

Building an Innovative Lean Enterprise



A
Strategic
and
Operational
Leadership
Audit Tool
for
Manufacturing
Organizations

A concise comprehensive tool for helping educate and measure where your improvement process stands compared to the Ideal benchmark standard process.

Provides leaders and teams direction for mastering business fundamentals required for sustainable success

Targets becoming a customer-focused, people oriented, innovative lean enterprise

Builds a formidable competitive advantage by providing the Best Value for customers and all major stakeholder groups

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To Our Readers

Nearly every business leader is pursuing change initiatives to improve the cost, quality and delivery of the products and/or services they provide. A few of these leaders are pursuing a large number of initiatives as part of a more systematic approach to continuous improvement. Only a small minority are pursuing a disciplined systems approach as part of the cultural transformation need to become an Innovative Lean Enterprise.

An Innovative Lean Enterprise is an organization that has successfully integrated their people related processes, those needed to tap the full energy, creativity, synergy and commitment of all teams and team members, with a disciplined continuous improvement process to achieve a sustainable high level of performance. It is the ultimate engine for success.

This Audit Tool is intended to help educate and provide a means of measuring where your improvement process stands compared to an Ideal state associated with becoming an Innovative Lean Enterprise. This Tool identifies 20 criteria that need to be mastered to achieve this goal. These criteria are presented in an order believed to be most supportive of a practical implementation.

Executives and managers with direct operational responsibility should physically tour facilities and all departments for which they are responsible, assessing current status relative to Ideal practices by shading corresponding circle quadrants, by column heading. The ultimate goal is for the entire organization to operate such that all circles are shaded. We believe that any organization that can achieve this condition will truly be a benchmark standard as a Lean Enterprise, an organization that is achieving a sustainable high level of performance. This is part of the never-ending process for perfection.

As you will see, this audit system is established with intention of measuring your “Lean” journey around Executive Leadership and then application of People, Methods, Materials and Machines. It is not intended to be a top down application. Only suggested measures for each major category. Several of these audit criteria will most likely be in process at one time.

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1 Cascading Annual Planning



Ideal

A formal process for cascading strategic and annual plans to all teams is in place and being followed. Each department sees themselves as both a customer and a supplier in the system. Progress against these goals and plans are reviewed each month in a participatory manner. Team leaders review plans and subsequent results on a regular basis.

3

Each functional department adheres to a set of cascading annual plans, ultimately supporting a diverse cross-section of organizational goals. These improvement goals may or may not be aligned with goals promoting total organization success. Monthly reviews fail to identify and or eliminate progress variances as they relate to established goals. Team planning gaps block the achievement of total organization success.

2

Functional departments have established annual plans; however, the plans are not cascading and only support some organizational goals. Plan reviews are erratic.

Traditional

Annual planning is *ad hoc* and derived from a limited perspective or knowledge base. Executive and organizational goals are made available in a limited or erratic capacity. A comprehensive and integrated approach to formal planning reviews is rare and little is done at the end of the year to draw upon successes and failures to formulate future plans.



2 Executive Champion



Ideal

A dedicated senior level executive champion, reporting directly to the CEO, is in place and brings a high level of passion, knowledge and experience to this role. Expert consultants are used mainly in an independent audit role to provide guidance and to help identify any changes needed to ensure the overall process is on track supporting the business becoming a benchmark standard for performance as a Lean Enterprise.

3

A dedicated high level leader, reporting directly to the COO, or head of operations, is in place and brings great deal of enthusiasm, knowledge and experience of this role.

Expert consultants are used mainly for educating leaders regarding their role and responsibility in leading a transformation to build a lean organization.

2

A dedicated leader, reporting to one of the functional leaders in operations, or head of a division, is in place and brings enthusiasm, some knowledge and experience in the area of lean. Consultants are used to both help identify and sometimes to lead specific improvement projects.

