# Leading Purposeful Change with the Lean Daily Management System®

A Kaufman Global White Paper

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ACCELERATING PERFORMANCE

**A successful Lean implementation** requires that the management system be designed so that leaders at all levels keep problems and needs visible and that they build plan-do-check-adjust (PDCA) thinking and actions into everyone's work. The Lean Daily Management System® (LDMS®) helps by setting out what a leader does every day. The LDMS framework (see **Figure 1**) ties together practices like leader standard work, daily accountability, and visual controls. It provides a disciplined and regular process for checking and adjusting the improvement cycle—the "C" and "A" in PDCA.

Used consistently, LDMS will:

- Support and reinforce clarity of purpose at all levels of the organization.
- Build continuous improvement and disciplined execution into day-to-day work.
- Involve and develop people.
- Create a culture of collaboration and accountability.

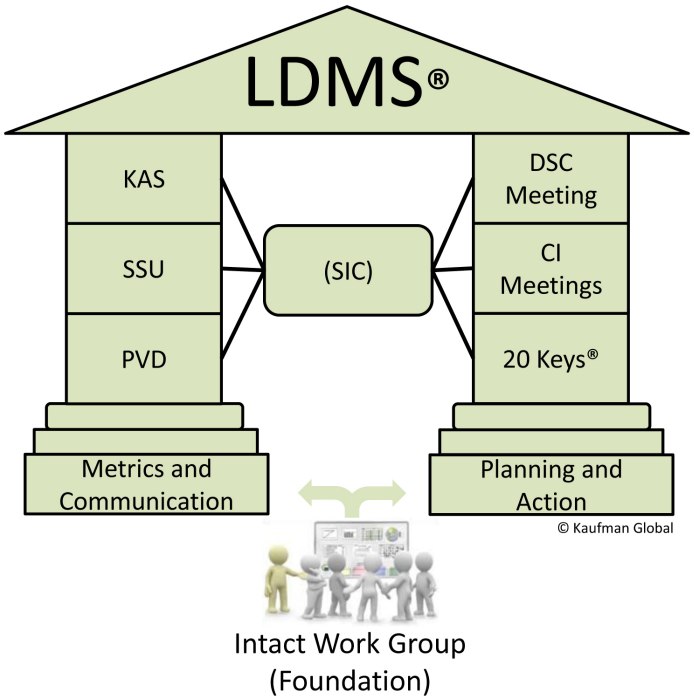


**Figure 1** - *The framework of the Lean Daily Management System is comprised of seven core components*[1]

LDMS helps solve a number of common problems. Lean can quickly become something done "because somebody says we're supposed to" or merely a set of tools. It is often difficult to keep efforts tied to the important goals of the business strategy, with Lean being a means to that end. Leaders can quickly slip back into old habits of dealing with the urgent, fighting the day's fires, and managing from a distance. A management system with frequent checking and adjusting can help prevent these outcomes.

In practice, where LDMS has taken root, leaders visit their work teams every day, holding short conversations about the team's daily metrics and tasks the team needs to accomplish that day. Teams will have been involved in continuously surfacing problems, identifying key improvement targets and tasks, and collaborating with their supervisor or manager on what the appropriate daily metrics and leading indicators will be.

The meetings usually take place around visual displays (see **Figure 2**), where team members report, and continuously provide updates, on key metrics. The daily meeting is the forum for surfacing problems, so that they can be prioritized and solved, and for triggering immediate countermeasures for rapid cycle problem solving and restoration of flow. Discussions bring out team members' ideas and creativity. Meetings reinforce accountability and demonstrate leader support, as people get comfortable with managers consistently participating in them.

The daily meeting gives the leader the opportunity to coach the teams on which metrics are important and why. The leader proactively supports execution and continues to explain what the organization is trying to do strategically, and then relating that to what a particular team's mission does to support that. LDMS® is more than a checklist, and should be done with the business mission in mind.

In operations, metrics typically focus on leading indicators for safety, quality, delivery, and cost. To continuously improve safety, teams on the factory floor may record injuries, near misses and any unsafe

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conditions team members have identified. Reporting on defects may monitor quality. To meet delivery goals, team members may look at performance to takt time and schedule, levels of work-in-process inventory and other indicators to see if they are on track. They may address costs by keeping track of scrap and productivity. Productivity may be measured by whether the team is producing at the pace of demand with the standard number of people.




**Figure 2** - *LDMS is a powerful mechanism for connecting the leader with the work of his or her team. It builds respect for people into the process, operationalizing that all-important behavior and work of the leader - "go see, ask why, show respect".*

In the office, the metrics vary depending on the type of team and what they are responsible to deliver to internal and external customers. Customer service people, for example, are dealing with the customers' needs or special requests. They might be monitoring order flow through the system. They might be tracking customer complaints about quality or delivery, the number of orders in the queue, how many orders are held up for some reason, and so on.

For an engineering or product development project team, the meeting may include checks on important project milestones. Is there a task that needs to be completed today, this week? Is the team on track to meet its commitments? What problems are being encountered? What extra support is needed?

Daily checks occur at each level of the organization. At the operating unit level, a cross-functional team may report on things like performance to schedule and daily preventive maintenance. The plant's leadership team conducts their own daily review of their accountabilities, surfacing problems and driving their own countermeasures. Similar information flows will be taking place in office-based support functions and other parts of the company. In this way, LDMS can connect an organization's PDCA loops from level to level, synchronizing strategy and execution.

In addition to the daily system, there are weekly and monthly management systems to keep the organization aligned and on track, using PDCA. Each week, cross-functional teams look at performance trends, recurring problems, and larger issues that need to be addressed. Monthly discussions may focus on the key performance metrics and the problems preventing their improvement. Another example of the monthly management system would be revisiting strategies and their execution. It's a leadership responsibility that often gets crowded out by the process of managing the urgent work.

For a leader at any level of the organization, using LDMS everywhere from the shop floor to senior management creates opportunity for learning. It provides a foundation of understanding and know-how that can be applied quickly in a new situation to help people make a difference.

Leaders beginning a Lean journey or trying to accelerate their progress need to reflect on the leadership and management elements of their organization's systems at all levels. They should assess whether they are just implementing tools or truly working to change the way that they manage the work and lead people.

LDMS is just one piece of the puzzle of truly operationalizing Lean, but perhaps one of the most powerful because of its frequency and deep engagement. It gets leaders involved in what is strategically important, and what is happening hour by hour, week by week, and month by month. Sharing and modeling their thinking and principles every day allows leaders to bring Lean principles to life—building the habits that fuel a learning organization.

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## End Notes

[1] The seven components of the Lean Daily Management System® include:

1. Primary Visual Display (PVD)
2. Shift Start-up Meetings (SSU)
3. Kaizen Action Sheet System (KAS)
4. Short Interval Coaching (SIC)
5. Daily Supervisors Coordination Meeting (DSC)
6. Continuous Improvement Meetings (CI Meetings)
7. 20 Keys®

## About Kaufman Global

Kaufman Global is a proven implementation partner that focuses on accelerating performance. For 20 years we have worked with clients around the world to drive enterprise-wide change initiatives and cultural transformations. Leveraging Lean, Six Sigma and proprietary change management techniques, Kaufman Global delivers structured implementation and transformation projects that enable sustainable operational and financial results.

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