



Lean Management Systems:

*Beating Bureaucracy, Broken Processes,
and Blocked Systems*



Master Black Belt Webcast Series



Ellen Milnes
Director of Marketing
MoreSteam

- Introductions
- Presentation
- Questions

About MoreSteam

Enterprise continuous improvement from training to project completion



550,000+



55%



2,500

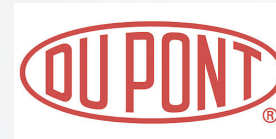


Project
Management
Institute

Course Provider



A Few of Our Clients



UNIVERSITY OF
NOTRE DAME



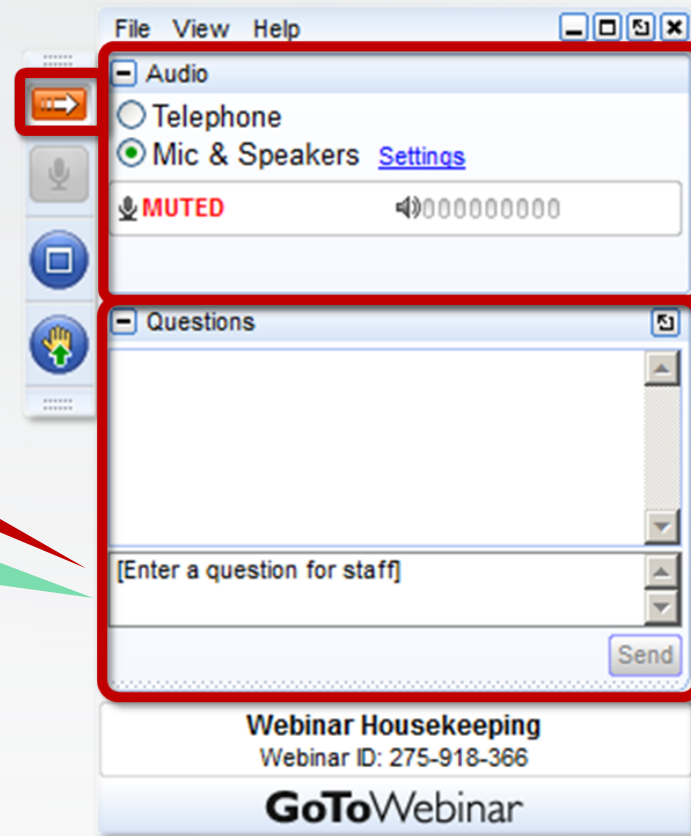
Honeywell



GoToWebinar Attendee Panel

Would you
explain a little
more about

How have you
handled



Peg Pennington

President, MoreSteam



- Passion for developing organizational problem solving capabilities
- Strategic focus on “next practices”
- Previously served as Executive Director of the Center for Operational Excellence at The Ohio State University
- Helped architect unique Master of Business Operational Excellence ("MBOE") program OSU Fisher College of Business
- Continues as an adjunct instructor in the MBOE program





Lean Management Systems:

*Beating Bureaucracy, Broken Processes,
and Blocked Systems*

PEG PENNINGTON



ONCE UPON A
TIME...





COMPLEXITY



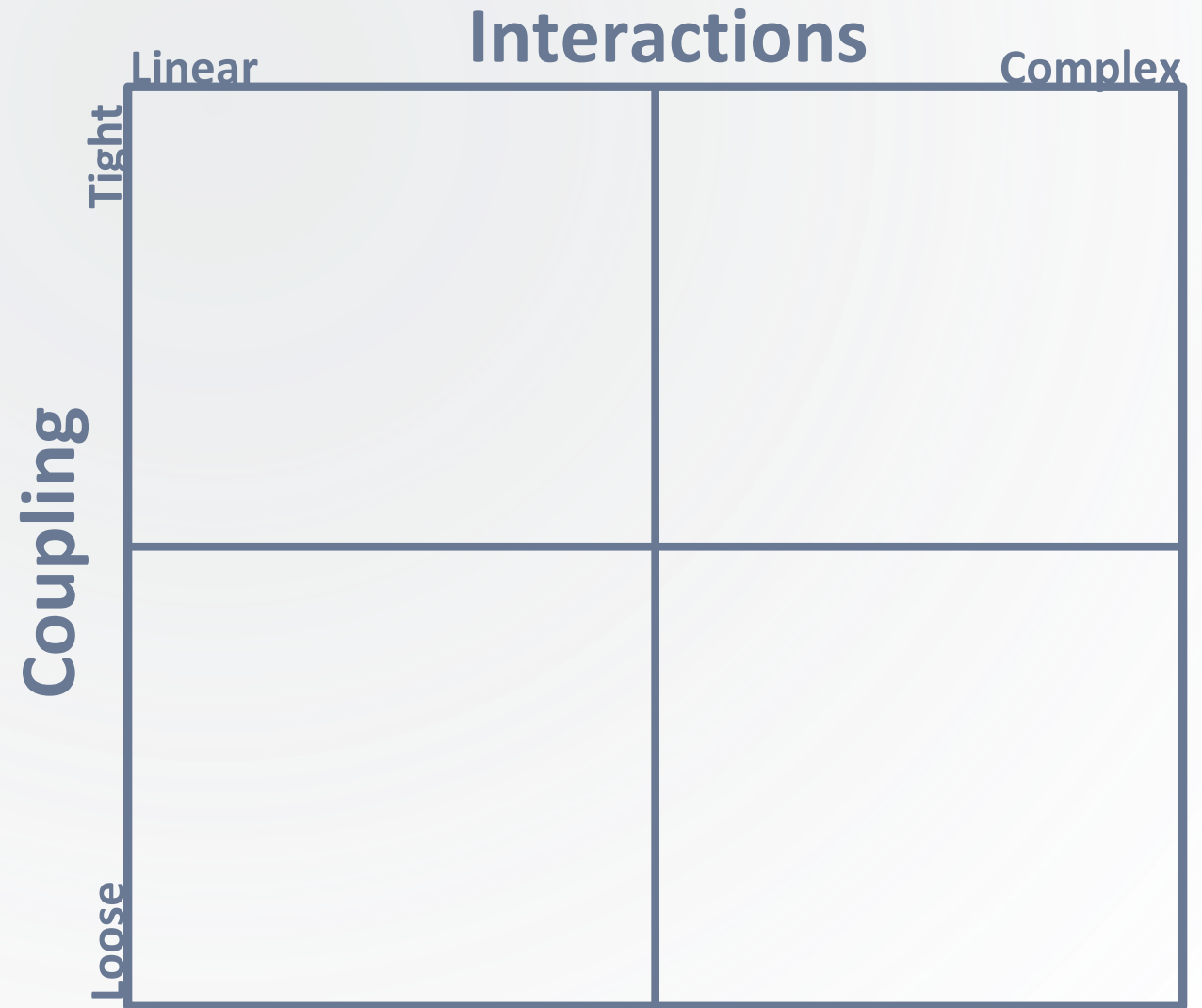
COMPLEXITY

A complex system is one in which there are multiple interactions between many different components.