Traditional

The need for change is described in only very broad general terms along with broad general goals. There is little evidence of an understanding of a disciplined systems approach and there is little to no connection of the change initiatives with the strategic plan. There is virtually no evidence of the need to engage the team members in the change process and team members see the process more as a flavor of the month approach. Consultants are frequently used and team members see change as more happening to them compared to being pursued with them. Improvements made are frequently non-sustainable.



3 Beliefs / Policy



Ideal

A commitment to become a Lean Enterprise operating at a benchmark standard level is in place and is widely experienced as being genuine. It is supported by a description of the cultural changes required and the effective deployment of this is clearly evident in both strategic and operational plans.

3

A disciplined systems approach directed toward achieving operational excellence is in place. Leadership regularly reinforces the need for change, along with the importance of teams and team members. It is Leadership that mainly drives the change process. Improvement goals are in place and integrated into both strategic and operational plans. While team members feel moderately engaged, the process for team development is only loosely connected to the process for operations performance improvement.

2

Leadership regularly emphasizes the need for change through continuous improvement. A number of change initiatives are being pursued. Goals are in place but not well integrated into strategic and operational plans. The change process is often driven more by consultants than management. Team members do not feel engaged in the process and do not understand how everything fits together for their benefit as well as the benefit of the company.

Traditional

The need for change is described in only very broad general terms along with broad general goals. There is little evidence of an understanding of a disciplined systems approach and there is little to no connection of the change initiatives with the strategic plan. There is virtually no evidence of the need to engage the team members in the change process and team members see the process more as a flavor of the month approach. Consultants are frequently used and team members see change as more happening to them compared to being pursued with them. Improvements made are frequently non-sustainable.



4 Communication Process



Ideal

The understanding of lean as a tool for continuous improvement is fully communicated throughout the organization and the use of value stream maps and other lean tools are clearly communicated and being used for improvement projects. Lean has been communicated as supporting both the mission for the organization and as an integral part of the cascading annual plans.

3

Lean philosophy and tools have been communicated and are understood organization-wide. While a tremendous amount of functional department activities use lean tools, these are not tied into the total value stream and may or may not be improving the condition of the entire organization.

2

Lean has been communicated as an expectation; however, each functional department is implementing lean tools with limited communications throughout the organization.

Traditional

Lean philosophy, policies and procedures have not been communicated nor any training established for visualizing the total value stream of the organization. Communications of lean have been that it is more of a manufacturing plan and not applicable as a Lean Enterprise engaging every function.



5 Empowered Team Members



Ideal

Every team member understands his or her opportunity and responsibility to aid the organization's need to improve performance, quality, cost and delivery. Policies and procedures are in place that support a participatory process toward elimination of waste and promotes confidence in long-term job security as well as individual growth.

3

Processes for continuous improvement, job security and growth exist and function well. Methods of individually assisting the organization with waste elimination goals are not only present, but also understood by all the team members. Team leaders understand how to get involved; however, the entire system is viewed with a degree of skepticism.

2

The belief and corresponding statement, that team members are the greatest organizational asset is evident in every aspect of operation, including the mission statement as well as purpose and values statements. Most team members believe such statements are true; however, tools allowing team members to identify with the organization and have true influence on areas in which they work do not exist, most team members suggestions go on a list of items intended for management action.

Traditional

Any discussion of empowered team members is, at best, superficial, and little realization of the power that the people of the organization possess is achieved. The general belief is that team members are not willing or do not have the knowledge to help make the improvements needed. Most changes or improvements are identified and driven by management.



6 Participation Process



Ideal

There are at least three varying opportunities for team members to join a participative team, such as problem solving, suggestion system team, value streammapping team, etc. The majority of the issues are derived from the annual planning process. Supportive functions such as human resources, finance, and operations are all aligned, fostering team participation throughout the organization. The CEO and executive leadership team actively support the participation process and are part of the recognition process.

3

There are at least three varying opportunities for team members to join a participation team, such as area work team problem solving, suggestion system team, value stream mapping team, etc. A majority of the issues are derived from the annual planning process. The process is still largely viewed as an individual functional department activity with little cross-functional team building.

