



Lean Consumption: The Next Leap

James P. Womack

Not long ago I was standing in line in an ice cream shop with a friend who has been helping me edit a book. It was a long line and my friend — a frantic multi-tasker — said he would be back in a moment. Then he suddenly appeared on the other side of the counter and began scooping ice cream for customers. What I hadn't known was that he was a part owner of the ice cream store.

What I did sense instantly was the large gulf between consuming and producing. Suddenly my colleague in one type of task (producing a book) was literally on the other side of counter. He was now the producer while I was the consumer. Were we still collaborators and friends? Or were we adversaries, as consumers and producers so frequently are? The whole situation felt very odd and a bit disconcerting. It made me realize yet again what a gulf there is today in the way we think and feel when we are consumers compared to the way we think and feel when we are producers. Yet all of us are both.

My mind has been sensitized to this divide because the book Dan Jones and I have just finished writ-

ing is about lean consumption. It is our effort to take the simple principles of process thinking from lean production and apply them to consumption.

We began our inquiry with a simple question: What do we really want as consumers? In 25 years, producers have made great progress making more reliable products, with more capabilities, at lower costs. We now live in a world of truly brilliant objects. Yet they often aren't satisfying to use:

- The bought-on-the-web computer that arrives in three days and works fine on its own but which won't talk to our printer or the other computers in our home.
- The new car that is a great pleasure to drive until we have a problem and must battle the dealer's service system which can't fix the problem on the first try or at the time promised.
- The new home, packed with an amazing number of sophisticated objects, which soon encounter problems that no service organization seems to be able to master.
- The trip to the doctor where we benefit from marvelous tech-

nologies but only after lengthy waits, retesting due to lost results, missing records from previous visits, incorrect billing, and general frustration.

- The "help" lines and service desks widely available to address these issues that frequently neither serve nor help.

The reason that today's marvelous products often aren't satisfying is that as consumers we don't just want brilliant objects for their own sake. We want them to solve our problems, without squandering our scarce time or causing anxiety and hassle.

To solve our problems we must conduct a complex "consumption process" to search for, obtain, install, integrate, maintain, repair, upgrade, and recycle our "personal capital goods" over an extended period of time. Often this process works poorly because it doesn't mesh with the "provision process" of the firms providing the goods we need.

This mismatch is a great opportunity for process thinkers — like most *Target* readers — but most businesses currently focus process think-

ing only on the production process. They need to expand it to include the consumption process as it interfaces with the provision processes of retailers, distributors, manufacturers, and service businesses.

A good way to do this is to develop some simple principles for "lean consumption" similar to those proposed previously for lean production.¹ These principles are statements from customers of what they really want:

- Solve my problem, completely, so everything works.
- Don't waste my precious time. (Stop treating my time as free.)
- Get me exactly the good or service I want (no out-of-stocks or substitutions).
- Supply value where I want (so I don't waste time running a personal logistics service to remote places).
- Provide value when I want (which will often involve planning ahead).
- Reduce the number of problems I need to solve, so I don't experience consumer overload.

To make progress, providers need to learn to see the consumption process from the perspective of the consumer. (Hint: Draw a consumption map by actually walking the process, listing all the steps, noting the time and frustration

involved.) Then they need to envision a new and better provision process that solves the consumer's problems, not one that merely designs and manufactures brilliant objects.

A great place for many producers to start is with their help desks, too often treated as mass production activities. Poorly-trained staff read scripts to help consumers solve repetitive problems. To reduce the cost per call, these "helpers" are judged by their ability to get callers off the line as quickly as possible. Then if the cost of fielding the calls rises, providers look for low-wage labor in faraway places to read the same scripts.

The alternative is to treat every call as a kaizen opportunity. Use more highly-trained staff to learn the complete nature of the customer's problem and dig for the root cause. Usually this lies somewhere in the provision or production process, not with the consumer. Then as root causes are eliminated, the number of calls can fall dramatically. The cost of solving consumer problems can also fall even if the provider pays more for more skilled labor.

Our research while writing *Lean Solutions* convinced us that if providers revise their customer-facing process to match and complement the consumer's process, magic things happen. The total cost

of completely solving consumer problems falls dramatically. Consumers get exactly what they want when they want where they want, saving time and hassle.

To date most process thinkers have looked at only half the opportunity. Let's give ourselves credit for progress in producing brilliant objects. But let's also realize that an expanded focus on consumption and provision as interlocking processes is the next lean leap.

Jim Womack is president and founder of the Lean Enterprise Institute, and co-author of The Machine that Changed the World, and Lean Thinking. His newest book (with Dan Jones) is Lean Solutions, Free Press, New York, October 2005. He will be a keynote speaker at the AME annual conference in Boston in November.

Footnotes

1. These simple principles from lean thinking for producers are:
 - Specify the *value* the customer desires.
 - Identify the *value stream* of actions necessary to create this value and eliminate the wasted steps.
 - Make the remaining steps *flow*.
 - But only at the *pull* of the customer.
 - In pursuit of *perfection*.

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