NORMAL ACCIDENTS

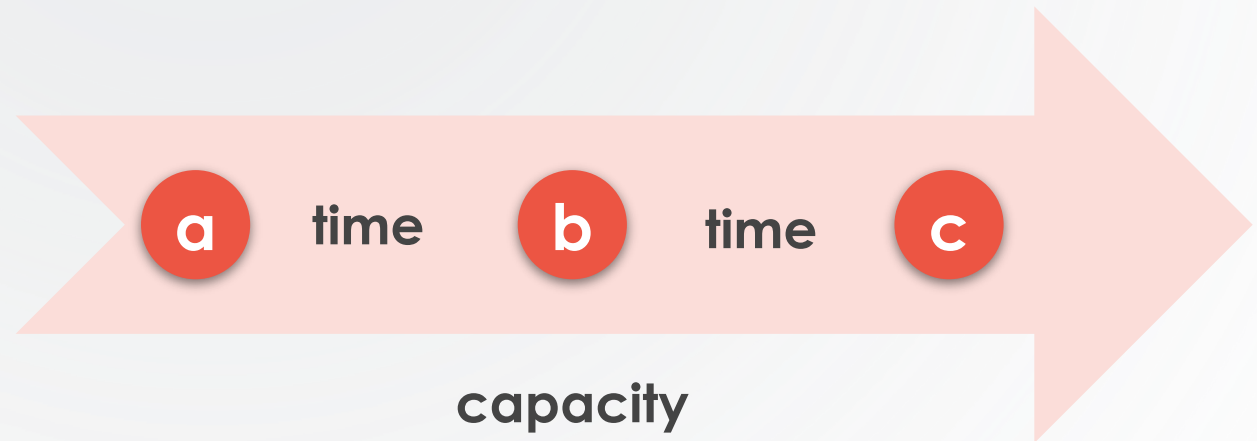


COMPLEXITY FRAMEWORK



Normal Accidents, C. Perrow

COUPLING - LOOSE



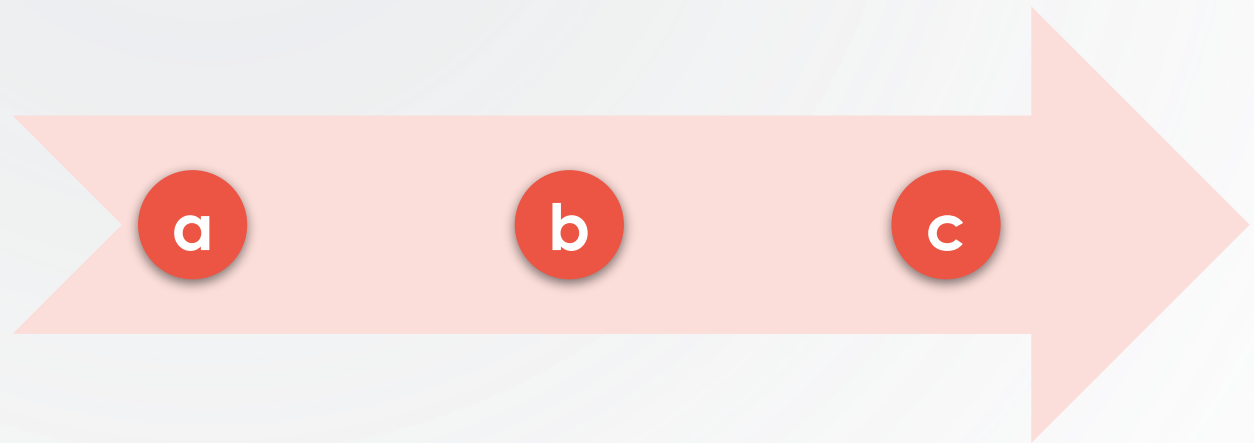
COUPLING - TIGHT



COUPLING - TIGHT



INTERACTION - SIMPLE



INTERACTIONS – COMPLEX

Sub system A



Sub system B

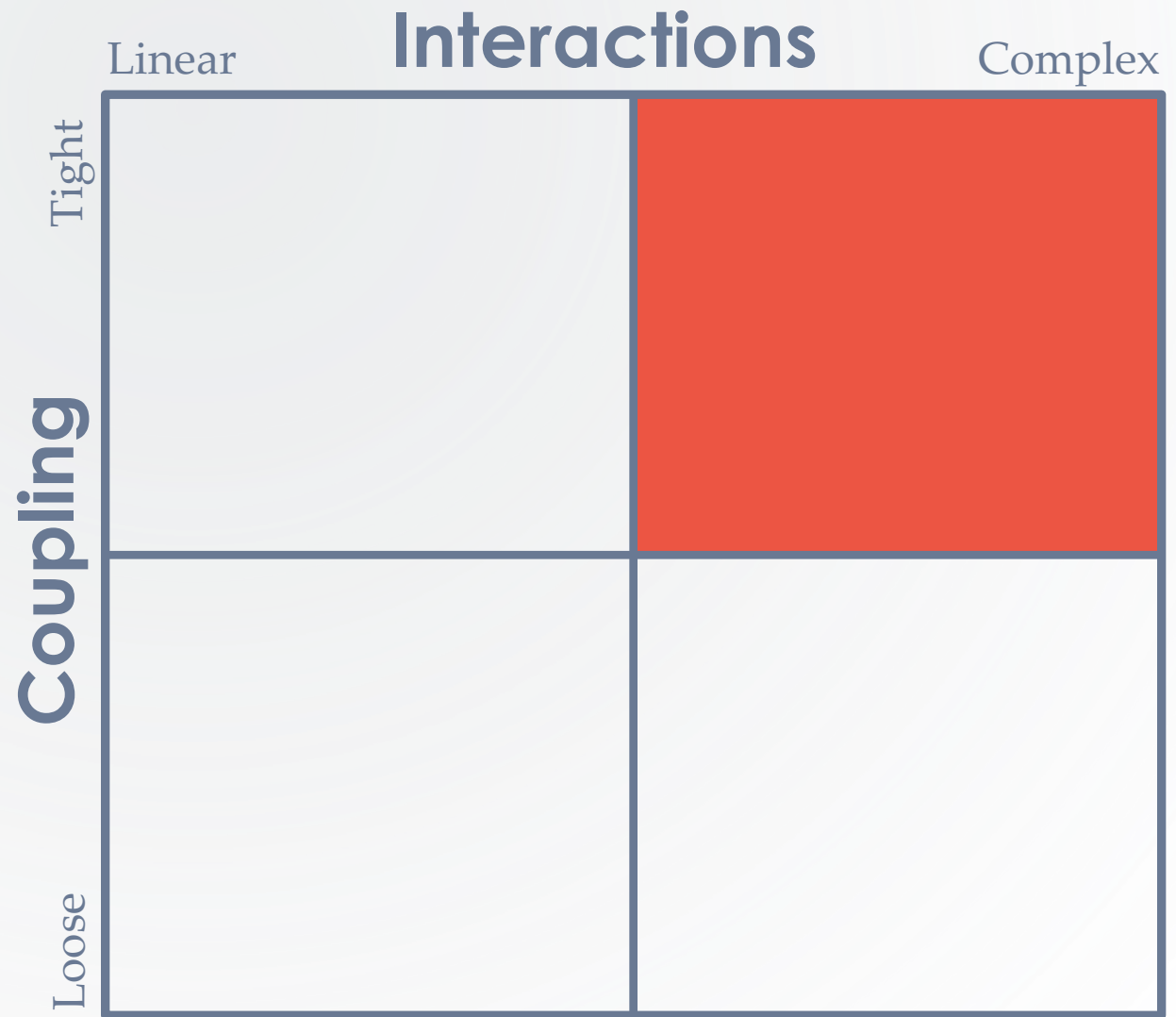


Sub system C



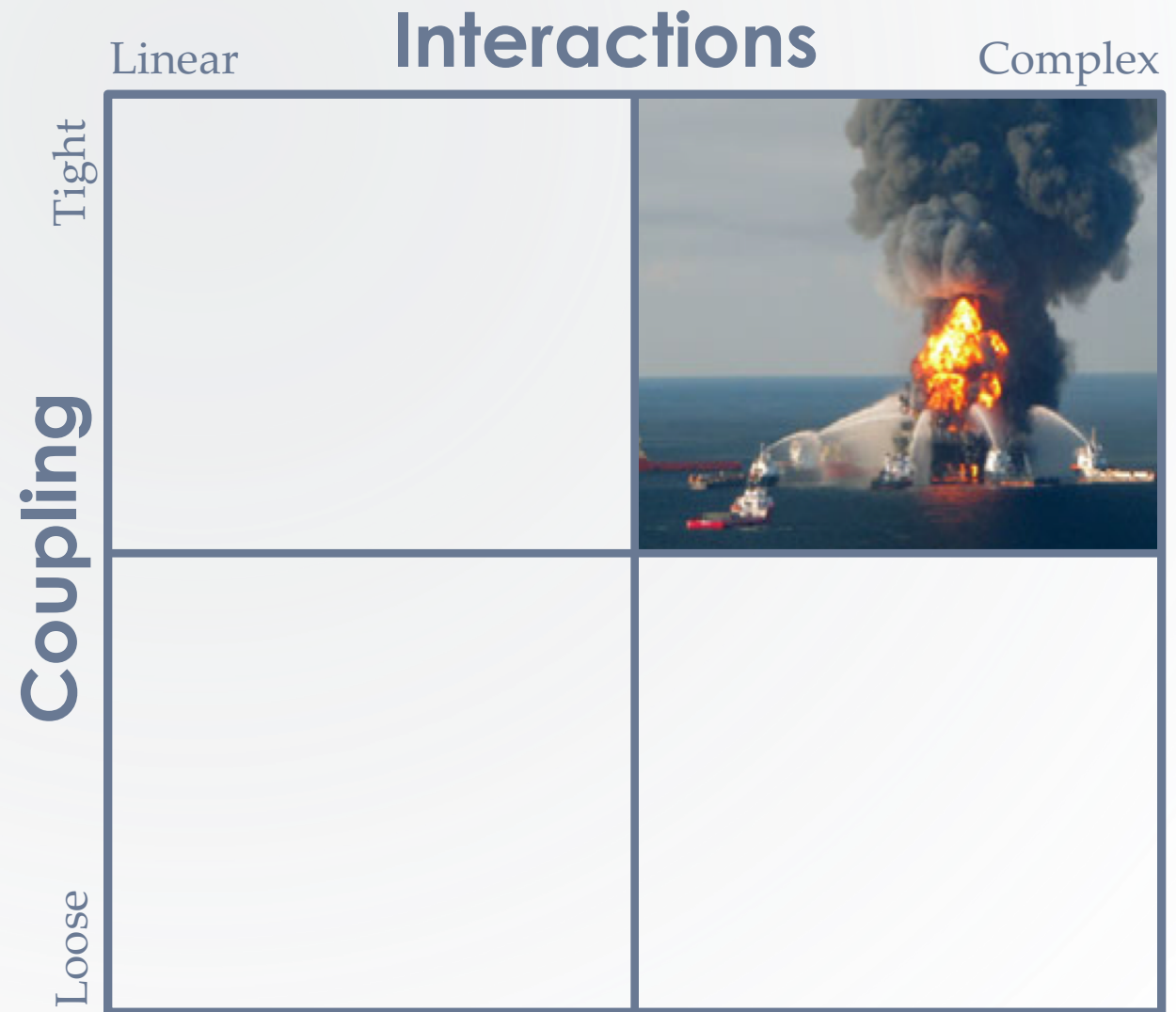


VULNERABILITY



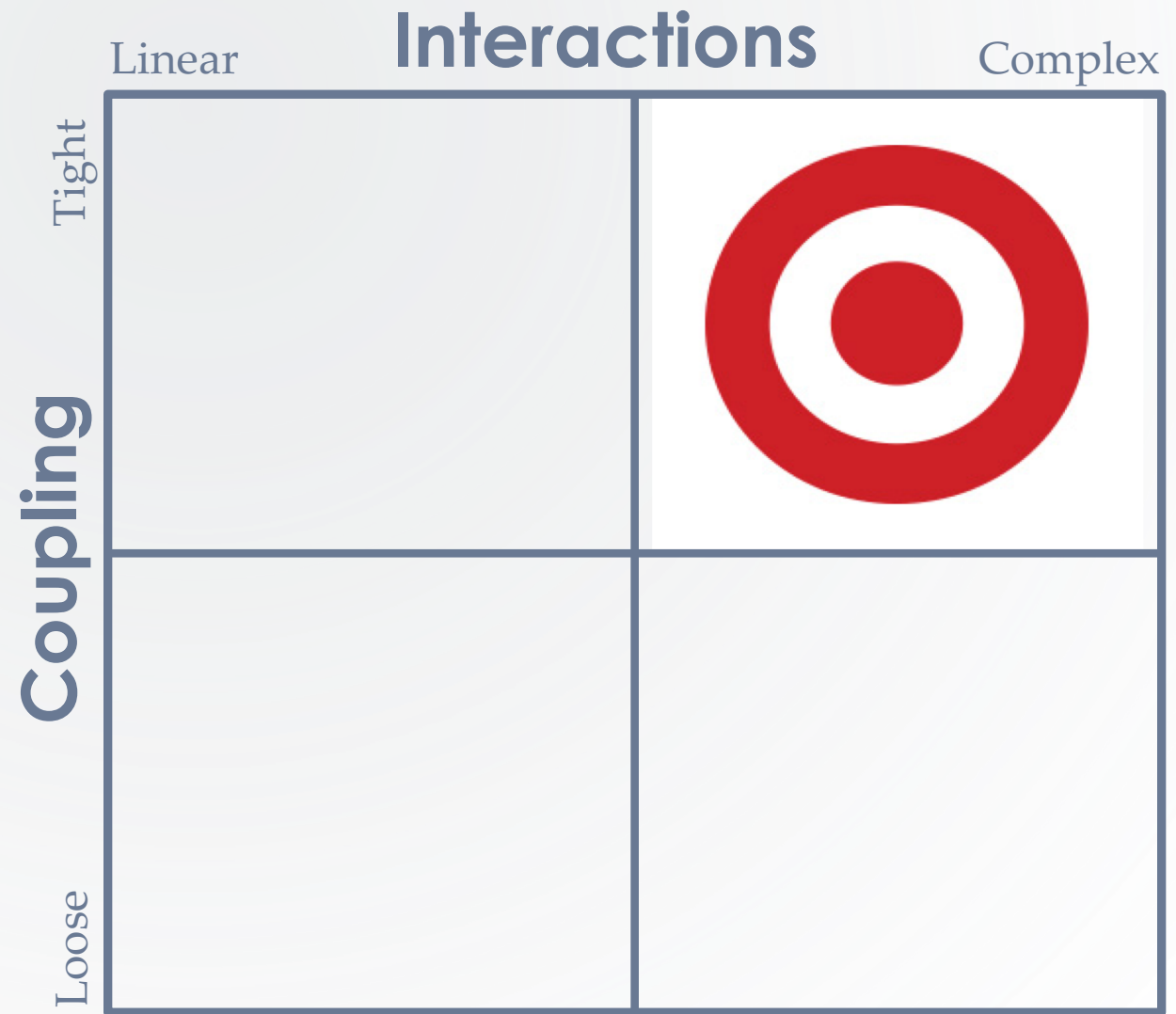
Normal Accidents, C. Perrow

VULNERABILITY



Normal Accidents, C. Perrow

VULNERABILITY



Normal Accidents, C. Perrow

VULNERABILITY

Dear Chase Customer:

We're reaching out to let you know what we're doing to help protect your account after the data breach announced by Target on some credit and debit cards used at Target stores between November 27 and December 15.

Here's what you should know:

- All your Chase cards have our Zero Liability Protection. That means you're not liable for unauthorized transactions you report to us.
- You don't need to call us at this time unless you see transactions you don't recognize. We're using our sophisticated fraud-monitoring tools to look for abnormal spending and ATM patterns. That helps us block fraudulent transactions.
- We'll let you know if we see unusual activity on your account.
- We'll send you a new card if we determine that's necessary.

Here's what you should do:

- Continue using your Chase card.
- Monitor your account -- including using chase.com or Chase Mobile -- and let us know if you see any transactions you don't recognize.
- Enroll in our free Account Alerts* in the "Customer Center" section at chase.com and we'll let you know about specific activity in your account.

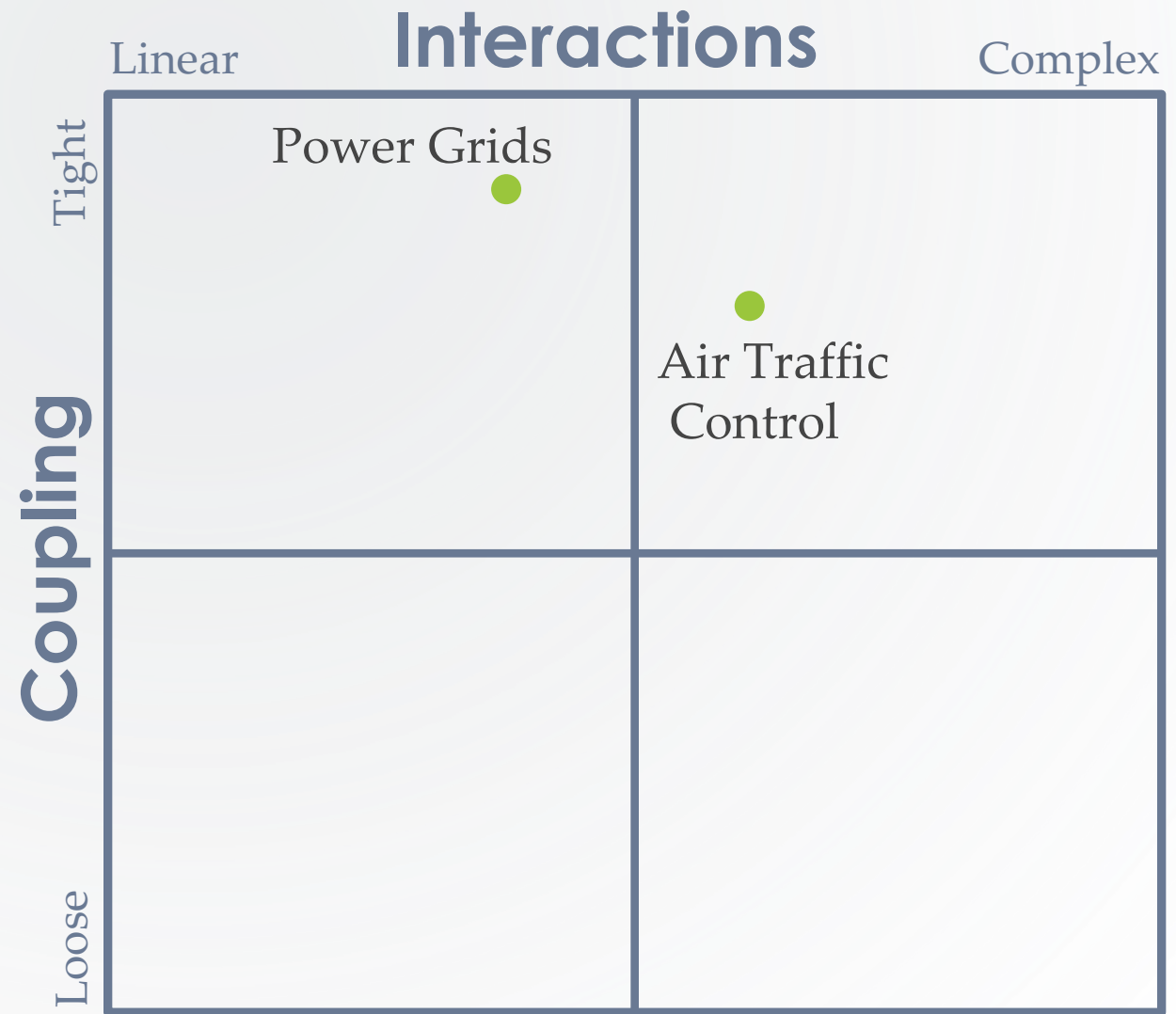
As always, thank you for your trust.

