'"

"To some extent," he agreed cautiously, taken aback at the man's sudden outburst. "We're also throwing away fewer good parts."

"How so?"

"Well, when we started looking into the red bins seriously and counting everything, our ppms first went through the roof. We realized many good parts were thrown away as bad. Operators were being overcautious. Then we also fixed a number of obvious problems. I believe we've tackled 167 actions in the first month alone. Maintenance and engineering are still working full time at this, which will cause problems later on because we've completely dropped planned maintenance."

"Okay. But you still have quite a few customer complaints."

"Yes, this is very frustrating. We have fewer customer ppms, that's for sure, and fewer complaints as well, but the effect is far less noticeable. I'm not sure I understand why. There are fewer bad parts in the system, but far too many still reach customers. I'll admit to being stumped here."

"What about on-time delivery? Reports show that it's increasing."

"I've been very brutal about this. I asked logistics to prepare enough parts in advance for an entire shift to have what they need for shipping and to keep a list of missing parts. Doing it this way, we have one entire shift to try to catch up on a late item. As long as it's not a missing supplier component, we usually can do it."

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“But you’ve increased your finished-goods’ inventory.”

“Yes, there is that.”

“So, let’s see if I understand,” Jenkinson said slowly. “You’ve reduced the waste of bad parts to some degree, but reinvested these savings into upgrading presses. And you’ve improved customer service by increasing finished-product stock, am I right?”

“Oh, bloody hell!” exclaimed Ward, unable to bottle up his frustration any longer. “We’re doing what you asked! We’re improving quality and service! Customers first. Isn’t it what you said? What more do you want? Miracles?”

“Take it easy, Andy,” growled Jenkinson. “I’m the guy who’s trying to save you. You want to save your plant, you start by understanding what’s wrong with it.”

“You’re right, I’m sorry,” he backpedaled quickly. Survival lesson number one: don’t swear at your CEO. “It gets so frustrating.”

“Tell me about it.”

Lesson two: don’t whine either.

“So, what’s your main problem now?”

“Obviously, although I’m improving quality, I am still sending defective parts to customers. And while our delivery has improved, this also has increased inventory, which means I haven’t fixed the system. And costs are not significantly better.”

“That’s how I’d see it, yes. But what is your main *problem*?”

Holding back an impulse to reply “You,” Ward snapped, “Phil, I don’t know.” Trying to calm himself, he continued. “I wish I did, but I don’t. I’ve got problems coming out of my ears, and I don’t know how to be everywhere at once.”

“Well, that does sound like a real problem,” chuckled the CEO. “Okay, what’s your main worry then?”

Ward had to think about this for a while.

“Well, we are improving several important things, but the cost of this effort is huge. The technical and maintenance guys have been knocking themselves out fixing quality issues, and, as a result, most of

their daily work has had to take a backseat. We've seen impressive numbers in our initial scrap reduction, but we can't seem to produce more enduring results. I'm afraid that chasing after these targets at this pace will eventually burn everyone out—and that neglecting the scheduled maintenance will have terrible consequences sooner or later. I get the feeling I'm fixing the symptoms, not the system itself."

"Sounds likely," Jenkinson agreed, in a surprisingly cheerful tone.

"But I don't know how to do anything else," admitted Ward.

"Knowing that you don't know is half the battle," said Jenkinson, once more infuriatingly patronizing. "Try to figure it out. I'll be traveling to Frankfurt to conduct some *kaizen* events next month, so I'll stop at your plant and we'll discuss it."

No further investment in existing processes? Invest only in new products or processes? And still expect performance improvement from kaizen on current stuff? How can that be possible? Of course I had to invest in these presses, they were falling apart. The guy must be nuts, glowered Ward. My real problem is that my CEO is *loco*.

Ward sat vacantly at his desk after hanging up. Then he stood and walked to the window. It was a perfect September day out there, sunny without being stifling. What was he doing here? He should be out watching his neighbors in their tractors preparing the fields for the fall, or listening to the buzz of critters in the grass and frogs in the pond. Having a cold beer in his deck chair. Taking Charlie for a walk through the woods in the new backpack contraption they'd just bought. Jenkinson's call had taken the wind out of his sails. He thought he had been doing okay, improving both his quality and delivery, yet this call did no more than remind him how close he was to losing the plant, his job, and all that went with it.

Six months after Jenkinson's death sentence for the plant, he'd still not been told to carry out the closure plan, so he guessed that, overall, his time-winning strategy was working—by the skin of its teeth! It

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seemed like every other month something happened that could be construed as one more nail in the coffin. Fortunately, few of Jenkinson's fortnightly Friday morning calls were this bad. They rarely lasted more than 20 minutes, and Jenkinson would usually just ask "Why?" over and over without giving much guidance. In retrospect, Ward felt foolish for not getting clearance for the couple of hundred thousand dollars to refurbish the presses. But what the heck, he thought rebelliously. They intended to close the plant anyway, so why not spend some money. It's not like they weren't making progress.

Had he really been to Greece and back? At that moment it felt like his whole life was nothing but angry customers, defect rates, scheduling woes, carping bosses, and persistent rumors of the plant's imminent closure. Ward suddenly felt the need to pass some of the pain on to someone else.

"Anne-Marie," he asked his assistant on the phone, "could you please call the bank manager of the branch in town. I'd like to talk to him right away."

"*Monsieur* Ward," the call came back a few minutes later. "My name is Antoine Fritsch. I am the manager of the Vaudon branch. Your assistant tells me you wanted to talk to me. What can I do for you?"

"Thank you for calling me back, *Monsieur*. I'm Nexplas Automotive's plant manager. Can you clarify something for me? Has a Mathilde Régnier or Mathilde Weber come to your bank for a loan recently?"

"Ah, I'm sure that this is confidential information," answered the bureaucrat in an obsequious voice. "Is there a problem?"

"The problem is that someone at your bank refused this lady's loan on the basis that her job at the plant was not secure as the plant was scheduled for closure."

"*Monsieur*—"

"Let me finish. First of all, this plant is not closing. Second, as I'm sure you're aware, Vaudon is a small community, and I'd expect your personnel to be more circumspect. Third, I'd very much appreciate it

if you could personally check Ms. Régnier's loan application, and, if you find the amount requested reasonable, I'd be grateful if the bank could help her out."

"*Monsieur*," the bank manager answered, full of righteous outrage. "This is purely a bank matter, and I fail to understand how you could possibly see fit to influence us in such matters."

"Well," Ward answered, with as much spite as he could muster, letting full rein to his anger, "as far as I know, our plant keeps its main account at the regional branch of your bank. Changing banks is totally at my discretion, and I'm sure that your central office would be most displeased to hear that they've lost a major customer because of *your personal failure* to please your customer, and committing an indiscretion which could in fact trigger significant repercussions given labor relations today."

Ward smiled wickedly at the hoarse breathing he heard across the line. He pictured the man furiously balancing out the uniquely French pleasure in denying a request with the administrative paranoia of getting central branch involved. Ward was not a bully by nature, but he had suffered more than his share of petty humiliations when first settling in the region, and felt no guilt about passing today's baton of misery to this poor man.

"Of course, *Monsieur*," the tight voice finally answered. "I'm sure there has been a misunderstanding. I shall personally look into the matter."

"I'm sure you'll find everything in order," Ward replied coldly. "Please let my assistant know when Miss Mathilde Régnier—Weber—when her request has been met favorably. Thank you for your help."

"Well," he reflected after hanging up, "I've done what I could. Now let's hope we can keep the plant open!"

He tried to get his head around the fact that he'd been that close to losing his job without ever being aware about it. Far as he was from corporate, it was hard to know what was really going on. He'd have to phone Lowell Coleman again to try to get a handle on things, but the

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man hadn't warned him this time around either. Admittedly, he'd been away on vacation—but still ... after all the hard work he'd been doing these past months, he felt really let down. Still, he chided himself, no one said it'd be easy. Stiff upper lip and all that sort of thing, old chap. Take the beatings and keep going on. In any case, what had he done wrong?

Like an old movie flashback, Ward thought about the crucial meeting back in May, the day after his fateful trip to Frankfurt, when he had gathered his management team together. They knew Jenkinson's visit hadn't gone well, and Ward's absence the next day had fueled the rumor mill. For once, they had all turned up early in the meeting room, eschewing the customary 15-minute delay for tiered arrival. As he occasionally did, Ward felt proud to have such a good team, and prayed he would not let them all down. Malika Chadid, the recently appointed quality manager; Olivier Stigler, the production manager, with his affected semitinted glasses; Stéphane Amadiou, the young financial controller, the only one for whom suit and tie still seemed *de rigueur*; Carole Chandon, the feisty logistics manager, a pretty 30-something who constantly overcompensated for her looks by bullying anyone and anything; and Matthias Muller, the maintenance manager, a temperamental middle-aged man sporting really short gray hair and a neat goatee.

In Ward's opinion, Muller was one of the most competent people around the table, but also one of the hardest to manage, not a team player. Closing the circle around the U-shaped table arrangement was HR manager Deloin and Franck Bayard, the technical manager, a gifted engineer who thought he deserved better than being stuck in the back of beyond, but somehow was still there, year after year.

"The plan is to close the plant," Ward had announced.

"But we still have a chance to prove ourselves worthy of keeping it open," he'd explained with raised hands, forestalling their various reactions of disgust and dismay. "Before we go any further about what

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was said with the CEO, I'd first like to hear your thoughts about why he considers the plant has no future."

They'd looked at each other, at a loss for words, wondering who'd go first.

"It's the damn pension funds," Muller reacted vehemently, crossing his arms aggressively on the table, and falling back to his customary rant against profiteering financiers. "It's all about profit, profit, profit."

"We're not cost-efficient enough?" asked Amadiou.

"Profitability is part of the problem," agreed Ward grimly. "But only part. Why would they close the plant, not simply downsize it?"

"What is there to downsize?" grated the HR manager, with a cynical grin. "They've been downsizing for years, we're all that's left. First you cut the fat, then into the muscle."

"We do have more presses than we need," pitched in Chadid, her usually cheerful voice now sounding somber.

"No new products!" exclaimed Bayard. "We're losing volume as the programs end or as the vehicles don't sell, and we've got no new products to compensate. My team's been twiddling its thumbs for the best part of this year. Without new products, we're as good as shut anyhow. The bastards send it all to Poland and CZ. Or even to Neuhof. We get nothing," he concluded bitterly.

"That's right," agreed Ward, trying to read the mood of the room and their individual reactions. Would they rise to the occasion or collapse and blame their circumstances? "We get no new products. Why?"

"Not cost competitive," muttered production manager Stigler, shifting uneasily in his cheap seat. "We know we're too expensive. And it's not going to get better as we're not getting any investment."

"Probably, but that's not the reason I was given."

"Give us a break, Andy. Don't do this!" burst out Chandon. "We're not children here, and we're not going to sit here waiting to stumble on what you want to hear. I, for one, have better things to do."

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“You are bloody well going to sit here until you figure it out,” Ward snapped back, with more force than usual, surprising them all. “If the future of the plant is not important enough for you to use a bit of your gray matter, we’d better pack up and go home. Think about it.”

They just stared at him dumbly, astonished at his sudden vehemence, as if they’d never seen him before. He knew he was considered by some to be almost too easygoing, but he’d never seen the point of rubbing people the wrong way. Yet, for a bunch of bright individuals, they were being frustratingly slow.

