The Importance of Lean

Lean is a management philosophy that focuses on removing activities that do not add value—in other words, eliminating waste—through continuous operational improvement. It is based on the Japanese concept of kaizen, which literally means “good change.”

Continuous improvement is critical in today’s increasingly competitive and volatile environment. To remain at the top of their game—and ahead of their competitors—companies need to continually adapt and enhance their performance. A lean approach allows a company to achieve lower costs, deliver products of higher quality, improve customer service, accelerate time to market, and improve employee morale and engagement.

Over the years, BCG has helped many clients in both manufacturing and service industries drive step-change business improvement by implementing lean principles and adopting a lean mindset. With our expertise and understanding of the importance of continuous improvement, we can help you build capabilities and achieve sustainable competitive advantage by implementing our Lean Enablement programs.

(continued on reverse)
Why Lean Enablement?

By definition, the success of lean depends on an organization’s ability to continually improve and to implement lean practices throughout the organization. This usually requires a certain level of capabilities and the right mindset.

Traditional lean-consulting projects don’t always focus explicitly on building capabilities. Instead, they concentrate on applying technical lean tools. Such projects generally touch only part of the organization. So once the consultants are through, the organization may not be prepared to continue the effort and to adapt the tools to the changing environment. As a result, improvement stops, results fade, and motivation declines.

Lean Enablement closes the loop of continuous improvement. It can fully equip your team to continue lean efforts beyond the scope of the consulting project. It can instill a new mindset across all layers of the organization. It can allow your teams to better leverage lean concepts and principles in solving daily, real-world problems, and it can have continual impact. Enablement ensures that all employees—from the leadership team down to the individual contributor on the shop floor—have the right focus: lean enablement can help create sustainable, long-term value for your company.

Lean Transformation Helps Companies Sustain and Magnify Initial Project Results

For further information, please e-mail us at enablement-lean@bcg.com.
What We Offer

Our Lean Enablement offer combines delivery of results with the improvement of your organization’s lean capabilities. We partner with your teams to identify opportunities for positive change, equip your organization with a thorough understanding of lean principles and best practices, and coach them in the application of lean techniques for delivering tangible results.

Our Lean Enablement offer includes the following core elements:

- Lean maturity assessments of the organization and its existing processes
- Workshops to identify opportunities for improvement
- Lean simulations to introduce principles and develop basic skills
- On-the-job training supported by individual coaching
- Lean best practices, tools, and techniques
- An organizational and change management structure to ensure a successful rollout

The dedicated experts in BCG’s Lean Enablement Center have extensive experience in implementing lean programs across a wide range of manufacturing and service sectors. Working hands-on with your team to transform your organization, they will instill a lean mindset and culture. They will help your team tailor lean tools that respond to your organization's operational constraints and challenges. They will help build capability within your organization to ensure sustainable results.

Our approach will enable all levels and relevant stakeholders across your organization—from the CEO through the operators. In addition to working with your line management, we set up, train, and coach a dedicated continuous-improvement team that will extend the learning across the organization and sustain progress long after our consulting team has gone.

(continued on reverse)
How We Assess Your Lean Capabilities

To set the right focus and level of ambition for an Enablement program, we often start with a comprehensive assessment of the organization’s capabilities and generate a Lean Enablement score.

A Lean Enablement score is a quantitative assessment of the four key dimensions of our curriculum. We separately assess each level of the organization. The individual scores are then evaluated against best-in-class scores for each level.

Processes are also assessed to identify their “maturity level” and major opportunities for improvement. This enables us to adapt the most appropriate lean tools and techniques.

The Elements of a Lean-Capability Maturity Assessment

With this approach, we measure experience levels across organizational layers and pinpoint key areas for improvement. On the basis of the assessment, we then custom design a skill-building program that fits the specific needs of each group in your organization.

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How We Build Skills

Our lean skill-building programs are based on a holistic curriculum that consists of 24 learning modules. We will customize and scale this curriculum to meet your specific business requirements and the development needs of people in your organization.

Our Proven Lean-Enablement Curriculum

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<th>Lean principles</th>
<th>Business requirements</th>
<th>Operational improvement</th>
<th>Performance governance</th>
<th>People management</th>
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We believe that the most effective way to master lean skills is through application. We start by practicing lean in the classroom through physical and concept-based simulations. We continue by coaching your teams in their application of lean approaches on the job.

We rigorously test and track learning progress and provide constructive just-in-time feedback, applying necessary course corrections. In so doing, we ensure that your teams will have mastered lean tools and principles by the end of the program.

(continued on reverse)
How We Build Skills (continued)

Lean Simulations

Lean simulations are a hallmark of BCG’s skill-building approach. They provide a fun-filled and effective way to learn lean principles and practice the application of lean tools and techniques in a safe environment.

Our simulations in both lean manufacturing and lean services will be tailored to the needs and objectives of your organization. Participants will gain firsthand experience of the power of lean by working on such tasks as assembling model trucks and the process of integrating new employees into a workforce.

The simulation will comprise several rounds, and after each round, participants will discuss issues they encountered and brainstorm opportunities for improvement. A trainer, one of our BCG experts, will give a lecture to reinforce key concepts and provide the most relevant tools for the next round. Key efficiency metrics will be tracked to monitor progress.

All simulations are mobile, so they can be easily deployed in the location of your choice. We can host lean simulations in our Enablement Centers or bring the lab right to you.

For further information, please e-mail us at enablement-lean@bcg.com.
How We Embed Lean Capabilities Throughout Your Organization

We design and roll out our Lean Enablement program in waves. Each wave follows the three-step lean value-creation approach displayed in the diagram below.