Sincerely,



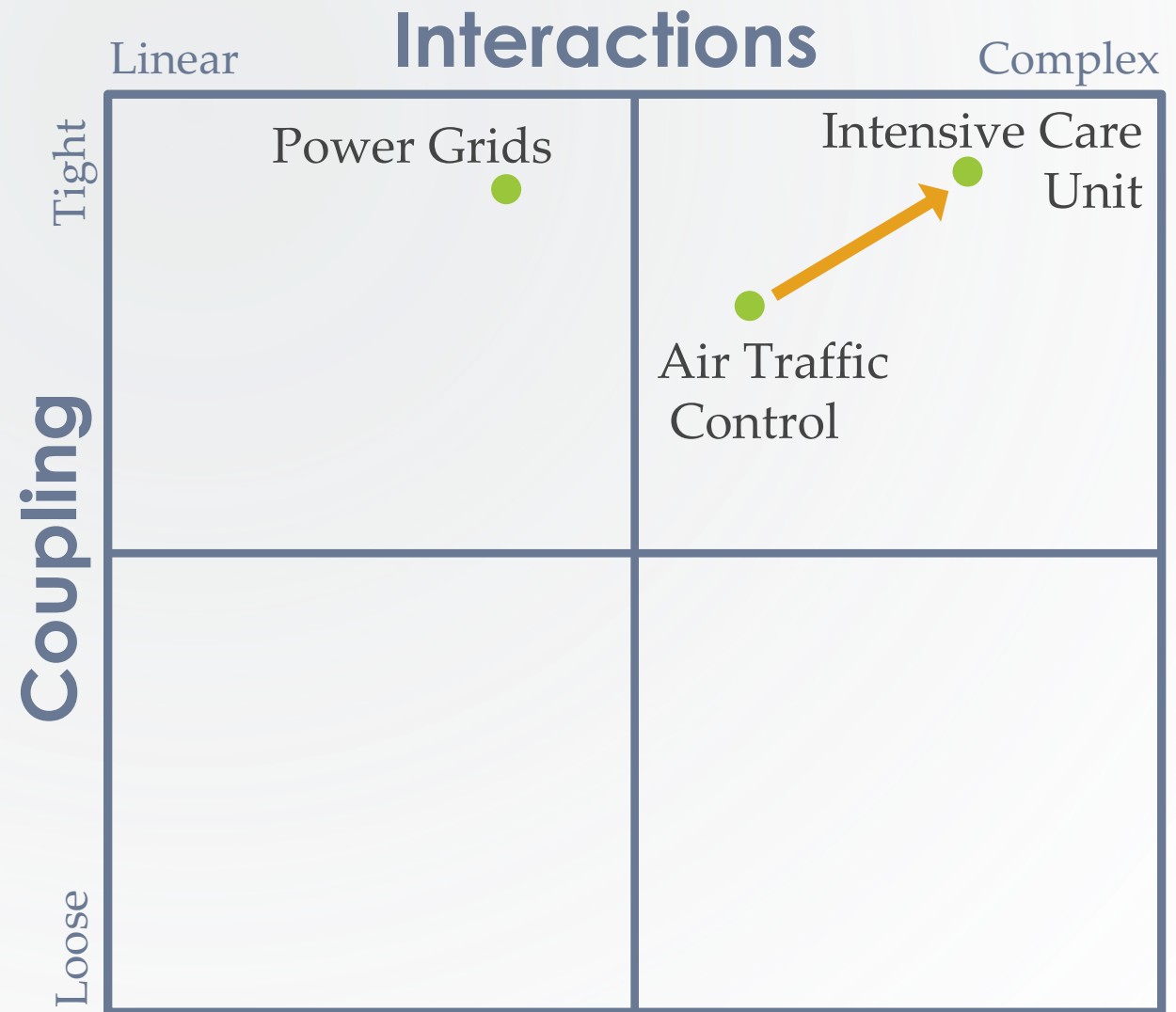
Jennifer Myhre
Senior Vice President
Chase Consumer and Community Banking