“Listen to me carefully,” he warned feelingly. “I’m not going through another day like I did with Jenkinson. From now on, he’s in charge, whether you like it or not. I, for one, have no intention of seeing this plant shut. So we’re going to do things *his* way and that’s that. And his way is getting our heads out of the sand and trying to face up to the fact that we have *no new products coming!* So, I ask again, why?”

“Our quality stinks, obviously,” chuckled Deloin unexpectedly in the deadly silence that had followed Ward’s shouting. Peering at them over his glasses for effect, playing the wise old bird and looking it, too.

“How can you say that!”

“That’s not true!” Chadid and Stigler cried simultaneously.

“Yes it is, *les enfants*,” replied Deloin. “Of course it is. And we’re not servicing our customers either.”

Ward sat back, stunned, waiting for more.

“Don’t act so surprised. You behave like you’ve never heard of the automotive industry. The Toyota plant in Valenciennes expects single digit or fewer ppms from their suppliers. And where are we? We’re at 40 on good months. They expect better than 99 percent on-time delivery—we’re lucky if we do 95 percent. How do we compare?”

“We’re not supplying Toyota,” replied Stigler sullenly.

“More’s the pity. *They* sell cars. Remind me how the latest big hit from our customers is doing.”

“Half the predicted volume,” agreed Chandon thoughtfully.

“So let’s sum up,” continued the HR manager, as if he’d enjoyed rubbing it in. “We’re too expensive for the French OEMs desperate for cost cuts right now. Our quality is not good enough for the Germans, and we don’t deliver well enough for the Asians. Where does that leave us? You tell me. We’re not getting a new product because we’re not good enough *and* we’re too expensive. That’s all there is to it. If I were an OEM and had to accept the kind of quality and service we offer, I’d source from Romania. It’s not going to be better, but at least it’s going to be a lot cheaper.”

“Jean-Pierre is right,” emphasized Ward to his team, looking at them in the eye, one after the other. “Yes, it stinks. Yes, you don’t like hearing it. I sure don’t. But we’ve got to face it—we’re not good enough to get more parts. We, you and I, have not been doing our job well enough to warrant the survival of the plant.”

“How can we!” cried the technical manager in disgust. “We don’t get a penny to invest.”

“And we won’t get a cent,” Ward said. “Remember, their plan is to close us down. But, I’d hate to surrender without a fight. So here are the terms from the CEO. First, Jean-Pierre and I are to prepare a realistic timetable for closure. Don’t bitch. It’s got to be done. So that you will all know where we stand.

“Second, Jenkinson has dared me to dramatically improve both quality and service. If we can do this, he’s agreed to find volume to put into this plant,” Ward said, stretching the truth considerably. He knew himself to be a very poor liar. He needed to give them *something!*

“I can do my part easily enough,” wheezed Deloin in the stretching silence, stroking his collar of beard thoughtfully, as if satisfied that, finally, his dark foretelling had come true. “Lord knows I’ve seen my share of site closures. So, boys and girls, tell me how are you going to do your part?”

They erupted in a flurry of conversations, sharing a common theme that without a serious injection of cash back into the plant, nothing much could be done.

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“Enough!” bellowed Ward. “No more whining, no more ‘It’s not my fault.’ If we work together, we can do it. I know we can. So here’s what we’re going to do:

“First, not a word of this conversation gets out of this room. The official take is that we need to improve service and quality dramatically to get new products. There is no point in burdening the operators with our own anxieties.”

“And incompetencies,” added Deloin snidely.

“Second,” pursued Ward ignoring the older man, “we’re going to do exactly what Jenkinson says, like it or not. The first step is red containers for nonconform parts in every cell.”

“Oh, come on,” complained Stigler. “We’ve tried that already with the Alnext Business System. It never worked.”

“No,” countered Ward. “*We* never made it work. We’ve used them as scrap bins, little wonder they fell into disuse. This time around we’re going to do what it takes. Starting today, I want this management team to tour the red bins three times a day: midshift at 10 a.m., 4 p.m. and 3 a.m.”

“3 a.m.” scoffed the engineering manager. “You’ll be coming in at nights, I suppose.”

“Indeed, I will—I’m committing to being on the shop floor one night a week, and I’d appreciate if you did the same. Fine. I concede we have to work out a system for the night-shift review, but make sure you’re there for the two during the day.

“What’s more, before we regrind defective parts, I expect a daily detailed breakdown from your quality department.”

“Do you mean you want us to count every bad part?” yelped the quality manager. Her expressive face looked aghast, as if he’d just asked for the moon.

“Every single bloody one!”

“Andy! You don’t realize. I simply don’t have the staff.”

“Then drop anything else. And if it’s the only thing the quality department does all day, so be it.”

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“But what about the quality systems and certifications?” she asked, distressed.

“Count first. We need to know exactly what our problems are, and if we don’t change *now*, we’re finished. So give me a count. If you’re taking heat from corporate, let me know and I’ll deal with it.”

“Aha!” chortled the maintenance manager, slapping his hand on the table. “Good for you, lad. Finally we’re talking some sense.”

“Third,” Ward added, “we need to figure out how to improve our on-time delivery. I have to admit, I haven’t got any bright ideas there. Carole, think it over, and make a suggestion.”

The meeting wound itself down quietly. Ward knew they were good people, and once they’d digested the news and gotten their heads around the challenge, he was confident they would deliver. They’d been used to him muddling through issues, mostly listening to them debate and argue. This time, he’d called the shots and that surprised them. His apparent determination to hang the systems and get on with the job had puzzled them. Systems were what they did. Making people apply systems was their job, wasn’t it? He agreed with them that systems held the plant together, but in the short time he had to give Jenkinson what he wanted. Hang he might, but they’d take him to the scaffold kicking and screaming.

And now, in his office, Ward had to admit that, overall, they’d responded. They had some results to show for it. Chandon had come up with the idea of having all the parts for the trucks ready a shift in advance, and managed to put together a bit of code in the scheduling system that did that. It was painstaking, but she’d gotten logistics operators to physically check the availability of parts in the finished-good stores two shifts before loading, inserting missing parts in the next shift’s plan. Chadid had attacked the quality question with her usual

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vigor, and installed plastic bags in the red bins. After the on-site analysis of what could be found in the bins during the daily review, the defects were collected once a shift, brought to the main meeting room, and tallied before being taken to regrind. They had implemented red-bin reviews immediately after that meeting, though since then the value of this practice had become harder to see. They had been surprised that the number of problems highlighted by the reviews soon vastly overloaded the plant's ability to resolve them. Maintenance and technical departments had rolled up their sleeves and worked like dogs, but still there seemed to be no end to the problems. As a result, they decided to concentrate on the easier, cheapest actions first, but over time, new issues emerged. For instance, it appeared that the amount of regrind in the mix of materials had a large impact on the quality of visible parts. The plant did not use its own regrind, but sold it to a third party. Unfortunately, the plant also had little control on the quality of incoming plastic granules—suppliers were the bailiwick of central purchasing in Neuhof.

Ward was a strong believer in five words he had picked up from a training course in his consultancy days: plan, organize, staff, influence, control. All in all, he felt these five wise men had held him in good stead. For instance, he'd gotten his staff together and they'd planned the red-bin reviews, organized how they would go about it, decided who would attend. At first, he had participated in most reviews to make sure they happened, and they'd gotten an incredible amount of small things to fix out of them. His take on management was to get the right people together, point them in the right direction, and let them get on with it. True, he mostly got the people he was given rather than those he chose, and direction was not always easy to pick, but on the whole he felt he'd done a pretty good job at running the plant.

So what was the problem? *What was the problem?* Ward mulled the question over as he drove home. Throughout dinner that evening, he barely listened to Claire telling him all about the mess she'd encountered upon their return from Greece. Her father had been back in charge during their week in the islands, and she really didn't see

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how he could have run a business all these years, considering the chaos he'd created in a few short days. What was the problem?

"The problem," he declared suddenly to his wife who, interrupted in mid-sentence, raised a disapproving eyebrow. "The problem is that what we're doing is simply not sustainable."

"What do you mean by that?" she asked kindly.

"Well," he stammered, suddenly aware he had not been paying attention to anything she'd been saying all evening, "we've improved our results, but not through a controlled process. We're not working smarter, we're working harder. And I don't think any of us can maintain this working rhythm in the long run."

She nodded, pouring him the last of a lovely wine her father had left them as a welcome-home present. Charlie had consented to go to sleep early. They had moved outside to have dinner on their front doorstep, watching the sun set far over the open fields. She savored these last golden evenings before the days got shorter and the rains came, announcing the long, bleak winter, and she minded how Andy seemed to bring work home more frequently these days.

On the other hand, she realized how desperate the situation seemed, and could not begrudge his efforts to fix things. She didn't know whether to be relieved or worried about seeing him so involved with the plant. She'd seen him stressed before, but never so deeply engaged with the plant that he could be physically present at home, yet still battling with his injection machines and assembly lines.

"We're more focused," he thought out loud, "but we're not doing anything different. Also, improving our customer service has in fact driven up our costs. In logistics, Carole has hired a temp per shift to help with her counting. She's also keeping more finished-goods inventory. In production, we're using people to do 100-percent checks whenever we have a doubt, which also means more temps. And we still can't seem to stop bad parts reaching customers. And the maintenance and technical guys are working their tails off."

"Is that bad?"

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“Serves the engineers right,” smiled Ward. “They haven’t got any new project to work with, which is the problem in the first place. But it can’t be good in the long-term. And the maintenance team is playing ball, but they’ve started grumbling. I wouldn’t be surprised if we start seeing a big increase in sick days.”

“So, what can you do?”

“I don’t know,” he answered miserably. “I really don’t. We’ve done the best we know, but beyond that ... I hope that bloody Jenkinson’s got some good advice when he comes. Did I tell you I almost got fired while we were in Greece?”

“Yes, baby, you did,” she said, leaning against him and settling into his shoulder.

He sipped the last of the wine pensively. The past months had brought a curious mix of hope and discouragement. They had improved the situation—but this relatively small gain had come at a huge cost. It was like realizing that if you tried hard enough, you could change the course of the Titanic, but not enough to miss hitting the ice. Her hair smelled good and clean from her after-work shower and, as he breathed it in, he noticed the sweet scent of the dusk in the coolness of the rising dew. At long last, as he closed his eyes, he heard the pond frogs sing, and told himself this was the good life. Don’t you forget it, matey.

“Listen, Andy,” Chadid said barging into his office. “Am I supposed to do the red-bin reviews on my own?” she protested acidly.

“No, of course not. We agreed it would be quality, production, maintenance, and engineering at the minimum. Is there a problem?”

“Yes. No one’s showing up, that’s the problem,” she answered crossly. Chadid was the only management appointment Ward had made himself, although it had clearly been a no-brainer. She was young, full of life, and brimming with contagious good humor, although God help them all when she got into one of her occasional black moods. She was bright, conscientious, and hard-working. She

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was also great fun, with boisterous laughter that made even the most hardened individuals smile. The daughter of a Paris subway driver, she had grown up in a tough area in the outskirts of Paris. She'd done well at school, and had gone to study engineering at Metz University. She'd been hired as a quality technician by Ward's predecessor, and when the former quality manager had retired he'd given her the job, passing over two people who thought they'd deserved the promotion. She was excellent with customers, who usually liked her, and didn't beat her up as much as the previous guy.

