Enterprise Lean Transformation - the Change is Never Over

The Change Is Never Over

For any organization leading a change or transformation program such as Lean, work is never over. This is similar to working continuously to achieve your most ambitious and desired personal goals in life. Every arrival point of a change in the organization is a departing point. By this, I do not mean drifting away from the objectives set for the long-term. I mean departing from the old habits that stifle productivity, innovation, company growth, and employee morale to finally embrace change.

When employee morale is down, people are not quite willing to participate in the change movement. They tend to resist the change or move to other organizations. This causes an inevitable change in company culture that might have a negative impact on its growth. To minimize this negative impact, you must generate enough enthusiasm to create a belief in the company, particularly, in the employees that "the need for a change is greater than the resistance to change". And you must relaunch the drive for change periodically to keep the momentum going forward as the company undergoes cycles of strategy, marketing, and organization and technology changes. But what is really essential for a successful change program or Lean transformation and how can we sustain the program throughout the existence of a company?

Changing a company in favour of Lean

As you may know, implementing change is a significant challenge. A company needs:

1. a clear and compelling case regarding the need for change;

2. leadership commitment;

3. employee engagement;

4. solutions that are offered with a clear understanding of the root cause and preventive measures;

5. ability to weather internal or external 'distractions'

6. ability and capability to minimize the effect of cycles of strategy, marketing, organization and technology changes;

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7. linking the Lean activity to the strategy and a better understanding of the customer;

8. linking the Lean metrics with financial measures;

9. a solid communication plan; and

10. finally, a training program that covers all of the above, including both the softer and harder elements necessary for successful Lean transformation

For any company that has recently undertaken an enterprise-wide Lean transformation program, first, it is imperative that senior leaders in this company are aligned with each other and acknowledge that Lean helps achieve competitive advantage as it focuses on the bottom line. Second, commitment from senior leadership is critical to a successful deployment of Lean. Third, leadership must also review results and success stories from similar industries and acknowledge that process improvements driven by programs like Lean and Six Sigma have enhanced employee productivity in the past.

Accelerating the change

Leadership is aware of the fact that as competitive pressures keep increasing, there is not only a need to change and transform the organization, but there is also a need to accelerate that change. This means that transforming an organization to adopt Lean is not enough. The adoption has to be accelerated to gain a competitive advantage. To succeed in this feat, the leadership must also be aware of the fundamental concepts of Change Acceleration Process or CAP. CAP provides a framework to understand the need for change, it combines technical strategy and organization or cultural strategy to deliver a change initiative that is focused on customer needs. CAP brings tools for acceptance to Lean methodology to achieve effectiveness in the change solution.

Making more people accountable, addressing the softer elements of change

Accountability from key people in the organization is as important as the commitment necessary from senior leaders. Many change initiatives such as Lean have failed due to the fact that the entire responsibility for the initiative rested with far too few leaders and the number of people at every level who make committed contributions to organizational success was too small. A larger percentage of employees need to care deeply about the organization's motive to change. These feelings of deep commitment and willingness to face challenges with acceptance and a positive attitude are synonymous with employee engagement. Employee engagement leads to more commitment, passion, and energy, which translates into high levels of effort during the change, persistent follow-up of the most difficult tasks, taking initiative and accepting change. Engaged employees can create and sustain Lean transformation, and the engaged employee is a valuable business asset. But these are softer elements necessary for change.

Addressing the harder elements of change

Change program such as Lean Transformation can demand many improvement or change projects to be initiated within the organization. These projects cannot find their way up through a charter unless companies address harder elements, or the common denominators of change. A 225-company study conducted by Boston Consulting Group revealed a consistent correlation between the outcomes (success or failure) of change programs such as Lean and four hard factors: project duration or time between project reviews; integrity or the capabilities of project teams; the commitment of both senior executives and the staff most affected by the change; and the additional effort that employees must make to contribute to the change. So, an organization's ultimate success in an Enterprise Lean transformation program not only relies on the senior leaders' understanding of CAP tools and addressing the softer elements of change, but also how it addresses harder elements of change and its understanding of how each employee connects himself with the Lean initiative.

Connecting employees to Lean initiative, assessing the Lean program

One of the several ways to connect an employee to the Lean initiative is through a well-designed and implemented training program on Enterprise Lean Transformation. There are several executive workshops and numerous internal courses already being delivered by companies on Change Management. However, for a successful Enterprise Lean Transformation, the awareness of change or CAP among mass employees, level of education, and probability of success of the Lean program should be assessed. The Lean transformation journey should begin with an awareness and education of employees and senior executives. For this purpose, a more formal and effective training program or course should be designed and rolled out. This course should at a bare minimum include modules that cover topics 1-9 mentioned above. The course should also teach leaders how to measure and assess levels of change because unless you know how deep rooted the change in your organization is, you cannot take actions to guarantee its sustainability. Finally, the course should be modified or refined periodically as the company undergoes cycles of strategy, marketing, organization and technology changes.

Hence, change is never over since some activities associated with it must be constantly refined and relaunched. An organization with an Enterprise Lean transformation program should always seek new ways to sustain the change by introducing and implementing CAP, addressing softer and harder elements of change, continuously updating the training course, and performing timely change audits or assessments to gauge success of the change. Based on audit or assessment results, Change Champions and senior leaders should take immediate, proactive actions before the 'transformation train' is derailed.

Here are some initial questions that might stimulate your thinking. Your answers can help companies shape and design the Lean transformation or change program. Your comments are most valuable.

1. What is the compelling reasons you think would allow you to embrace change positively?

2. As a leader what would be your top priorities to transform the organization to accept change?

3. As an employee what would you expect from your leaders?

4. What will make a change initiative like Lean stick according to you?

5. How would you proactively address resistance to change?

6. How would you measure success of a Lean or change initiative? (Annual audits? Assessments?)

7. What should be the role of Lean transformation or change management training and awareness programs?

8. How should the training program be structured?

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