COMPLICATED



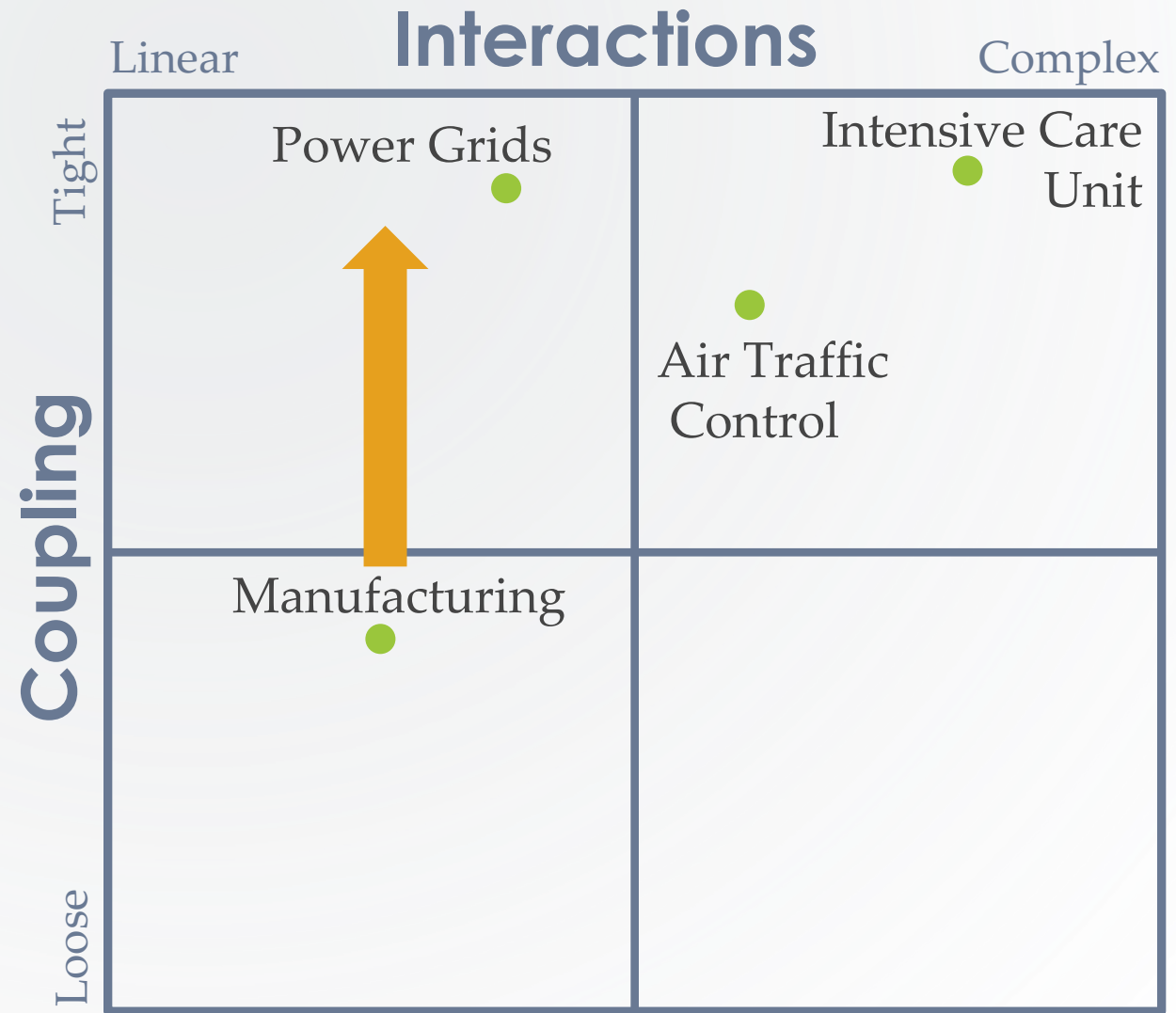
Normal Accidents, C. Perrow

COMPLEX



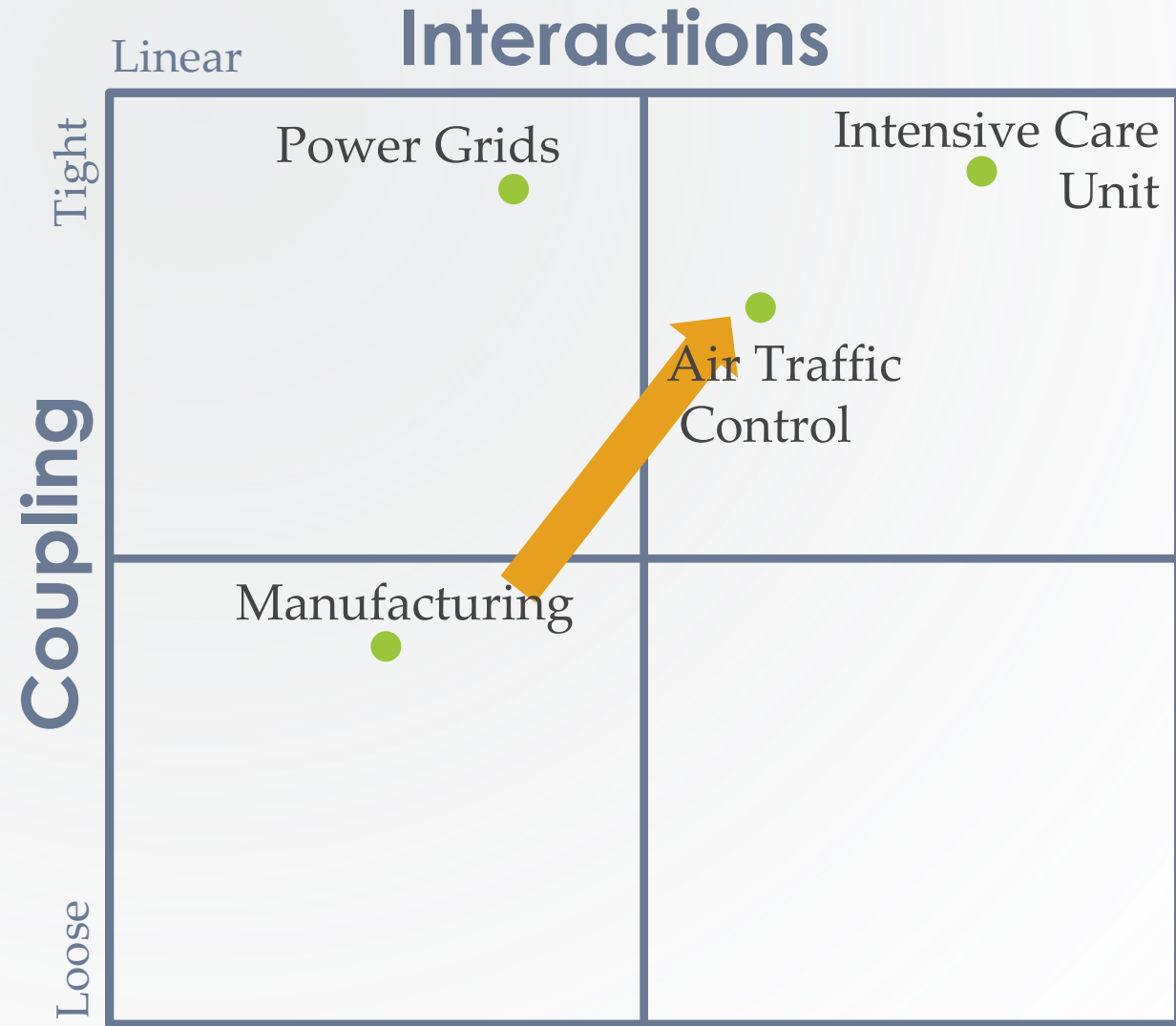
Normal Accidents, C. Perrow

LEAN IMPACT



Normal Accidents, C. Perrow

ORGANIZATIONAL COMPLEXITY



Normal Accidents, C. Perrow

IDENTIFY WHAT CREATES
COMPLEXITY IN YOUR
ORGANIZATION?





INHERENT COMPLEXITY

DESIGN COMPLEXITY

PROCESS COMPLEXITY

UNNECESSARY COMPLEXITY

SECRET
MMM *sauce*

THE LEAN MANAGEMENT SYSTEM





Strategy System

Voice of the **C**ustomer
Voice of the **P**rocess
Voice of the **E**mployees
Voice of the **F**inancials
Voice of the **S**uppliers