Three-Step Lean Value-Creation Cycle

1. Expose waste
2. Address waste
3. Sustain improvement

We will partner with your team right from the start. We will help you build and develop a dedicated team of lean change managers who will lead the lean initiative after the BCG team departs.
How We Embed Lean Capabilities Throughout Your Organization (continued)

We will work side by side with your people through all stages of the process. BCG will lead the initial one or two waves of the Lean Enablement program, delivering quick impact and providing your team with the opportunity to understand the approach.

Gradually, we’ll transfer oversight of and responsibility for the key tasks to your team, coaching the team through execution. In parallel, your team will receive the necessary training on lean tools, techniques, and approaches. In addition, *kaizen* change managers will be trained so that they can lead such efforts independently and help other team members meet and adhere to their goals.

At the end of each program, we put in place such operating mechanisms as stand-up meetings, performance metrics, and dashboards to monitor progress and detect issues.

To get the full benefit of lean, a company must adopt a continuous-improvement mindset. This, in many cases, means a significant cultural change for the whole organization and each person individually. So it’s extremely important to make sure that the focus is not only on building technical skills but is also on managing the softer side of the change. This is the key to sustainable results.

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Our Programs Deliver Lasting Results

Our Lean Enablement programs deliver both step-change business results and lean capabilities. Our typical lean program provides significant impact to the bottom line—even in the short term. Enablement ensures that these results are sustainable over time. Full programs, in many cases, have provided value greater than ten times the BCG engagement fee.

We define success in terms of your organization’s ability to sustain and improve results over time. During the course of the program, we make sure that we embed lean practices and skills and the kaizen philosophy deep within your organization. We not only help you redesign processes to achieve immediate impact, we also help ensure that your people will be able to implement the new processes successfully throughout the organization after the BCG team leaves.

Ultimately, we enable your organization to achieve sustainable competitive advantage through lean.

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Our Team’s Advantage

Our Lean Enablement Center features a committed group of experts, each of whom brings years of in-depth, real-life lean experience in multiple industries, as well as proven results. All of our lean experts are focused on driving substantial and lasting impact for your organization.

Meet the Leaders of Our Lean Enablement Centers

Daniel Spindelndreier
- Partner and leader of the Lean Manufacturing Center for Europe
- More than ten years of experience in lean manufacturing
- Based in Düsseldorf

Michael Zinser
- Partner and leader of the Lean Manufacturing Center for the Americas
- More than ten years of experience in lean manufacturing
- Based in Chicago

Olaf Rehse
- Partner and leader of the Lean Services Center for Europe
- More than ten years of experience in lean services
- Based in Düsseldorf

Brian Roughan
- Partner and leader of the lean services topic in the Americas
- More than ten years of experience in lean services
- Based in Boston

In general, we conduct our Lean Enablement work at the client’s site—in the native working environment, on the job. But we also have training facilities in France, Germany, and the U.S., where we conduct lean simulation games and workshops with BCG experts and even offer a model factory that incorporates cross-industry experience.

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Our Impact

The Lean Manufacturing Enablement Program

A leading industrial-goods manufacturer had been experiencing deteriorating product quality that was the result of an inefficient production system and a siloed culture. These deficiencies led to steadily rising costs and significantly lower profits than those of the company's nearest competitor.

As a part of a multiyear companywide effort, BCG helped develop, pilot, and implement a Lean Enablement program. The program focused on improving product quality and on-time delivery rates, streamlining and optimizing production processes, reducing costs, and improving employee morale. Within the first six months of this effort, the defect rate had dropped by 70 percentage points. After the first two years, profitability had doubled and employee morale had reached an all-time high. “I was skeptical about the transformation,” one plant worker said, “but after experiencing the change, I now know that this is for real. I want to do everything I can to continue to make this successful.”

Major elements of the program included implementation of lean production systems in selected factories, a comprehensive skill-building program, and a companywide change-management effort to instill a lean culture and improve collaboration. We also helped establish governance mechanisms to ensure a successful rollout and continuous improvement.

As the BCG team led the lean transformation, it also helped build lean capabilities across the organization in the following ways:

- Facilitating kaizen workshops to identify opportunities for improvement
- Coaching cross-functional teams on a lean transformation process and introducing a new team-based structure on the shop floor
- Conducting training sessions on lean tools and techniques
- Designing and implementing a scorecard to monitor progress
- Establishing a new governance process to ensure management’s strong engagement in continuing the effort

(continued on reverse)
Our Impact (continued)

The Lean Services Enablement Program

A leading industrial-engineering conglomerate wanted to improve the quality, cost, and lead time of its 6,000-employee information-technology operations. The CIO wanted to implement lean across 15 core IT processes.

As part of a three-year effort, BCG developed a lean capabilities-building program that consisted of eight 14-week “waves.” BCG led the first two waves: project management and incident management. Gradually, then, BCG decreased its role in subsequent waves that focused on topics such as workplace engineering, sourcing processes, IT architecture, and performance metrics. The client led the final waves.

The BCG Lean Enablement program involved the participation of more than 400 client staff across all sectors. We trained 30 lean leaders and all CIO staff. The program included the following:

- Training in lean tools and techniques, including workshops and on-the-job coaching
- Service simulations involving the participation of 15 executives and 30 lean leaders
- Assistance in mapping the value stream and defining and implementing kaizen
- Classroom training sessions on lean basics for seven lean change managers and more than 50 employees.
- Hands-on supervision of client teams to drive kaizen to completion.

The program secured savings that had begun to accrue in the first wave. By the end of the program, the company had achieved $25 million in benefits.

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