2

There are monthly work team meetings. Problem identification and problem solving is erratically associated with annual planning goals. Support of cross-functional departments such as human resources, finance and operations are assigned on an as needed basis. The reward and recognition process is *ad hoc* in nature.

Traditional

The organization asks team members to participate and has attempted to set up at least one form of a participatory model. Monthly work team meetings are more of a communications time rather than a monthly performance to plan review. There is very little brainstorming and opportunity for improvement development.



7 Organization Structure



Ideal

Leadership roles are well defined within functional departments. Leadership consistently responds to the team under his or her supervision and understands the requirements to ensure processes run smoothly using lean tools (annual planning, visual management, work standards, etc.). Leaders have sufficient problem solving and leadership training using team tools. Small, cross-functional group problem solving is operational throughout the organization.

3

Leadership is consistently aware and involved in keeping the lean processes operational. Leaders may or may not be trained in problem solving and problem solving leadership. The organization attempts to implement small group participation; however, the resolution of most large problems falls back to the leadership team.

2

Leadership positions are defined in title, but there is little understanding of actions and roles necessary to keep a lean process and supporting tools operational. There is not a full understanding of team support needed for a lean process.

Traditional

The organization may or may not have heard of lean. Lean is assumed to pertain only to manufacturing sectors. The understanding of lean systems, lean tools and lean applications relating to a Manufacturing industry are viewed with skepticism.



8 Process Flexibility



Ideal

Team members and maintenance staff are capable of performing several necessary processes, including production manufacturing, preventative maintenance and 5S. Workloads are balanced through standardization or work instructions and staffing is allocated to achieve customer order requirements (TAKT time). There is a clear training and team member cross-training chart present for each area supervisor. Team members are encouraged to learn new processes and possible job rotations are utilized. Leaders of the area are trained and utilize Job Instruction Training Process for all team member cross-training.

3

Production and maintenance team members possess a variety of skills, but are restricted in terms of application flexibility. There are defined and visual efforts to train in multiple positions; however, workloads are unbalanced. Some team members cannot perform all area tasks. Policies or union agreements limit the use of rotation.

2

Production and maintenance team members only perform one task and are restricted in terms of flexibility within a position or area. Training for a position is conducted by other area team members and lacks specific job application. Some cross-functional training is present, however, movement is highly restricted by management policies or union agreement.

Traditional

All team members know a few positions, but perform only one process on a daily basis. Maintenance has restricted classifications and is under policies and agreements to always call someone else with trade distinction. Most training is "on the job" and very short in nature. Team members may or may not be performing at the proper pace of a given position.



9 Inventory Visual Management



Ideal

100% of the inventories on the floor, in-process material, supplies for production (MRO), finished goods and empty containers are all visual and have identified amounts for use and safety stock. No movement of any material is allowed without the use of a Kanban (withdrawal, call or signal cards). Inventory counts and accuracy is performed by counting Kanban cards rather than counted pieces or boxes. Kanbans are adjusted regularly based on TAKT time changes driving necessary adjustments for either increased material or reduced material from all functional departments and external suppliers

3

Some inventories on the floor are visual, such as finished goods and finished functional department banks. There is still no accurate use of visual control and Kanban for items such as (MRO) or empty container inventory. The movement of inventory is still at times without the use of Kanban or out of the Kanban standard flow. There are higher than required inventories in some locations.

2

Work has been done to identify finished functional department inventories and attempts are being made to keep these inventory locations visual and organized. There is still a great amount of in-process inventory allowed between all types of operations. Some form of Kanban is used, however, it is utilized on an as needed withdrawal system based on material handling and next operations decisions rather than standardized time pull. Often the rule of first out is not adhered to.

Traditional

The finished functional department banks are in a central location, however, there is no attempt to identify any critical expectation of amounts or locations. There is at most identification of what each box or part is by name and part number. The material is pushed to locations and material handlers have to search for the right product each time. Widespread in process inventory is found both in assembly operations and machining operations and now first in, first out is required.