CURRENT
CONDITION

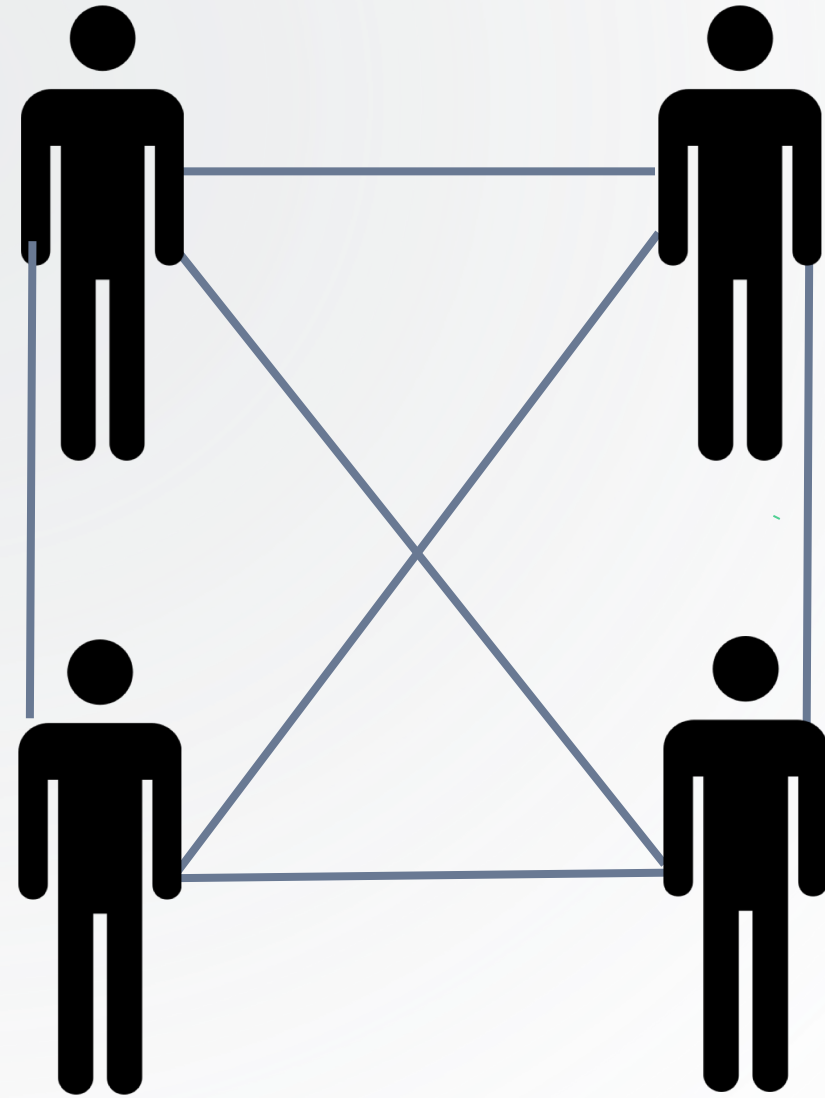
GOAL



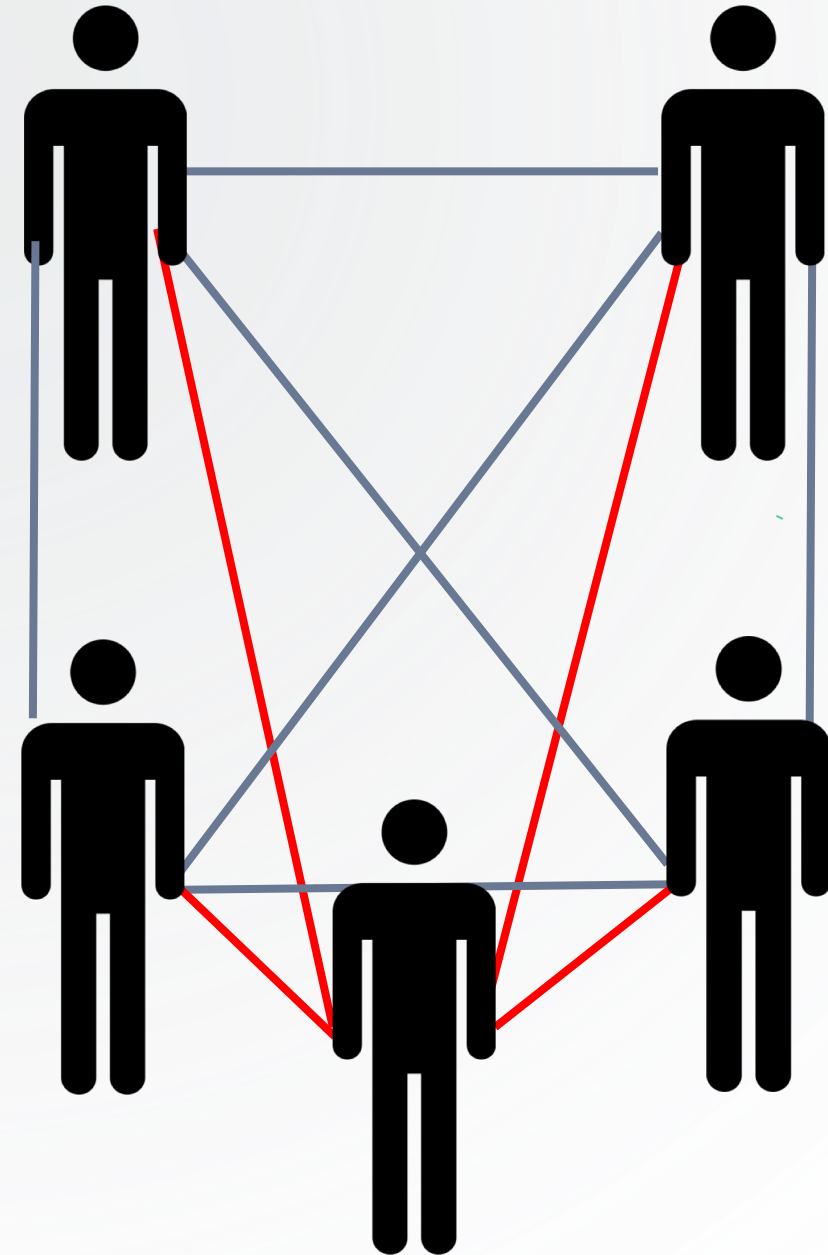
COMPLICATED OR COMPLEX?



ORGANIZATIONAL
COMPLEXITY LEADS
TO INDIVIDUAL
COMPLEXITY



ORGANIZATIONAL
COMPLEXITY LEADS
TO INDIVIDUAL
COMPLEXITY



SHARED VALUES

OUR ONE RULE
Use good judgment
in all situations.

Please feel free to ask your department manager, store manager or Human Resources any questions at any time.



SAFETY CULTURE





People System

Go See

Ask Why

Show Respect

The whiteboard contains the following data:

	1	1		
Bay 1	0	0		
Bay 2	4	0		
Bay 3	4	-1		
Bay 4	1	1	0-1	0-2
Capacity	7	2	1	
Demand	8	4	3	
Balance	-1	-2	-2	
Action	SF index is OK		Plan - SF index is OK	

Handwritten notes on the whiteboard include:

- Bay safety assessment
- Flattening light in Bay 2
- Electrical outlet
- UNIT PROJECTS

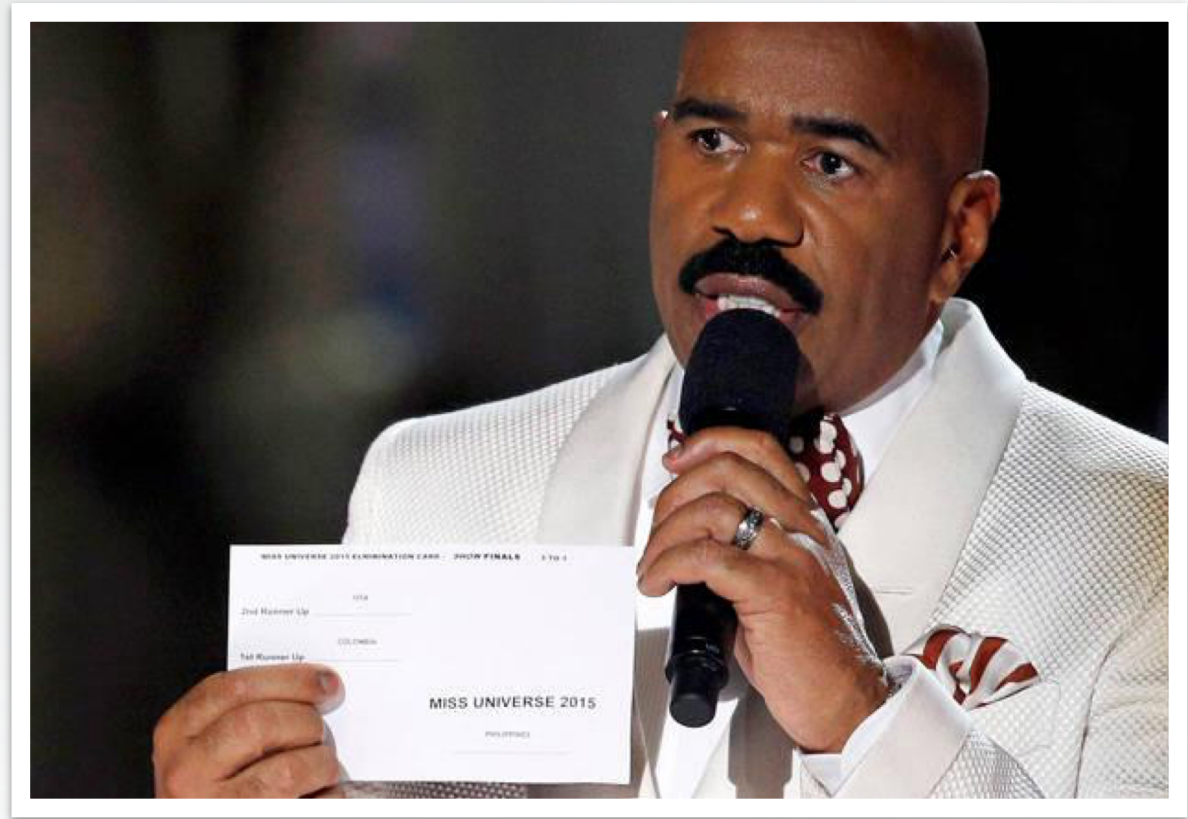
TEAM DIVERSITY

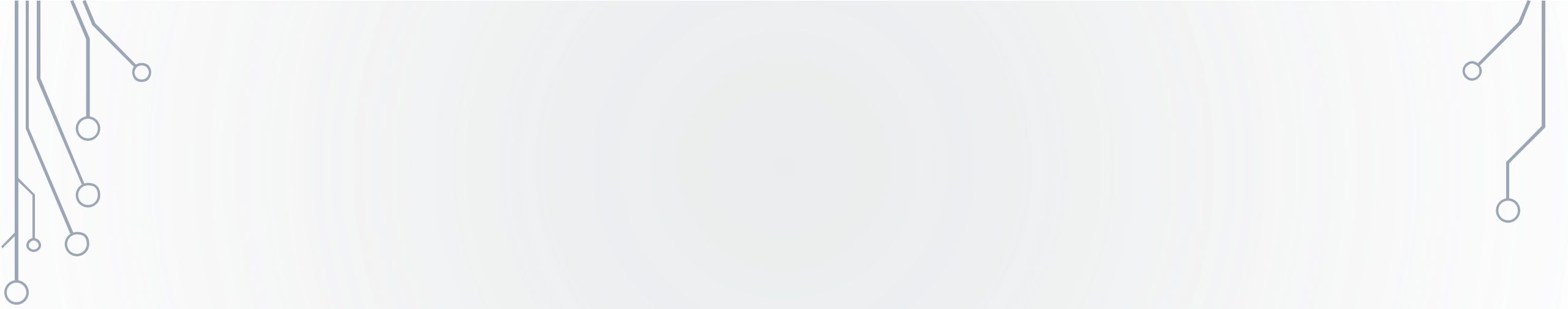


PSYCHOLOGICAL SAFETY



SYSTEMS THINKING





*We cannot change the human condition, but
we can change the conditions under which
humans work.*

James Reason, Professor of Psychology



THE INDIVIDUAL COST OF COMPLEXITY



EXAMPLE

Each team is going to receive a combination of letters and numbers that you will have to remember.

Then you will both receive a task and you will have 60 seconds to perform this task.

