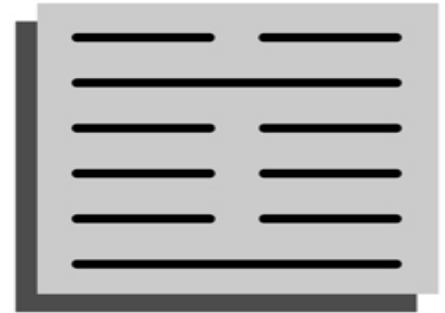


# Change Management Associates



October 2012

## Featured Topic



### It's Not Just Metrics!

Visual Management Systems are Much, Much More

Dear Drew,

Several weeks ago I was watching a fellow Lean Enterprise Institute (LEI) faculty member deliver a two-day workshop on the subject of 'Integrating Visual Management with Leader Standard Work'. This is a topic of great interest to many people and represents a large percentage of my work over the past several years. It is always a great experience to observe my fellow lean practitioners in action. I find it a wonderful opportunity to hone my knowledge on a particular subject and to pick up better ways to convey important learning points in my own work. So thank you Joe Murli for allowing me to be a 'wall flower' for two days.

The subject of Visual Management Systems is getting a lot of attention the past few years. The response that I received from our March 2012 newsletter '*Help Wanted: Using Visual Management to Encourage Employee Engagement, Facilitative Leadership, and Drive CI*' was tremendous. Dozens of people responded with 'lessons learned' from their own experiences. It was good to see that Joe approaches the subject in a very similar way as I do, a bit of validation if you may. It was very interesting to see that he encountered some of the same difficulties that I do when teaching and coaching groups through this subject.

The participants were led through a methodology to design a visual management system for a value stream. There are two main components: visual process adherence and visual process performance. Of course there are numerous sub-components of each. Standard Work, 5S, even Pull/Kanban

## Upcoming Events



CMA and our network affiliates have the following events scheduled:

### AME Events:

#### TPM 101 Event

Collegeville, PA

December 17-18, 2012

Hosted by Superior Tube, this application based event will allow participants to learn in a hands-on way the important subject of Total Productive Maintenance (TPM). Much more than preventive maintenance techniques, TPM also includes autonomous, predictive and productive maintenance concepts. For more information [click here](#)

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#### Mid-Atlantic Lean Conference

Timonium, MD

November 5 - 9, 2012

Hosted by the MD World Class

Systems all provide standards that must be maintained or adhered to in order to achieve a stable and predictable process. Process Performance include a comprehensive set of measures (but no more than 5 typically) including Safety, Quality, Delivery, Cost and Employee Engagement.

It was amazing to me that many of the participants struggled with the process adherence components. There was no difficulty identifying process performance components - pretty charts updated on some periodic basis to convey past performance. Such things most people are familiar with. But a Visual Management System (VMS) is a system used to manage rather than a system for management. It must be an 'active' system rather than a 'passive' system. Ask yourself what is more useful, *a graph displaying data of what has happened or a visual indication of current conditions that can be used to make decisions and take action during the day?*

One group was interested in monitoring lead time through an area. They were going to institute a data collection system that would allow for the periodic calculation of average lead time which could be posted in the area. I asked them was it more important to understand the 'average' lead time or that a specific order did not get processed in a timely manner and action was needed to correct? They seemed puzzled by my question. I pointed out to them that what they wanted to do represented a backwards calculated metric that would have limited value in managing the flow through the area. I suggested that they determine a visual method where anyone could immediately identify those orders that were in the area longer than they should have been. They came up with a color coding system based on day of the week.

This is just one simple example that it is not a metric that is important but a visual control that can trigger action. And by the way the visual control would be easier to maintain over time. No need to collect the data, input it into a spreadsheet, and create, print and post charts. As I often hear from people 'we don't have time for this lean stuff'. So we always want to follow the 'keep it simple' rule. This leads to my next point: electronic versus manual.