"Let's go and find them," sighed Ward. Ever since they began holding the red-bin reviews regularly, attendance had been an issue. The moment he let the pressure drop, people stopped attending. It was not becoming part of the plant culture fast, that was for sure.

Ward had always felt lucky with the team he had inherited from his predecessor. Stigler, the production manager, was from the mountainous Vosges region farther to the east, and had ended up in Vaudon when Alnext had closed the plant where he had been module manager. While he had been bitterly disappointed when Ward was named plant manager after being there for barely more than a year, Stigler finally accepted the appointment. He often kidded Ward about his fabled corporate contacts (unfortunately not as numerous as all that), and seemed, ultimately, reconciled to wait for Ward to move on to a new top job. He came in early and left late, and kept things together. He was good in a crisis, and liked nothing better than to play hero and save the day, which *had* saved Ward's bacon a number of times. They had never been bosom buddies, but they got along fine.

They found Stigler in his office, in deep discussion with Chandon, the logistics manager. Stigler gave them one look and immediately knew what this was about.

"Yeah, I know, red-bin time," he said irritably. "Do we really have to do this every day? We always see the same things. Right now Carole and I really need to solve this rescheduling problem. Saarlouis is

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asking for 30 percent more parts over the next couple of pickups, and we haven't got enough in stock."

"You didn't see it coming?" asked Ward, shaking Chandon's hand.

"As if we could," she scoffed. "Their demand is all over the place."

"And what about safety stock?"

"That's what we were looking at," replied the production manager. "How much we've got, and how we can reconstitute it."

"I don't like using safety stock for cases like that," frowned Chandon. "Safety should be for safety." Although they'd been working together for years, Chandon was still a mystery to Ward. She kept herself apart from the rest of the team. She lived locally and returned home for lunch. She was intensely private and had no known close friends at work. Ward knew almost nothing of her private life beyond the fact that her parents lived in the area and that she was divorced with a small child. She kept her desk in the logistics area, on the far side of the plant, and, to tell the truth, Ward rarely saw her other than at the obligatory management meetings.

"You do what you think is best," said Ward, "but now we really need Olivier for the red-bin review. Feel free to join, if you'd like."

"I think I'd better finish this," she answered tersely.

Ward never quite got used to how easy it was for the French to refuse any instruction that was not issued forcefully, in triplicate, and repeated at least thrice a day. As a kid, when his father had told him to "feel free" to do something, that usually meant now, no hesitations, no excuses. Here it definitely meant what it said: feel free.

Ward felt the most comfortable with his core team—the heads of production, quality, and finance. They often got together for lunch at a local dive. It didn't look like much but the food was good and the owners were friendly. He'd realized soon enough that what the four of them had in common was that they all were strangers to the very local town of Vaudon. The financial controller was the baby of the band. Straight out of business school, Amadiou was from the south of France.

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Hiring him had been Blanchet's last decision before passing the reins to Ward. He had a sort of Jekyll and Hyde personality that could be a real laugh. At work, he was the perfect young exec, eager to learn his trade in order to step on to bigger and better things—quiet, careful, probably bored. In private he was talkative and brash. He saw himself as something of a ladies' man and both Stigler and Chadid took turns teasing the details of his escapades out of him. Ward couldn't tell whether any of it was true, but the combination of Stigler's needling and Chadid's risqué humor often had them in fits. Professionally, Ward prayed that the guy knew what he was doing, because he spent far too little time involved with the details of the financial reporting, which had grown exponentially more complicated during Alnext's tenure. He made a mental note to look into it more deeply. Jenkinson didn't appear to care much about numbers, but when crunch time came, it turned out that he knew the financials of the plant to the decimal.

Ward didn't know the rest of the management team as well as he knew his lunch buddies. The maintenance manager, Muller, had never shown any inclination to join them for lunch. Not an easy character at even the best of times, Muller gave Ward the impression that he looked down on the lot of them, with the kind of working-class reverse superiority that comes from having dealt with men and machines all one's life. As for the new continuous-improvement officer, he was a diffident young man. On several occasions they had invited him to join them, and he would occasionally come, but more often than not he had a sandwich at his desk. The HR manager, finally, the last remaining veteran of the previous manager's team, was also Vaudon's deputy mayor, and far more active in local politics than he was at work. Ward actually felt privileged to find him in his office and to be granted an occasional audience with his officialness. It irked him once in a while, but, all in all, the man was invaluable when it came to unraveling any tricky local entanglement. He always knew who to talk to and what to say. Overall, Vaudon had enjoyed a long stretch of relative social peace, mostly thanks to his experience and influence, as

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well as Ward's own innocence in these matters. Basically, he followed Deloin's lead on any thorny people issues.

Ward had never known whether Blanchet had approved of his appointment to plant manager. Blanchet had immediately taken him on as a deputy when Ward became continuous-improvement officer, and made a point of teaching him the basics of running a factory. He'd been both avuncular and distant, increasingly isolated in his own site as the old-timers were replaced by a much younger generation. For instance, he had maintained a separate dining room for management—essentially himself and Deloin—where he invited other members of the executive team. One of Ward's first actions as a plant manager had been to tear down that wall and enlarge the self-service cafeteria. He felt guilty about not taking more of his lunches with the rest of the troops, but he always felt uneasy there, never quite knowing how to react to the odd French mix of formality and informality. Blanchet had always maintained that keeping a proper distance with the frontline workers was essential to the plant manager's authority. "They'll never respect you if they don't fear you," had been his advice. Ward didn't believe in any of it—but still, he'd taken to lunching out most days. Besides, it was good for management teambuilding.

In the end, they managed to drag Muller into the red-bin review. Ward had laid down the law this time. The reviews were *compulsory*, was that clear? Now he was frustrated to find that most of the red-bin issues were familiar, and workers simply didn't have the time to deal with these matters—or they didn't know how to fix them. As a result, the review felt like an empty ritual, a pointless rehashing of old issues.

Ward had discussed this issue with Jenkinson during one of the regular phone calls the CEO had been adamant about continuing. "Yes, we see the same problems every day—so we tend to take them for granted," he'd explained. "Which is precisely why you need to keep the review every day. That way your people don't get used to living with problems without trying to solve them. Whatever you do, stick with it."

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Ward had picked up a recurring theme on the calls, and felt he was being tested: Would he stay the course? He wasn't sure he shared Jenkinson's belief that getting people to confront the same problems every shift was the key to getting them to solve them. But he'd committed to it, so he was damned if he would let that particular practice slip. The more he thought about it, the more he felt he should force himself to check every day if the review was happening, or maybe, even, to participate in every single review. That felt like a bit of overkill, as he didn't want his people to feel he was breathing down their backs. But it might come to that yet.

"I'm Amaranta Woods," she said, extending a firm hand with a bright smile. "Most people call me 'Amy.'"

"Andrew Ward," he replied, shaking the offered hand. "Most people call me 'Andy.' He had not known what to expect, but whatever it had been, she wasn't it. Amy was a short, roundish woman with strong Latino features and a force of spirit that radiated out of her as if she had swallowed a 1,000-watt spotlight. She was oddly dressed for work, wearing a formal, visibly expensive, tailored suit jacket over a white blouse, jeans with a wide Western buckle of silver and turquoise, and battered safety shoes. He liked her immediately.

"Here's what that nice man over there gave me as I got out of the taxi," she said, handing over a bright yellow sheet with "SAVE VAUDON" written in large letters across the top. Sure enough, the union leader was standing at the gate handing out his photocopied leaflets to all comers. After a week or so, the bank's comment must have gone around and come home to roost. The only satisfaction Ward derived from this is that, according to Anne-Marie, Weber had gotten her loan.

"Union tract," he apologized. "I never read them," he commented, shrugging off the look she gave him. Then she smiled.

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“Phil is really sorry he couldn’t make it, so he sent me—I’m the consultant. Don’t let me borrow your watch, I’ll use it to tell you the time!”

“Yeah, he called. He’s in China, right?”

“Oh brother, is he in it,” she said easily, as he took her up the stairs to his office. “They’re supposed to start production for GM at the end of the month, and, of course, they can’t seem to produce a decent part. It’s a total disaster.” She concluded with a cheerful smile.

“You don’t seem too concerned?” he asked cautiously.

“Oh, Phil will sort them out. He’s an engineer at heart, that’s what he’s always been really good at. He thrives on this sort of thing.”

“You’ve known him long?”

“You could say that!” she laughed, saying no more. Her laugh was high and clear, at odds with her curiously deep, throaty voice.

“Ah,” Ward cleared his throat. “We weren’t sure how this day would proceed, so we’ve not prepared anything special. How would you like to go about this? Do you want to meet the team? Do you want a presentation of the plant and what we do?”

“Let’s do that later, shall we? Let’s start with ...”

“A tour of the shop floor,” he finished for her, grinning. Her good spirits were infectious.

“I’d love a cup of coffee though,” she added impishly.

“Sure, sure,” he coughed. “But it has to be from a machine, downstairs. We, ah, have no one making coffee up here.”

“Fine with me! Lead on.”

Ward nodded at the couple of technicians taking a coffee break in the rest area as Amy closed her eyes and sipped the scalding drink. “Ah, Europe,” she said with a slow smile. “Even the coffee out of the machine tastes better than ours.”

“You should go to Italy. Their espressos are tops.”

“I’m stopping at the Torino plant before flying home. I’m looking forward to it.”

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He drank his own coffee without much enthusiasm, finding it dreadful and wondering what to do about this woman the CEO had sent to do ... what?

“Now,” she said, her large black eyes staring intently at him. “Phil does apologize for not being here himself. He intended to lead a *kaizen* event in Neuhof, and then stop over here, but, anyhow, he tells me you’ve painted yourself into a corner. What’s your side of the story?”

Taken aback, he tried to explain what they’d been doing. Amy listened with total concentration. When he had completed his tale, she asked whether she could observe one of the red-bin reviews.

“Sure,” he readily agreed. “There’s one at 10. In about 45 minutes.”

“Perfect! Let’s have a quick look at the shop, then. You wouldn’t have a tool change going on right now?”

“Um, I don’t know, let me check.”

What was it about these people? Ward had been working so hard with the red bins, he’d been pretty certain he would be able to answer obvious questions without feeling like the incompetent blunderer he had looked to be in front of his CEO. Yet there he was, stumbling at her first detailed question. This was going to be another long and painful day.

And indeed, on the floor, she was as inquisitive and incisive as Jenkinson, although a lot nicer about it. They came upon two operators changing a tool on a 1,500-ton press. After asking Ward to introduce her to the two men, Amy smiled broadly at them and then observed them intensely. Ward spent the first 10 minutes trying not to cringe too visibly. His men spent most of this time walking away from the job in search of this or that, untangling jumbled parts, or simply standing idle waiting for their partner—on the other side of the large machine—to complete a task.

“I visited a Toyota factory recently,” she said suddenly. “They had a 4,500-ton stamping press. Large as a house. On the side, they had an electronic display showing the changeover time: five to seven minutes. I asked them about it, and they said they had a quality circle working

hard on getting the variation out of the change, so that they could be more consistently at five.”

“Ah. But the whole installation is set up to make the changes easy, surely?”