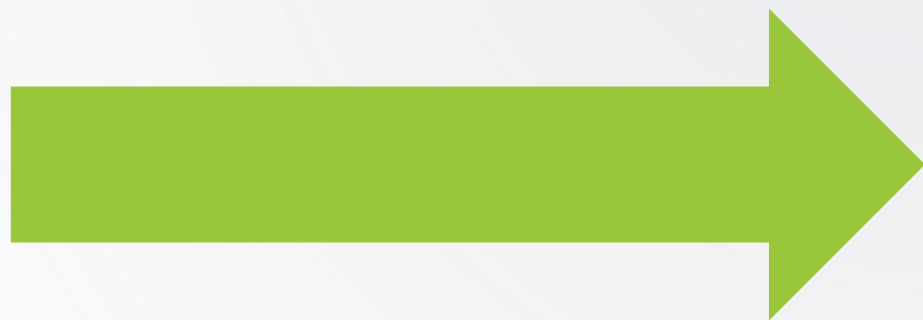
At the end of the 60 seconds you will have to write down the number and letter combination you were given. **DO NOT WRITE IT DOWN AHEAD OF TIME. NO PHOTOS ALLOWED.**

SCARLET TEAM

A12

GRAY TEAM

*E9r°F3



SCARLET TEAM

A12

GRAY TEAM

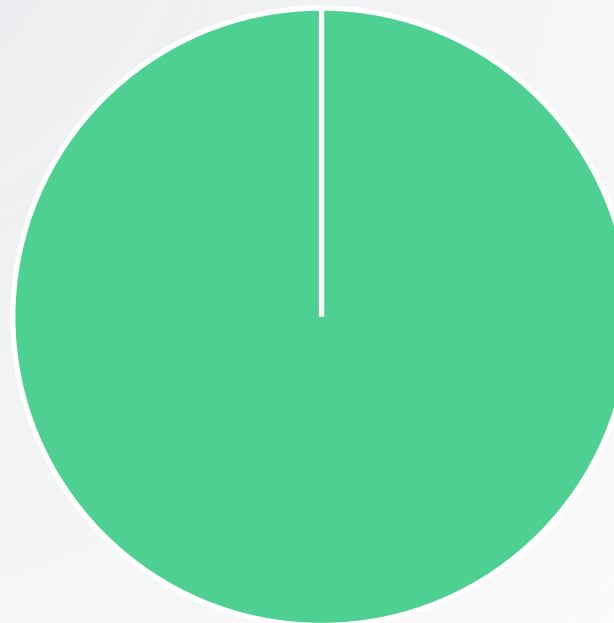
*E9r°F3

Scarlet Team



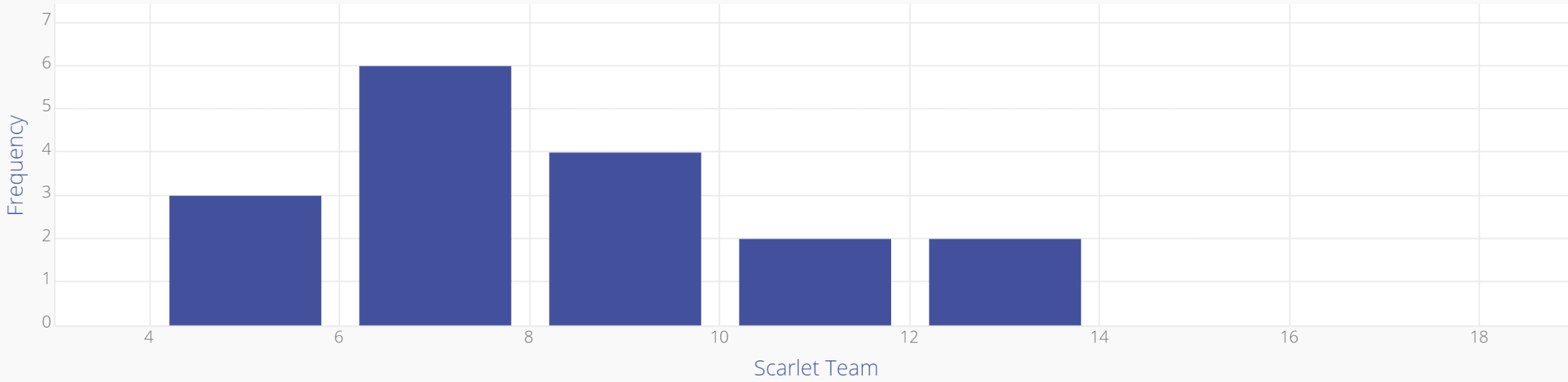
■ Yes ■ No

Grey Team

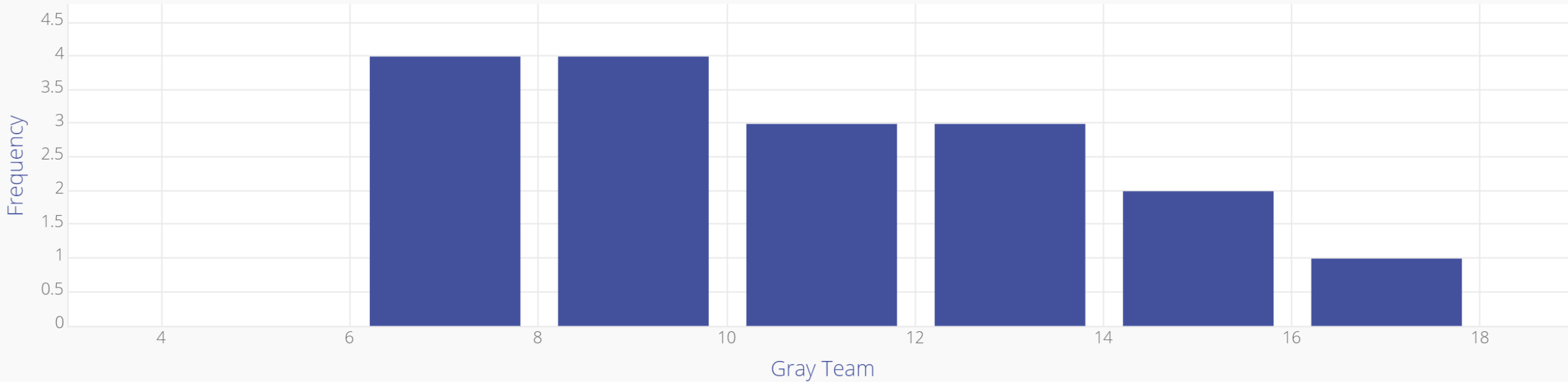


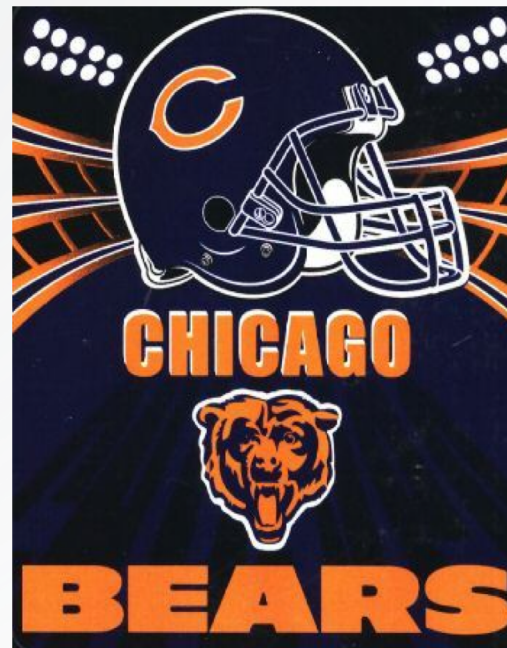
■ 1

Scarlet Team Responses



Gray Team Responses





STOP MULTITASKING





Problem Solving System

Value Stream



A3 Thinking

LEFT SIDE

RIGHT
SIDE





SIMPLE, DIRECT
PATHWAYS

*“Simplicity does not
precede complexity,
but follows it.”*

Alan Perlis



UNDERSTAND PROCESS FLOW



LEARN FROM
THE PAST



LEARN FROM THE
FUTURE



THE LEAN MANAGEMENT SYSTEM



Daily Management System



Leading Metrics
Hourly, Daily, Weekly

Leadership

SAFETY	QUALITY
LEADTIME	COST



Tier 2

SAFETY	QUALITY
LEADTIME	COST



Tier 1

SAFETY	QUALITY
LEADTIME	COST

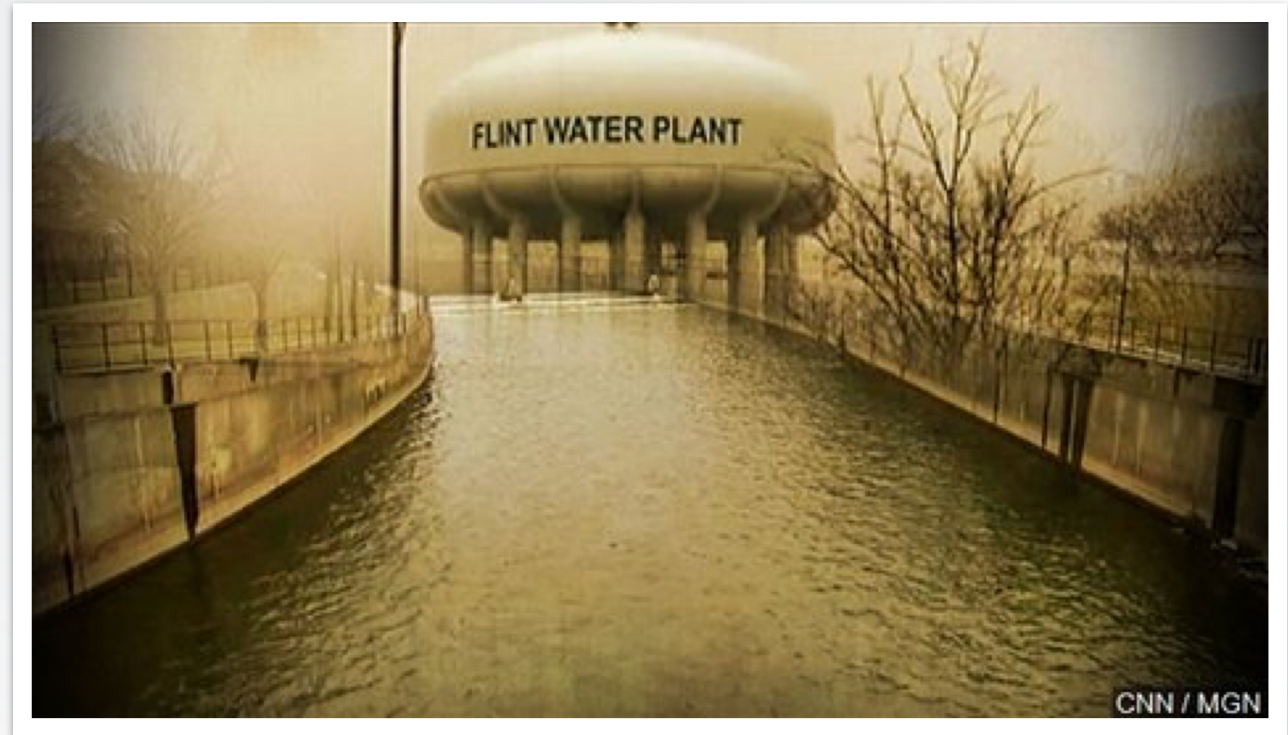
LINE OF SIGHT



EVERYDAY PROBLEM SOLVING



SHORTEN FEEDBACK LOOPS



THE LEAN MANAGEMENT SYSTEM



Strategy System

Voice of the **Customer**
Voice of the **Process**
Voice of the **Employees**
Voice of the **Financials**
Voice of the **Suppliers**

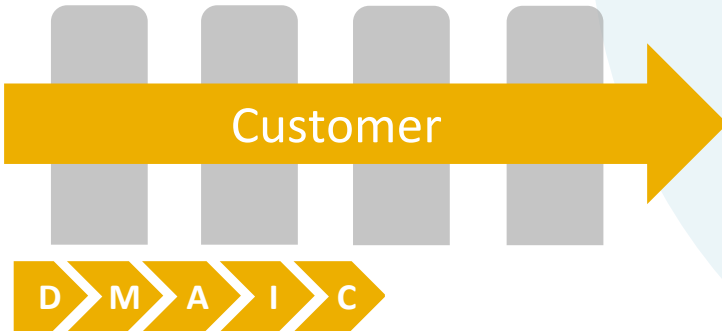
CURRENT
CONDITION

GOAL



Problem Solving System

Value Stream



A3 Thinking

LEFT SIDE

RIGHT SIDE

*5s

*Visual Work

*STD Work
*Checklists

*Error Proofing
*Total
Preventative
Maintenance

*Cellular Design
*Quick Changeover

*Kanban

STABILITY

FLOW

PULL



People System

Go See

Ask Why

Show Respect



Daily Management System

Leadership

SAFETY