10 Value Stream Mapping / Process Flow Diagramming



Ideal

All team members are trained, understand and participate in value stream mapping. Targeted areas are identified to provide improved performance, cost, quality, delivery and overall customer experience. Standard expectation measures are established for each organization department, thus focusing improvements.

3

Some, but not all departments participate in value stream mapping. Some, but not all departments have established value stream maps with measures. Value stream mapping participants focus on continuous improvements; however, such efforts are not universally supported. Leadership attempts to connect value stream maps with all organizational activities, but connections are not yet complete, comprehensive or effective. Standards and goals for manufacturing, performance, delivery, quality and cost are present and value stream mapping supports these standards.

2

The process of value stream mapping has been introduced to the organization; however, little effort has been put forth to achieve either the map or improvements derived from value stream maps. Leadership recognizes a need for change, but in a limited capacity, thus de-emphasizing a need for total organization value stream mapping. Service delivery and quality expectation standards are present. Cost control standards and productivity initiatives are variable. The need for cost control standards and productivity initiatives are not widely understood on a department basis.

Traditional

Process flow improvement initiatives are, at best, *ad hoc*. Leadership actively seeks technology breakthroughs to improve productivity, quality, cost, service and delivery. Each functional department acts independently and no formal mapping is present.



11 Floor Communications System (Andon)



Ideal

Each 1st line supervisor's area has a visual communications system highlighting the state of production in real time items such as person or machine requiring assistance, quality control calls, minor stops location, Kanban calls, etc. These are all visual on the system and every team member and management understands the status. Team leaders and 1st line supervisors respond to communication tools in real time.

3

Stack tree lights and sounds function on machines and cells. Some form of TAKT time clocks are visual. Individuals respond to signals on a consistent basis. There are standard instructions as to whom and how to respond to signals.

2

Stack tree lights and sounds are visual and signal for assistance or indicate area status; however, responses are delayed and inconsistent from leader to leader, signal meanings are inconsistent. There are no standard instruction in terms of persons or tools to achieve rapid response.

Traditional

No visual line status communication exist. Only the 1st line supervisor and or a limited number of team members know the total line status. Line stops require investigation as to location and reason before response enactment.



12 Quality Improvement System



Ideal

Well-documented, in-station process check sheets are present at each check station and are utilized by manufacturing as well as manufacturing engineering to address defects through problem solving and mistake proofing tools. Daily tracking of rework and scrap takes place, drawing on team participation. Critical variances are identified visually at each process. Quality checks and mistake proofing are connected to the area communication tools.

3

In-station quality control is apparent through check sheets, standardized work and Andon in both assembly and machining. Line stop methods and team member understanding of responsibility for quality in-station visuals are present. Inspection methods are clear and build into the standardized work process. Station process checks exist at each process point. However, issues are most often not addressed in cooperation with manufacturing, engineering or quality.

2

Some in-station process checks are visible, but the process is still largely inspected and goes down the line or off the line for repairs. Station process checks in machine and assembly operations are heavy at the product level, with little effort to move the process controls (SPC), based on known problems.

Traditional

Machines and lines operate with some mistake proofing tools; however, floor visual check requirements are at a minimum. Basic inspections during production consist of marking defects and making repairs down the line. There is little control of standard process operation. The quality department has line responsibility for quality checks and inspection.



13 Visual Management



Ideal

At all levels of leadership there is clear understanding of visual tools needed in support of meeting customer expectations for quality, delivery and cost. Support functions have adapted visual work standards and visual values streams to support organizational goals and requirements. There is a visual cascaded annual planning process present throughout the organization. Responses to any abnormality or variance conditions are understood and handled with appropriate urgency.

3

Visual tools are present at the operations level and used to meet customer expectations for quality, cost and delivery. Back room functions attempt visual work standards and visual stream maps; however, these are functionally focused, not organizationally focused. Support and understanding of visual tools from varying levels in the organization, are limited. Where used and understood there is a degree of urgency present in dealing with variances.