“Oh, yes. Imagine the size of the mold—the size of a small truck. They’re all on automatic tracks and so on. Actually, it takes them about 50 minutes just to prepare the change. But the point is that if they invest 10 percent of their press utilization in changes, they can run batch sizes of one hour of production. What are yours like?”

“We don’t calculate batches like that, but some presses we change once a day, most once every couple of days. Some never.”

“Picture the impact on the inventory,” she said brightly.

Ward sighed. He knew that! Of course. Because of the cost in terms of loss of injection time and people, batch sizes had been calculated to balance out the cost of holding the inventory of parts. Few mold changes meant large inventories, but little time lost on changes. Conversely, as Ward understood, by reducing the time it took to change tools, you could reduce the batch size, and, thus, the inventory. In his days as a supply-chain consultant, he’d been to all the lean trainings, and had been told all about the SMED technique (*single-minute exchange of die*) aimed at reducing the changeover time, but he’d never considered it seriously in his own plant. Yet.

“The amazing thing is,” she carried on, “that apparently Toyota was already changing tools with an average of 10 minutes back in the ’70s! They’d even found an American company that built presses designed for quick changeover, which was going bust because this didn’t interest anyone at the time, so they purchased all the machines available to be able to study them. Weird how we could be so blind. Let’s have a look at the assembly cells, shall we?”

On the way to the assembly hall, she stopped to examine a mid-size press with exaggerated care. As Ward spotted the oil leaks, the dirty pipes, the mass of congealed plastic from the last purge laying on the top of the injection unit, he felt like a criminal whose car was

about to be searched by the police. Amy spent a few minutes watching as the mold would open, the automatic hand come down and pick up the part, the hand move back up, and then close again to inject another part. Carefully, she laid her hand on the part just deposited on the moving carpet. Seeing the part was only tepid, she picked it up, looked at it carefully, and passed it to Ward without a word.

Ward gritted his teeth again. The trick to injection molding, he knew, was to get the molds to operate as quickly as possible so as to maximize the press's productivity. The mold's operation could be optimized at two levels. First, minimizing the "unused" open time of the mold needed to get the plastic part out, and, second, reducing the "effective" part of the cycle as the mold was locked closed. The shorter the closed time, the hotter the parts would come out. Mold closing time had a significant impact on the part's quality, and for the plastic to firm up they needed to cool off sufficiently before being extracted. Parts that came out too cool usually indicated that the mold's setting was not optimized, and productivity gains could be made. He didn't know whether this was just a show on her part to impress him, or whether she really knew her way around injection presses. Either way, he could see the mountain of work piling up.

Assembly was even worse. Operators were not organized in cells, rather they stood, or sat, in front of isolated automatic machines that added components to the base part. In some cases, the part would go straight to the customer after going through one machine, but in most cases the parts moved from one machine to the other, piling up work-in-process inventory between each machine.

Amy asked him to introduce her to one of the operators who was loading and unloading an automatic machine for assembling diesel filters. Then she just stood there and observed, without speaking, or looking his way. Just watching. Ward was anxious to move on. His mind was abuzz with all the things they had seen in the shop, and the million and one things waiting back at his office. Earlier that morning, Deloin had cornered him to suggest that if he wanted to try stunts as

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he'd done with the bank manager, he might want to go through him—this was a small town after all. Ward had shrugged him off. The loan had been accepted. He didn't give a damn about stepping on toes any more. All of this was whirling through his mind, and he almost danced with frustration, wanting to move on. But she just stood there. Finally, he forced himself to take a deep breath and try to see.

"You're looking for the seven wastes, aren't you?" he asked, just to say something.

"Yep. Look," she ticked them off on her fingers:

Overproduction: Is the lady producing too much or too soon? We can't know, because we can't see the *takt time* visualized anywhere.

Waiting: She loads the machine, and then waits for the cycle to finish before unloading the part and loading another one.

Conveyance: When a box is full, she has to carry it all the way around her station to place it on the pallet over there.

Overprocessing: I can see the parts that fail the test accumulating in the red bin. There seem to be a lot. I'd wager that many of them are false positives—they're rejected by the test machine but when you pass them again, they're found to be good. If that's the case, they're being tested twice instead of once.

Inventory: She's got more parts on hand than what she needs to get the job done.

Motion: Draw an imaginary square on the floor, and trace all the foot motion she goes through to pick up that last component. Then, draw another imaginary square in front of her, and look at all the hand motion she has to make in order to place the components in the machine. Finally, check all the eye movements.

Correction: The yellow bin over there is for rework, isn't it?"

"Blimey," blew up Ward. "If you had any idea of the problems we're dealing with! By the time we get to this level of detail, we'll be well ahead. I can't believe this!" he added in sheer frustration.

"That is why you fail," she pronounced in a strange voice.

He just stared at her.

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“Oh, cheer up,” she said brightly. “That was my best Yoda impression. You know? From *Star Wars*?”

He stared at her for half a second, and then had to laugh. She was right: There he was, in a French plant, being lectured by a Mexican cowgirl quoting *Star Wars*. Life could not get much weirder, could it?

“I mean it, though,” she added with a wistful smile, “it’s because you don’t see the small stuff that you’re stuck. That was Phil’s hunch, at any rate, and I think he’s right.”

The red-bin review turned out to be no less embarrassing.

“Where the hell is Olivier?” he asked in French, after introducing Amy to the red-bin review team.

“Better things to do,” answered Chadid with a hard-to-read shrug. One more issue, he noted bitterly. The production manager was missing more and more of the reviews, and the quality manager was bitching about it. He’d have to do something about this. Logistics had stopped attending the reviews, and now maintenance was turning up missing as well.

They were back in the press area, examining the scratches on a cylinder head cover. The team was arguing about the origin of the scratches. They looked at the process while the operator picked parts to place them on a large outgoing container. Eventually they concluded that there was nothing to stop the parts from falling off the conveyor where the automated arm places them after extracting them from the press. This led to a discussion about the kind of barrier to install to keep the parts from falling to the floor.

Amy had kept quiet until now, listening to Ward’s translation of the discussion. “Can you translate for me?” she asked after a while.

“Sure, go ahead.”

She picked up the part from the hands of the technical manager, and walked to the operator. She asked Ward to introduce her, and then asked the operator to show her what was wrong with the part.

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Ward felt lucky this wasn't a temporary worker. Adrien Meyer had been with the plant a while, and knew his job. He was a tall, gaunt chap, with protruding blue eyes that gave him a constant hunted look, but, in fact, he was a steady man, who did the job carefully and with few gripes. He pointed to the scratches, and said that he thought they were caused by some parts falling off the workstation.

"And why do you think this happens?" she asked sweetly.

"Well," the tall man hesitated, looking nervously at the management team. His large eyes darted from one to the other, making him look more hunted than ever. "After a certain number of parts, I have to change the container. This one here. The forklift brings a new one, and takes the full one away, but I have to handle the change with the pallet jack over there, and it can take a bit of time. Sometimes, the parts pile on, and some fall. It doesn't happen often," he added quickly, "but it can happen."

"Thank you, sir," smiled Amy. Then turning to the management team, she added, "Now, why do the parts fall?"

"Because the operator is away from the workstation."

"But why?"

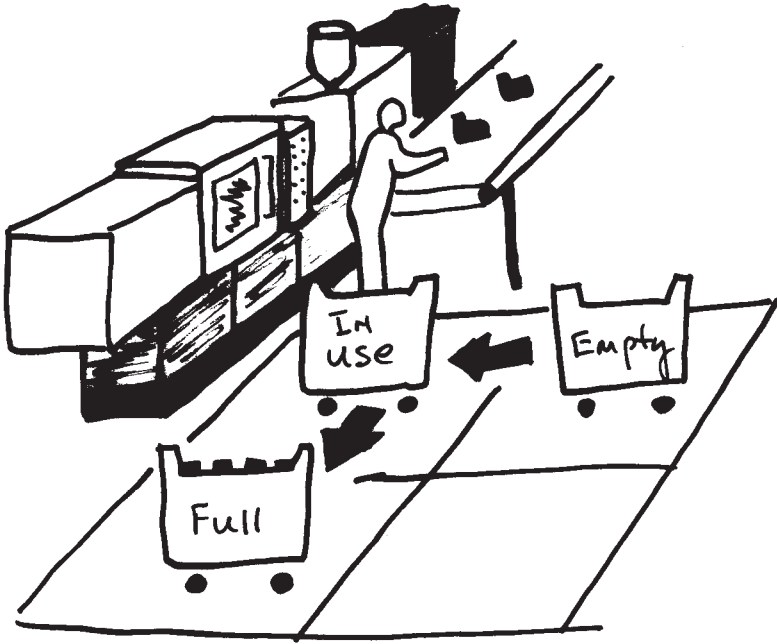
"Because he has to change the containers."

"And why is that?"

They all looked at each other, nonplussed. One had to change containers, surely?

"Because the containers are too large and difficult to handle," Ward finally said. "And the size of the containers are specified by the customer, so we can't change them easily."

"Okay. But, you could organize the area better," Amy suggested, grabbing Chadid's notebook. "And have the containers on mobile frames. Here, if you create a square area, you can have a full container for pickup here, one empty waiting there, and the one this gentleman is filling up right now, there. In that way, you minimize the container change operation."



“But essentially, Andy’s right. The main problem is that the containers are too large and difficult to handle by the operator.”

“What was the real point I was making?” she asked Ward a bit later, as they followed the continuing red-bin review.

“Ask why five times?”

“Yes, but that’s not it. Come on, what’s the point I’m trying to make? Talk to the operator.”

He stopped in his tracks and stared at her.

“Look at your team,” she nodded toward the group surrounding the next red bin in the round.

“Just look at them! They’re all around the red bin, discussing the parts, with their backs turned on the operator! They haven’t talked to the operator once!” She exclaimed, sounding uncharacteristically angry.

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“These guys spend their working life looking at and handling the parts. They know a good deal more about what happens to the parts than you ever will. They’ve got brains, you know?”

The two of them continued this discussion over lunch in the company meeting room.

“You’ve been having a hard time with the union?” she asked as they munched on ham and cheese sandwiches. The bread at least was good.

“Not really,” he answered, chewing. “They collared me after Phil’s visit, which was fair enough. I told them that the real problem was getting new products into the plant. They conceded that our quality and service levels were not really competitive, so the threat more or less blew over. There was a silly incident recently, so it started the fire burning again, but nothing too serious. I hope,” he concluded, showing his crossed fingers.

“If I know Phil, a strike would be more than enough reason to close the plant,” she shrugged, making Ward wince. “Believe it, he’d do it—whatever the cost.”

“Tell me something,” he said, trying to steer the conversation away from that touchy subject. “You’ve been conducting *kaizen* events in Neuhof, yes? Instead of Phil? Does he do that habitually?”

“Yep, he conducted *kaizen* workshops with the management teams of most plants in North America, but he’s been a bit slow to get to Europe. In the past, he led each *kaizen* personally and made the management team attend with every company he acquired. So, he was seriously annoyed at not being able to attend, but he dislikes postponement even worse, hence plan B: *moi!*”

“How come he never scheduled a *kaizen* here?” Ward complained. “Is he so convinced that the plant’s future is a foregone conclusion that he can’t be bothered?”

That made her laugh, her girlish giggle so different from her radio hostess voice.

“What?” he asked, slightly peeved.

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“Why do you think Phil conducts the *kaizen* himself,” she asked, sobering up.