QUALITY

LEADTIME

COST



Tier 2

SAFETY

QUALITY

LEADTIME

COST



Tier 1

SAFETY

QUALITY




LEADTIME

COST


LINE OF SIGHT




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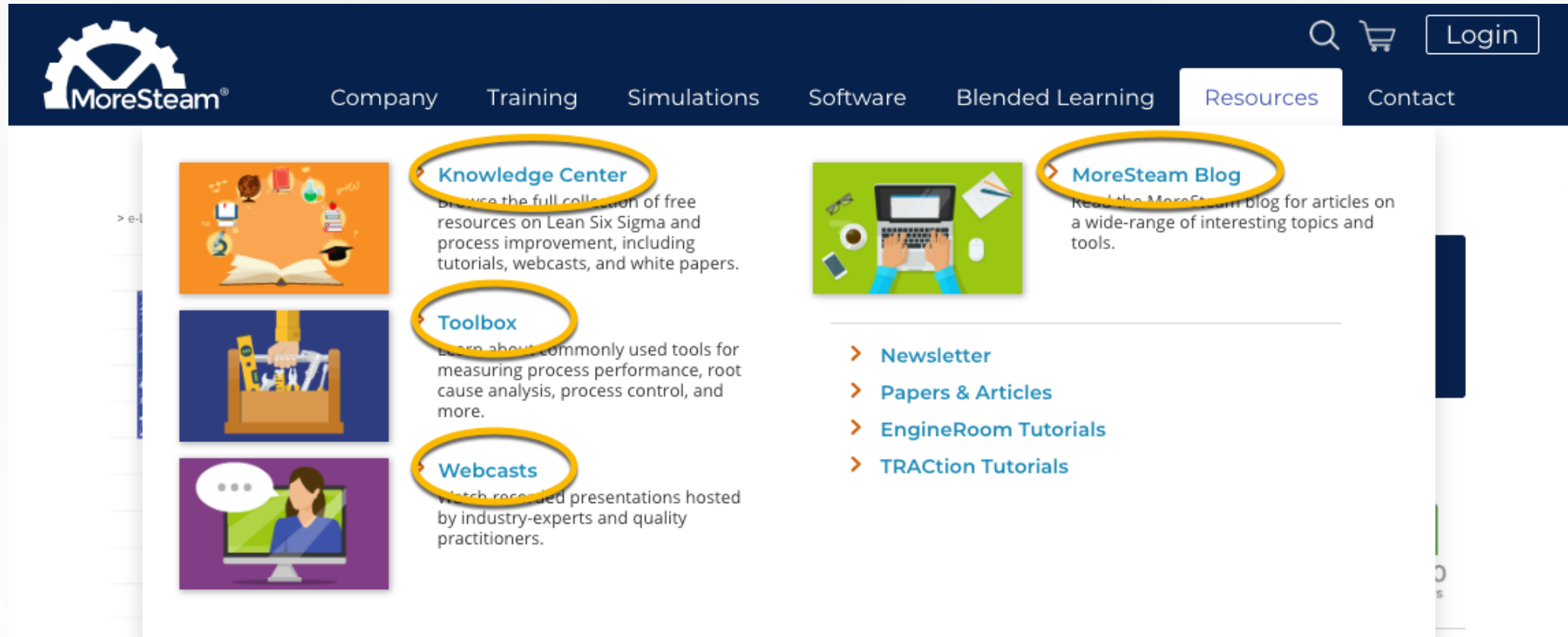
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The screenshot displays the MoreSteam.com website interface. The top navigation bar is dark blue with the MoreSteam logo on the left and links for Company, Training, Simulations, Software, Blended Learning, Resources, and Contact on the right. The Resources link is highlighted. Below the navigation bar, the Resources section is divided into two columns. The left column features three icons: a book for the Knowledge Center, a toolbox for the Toolbox, and a person at a computer for Webcasts. The right column features a laptop icon for the MoreSteam Blog. Each icon is accompanied by a title and a brief description. The Knowledge Center, Toolbox, Webcasts, and MoreSteam Blog titles are circled in yellow. Below the MoreSteam Blog title, there is a list of sub-links: Newsletter, Papers & Articles, EngineRoom Tutorials, and TRACtion Tutorials.

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Browse the full collection of free resources on Lean Six Sigma and process improvement, including tutorials, webcasts, and white papers.

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Learn about commonly used tools for measuring process performance, root cause analysis, process control, and more.

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How to Keep in Touch

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Mark Your Calendar to Join Us:

- September: Alexander Silantyev, PwC
- October: Nicole Batulis, Dartmouth-Hitchcock