2

Some degree of visual management is present; however, there is little evidence of monitoring for actual performance or abnormalities. Visuals are more for management viewing and satisfaction rather than action or manufacturing improvements. Visually identified problems or variances intermittently warrant an urgent response.

Traditional

Only management and their direct teams understand current conditions and manufacturing status. There are very few or no visual indications of operations conditions or work standards. Normal versus abnormal customer expectations and or manufacturing standards are indistinguishable from a visual perspective. Functional support lacks visual management and tools.



14 Individual Team Documents



Ideal

Teams, under the management of 1st line supervisors, contribute to the standardization of work and in-station process check sheets, machine capacity sheets and man/machine combination sheets all used by team to improve safety, quality, cost delivery and productivity. These documents are the basis for problem solving, setting new standards and future improvements.

3

Teams, under the management of 1st line supervisors, have well-developed team documentation standardized work sheets, in-station process control sheets, capacity sheets and man/machine combination sheets as well as the discipline to use tools for daily work. A failure to understand how to use all the documents for continued improvements, by all team members persists. Documents are perceived as a mere part of an intermittent process rather than a standard adherence.

2

Team members have some input into the development of standardized work documents. Documents are visual and most of the team can explain proper usage. Discipline to completely follow documentation guidelines is lacking, as is full team buy-in.

Traditional

Support departments (manufacturing, quality, etc.) develop all documentation without input from other sources. Upon completion, documentation is given to 1st line supervisors, who then instruct teams as to the standards of documentation. There is little to no input from teams needing to implement the information.



15 Production Instructions



Ideal

Department schedules are based on production withdrawal from in-process finished banks or finished goods inventory. The production instruction cards are then used to initiate department schedules and work. All lines are set to handle batch of one building and production instruction establish what products are build based on withdrawal and exact amounts to be produced with each instruction. The production instruction system is visible and indicates on time or behind condition of the manufacturing process.

3

The departments are scheduled based on a production instruction system. The system is initiated still based on a scheduling department activity. The system is visual, however, the response to behind or late conditions is slow or nonexistent. Large inventory banks make the sense of urgency somewhat unnecessary.

2

A system of production instructions are issued from a scheduling activity. Amount of product run is determined more by the teams, and the teams can manipulate the schedule based on their idea of what to run next or based on parts shortages for keeping in sequence. There is a Kanban withdrawal system in place, however, it is not used in conjunction with the production instruction system. They are seen as independent systems.

Traditional

Paper schedules are distributed to work areas once a day or less from a computer or scheduling department. The daily production run is by the area team and is based on many pieces of information, such as what is hot for shortage, number of team members present or parts available at the time to keep the production running. There is no Kanban withdrawal to even attempt working with a sequenced production instruction system.



16 Final Product Inventory Control



Ideal

Finished customer-ready material areas and safety stocks are identifiable. Staging is utilized to identify any problems before the shipment to customers. Safety stocks are utilized to insure on-time customer delivery. Problem solving counter measures are present and visible. These finished products are either monitored by production control (scheduling) or Hijunka schedules are used to schedule the final assembly or machining areas.

3

Finished material is stored in a first in, first out capacity. Separation of customer order min/max quantity and safety stock are not present. Staging is used to identify shortages. When identified, however, very few counter measures are taken. Finished goods inventory may be too large and or the number of days to be on hand are not clear.

2

There is very little identification of push "over production" from the process department or the supplier. Staging and final bank control requirements are not visual. While staging areas are utilized, the method of how to fill them and respond to problems is not clear.

Traditional

No staging is present and all trucks to customers are loaded upon arrival. It is impossible to judge the level of inventory necessary to support the customer needs. Often shortages are not identified until loading the customer truck. Finished goods are stored, however, in what capacity (min or max) is not visually understood.