“To make people understand how important it is?” he squirmed. “Leading by example sort of thing.”

“That’s certainly part of it,” she agreed. “But that’s about them. Why does *he* do it?”

He shrugged.

“He’s looking for people, see? He’s looking for leadership, involvement, someone in the management team who’ll get it, and he can rely on. He’s doing these himself because he can’t rely on anybody out there, so he’s trying to prime the pump, in a manner of speaking.”

“So why not us?”

“Are you just being dense? Because you’ve tried to do something about your situation already, and he hopes you’ll figure it out by yourself without him having to hold your hand all the way.”

“Are you serious? But he seems to think I’m floundering.”

“He does. You are. Which is why I’m here!” she smiled brightly, brimming with infuriating self-confidence. “Let’s try and clarify your problem, shall we?”

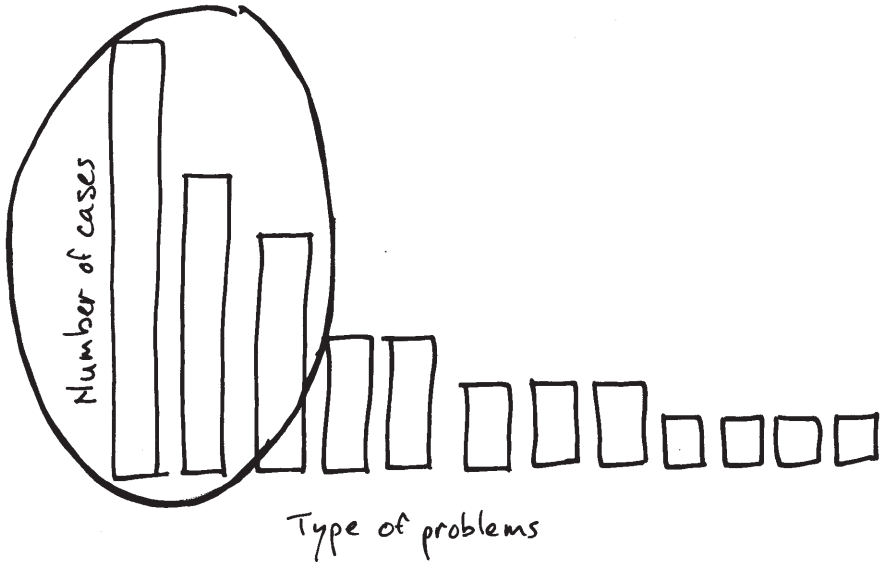
“The problem is I’m overloading my technicians, and I can’t do that forever, and I’m still not stopping bad parts from passing through to the customer, that’s what it is!” he replied, angrily.

“So what’s the problem?”

“Lord, you people! ... I don’t know what the problem is? ... Okay. If I did, I would tell you!”

“Look at it this way,” she continued, unflustered by his sudden anger. “Let’s start with the quality issues. You’ve got a Pareto of problems, yes?”

She began sketching on the whiteboard. “Now, we are all trained to use our skilled resources to solve the most significant problems, agreed?” she said, circling the three bars she had drawn representing 20 percent of the issues that accounted for 80 percent of the total number problems.



“Right. Most effective use of resources. Focus on the 80 percent. Right?” he said, unsure.

“But what have you been doing with the red-bin reviews?”

He drew a complete blank. Ward, you complete idiot, think, think, he swore to himself. And finally the light came on.

“We’ve been going down the Pareto curve. We’re no longer only tackling the big emergencies, we’re starting to worry about smaller problems.”

She nodded encouragingly.

“That’s it,” he continued, excitedly. “We even formalized it. Right in mid-June, we got stuck with a list of actions that increased faster than our ability to carry them out—it got ridiculous. Every red-bin review would add more items to the action plan, and it was always up to the same guys to do something. They simply couldn’t. So we decided to keep two separate lists. One with the open actions, and a second weekly one, which listed priorities for the coming week as agreed to on Mondays by the red-bin review. We kind of erased the board every

week. So every week, the technical guys had a list of actions to carry out, and they went as far as they could down the list, and then basta!

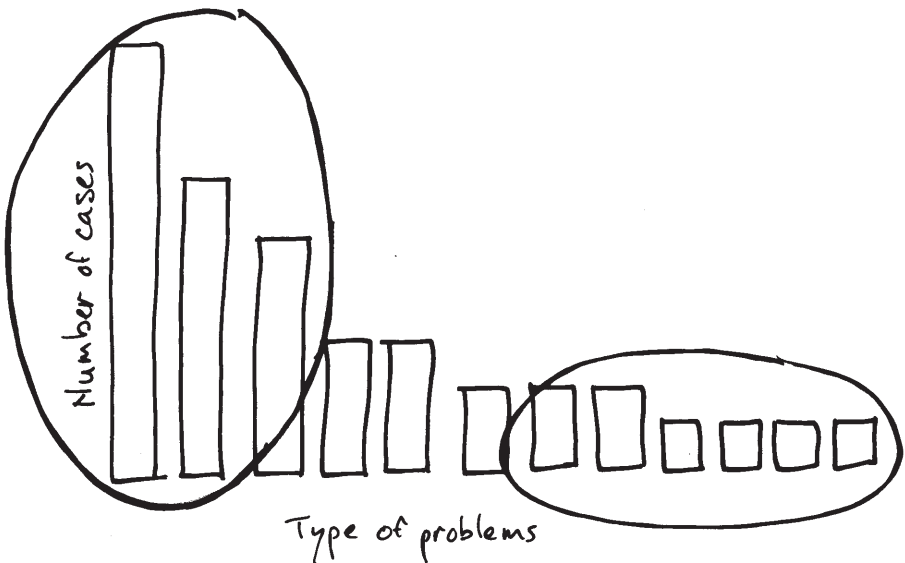
“We would re-do the list the next week,” Ward continued. “I think I mentioned this to Phil, and he seemed to think it was a smart thing to do. In the end, we ended up doing this on a fortnightly basis, because a lot of stuff needed more than one week to be done, with getting replacement parts in and so on. So was that the right way to go about it?”

“Definitely clever,” she agreed. “And very smart. But did it solve your problem?”

“It got things done, but I have to agree—it didn’t. It paced the work of the technical guys, and at least it killed all the stupid ideas. The remaining items, such as the screws, kept coming back, and so I ended up taking them on as special projects. Ultimately, the technical team is still as overloaded as before. All the pressure is on them.”

“Now, what’s so frustrating about the customer complaints you’ve been having lately? Where do they appear on the Pareto curve?”

“Oh, about here,” he pointed to the very end of the curve. “They’re mostly one-offs, the kind of thing we see once in a blue moon. But they still add up.”



The Lean Manager

“So what’s the problem? Can you clarify it?”

“Beats me! If I wanted to resolve every single problem on that curve, I would need to increase my technical resources exponentially.”

“Which wouldn’t be very lean, would it?”

“No, it wouldn’t,” he laughed, suddenly remembering Jenkinson telling Beckmeyer to cut his quality department by a third. He should ask Ackermann whether they’d complied or not. “But I can’t see any other way.”

“How many people are you in charge of?”

“452 last time I checked.”

“Are you using 452 brains? Or only the 10 brains around you and 442 pairs of hands?”

“I don’t get it,” he sighed.

“Every single person here can solve problems. But you’re directing the entire flow of problems to your few technicians. You simply can’t sustain improvement with this model.”

“But who else is there—operators? You’ve got to be kidding!”

“Am I? Who had the most sensible things to say during the red-bin review, every time I bothered to ask them?”

“The operator, fine, but ...”

“Why haven’t I met your supervisors? I think I spotted one or two walking across the plant. What do they do all day?”

“I’ve only got one in each hall during the day. There used to be a supervisor per hall per shift, but two years ago corporate had us cut back on indirects.”

“Can’t they solve problems as well?”

“They do—it’s just that ...”

“That they’re not solving *product* problems, they’re running around sorting out screwups, aren’t they?”

“Listen. Stop.” He argued, waving his arms irritably. “You’re going to have to spell it out for me.”

“*Everybody, everyday* solving problems, that’s the only answer to the Pareto dilemma. You’ve got to visualize two flows in the plant.

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One: the product flow through the plant, which could be improved by the way. Two: the problem flow to the person who finally solves the problem. Phil's big take on lean management is that you shouldn't funnel all problems to your key technical people. You should protect them to work on the *really difficult* issues. What you have to organize is the problem-solving *in the line!*

"And you're saying I should get operators to solve problems?" Ward asked again, shaking his head in disbelief.

"Why not? They spend their lives with parts and processes in their hands."

"Oh, please! It sounds good in theory, but it simply doesn't work. We do try to get operators' take on issues," Ward protested, "but when we involve them in working groups, they never say anything."

"That's your challenge. Are you asking the right questions?"

He started pacing the floor, shaking his head. To think he'd been a consultant as well. Had he come across just as detached from the realities of everyday operations? Lost in managementspeak la-la land? Probably, yes.

"I mean it," Amy insisted earnestly. "Operators' knowledge is hands-knowledge, not word knowledge. They have lots to tell you about your products and process if you ask them the right questions. Remember the red-bin review in your assembly area? There was an argument because the team found some good parts in the red bin. They pounced on the lady at the workstation, and she said they were from the previous shift. I asked two questions."

"Go on ...," he said.

"Are you often on this workstation? And she said she'd just been moved there because her usual equipment was down. And then I asked her when she'd been last trained on this part. And she said two years ago, when the product was introduced. I remember. That's your issue. In two years, no one has taken the time to work with her and understand what she thinks of the part or how it's made."

The Lean Manager

“What’s the link with training?” he snorted.

“How else are you going to have the conversation? Certainly not by sitting the operator at a desk, turning a spotlight on them, and asking them, ‘Tell us all you know about the product.’ Don’t be silly. You’ve got to work the product with them regularly. Hands on. As you do, question every gesture. They have practical reasons for how they do things—they’ll say so. You’ve got to make it easy for operators to tell you what the problems are. They’re your first line of defense; they’re the ones who need to warn you *before* you have a problem. But because this isn’t natural, you’ve got to *organize* it!”

“Let’s see if I get it right,” Ward muttered, thinking it through. “You’re saying that large problems can be solved by engineers, sort of six sigma type problems. But small problems should be solved by operators through *kaizen*?”

“Exactly. If not solved, certainly detected. Your operators are your first and last line of defense between small problems and large problems. Phil keeps arguing that management spends its time fighting fires—that’s understandable because if you don’t extinguish them then all of production burns down. But if all you do is fight fires, you’ll have bigger and bigger ones, more frequently. You need a way to spot the smoldering in the undergrowth before it becomes a fire. You will never have enough technicians to do this. But your operators can. They can put out the first sparks of a fire before it becomes a full-fledged flame.”

“I get the theory,” he nodded slowly, “but, operators, well, operate. How do I get them to do that?”

“As I said, you’ve got to set it up. You’ve got to *organize the problem-solving*, not just the *delivery of parts*. And that starts by *basic stability* in the plant.”

“Huh?”

“Let’s go back to assembly, I’ll show you.”

