

## **A Message From the Future**

- *Anonymous*

The year is 2060. The changes that have taken place in business over the last 50 years have been many and varied, and mostly for the better. Advances in corporate information technology are astonishing compared to 2030. Yet despite many advances, some management practices have undergone relatively little change. In the 250 or so years since enterprises came under more-or-less thoughtful management, some facets of management have stubbornly resisted additional improvement.

For example, there remains a tendency among leaders to treat their stakeholders poorly at times. Also, there is still a surprising absence of flow in information and work activities, from executive offices down to the factory or office floor, and generally between stakeholders, despite the great advances in information technologies. It appears that the management system in use today remains somewhat inadequate relative to the needs of people, which technology cannot remedy.

It has been 180 years since the birth of Lean management, beginning with Frederick Taylor's Scientific Management in the 1880s, which also marks the start of modern industrial engineering. Over this period of time there have been only two serious challengers to conventional management: Scientific Management (1880-1940) and Lean management (1975-2030). Both failed as alternative management systems, but they did succeed in adding many new buzzwords and tools to managers' toolkits. These tools remain in widespread use today, but mostly within the framework of conventional management, which of course is devoid of flow.

Lean management has been all but dead since about 2030. It survives in a small number of small- and mid-size companies and only a few large global corporations, not surprisingly, Toyota Motor Corporation and Honda. Toyota started to lose their way around 1998. It recovered beginning in 2010, but lost its way again a few decades later. Managers and employees have struggled to keep Lean management going, which proves there is no such thing as Lean DNA. For some reason it has been less difficult for Honda, who is now the world leader in both personal mobility products and robotic assistance systems for the elderly and people with physical disabilities.

Toyota's grand stumble in 2008-2009 gave an enormous supply of ammunition to the critics of Lean management. They ridiculed the "triumph of Lean" and began characterizing Lean as a myth. Toyota's come-down provided the evidence that legions of status-quo oriented managers needed so they could ignore Lean. Lean became "your father's Oldsmobile," as that old saying goes. Generation Y did not have much interest in Lean management because so many had seen their parents negatively impacted personally and professionally by botched Lean implementations.

Every organization devoted to advancing Lean management went the way of the Taylor Society and closed their doors due to declining interest. Unfortunately, the most knowledgeable and skilled Lean practitioners, consultants, trainers, and educators worked independently from one another for decades and thus failed to capitalize on their strengths. They did not work together as a team to

achieve their shared objectives and to better serve customers. The Lean movement faded as the key figures retired or passed away.

The Great Recession of 2007-2009 did not prove to be as beneficial to Lean management as many had anticipated. Instead of being a once in a lifetime “burning platform,” as they used to say, to initiate change, the deep recession caused most executives to stick with the devil they know, conventional management. Lean required too much delicate thinking and hard learning for which executives had no time. They were in survival mode. The use of Lean tools surged, a bubble so to speak, as a means to achieve short-term cost reduction to survive the Great Recession. Backslide became rampant when the economy improved. This further damaged Lean management’s credibility.

Managers cut millions of jobs during the Great Recession. The stagnant economy and burdens of unemployment and healthcare on society grew great and so managers turned their attention to innovation and entrepreneurship to develop so-called “game changing” products and services. Fundamental process improvement was seen by executives as too slow and yielding little or no fruit in comparison to the value that had to be created quickly to pay for growing social needs. And since accounting systems did not materially improve from that developed in the early 1900s, managers continued to view economies of scale (increased sales volumes) as the principal means to reduce unit costs in production.

For the first 30 years of its existence, roughly 1975-2005, the Lean community failed to understand Lean management, seeing it as tools to improve efficiency and productivity in operations. By the time they began to understand Lean as a management system, and also recognize the importance of the “Respect for People” principle and what it meant, it was too late. The Lean community almost exactly followed the path taken by the leaders of Scientific Management movement between 1910-1940 and repeated most of their errors.

Despite not having worked out as desired, both Scientific Management and Lean management led to some important improvements in business practices, productivity, and performance. Some improvement is better than no improvement, you could say. However, they should have done more because people’s lives, to a great extent, depended upon achieving better outcomes.

With Lean management now at its nadir, the time is again right for some daring and thoughtful people to understand why and how Scientific Management and Lean management failed to displace conventional management and start anew. It may turn out that the third time is the charm. The two earlier tries were probably destined to largely fail in part because supporters for too long lacked awareness of Lean principles, their relation to the tools, the intent of Scientific Management and Lean management (growth, not cost-cutting), or the problems that they would encounter.