17 Material Movement (Kanban)



Ideal

No material, production or supply (MRO) is moved without a formal Kanban signal. All products are pulled from finished process bank, material stores by a formal just-in-time (time or call-driven Kanban) to the line, from the supplier. All shortages are questioned from a Kanban standpoint, with adjustments to the system dependent on customer demands. Kanban is the leading indicator, from suppliers (internal and external), to the line, for potential shortages, allowing production control response time prior to line stoppage. Material Kanban loops are planned and the material delivery team is assigned to the receiving department for control.

3

Standard material utilization with Kanban takes place in fixed quantities. However, adjustments to the Kanban system are not clear. Sometimes, material is removed to the next operation without a Kanban signal. Material handling process instructions are assigned material loops. Kanbans are developed for production material, supplies and supplier Kanban controls.

2

Some form of Kanban is used; however, often material is retrieved by old methods or by material handlers still monitoring the line and getting materials as needed. Material often is not present at an assigned finish bank location and material handlers must search to find the requirements of a Kanban signal. Supply material (MRO) not delivered via Kanban and is dependent on team or leader retrieval.

Traditional

No Kanban system is present and material is delivered to the line in accordance with paper schedules and push processes. Storage of finished materials is ad hoc and scattered.



18 In-Process Inventory Management



Ideal

Ideally, there is no inventory after each functional department is complete. However, in most cases this is unrealistic. Each functional department has a defined finished process inventory, the storage of which is visible and always controlled in a first in, first out manner. There is no allowance for any in-process inventory (between machines or operators) other than the above mentioned finished or the amount described by standardized work. Inventory is only removed by a Kanban signal.

3

Finished functional department inventory location is identified, visually showing the amount allowed on hand (min/max) and in a safety stock. The assembly line has in-process inventory identified within standardized work. Some of the banks are still too large in some cases and the amount of in-process assembly is more than allowed by standards. There is little understanding of this inventory usage or its role in waste identification and elimination.

2

Finished functional department inventory is identified; however, the amount stored is not visual and often too much inventory exists. There is no identification of allowed inventory between assembly operations. Commonly, there are large inventory banks between various machine operations, thus resulting in unnecessary machine utilization and hidden machining problems.

Traditional

Finished functional department and assembly inventory is stored in various locations and amounts. There is no identification system to indicate inventory requirements or amounts. The entire operation is on a push system, thereby keeping machines and operations running and resulting in stacking inventory to cover for quality or equipment downtime.



19 Inventory Visual Management



Ideal

100% of the inventories on the floor, in-process material, supplies for production (MRO), finished goods and empty containers are all visual and have identified amounts for use and safety stock. No movement of any material is allowed without the use of a Kanban (withdrawal, call or signal cards). Inventory counts and accuracy is performed by counting Kanban cards rather than counted pieces or boxes. Kanbans are adjusted regularly based on TAKT time changes driving necessary adjustments for either increased material or reduced material from all functional departments and external suppliers

3

Some inventories on the floor are visual, such as finished goods and finished functional department banks. There is still no accurate use of visual control and Kanban for items such as (MRO) or empty container inventory. The movement of inventory is still at times without the use of Kanban or out of the Kanban standard flow. There are higher than required inventories in some locations.

2

Work has been done to identify finished functional department inventories and attempts are being made to keep these inventory locations visual and organized. There is still a great amount of in-process inventory allowed between all types of operations. Some form of Kanban is used, however, it is utilized on an as needed withdrawal system based on material handling and next operations decisions rather than standardized time pull. Often the rule of first out is not adhered to.

Traditional

The finished functional department banks are in a central location, however, there is no attempt to identify any critical expectation of amounts or locations. There is at most identification of what each box or part is by name and part number. The material is pushed to locations and material handlers have to search for the right product each time. Widespread in process inventory is found both in assembly operations and machining operations and now first in, first out is required.



20 Total Productive Maintenance



Ideal

Equipment maintenance is seen as everyone's responsibility. Production has a full set of preventative maintenance activities, which are controlled and monitored for completion. Maintenance is involved in training production team members on Productive Maintenance (PM) and perform skilled PMs regularly. Production leaders have a clear understanding of what PM adjustments the team members can make and there are proper tools to perform the PM adjustments. PM is valued as a lean philosophy.