With the brushwood analogy in mind, Ward had to admit that his messy assembly area looked like it could go up in flames in an instant. The assembly machines were neatly arranged in rows, with an operator

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at most of them, but they were lost in a sea of yellow plastic containers, cardboard boxes, empty wooden pallets and so on—with forklifts coming in and out to pick up the finished-product pallets. Amy looked intently at the hall. Ward smiled, thinking that he preferred the abuse dished out by a friendly, laid-back Californian rather than his own Darth Vader boss.

“Follow the fire analogy,” she said, smiling sweetly. “We’re standing here. Can we see any fire burning?”

“Not in the least. Any one of these stations could be producing a customer complaint right now,” he acknowledged, gritting his teeth, “I know I have problems because I make many bad parts. I’ve got a hundred places where we check for quality. But the bigger problem is that we still end up being surprised by nonquality in our parts! So that must mean the operator checks and poka-yokes we’ve got in place are failing us. Damn.”

“Uh uh. You might have a fire in the undergrowth, but no way of seeing it, yes? Here?” she pointed to a station. “Or here?”

“Anywhere,” he agreed, seeing the area differently. It did get kind of scary when you started thinking that way.

“But, see, the forest is not empty. You’ve got people working here all day long. The operators at the station—maybe they could call the fire brigade.”

“But that’s the problem. Since they spend all their time here, they probably wouldn’t see it either.”

“Precisely. So how can we help them do that?” Amy asked, dragging him to a station. Ward cringed, as it was staffed by Sandrine Lumbroso, a well-known troublemaker who had been in the plant for more years than anyone could say, and whom Ward most definitely didn’t want to talk to. As they approached, Lumbroso ignored Amy’s cheerful “*bonjour*” and hunched a little more on her work, trying to completely turn her back on them.

“So, if I’m an operator here,” Amy asked Ward, “how can I help you spot a problem early?”

The Lean Manager

“I’ve got to be very familiar with the parts.”

“Or the machine.”

“Yes, I’ve got to be able to tell a good part from a bad part, and to see whether the machine is operating normally or not. Are you saying we need to train operators more?”

“Of course, you need to train operators a whole lot more,” Amy smiled. “But not in the way you think. Let’s stick with this thought first: how can you, personally, create conditions for operators to be familiar with the parts and the machines?”

“I get it—they should always work with the same parts, on the same machines. To spot problems they’ve got to know the parts and equipment inside out.”

“Basic stability,” she agreed emphatically. “You stabilize the value streams through your plant, so that clear product families are always worked on the same machines.”

“Many of our assembly machines are dedicated, but that would mean attributing molds to presses. I’m losing flexibility, aren’t I?”

“That’s MRP thinking,” she chided. “The MRP is there to optimize your inefficiencies—”

“Come on,” he interrupted. “That’s a bit extreme.”

“Is it? Think about it: The MRP effectively automates your work-arounds. One press is down, no problem, the MRP routes the product through another press that can take the mold, so that you can take your time to fix the press. One component is missing? No problemo, the MRP programs another part for assembly, so you can take your time in bringing the component in and never have to slow the plant.”

“And?”

“Obviously,” she told Ward rolling her eyes, “you’ve got no incentive to keep machines up and running and components stocked. Now consider this: If a product could be routed through a fixed set of machines, and you want to deliver customers without holding stocks, the machine’d better run, and components’ had better be available. Don’t you think?”

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Ward was indeed thinking hard. He nodded. “Rather than make parts with different people on different equipment every day, you’re saying I should get the same operators to make the same parts on the same machines. If I did that, you’re suggesting that there would be a lot more pressure to keep equipment up and running and to fix quality problems immediately.”

“Sure,” Amy confirmed. “All the more so if the parts have to be routed through their designated area. As long as the MRP offers you alternatives to making one part at the right time on the right equipment, then your failures, slowdowns, rework, all of this is acceptable. What the *just-in-time* system does, essentially, is force the plant to keep all systems up at all time—if not the entire value flow stops. That’s serious pressure.”

“You’re saying I’ve got to get rid of the MRP,” he blustered in total disbelief.

“For work scheduling? Sure,” she answered matter-of-factly. “You’ll need it for other things such as getting instructions to suppliers and forecasting and high-level capacity planning, but not within the flow. The MRP is your number one cause of instability.”

“Can we park this one for later?” he pleaded. “I hear what you’re saying, but, right now, I can’t even envisage running this plant without the MRP. If I *did* want to stabilize how parts flow through the plant, where would I start?”

“Product/process matrix.”

“Sounds like a consultant answer, all right,” he laughed. “When in doubt, draw a matrix.”

“Yeah. Here. You vertically list all your products down to the part number, from the high volumes to the low, and horizontally every piece of equipment you’ve got. Hand me your pad, I’ll sketch it for you.

“Then you put in crosses everywhere you can use a piece of kit to work on a part. At first, the matrix looks like a mess. The aim of this is to create stable product families that go through dedicated equipment.

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You also can do a quick capacity check to see whether the size of the hose is large enough for the flow.”

		EQUIPMENT				
		P1	P2	P3	P4	P5
PARTS	A		X	X		
	B	X	X	X	X	
	C			X	X	X
	D			X	X	X
	E	X	X	X		

“I see what you’re saying,” Ward agreed carefully. “Not agreeing to it, mind you, because I can’t imagine how we’d run without some flexibility to cover for breakdowns and such. But I think I see your point. Next you’re going to tell me that the operators should always be at the same station, working on the same parts to gain as much familiarity as they can on the parts.”

“And how is that surprising? Do you do any sports?”

“Me?” he laughed. “No, it’s against my religion. But my wife trains competition jumpers. Why?”

“Does she? So here’s a big puzzle. If one rider is trying to win a specific event, should he train every day on a different horse on a different type of course in order to learn riding ‘in general’ or would he—”

“Ride the same horse on the same course every day to know the animal’s reactions and the terrain by heart. You’re right, it’s pretty obvious. But we can’t keep operators at the same stations all the time.”

“Why?”

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“Well, any one station doesn’t operate continuously. We do two hours of this here, then two hours of that there.”

“Why?”

“Because ... okay, I get it. We’re not producing at the customer’s rhythm, so we’re creating inventory as well as moving people around. It’s dumb.”

“The ‘flexibility’ you have in mind is not true flexibility. It’s keeping for yourself the latitude of moving people around if one station is down, so that you can maintain your efficiencies by working on something else while you take your sweet time fixing the equipment. And so what you really get is ‘flexibility’ for your production manager, not for your product flows. In effect, it’s a license to accept waste.”

“Olivier is going to bust a gut,” Ward predicted.

“The production manager? They usually do,” she said with a smile.

“For argument’s sake, say I buy the first part. Say I’ve stabilized the value streams through the plant ...”

“And clarified them.”

“And clarified them,” he shrugged, not sure what she meant by that, “and I’ve stabilized the operators at the machines, which, by the way, may cause ergonomic problems. There’s absolutely no guarantee that the operator will be interested in picking up problems.” He thought about some of the hard characters he had in the plant.

“That’s because they’re abandoned.”

“Meaning what?”

“Think back to sports. How easy is it to try to work alone on breaking records, you know, solitary achievement?”

“Pretty hard, I’d say. Takes a lot of determination. But,” he thought of Claire’s riding club, “even if they ride alone, they seldom work alone. They’re part of a group, most likely.”

“Not a group,” she corrected. “A *team*.”

“I guess you’re right. A team.”

“People in the trenches don’t go the extra mile for themselves, or their generals, or their pay. They do it for their buddies.”

The Lean Manager

“Teams,” he sighed. “Of course. How large is a team?”

“It depends, less than seven, more than three. I tend to think five plus two, minus two. Under three it’s not a team, it’s a pair. Over seven, the group will tend to splinter. Think of it as having drinks at the pub, how many people can hold a conversation together without it splintering in subgroups?”

“Five probably. A bit more, then it gets really crowded.”

“So,” Amy said, ticking off her fingers. “First, you’ve got to stabilize your value streams by having set products go through set equipment.

“Second, you have to organize people so that they work in fixed teams.”

“Even if they work on different machines, independently?” Ward asked.

“The ideal is to organize production cells for five people, of course, if you can. If not you just pull the machines together in a clear area—it also helps with the professional illness problem as people can rotate through the cell.”

“I dread to think there’s a third.”

“Good guess. Third, you’ve got to stabilize the workload, so that your *teams* build the *product families* at an even *pace*.

“Think about it, Andy, if you have a repetitive work plan, and make the products in the same areas, with the same teams, then you can start shifting some of the burden of problem-solving from your technical resources to your line managers. Maintenance should be there for the real fires, the really unexpected crazy breakdowns. Engineering should be focusing on getting new products off to a good start. Your line supervisors should be solving most of the day-to-day issues.”

All of a sudden, that made Ward laugh—almost a giggle. The unexpected grasp of the immensity of the task at hand as well as its inescapable common sense.

“What?” she eyed him suspiciously.

“I see it. No, really, I do,” he said, sobering up. “I’m not laughing at you. I’m realizing how we must look through your eyes. We’re so

far, far away from any of this. You're right; we're following the MRP and constantly trying to adjust labor behind it. Fair enough, I can see how stabilizing value streams is something we should be doing. I can also accept that creating stable operator teams is my responsibility—after all this is how I organize my people. I can also accept that I haven't asked much of my supervisors at this stage. But stable workload! Do you have any idea how many references we have? And what our customers do to us? They can double orders from one day to the next!"

"Is that so?" asked the consultant, looking amused. "Let's have a look at logistics then."

"What a mess!" exclaimed Amy cheerfully. "Look at this!"

The warehouse didn't look particularly messy to Ward. It was a large building with alley after alley of customer container stacks—large metal or cardboard boxes piled three or four high—and rack after rack of pallets of components. In the courtyard beyond was the provisional tent that housed bags of plastic granules. The tent had been adopted four years ago as a temporary measure to give logistics space to breath, yet had become a permanent extension, and looked rather worse for wear. In the warehouse proper, forklifts were scurrying with reckless abandon, honking at each other at every intersection, and turning corners fast enough to make him wince.

"How many days of stock have you got in here?"

"Overall? About 20."

"Yeah, no wonder Phil asked me to have a look."

Amy moved along a rack, checking labels on the boxes, and then exclaimed, "Oh goody—parts produced three months ago!" Ward felt a mixture of chagrin and annoyance with her perky excavation into each new fault.

Chandon was just about to get back in the glass cubicle that she shared with the other logistics operators when she spotted the plant

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manager and the consultant step in through the forklift gate rather than take the long way around and use the pedestrian door. She shook her head in exasperation. Andy was fine as plant managers went—he was easy to work with, supportive, and not too demanding, but he completely lacked common sense.

“Andy! How many times have I told you to *please* not bring visitors unannounced in the warehouse!”

Ward turned around, sighing, and saw the logistics manager stomp her way toward them.

“Carole—”

“If she’s saying it’s dangerous,” Amy picked up, “she’s right.”

“What did you just say?” challenged Chandon, switching to heavily accented English. She was not impressed with the American woman. She hated consultants in general. Seagulls who fly in, crap over everybody, and fly out again. How hard was it to explain that someone was doing something wrong? Let her see them do something right first.

“I said that I agree with you,” repeated Amy with a toothy smile. “These guys drive around like it’s, what, Daytona.”

“We follow every safety procedure,” she huffed.

