



# LEAN MANAGEMENT JOURNAL

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## GREENS, SHOOTS AND STAYS

This issue looks at the beginnings of lean's adoption of sustainable and green-friendly policies.

Organisations and interviews featured in this edition include: Adnams, Dessault Systèmes, SA Partners, Ramboll Gas and Oil, SMMT Industry Forum, Joseph Paris, Lincoln Forbes, Joseph Paris, Bill Bellows and Jean Cunningham.

### IN THIS ISSUE:

**Lean and green:** *Lincoln Forbes*, adjunct professor at Florida International University, analyses lean's role in creating sustainably constructed buildings and how we can make the construction industry more environmentally friendly.

**Lean accounting:** Consultant *Jean Cunningham* explores the best way for a business to undertake leaning its books, and how the ideas can benefit an organisation.

**Managing businesses for the future; a sustainable approach:** *Andy Wood*, CEO of Adnams, and *Keivan Zokaei*, of S A Partners investigate sustainability in lean business practices. Is the idea a pipedream or a practical and pragmatic approach to production in the 21st century?

**Continuously improving management:** *Tuan Nguyen*, senior manager of DELMIA Global Enterprise Manufacturing Intelligence at Dassault Systèmes, talks about how manufacturers can take a more lean approach to management.

# Instant Karma! and Instant Pudding!



## Lessons from Demming



This month LMJ board member *Bill Bellows* writes about pudding, The Beatles and Deming's ideas on production systems.

“The first step is transformation of the individual. The individual, transformed, will perceive new meaning to his life, to events, to numbers, to interactions between people”

W. Edwards Deming

In 1970, John Lennon was inspired by late night conversations to compose a song about the timeless theory of the circle of life; what comes around goes around. Ten days later, *Instant Karma!* was released, offering Lennon's sentiments on circular causality through a joyful chorus of "Well we all shine on."

Twenty years earlier, Deming was in Japan, invited by the Japanese Union of Scientists and Engineers to share his ideas on management with business leaders and wide cross sections of their organisations. In one event, he recalled hosting a group of executives representing as much as 80% of the corporate wealth of Japan. He used the opportunity to introduce his own karmic thoughts on the potential of interactions between people, with applicability to any organisation. His circular model-production viewed as a system-features a feedback loop to link the activities of a production-based organisation, from design to manufacturing, with materials from suppliers, to assembly and release to the customer.

Change the context to a service industry, education or healthcare system, and replace the labels to their respective function to project this circular model onto any organisation, with the premise that interdependent activities-otherwise known as teamwork, are a phenomenon in all organisations. In departure from

the conventional linear view of the beginning of any value stream (such as product design), leading to an end point (release to the customer), Deming included a return loop to provide feedback to the entire design-to-release process, opening imaginative minds to the interdependency of these efforts.

In the spirit of applying the feedback loop in his own interactions with people, Deming employed this very model in his classroom, when he used the students' answers to his questions, to let him know how he was doing and, thereby, how to improve his lectures. He understood interdependence;

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their ability to learn depended on his ability to present. In his references to the prevailing style of management, Deming was mindful of the impact of the linear model in creating behaviours within organisations that could be also characterised as observer-status. Under such a system, players on the sideline of a football match would not be appear to be influencing the outcome of the game, in spite of their contributions during practice sessions. In the nature of instant karma, they would never be spectators, even if viewing from home.

In 1980, Deming was featured in a television documentary (*If Japan Can, Why Can't We?*) focusing on the contrast between the gloom facing the US economy and the remarkable success of the Japanese economy. He advised US companies competing with their Japanese counterparts that his solutions should not be construed as quick fixes, "It will not happen at once, there is no instant pudding!", as encouragement, he posed that results could be achieved within a few years, sharing examples from Japan. Toyota would become one of the most celebrated examples, when his ideas on quality management were integrated into an existing system of quantity management.

Lacking the interdependence of a circular model, linear models reveal the direction of flow of activities, with intermittent handoffs from independent completed tasks, from one observer to another. There are many simple illustrations to present the stark contrast between the prevailing linear models of organisations and the circular model proposed by Deming.

One of the simplest examples came from watching a three year old direct how to divide a 2.4m length of wood into a series of smaller pieces. He drew one line across the top face of the wood to direct where to use the saw. Upon each cut, he drew one line for the next cut, repeating until the original 2.4m length was reduced to several dozen shorter lengths.

This experience prompted the idea of sharing the one line solution using the question, "At home, when cutting a piece of wood to a given length, how many lines would you draw across the top face before

making the cut?" People were puzzled by this seemingly distant inquiry. One line, they answered.

We demonstrate the answer by sharing an image of the top face of a long piece of wood, followed by the single line to indicate where to cut it. Next, we add two additional lines to the image, one slightly to the left of the original line, the other slightly to the right. We then ask if anyone has ever used two lines, such as these new lines, instead of the original single line, to indicate where to cut the wood, with further clarification of cutting anywhere in between these two lines. What usually follows are signs of disbelief in such an imprecise practice. Yet, this disbelief dissolves after suggesting that the practice of two lines, anywhere in between, is a traditional practice of both defining and meeting requirements when operating in a workplace under the prevailing style of management.

When asked why he used one line to direct his cutting at home and two lines at work, one man offered the following explanation, "because at home, I cut wood, and at work, I cut metal." Without serious scrutiny, this answer seems plausible. Then we probe further: "Who designed the project at home? Who cut the pieces at home? Who assembled the pieces at home? Who used the resulting product at home?" In each case, using circular causality, they answered that it was themselves who did so. Yet, when the questions were posed in the context of work, the (linear causality) answers shifted to the designer, machinist, assembly mechanic, and the customer.

Examples like this are fundamental to shattering the illusion of separation of work in a progression of activities and shifting awareness to envision value streams comprised of circular, interdependent efforts, not linear, independent tasks. To quote Deming, "The prevailing style of management must undergo transformation. A system cannot understand itself. The transformation requires a view from outside." The aim is to present readers with an outside view, with appreciation that instant karma is not instant pudding, yet our journeys begin with a willing shift in mindfulness to perceive new possibilities for teamwork.