So how can someone go about resurrecting Lean management? What would have to be done to assure broader success in the third iteration, rather than a few isolated examples that struggled to sustain themselves over time in the second iteration? They would certainly have to do a lot of root cause analysis, and will surely have to take the following actions:

- The name “Lean” management is a problem and should be changed. Call it “progressive management” instead. After all, this is fundamentally what Scientific Management and Lean management represent – a positive progression away from conventional management. The term “Lean” was always disliked by its advocates because it so strongly implied negative attributes such as thinning, cutting, inadequate resources, and laying people off. So, the name has to change.
- Progressive management will be presented as a comprehensive management system from the outset, never as a set of tools, and never used as a tactic to speed people up.
- The leaders of the third progressive management movement should be very well-versed in the history of Scientific Management and Lean management. They will understand the paths previously taken, the successes, and the root causes of mistakes that were made so they not to repeat unfavorable outcomes.
- Progressive management’s principles, “Continuous Improvement” and “Respect for People,” will be at the forefront from the very beginning. Tools will be presented as subservient to the principles, and the tools will be used in part to achieve the “Respect for People” principle.
- The advocates of progressive management will develop and propagate uniform messages consistently over time. They will use one definition of progressive management that incorporates several key elements: The win-win nature of progressive management; the fact the it is principle-based (where “Continuous Improvement” and “Respect for People” are timeless); the management system is focused on creating value for end-use customers; there is an intent to compete on the basis of time and achieve flow, helped by the elimination of waste, unevenness, and unreasonableness; and that the scientific method is the approach used to understand and correct problems. A single, well-written definition will alleviate discontent among executives who in the past were very confused by shifting definitions and incorrect interpretations of Lean management.
- The universal truths of flow production will be made explicit. That anyone wanting to achieve flow, which is the goal of progressive management, must learn or discover for themselves the requirement in all cases for just-in-time, kanban, quick change-over, visual controls, mistake-proofing, takt time, production leveling, etc., to use the old terminology.
- The human, economic, political, and legal benefits of progressive management are expansive and will be made very clear to all stakeholders, and especially to corporate leaders, the media, and students in colleges and universities. Operational aspects of progressive management, which was its focus between 1975-2007 and proved to be not a strength but a major weakness, will no longer be of primary importance. The new focus will be the application of progressive management for the enterprise and the extended enterprise.
- Recognize the good work that was done by prior progressive management practitioners, consultants, trainers, and educators. Their work and perspectives should be incorporated into the new progressive management system, thereby presenting a more comprehensive management system than was the case in previous eras. They include (in alphabetical order): Charles Allen; Carl Barth; Art Byrne; Morris Cooke; Training Within Industry leaders Channing Dooley, Walter Dietz, Mike Kane, and Bill Conover; Bob Emiliani; Henry Ford; Takahiro Fujimoto; Henry Gantt; Frank and Lillian Gilbreth; Yoshiki Iwata; Daniel Jones; George Koenigsaecker; Jeffrey Liker; Brian Maskell; Yasuhiro Monden; Taiichi Ohno; Harlow Person;

Charles Sorensen; Frederick Taylor; Eiji Toyoda; Peter Ward; James Womack; Frank Woollard; and so on.

- The advocates of progressive management will work together and they will not succumb to individual or organizational politics. This will be seen as inconsistent with progressive management's principles and as waste that hinders their abilities to achieve shared objectives and to better serve customers.
- A knowledge database will be created and available on-demand to progressive management practitioners via smartphones, to help keep them tightly on course. It will provide some answers on-demand, but will also promote practitioners' efforts to think through their own specific problems using progressive management principles and practices.
- Provisions will be established to discourage executives from cherry-picking Lean tools. The progressive management knowledge database can help with this.
- Exploitative consultants will remain a major threat to progressive management because they will do what they always do: cherry-pick the tools and sell them to executives as cost-cutting programs for quick hits to the bottom line. Efforts will have to be made to limit their attractiveness and isolate the damage that they cause.

Whoever resurrects progressive management will have to do these things at minimum, and likely much more, if they wish to have anything more than the relatively small impact generated by their predecessors. The key to success will be to study and learn the lessons from both Scientific Management and Lean management. Their histories will shape future success.