Ward did not know whether to laugh out loud or run for cover. The two women were facing each other like prizefighters ready to attack. Ward noted to himself that they wore their hair exactly the same way: straight, shoulder-length, with a strand pulled back over the ear. It was funny because they couldn’t otherwise look more different. Amy had a round face with strong features, a full mouth that easily looked pouty when she wasn’t smiling, and large black eyes now looking far from amused. Chandon, standing as a mirror image, her blue eyes flashing, her mouth a habitual thin line of combative anger.

“Hmm,” Ward cleared his voice, “I was mentioning that our customer demand varied significantly.”

“That it does,” Chandon agreed, raising her eyes in annoyance.

“Can you show me where you keep your highest-volume finished goods?” asked Amy.

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“I’d have to look it up.”

“In the computer?”

“Of course in the computer,” responded Chandon. “We have hundreds of customer references here, far too many for me to know where each one is stored. That’s why we have computers. The system allocates spaces to references according to where there is room.”

“Well, it would make it easier, wouldn’t it, if they were in fixed locations, no? Imagine going to the supermarket and having to look in the computer to find out where the milk is.”

“Not the fixed-location discussion again!” Carole barked at Andy, as if Amy wasn’t even there. “I thought we’d concluded that we simply don’t have enough room to keep a space by reference in the warehouse. Now if you want to extend the warehouse ...”

“With all the stock you’ve got, you must be kidding!” Amy noted.

Chandon glared from one to the other, clearly furious. “Andy, you’ll have to excuse me, but I have some real work to do. I do not have the time to listen to consultants coming in and criticizing without knowing anything about the work we do here.”

“We’re here to learn, Carole,” chided Ward, both embarrassed and annoyed at the two women. “And it’s not like we’re a world-class benchmark in terms of inventory turns.”

“Well, whatever it is,” she persevered, “I would suggest you take this up with production because I can assure you we’re doing our work here.”

“I’m sure you are,” said Amy sweetly, which seemed to infuriate the other woman even more. “And I’ve seen what I wanted to see. One last question. Can I see your last misshipments to customers?”

“Follow me, please,” replied the logistics manager, stomping away. She led them to a large office at the end of the warehouse where the logistics staff was located. She sat irritably at her desk, and pulled out a file of computer printouts from beneath her desk.

“Here, we document every missed shipment.”

“And?”

“And what?”

The Lean Manager

“You document them? Well that’s fine and good—but what do you do about them?”

Chandon didn’t answer, her eyes throwing daggers.

“Where is the analysis?” insisted Amy.

Ward knew there was none. He sighed deeply.

“Any of these high-volume parts?” asked Amy.

Andy grabbed the folder from Chandon’s grasp, and quickly spotted some part numbers he knew well.

“The second on the list is a plastic cover. A worthless part in terms of value, but a very high runner. We’re making it on a press that is clearly overloaded.”

“Our customer asked us for 20 percent more parts than we expected,” defended the logistics manager.

Amy said nothing, and smiled, like the cat that got the cream.

“I’m sorry about Carole,” mumbled Ward, as they returned to his office. “She’s really good at her job, but can be a bit of a pain to work with. In truth, she cares intensely, she always wants to do a good job, but that can make her rather defensive, I’m afraid.”

That made Amy laugh. “Don’t apologize for her, Andy. I sure don’t blame her. Actually, we’ve been poking into all the areas of your plant, and she’s the only one to actually show an interest at what the plant manager could possibly be doing there. That’s a pretty healthy reaction. As for the rest, I can’t begrudge someone what they don’t know, can I? I’d be out of a job!”

“You were telling me there are three main components to stabilizing my plant,” Ward recalled, subdued, trying to synthesize what they had gone over so far. “Would you mind going over that again?”

“Sure:

- First, stable product families going through clear value streams.
- Second, stable operator teams, working in production cells or zones.
- Third, stable workload.”

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“That’s what I remembered. I think I can visualize the first two, but we didn’t talk much about the third one. I really don’t see how I can stabilize my workload considering the kind of customer variations we get.”

“With stocks, of course. But that would require a completely different outlook on logistics. Before we go there, let’s talk about the benefit of the first two items.”

“I think I’m clear on that,” Ward nodded, “in theory at least. If people work continuously in the same areas with the same parts, I should be able to rely on their brains to spot small problems before they turn into a full blaze—that’s the main idea, right?”

“You got it!”

“I guess that’s exactly what Phil has been trying to get us to do. But I still have no clue how to make this happen.”

“Think it through,” she said brightly. “You’ll figure it out.”

“Yeah,” he doubted. “So you keep saying.”

“Take your time to put your thoughts in order, and email or call me with what you want to do,” she suggested.

“What about the workload thing?”

“Hey, when the glass is full, the water you pour in it just spills on the table. Let’s call it a day, shall we?”

“How many consultants does it take to change a light bulb?”

“Huh?”

“One, but the light bulb has to really want to change!”

Claire laughed.

Amy had been regaling them with a string of consultant jokes. Ward had invited her to dinner on the spur of the moment, Malancourt being on the way back to Metz, where her hotel was. He’d had time to have second and third thoughts about it during the drive to the farm, but in any event, she and Claire hit it off at once. It turned out that Amy had a three-year-old daughter, and they launched

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immediately into one of these conversations about naptimes and cute antics that made his brain try to throttle itself. And so he prepared the food as Claire grabbed Charlie and took Amy for a grand tour of the riding stables. Another good surprise of country living in France was that he had discovered an unexpected passion for cooking. He now cooked most days when he came home early enough, finding the chopping and stirring a relaxing way to put the plant away and focus on his family. Being a plant manager could really eat you up if you weren't careful, with constant demands and a list of worries that grew faster than you could solve them.

"This is *so good!*" Amy exclaimed enthusiastically, helping herself to another portion of quiche lorraine.

"It's just an omelet."

"Don't listen to him," snorted Claire. "Andy's an excellent cook."

"You've got him well housetrained, I can see," Amy chuckled. "Mine's absolutely hopeless. Can't thaw a pizza in the microwave without carbonizing it."

"How do you deal with your daughter, what with being away with your job?" wondered Claire.

"I'm not away that much," said Amy, a bit defensively. "And Mike's very good with her. He teaches nearby, so he's got easy hours. He loves spending time with her anyhow, but that's about it. Of course he never remembers little things like baths and clean clothes. Every time I get back, he hands me a little street urchin, I swear. But I try not to be away from home too long. I'm just doing this gig here to help Phil out."

"Have you known him long?" slipped in Ward, as casually as he could.

"Phil? God, yes. That's how I met Mike; he's his best friend. Phil hired me as an HR manager for ILM, his previous company. It was just two plants at the time, of course."

"And how did you move to consulting?" asked Claire, clearly intrigued by such a different career path from hers.

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“I was a fool, that’s what it was,” she replied brightly. “I met Mike because his dad was mentoring Phil in turning the company around with all this lean stuff. Mike even wrote a book about it afterward. In any case, I really got involved at the time, with *kaizen* and everything, but after a while, I felt I had nothing much more to learn. It was becoming too much like work, you know, not so much fun,” she grimaced. “So I got a consulting job in a large outfit that wanted to start a lean practice. Now, that was no fun at all. I thought I’d discover other places, new industries, and so on, but it was all about politics and pretend lean. Yuck.”

“I know what you mean,” agreed Ward. “I did eight years in supply-chain consulting. But I didn’t find it that bad. I got to travel, that was cool. And see many different businesses.”

“You’re right, I guess,” Amy conceded. “It was just the wrong time. My boss was a real jerk, and, in truth, I just wanted to be home with Mike rather than spend weeks away doing *kaizen* events in podunk factories where the management couldn’t care less.”

She paused a while, staring at her wine, and taking another long sip.

“Mmm, this is delicious. You guys must come to California, we’ve got some pretty good wines there ... In any case, it turned out I’d completely missed the main plot. I thought that lean was all about hitting the processes with a few tools, and getting people involved, which I did really well, thank you very much.

“But in the meantime, Phil starts getting all excited about how lean is really a management method. A full business strategy, not a production tactic. Now, I’m sitting through dinners with Mike and Phil and my father-in-law, who’s the original hard-ass *sensei*, and they go on and on about this, while I’m doing my no-hope *kaizen* events. That was a drag.

“Next thing I know, Phil hears about a factory for sale in the industry, and he and Bob, Mike’s dad, come up with some crazy plan about how if they can triple the inventory turns, they should be able to liberate enough cash from the business to make the acquisition

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almost pay for itself. Then I hear myself saying, ‘And who’s going to do the SMED workshops for you?’

“So Phil hires me back as lean director. Would you believe it? Mike and I even chip in some equity—nothing much, but it really feels different when you own even a small stake of the business, particularly after working as a consultant.”

“Splendid!” said Ward.

“Awesome, you mean. In the end, it got crazy. We acquired a company each year for the next five years. The whole thing kind of ran away with itself. I’d work the just-in-time side, while Phil tackled the engineering bits—that’s what he’s really good at.”

“And then,” Claire asked, mesmerized. “What happened?”

“Nothing fails like success, I guess. From the start, Phil had equal shares with a friend of his, who’d been his longtime partner. They had a falling out, I’ve never exactly known on what, but in the end they decided to sell the company and go their separate ways. I’d never liked Phil’s partner much, but he was a real salesman. He managed to entice two groups into acquiring ILM, and, in the end, the winner paid a fortune for it. The original deal called for the management team to stay on for a couple of years to make the transition, but the new management was so completely hopeless, they immediately started undoing everything we’d done—absolute morons. Mean, as well. So in the end, we just called it quits.”

“And is that how you became a consultant again?” Claire asked.

“Sorta,” Amy smiled wistfully. “When Phil got into this new scheme, he asked me if I wanted in, but I was feeling rather burned out from the frenetic days we’d had with growing ILM. Not that it wasn’t fun, but it was work, I’ll tell you. So with Andrea growing up, I wanted more time home. And we’d done really well, so there was no pressure to get another job immediately.

“But,” she laughed, “after a couple of months at home, I got such a bad case of cabin fever that Mike begged me to find a job! In the end, I set up my shingle as an independent consultant. I mostly do jobs for

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Phil and a couple of other guys I know from the old days. It's pretty cool—I only take the work I feel like.”

“You’ve made it!” exclaimed Claire, sounding genuinely impressed, which, Ward thought wryly, didn’t happen very often.

“So have you!” replied Amy, enthused. “Look at this beautiful place you’ve got here! And the work you’re doing with the horses, it’s so exciting. It’s real. I love it.”

“What a wonderful evening,” Amy said, as they drove through the night, back toward Metz. “Thank you, Andy. And thank Claire. Her work with the horses—it’s terrific!”

“Big dumb beasts.”

“Get outta here! They’re so beautiful. So powerful.”

“They’re pretty to look at,” he conceded—and expensive as hell to keep up.

“Pretty? Pretty doesn’t half say it. There was one girl practicing jumping, and I could feel my leg twitch every time she took off. I can’t imagine what it must be to ride one. I know what I want for Christmas!” she giggled.

If only it was so easy, thought Ward bitterly. He wasn’t about to tell her how much the stables depended on him feeding the family, but the thought rankled.

“Amy,” he said after a while, “I don’t mean to be a bore about this, but I need to understand what to do with our logistics. I heard what you said about how important the inventory was.”

“Right now? Oh, all right. The first thing to do, you see, is to wean them off the computer. Before reducing stock, you need to understand how the stock behaves, and what generates it. So the first step is fixed single locations for each reference.”

