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Transforming change leader mindsets

Guiding mantras to lead a transformation to fast and sustainable results

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For every successful lean implementation, there are more than two unsuccessful attempts¹. Most companies embarking on the lean journey are looking for immediate transformational and sustainable improvement in performance. But lean's fine print should state: *results may vary*. Leading transformations with the right mindsets can reduce the variability and dramatically improve the effectiveness and sustainability of lean.

Thousands of global lean transformations continue to prove that sustainable change is achievable, but it requires a balanced focus on three elements: operating system, management infrastructure and the mindsets, behaviors and capabilities of the organization. Closely tied to the third element, three key mantras help to change our (change leaders') mindsets and lead to faster and sustainable results:

- Aspirational goals
- Speed and focus
- Transformational leadership

Aspirational goals

Setting aspirational goals is the way transformational leaders can reverse not only theirs but organizational mindsets on how to approach a challenge. People often underestimate their capabilities, lowering the bar, consciously or unconsciously, of the achievable. To avoid the pitfalls of unconscious underachievement, leaders can draw on two fundamental principles:

Breakthrough, not incremental change

Setting breakthrough goals beyond what we see as achievable helps organizations rethink their current practices and question, "what would it take to achieve those goals?" Setting a goal to double capacity at one of the best plants in 20 weeks can really make you think. That's what change leaders did in a recent transformation despite the skepticism

¹ Success defined through holistic assessment of company's performance (nonpublic companies) or market outperformance (public companies) one-and-a-half years after performance-transformation initiative
Sources: Beer and Nohria (2000); Cameron and Quinn (1997); CSC Index; Caldwell (1994); Gross et al. (1993); Kotter and Heskett (1992); Hickings (1998); Conference Board report (Fortune 500 interviews); press clippings

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from many; these game-changing targets were the catalyst behind the breakthrough thinking that eventually led to actually exceeding those goals. Having a stretch goal does not guarantee that success will occur, but it is hard to imagine transformational success without it.

Basis on perfect state—no waste environment

Envisioning the best possible case in an environment without constraints helps break the typical incremental-improvement thought process; at the same, it keeps us grounded to reality. One of the fundamental lean concepts successful leaders apply in all transformations is to physically draw the desired future state. Leaders establish aspirational goals by adding and challenging constraints one by one. Starting with what is possible today narrows the solution space to a few areas of improvement; however, starting with a no-waste case forces us to ask "why not?" and helps us rethink what is truly achievable.

Speed and focus

Transformational change requires a relentless focus on value and not on checking all boxes in a standard framework. Transformations often fail due to a lack of focus, but it is addressable by adopting four mindsets.

Narrow and deep vs. broad and shallow

Creating a change-ready environment is extremely difficult due to the necessary transformation of people's mindsets and behaviors. Therefore, it is important to focus efforts in a narrow area, and transform it using a holistic three element approach. Implementing lean tools bureaucratically across the entire organization at once will dilute the efforts and yield incremental or temporary improvements—not the sustainable transformation companies are seeking. In a typical transformation, the first wave should center on only one or two distinct production lines for every 10 possible lines. This narrow and deep approach allows transformation leaders to focus all our efforts and quickly implement fast and sustainable changes in people behaviors and processes.

Bias for speed

Speed challenges known constraints and exposes system wastes in order to quickly drive to decisions and execution. In one example, transformational leaders established the front line 'team leader' role, which following old practices would take over a month, in less than one week. In the same case, leaders drove a change in product design to reduce changeover from hours to minutes, within three days. Ultimately, pushing for speed and stressing the system will yield quicker results, which will create the momentum needed to push and motivate the organization to change.

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Room for mistakes

In the words of a transformation senior client leader; "I don't care if you fail, but fail fast so that you can get another shot at it". In lean transformations, it is quickest and most efficient to "try and refine" than "fully analyze before any action". In the same case, transformation leaders changed the layout of a production line to eliminate the need for inventory and reduce motion. Many in the organization asked for detailed analyses prior to the change, analyses that in the past would have taken months. Instead, the line layout changed in two weeks and, although not perfect in the first try, got the plant closer to the future state. Often times, simple solutions lead to the majority of the impact, and through testing and refinement they achieve more impact faster than even the most elegant untested ones.

Relentless elimination of waste

To get closer to the no-waste future state, the entire organization must learn to relentlessly reject anything that does not add value to their product. During diagnostics, it is common to see constant machine breakdowns; and while mechanics fix problems, operators wait. By the end of the transformation, a stop should become a trigger for "on-the-spot" problem solving sessions with the goal of identifying the root cause of the breakdown. Setting an aspirational goal is one thing, but reaching it requires all levels of the organization to think about the elimination of waste not as a temporary project, but as a key part of their daily jobs.

Transformational leadership

The head leads the body

A lean transformation requires mindset changes at all levels of the organization, and especially at the top, to motivate and enable the adoption of the transformational values in the rest of the company. A senior client leader once referred to the transformation as "our game" to bypass typical business behaviors and allow people to take risks and think beyond their typical job horizons. Other leaders have implemented weekly tours and celebration for small successes by plant management kept the front line motivated. Having top management, including functions outside of operations, openly supporting lean and prioritizing it as one of the company's top initiatives enables fast impact and sustainability that most organizations are seeking.

Front line knows best

Engaging operators from the start will help new ideas develop faster and ensure the transformation is sustainable. In a lean organization, the role of management is to support the ideas and performance of the front line. In a typical example, before a transformation, management and engineering are the source of most improvement ideas and operators are only involved once the machine or system is in place. During transformations, change leaders train operators on fundamental lean concepts and help channel and implement their ideas. Leveraging operator insight will ensure the ideas keep coming and changes.

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Natural leaders are the best leaders—don't short change your lean transformation

Leading and sustaining lean across different plants, countries or continents requires unique personal characteristics and full-time commitment. In most successful transformations, management selects top performers from around the network to lead the change from plant to plant, and locally to sustain the initial waves. People can learn lean concepts, but an open mind, problem solving insight and great people leadership are a few of the distinctive personal characteristics needed to successfully lead a transformation that cannot be overlooked. Failure to do so will often lead to limited program impact.

In summary, if the goal is to see step change improvements in the performance of an organization, a holistic transformation of the operating system, management infrastructure and mindsets, behaviors and capabilities will work. However, leading with the aspiration, the right focus, and engaging leadership at all levels of the organization will ensure faster, better and more sustainable results. Using these principles we have recently witness an extremely successful lean transformation; almost tripled productivity and doubled capacity in 20 weeks and after six months of embarking in the lean journey, the local team has extended the transformation to all lines in the plant and has continued to improve line capacity to record breaking numbers. Lean results will always vary, but following these mantras will reduce the variability and drive sustainability■

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