This workshop had its share of people who did not understand the mantra of 'simple and visual is better than complex and elegant'. A chart manually updated once or several times a day is always easier and more timely than the process described in the last paragraph (collect, input, create, print and post chart). But it is more than aesthetics. When people manually maintain charts or some other visual indicator of performance or condition there is a sense of 'ownership'. They believe in the figures because they put them there. There is no loss time disputing the numbers, their origin or the context or conditions in which they were taken. The discussion can move right to affecting the numbers in a positive way.

Another group was struggling with maintaining visibility of the

Consortium, the weeklong conference will include presentations from manufacturing, government, and education. Workshops on various topics will also be available.  
For more information [click here](#).

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### **Lean HR Summit San Antonio TX**

November 8-9, 2012

Leaning HR processes, HR's role in the Lean Enterprise, Culture and other topics will be covered in workshops, presentations and by keynote speakers. For more information [click here](#).

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### **Lean Enterprise Institute Workshops**

Dallas TX

November 13-15, 2012

Coaching Skills, Leader Standard Work, Optimizing Flow in Office & Services, VSM for the Office and more! [Click here](#) for more information.

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**Be sure to check out  
our publications!**

**"Lean Office & Services  
Simplified"  
(2012 Shingo Prize  
recipient)**

**"The Complete Lean  
Enterprise"  
(2005 Shingo Prize  
recipient)  
VSM for Administrative & Office  
Processes**

queue of work in an electronic format. They were considering the design of some form of report that the system would generate several times each day. One member of that group bemoaned, 'in my company that would take 6 months or longer for IT to respond to such a request'. Everyone else nodded in agreement. I asked them who knew what was in each person's queue? Their response, 'the people know'. I responded, 'then why don't you ask the people to report on the status of their queue several times a day and post it at or nearby their desks. Better yet, have them report only when it exceeds a certain limit because that is what you are really interested in'. They thought this could be easily and quickly done. The Visual Management System should 'engage' people as part of an 'active' system. This was one small example of how to do just that.

There was one strong advocate for electronic who would not yield. 'How can you trust people to report the numbers accurately?' That was a very telling statement from the manager of a large financial institution. It identifies the biggest obstacle to the deployment of visual management systems....trust. Associates do not trust management to respond in an appropriate way, and at least with this individual, management doesn't trust associates to participate in an honest, constructive manner. Visual Management cannot solve the deeper issue in that particular organization, but it can serve as a vehicle to begin the 'healing'.

So take a look at your own Visual Management Systems. Are they simply metrics that provide an understanding of what has happened, or are they truly used in daily management? Do they tend to be 'wall paper' that people walk by and occasionally look at, or are they an active part of your management system? Based on your responses, you might want to consider a more comprehensive system that can provide tangible and timely benefits to your organization.

Best Regards

Drew Locher

Managing Director, Change Management Associates

## Lean HR Summit, November 8-9, 2012 San Antonio, TX

HR Professionals can positively influence lean thinking, but many are unsure of how to do so. Enter the Lean HR Summit. The Summit is designed to equip HR Professionals with skills and understanding to positively impact the lean enterprise. It moves HR from mere "keepers of policy" to "drivers of the lean enterprise." The Lean HR Summit is uniquely designed as the world's largest gathering of lean HR proponents. This emerging community gathers to explore best practices and further advance the principles and practices of lean HR.

## "Value Stream Mapping for Lean Development"

Books are available at [www.productivitypress.com](http://www.productivitypress.com)

Go to [www.cma4results.com](http://www.cma4results.com)  
Click on "News" to find articles and past newsletters. Recent newsletters are:

"By the Numbers"  
A reflection of learning over the past 25+ years on the subject of Lean Accounting

"Finding the Scientist in You: Real Learning Comes in the Journey"

"Help Wanted: Using Visual Management to Drive CI"

"Debunking a Myth about Lean Office"

"What's Your Problem? The Basics of Problem Solving"

"Can We Talk?"  
Encouraging Meaningful Conversations in Business.

"Because I Said So"  
Managing by Objective (MBO) versus Striving for Target Condition

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