“But Carole is right—we’ll never have enough room. The software maximizes the use of empty spaces.”

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“Blah, blah, blah. I believe that she believes it. But you have to try to find out.”

She fell silent, and he worried he had little with which to go back to logistics manager Chandon.

“Look, the trick to logistics is first to put the stocks at the right place, then to stabilize the lead time, then to reduce the lead time, and finally to optimize the handling and moving costs. Start by visualizing your stock, and you’ll realize you’ve got plenty of parts the customer doesn’t want right now gathering dust—or worse, getting obsolete—and on the other hand, you’re missing the very parts you need.”

“What you were suggesting at the plant?”

“Yeah. Hinting. Listen, for my first job, before I got to work for Phil, I was a fast-food restaurant manager for a couple of years. I’d work there to pay for my tuition, so they offered me a job and I stayed on for a while. Now, that was real work.

“In any case, in a burger joint, you’ve got a small stock of the high-runners, those you put in the special offers, or the meal deals. When a customer asks for one, they get it immediately, as the counter staff turns around and picks from the stock. Then the people in the kitchen make one to refill the stock, and so on, yes?”

“I’m with you.”

“But if you go in and ask for a special extra pickle but no onion, they’ll say please have a seat, and we’ll bring it to you. Now, of course, that is extra cost for the restaurant since the whole idea is that patrons help themselves. But these are low-runners. What then happens is that the guy in the kitchen finishes the last high-runner, puts it in the stock, and goes on to do your special order, which is then delivered to you. In *kanban* terms, the production *kanban* card for a low-runner is put directly into the launcher.”

“Huh?”

“Never mind the *kanban*. The idea is that the MRP works on the basis that any gap in stock has to be filled in. The logistician believes that if she has all parts in stock at all times, she can’t possibly be found

short. But instead, this creates a situation where you hold many parts you don't actually need, and because of long batches and slow replenishment, you still miss deliveries of high-runners. The trick is to reverse that thinking and to keep a stock of high-runners, which you replenish daily, and deal with all the others as make-to-order."

"You're saying make-to-stock for high-runners and make-to-order for low-runners?"

"Exactly!"

"But I'm not sure we have that many high-runners—seems we have mostly middle-runners."

"Oh, give me a break. Let's make a bet. List all the references that make a cumulative volume of 50 percent of your total volume, and then prove to me that they're not more than 5 or 10 percent of your references."

"Do you really think so?"

"Never failed so far."

"I'll check that first thing in the morning. Stock replenishment for the high-volume and make-to-order for the low. Blimey!"

"But," Amy warned, "it's not so easy. You've got to learn to do it. So first make sure you visualize the stocks of the parts you're playing with so that you understand what happens. That's the whole point. Start with the top of the list and produce them every day."

"Every day? That's going to be a shock to the system."

"Yep—SMED. If you can't change tools in less than 10 minutes, you're not even in the game ... Hang on Andy—don't get lost in all of this. First, and most importantly, stick to what you're doing with the red bins, but *involve your supervisors*," Amy said emphatically. "The red bin is really nothing more than a tool to learn about the parts." She turned to him with her most serious face of all: "This is all about getting the line management to own their problems, and to have a daily opportunity to discuss with the staff specialists on what really goes on. That's critical—got it?"

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“I think so. You’re right. Carole was the only supervisor who showed up when we were in the plant. I think I might have a problem with the others.”

“Good. Second, try to organize cells and operator teams so that people learn to work together. This is really, really important. Operators are essential to fighting the first sparks of problems before they grow into raging fires.”

“Using all the brains in the factory, not just 10.”

“Yes, but you’ve got to organize it. Third, *kaizen* is the key. Have you got a continuous-improvement officer?”

“I’ve got a young black belt doing six sigma projects.”

“Four-month DMAIC? Define, measure, analyze, improve, control? Gawd!”

“What’s wrong with it?”

“Nothing, as such. But it won’t help you with involving your staff and line—one guy working in a corner and looking for brilliant solutions.”

“It’s not like—”

“Yeah, yeah. Lean is about learning by doing. There is no expertise in lean, only experience, as the *sensei* says. So it’s about cycles. Your management team, supervisors, and operators all need to go through many, many cycles to figure out what continuous improvement means.

“Hmmm,” he answered noncommittally, feeling lost.

“So get your guy to run three-day workshops, like *kaizen* events, on standardized subjects—line balancing, SMED, quality analyses, that sort of thing. One week the preparation, and one week the event. And on and on and on.”

“That frequently?”

“Probably not enough. You want each of your managers to participate in at least two workshops a year, so how many does that make if you have one management team member per workshop?”

“Counting the supervisors, you’re right, I’d probably need 20 to 40 workshops per year.”

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“And, ultimately, you want every operator in the plant to participate in a workshop in the year, so make the count ...”

“But that’s—”

“Hey, you asked!”

“I did,” he agreed, gritting his teeth. How on earth was he expected to ...

“Get to it then!” she gruffed in mock drill sergeant’s voice—and then laughed.

“Phil’s approach to production is pretty straightforward,” she said as he parked in front of her hotel. They’d booked her in the most expensive place in town, a converted monastery with pretentious rooms overlooking a wide park.

“One, fix quality problems. Two, reduce inventory to free up cash. Three, lower costs by eliminating all the waste you’ve uncovered doing one and two. He’s done it several times, so just follow his lead—he knows what he’s doing.”

“If only it were so simple from where we stand,” he sighed.

“Listen, this is not rocket science. In defining their lean model, Toyota picked up on four simple obsessions. One is managing production sites through stable teams of multiskilled workers, so you get both volume and mix flexibility. Second is getting everyone—and I mean *everyone*—involved in quality. Third is just-in-time process control by continuously reducing lead time, which dramatically improves return on sales and capital turnover ratios, and fourth is all around cost reduction by eliminating waste. How hard can it be?”

“Yeah, real simple,” he agreed with heavy sarcasm.

“It is, but you’ve got to figure it out by yourself. The trick is don’t try to do it all on your own. You must involve everybody, every day, if not, you’ll fail.”

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“Sorry for inviting her at such short notice,” he murmured to Claire as he crawled into bed. She was half asleep, all warm and cuddly. She smelled like home.

“It’s fine, darling,” she yawned. “It was fun actually. She’s an impressive lady.”

“Yep,” he sighed, burying his face in her hair.

“Hey, baby, don’t sound so depressed. It went well, I thought—no?”

“Oh, yes. Absolutely.”

“What is it, then?”

He turned away and let himself fall flat on his back.

“On the drive back, I realized something—and it’s scary.”

“Hmm?”

“This whole thing—it’s not about the plant. It’s about me.”

“How d’you mean?”

“It’s me! I’ve got to relearn everything I thought I knew if I want to do what they’re asking. Everything. It seems I’ve got everything ass-backward all the time.”

“Sounds like dressage,” she mumbled, falling back asleep.

“Everything you thought you knew, you’ve got to relearn differently all the time. That’s what makes it fun!”

“Aaaargh!” he complained to the night.

“They’re right,” he thought to himself, unable to sleep as thoughts whirled and crashed through his mind. “I’m trying to run the plant, I’m not managing people,” he realized. Amy had hit a nerve. He now saw that he spent his day trying to keep things on a par, but he’d never considered having to manage all 450 people in the plant as *individuals*. He thought of them as staff, resource, not as *persons* who could help him service customers and make money. How does one directly manage so many? Oddly, he found the thought exciting, and even somewhat comforting after today’s visit. Amy had been nice as can be and had tried to soften the blows, but he wasn’t completely stupid, and he had

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felt on the drive to her hotel that she didn't have high hopes for the plant, no matter how cheerful she tried to sound. He'd felt really down on the way back, but now, at least, he had something new to work on. He also realized why trying to stabilize the work environment of each person should help. He also now had a better insight into why Phil had insisted so heavily on getting the *line* to solve problems rather than relying on *staff* functions. He didn't see how to do it yet, but he felt buoyed by the thrill of learning something new, something he'd never even considered before. Each operator mattered, every part mattered. Of course. But how?

Amy collapsed on the plush hotel bed with a deep sigh. It was still too early to call California, and she lay there moodily for a while, staring at the ceiling, feeling too exhausted to get ready for bed. They were nice folks. And that was the problem. Andy seemed really keen to do something about his plant, but he had such a long, long way to go that she doubted he could crawl himself out of that hole. She just couldn't picture how he would manage to both acquire a lean attitude himself and get his management team involved in time. She picked herself up and started unpacking her travel toiletries, wondering whether Phil had bit off more than he could chew this time around. Oh, sure, they had leaned more plants than she could remember with the rapid growth of ILM. But in every case, Phil had tackled the transformation directly with the management team in a "my way or the highway" style.

She knew he hated doing that. He was a great believer in developing people and moving them up from the ranks rather than the hire-and-fire, up-or-out bias of most senior managers. But still, he'd accepted from early mistakes that he needed to hit the business hard just after acquisition, and to push people to make a stand early. He'd come to agree that better no guy than the wrong guy.

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With this new venture, though, he had been sucked in by the geography, with plants across the world, and tied up with so many issues that he'd found it difficult to apply his formula. Also, he hadn't been able to rely on the ranks of devoted followers as he'd had in ILM. In most newly acquired business, he'd always been able to staff a couple of key managers who had previously done their lean learning in their own operations, to sustain the transformation. With Nexplas, he had to build it all from scratch, and without the time or resources to do so. The day spent in Vaudon made her feel really low because Phil had asked for her opinion of the plant—would it cut it or not? She didn't know what to answer. Yes, they were trying, but they were also left out in the cold without the kind of support they needed to turn this one around.

Ward needed to stabilize the plant as well as learn to involve his middle-management in daily problem-solving, and all at the same time. It wasn't such a big deal when you knew how to do it, but having to learn this by doing it was a tall order. She felt guilty for not committing to help them more, but she just couldn't see herself flying to Europe every month.

In any case, she knew what Mike would say—they'd had this conversation often enough. Her husband was a social psychologist whose father was one of the first Americans to pick up lean from Toyota and who had become a lean *sensei*. Mike had introduced his dad to Phil and, together, they had turned around one company, then acquired others, and so on. He had focused his psychological research on trying to understand the human underpinning of the lean approach: why did it work so spectacularly when it did, but also so rarely.

She knew that the first thing he'd say was that the plant manager had to learn the stuff by himself—this was the essential bottleneck to the lean success. Managers, from the CEO down, and most importantly plant managers, had to learn this personally. They could not delegate learning. They could not purchase or hire it in. They had to go through the moves themselves, on the shop floor. From this premise, he'd argue

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that learning, as it was now better understood in the field, came from learning by doing, and then confronting one's perspective with others. Both of these were profoundly unnatural to traditional managers. First, they assumed that their job was to get other people to do things, and all they had to do is coordinate and motivate (ha!), and, second, they were very uneasy about actually listening to another point of view. They thought of their job as command and control, to tell other people what to do and think.

In her experience, managers who succeeded in lean transformations had the kind of self-confidence that allowed them to get involved personally with shop-floor experiments without feeling threatened by possible failure, and who also had enough experience to listen to other people's angle on a situation and take it in carefully without either dismissing it or overreacting. Andy seemed both open-minded and willing, but she really doubted he had the experience and self-belief required to take on the transformation. What a mess! Well, she wished them luck.