3

Production is allowed to perform PM on equipment, however, the system to control PM is not well-defined and production team members are not fully trained in the PM processes. Maintenance is required to perform many PM tasks that could be performed by the team members, thus taking away from time to perform skilled trades levels of PM.

2

Management believes productions should be doing PM and that equipment maintenance is not effectively handled on the manufacturing floor. As such, little is accurately done. TPM is not viewed as a strong requirement and philosophy of lean, but just an expectation to keep equipment running. Most skilled trade members protect their performing of PM as a means of job security or the belief that production cannot properly perform PM tasks.

Traditional

PM is viewed as a maintenance responsibility. There may or may not be any official system to identify PM on any given machine. Some PM is performed, but inconsistently and haphazardly as the responsibility is not defined.

Research indicates that worker engagement rates are appallingly low (about 25% is the world average) and that few companies have been able to achieve above average results for very long. We believe that's because few leaders have been able to integrate all the current wisdom into a concise, coherent and comprehensive framework for leadership and lean enterprise development and to passionately follow this framework to achieve sustainable superior results.

We believe the most crucial question is: Do you want to continue to deal with these issues piecemeal, or do you want to take them on systematically, to build an organization that becomes an engine for competitive advantage and sustained success? The return for such a systematic approach can be well worth the investment.

Premise

Everyone wants to make a difference in work and life and to be part of a winning team.

Winning requires a compelling competitive advantage, used well.

The strongest competitive advantage is consistently providing all major stakeholder groups (customers, employees, investors, suppliers, communities) with Best Value.

The three principle processes that drive Best Value are:

- 1) ***Innovation*** the process for rapidly identifying and implementing both incremental improvements and quantum leap forward advances for products, processes and the business model
- 2) ***Lean Enterprise*** the process for improving cost, quality and delivery by eliminating waste through continuous improvement and optimizing all value chains
- 3) ***People*** the process for tapping the full energy, creativity and commitment of all the people, both individually and collectively, toward building a compelling competitive advantage as a customer-focused innovative lean enterprise.

The Leadership Roadmap

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Roadmap Sign Definitions

- 1) **Policy** Statement of commitment, rationale and general expectations
- 2) **Executive Champion** The most senior executive who brings passion, knowledge and experience to the development, deployment and performance management of the process
- 3) **System Design** Easy to understand pictorial representation of the process
- 4) **Execute** Education, deployment and performance management
- 5) **Scanlon Principles**
IDENTITY, PARTICIPATION, EQUITY AND COMPETENCE
 - **IDENTITY:** *distinguishing characteristics that differentiates an individual, team or organization from others. There are four distinct components:*
 - *Purpose* Reason for being that guides and inspires
 - *Reality* The implications of the environmental and SWOT analysis that align the need and objectives for change.
 - *Right Job* Business definition (What business do you want to be in?)
Vision (What do you want to become in this business?)

Strategy (Approach for focusing on critical success factors to realize your vision)

Strategic Objectives (Measurable objectives covering 3-5 yr. period)

Annual Objectives (Measurable objectives for the year)

- *Job Right*
 - Deployment of Right Job to all teams in a way that achieves complete alignment
 - Develop and implement an effective performance management system

- **PARTICIPATION** *Providing people and teams the opportunity to achieve synergy and ownership toward achieving objectives*

- **EQUITY** *Providing fair and balanced return for all major stakeholder groups and resolving internal issues in the spirit of fairness to all.*

- **COMPETENCE** *Personal, Professional, Organizational*

6) **Audit** Use outside experts for each major process to assess overall progress and identify areas for continuous improvement

7) **Continuous Improvement** Process of focusing on high impact areas identified with the audits with the goal of becoming excellent practitioners of People, Innovation and Lean Enterprise processes as fast as possible

