

BY THE BOOK

REVIEW BY BILL BAKER

The Lean CEO: Leading the Way to World-Class Excellence

Specs

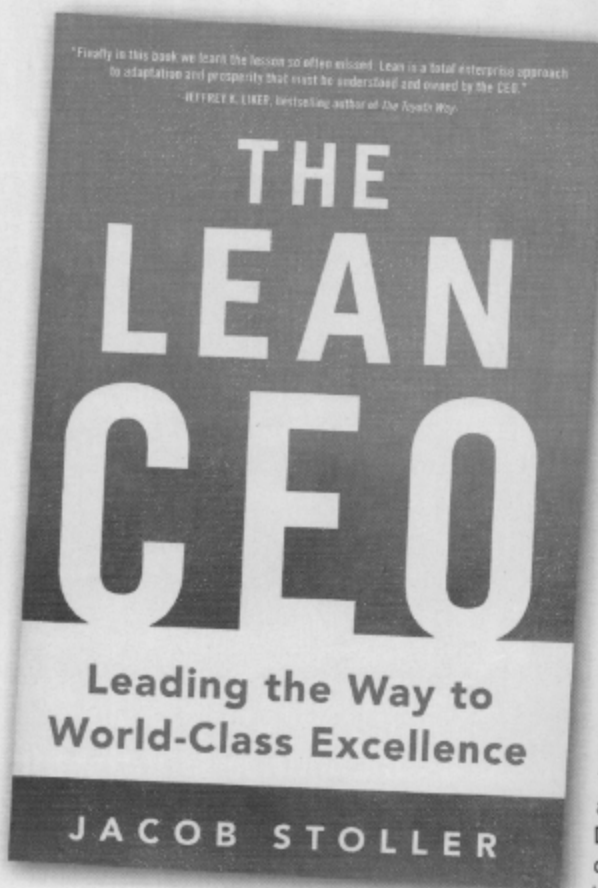
The Lean CEO: Leading the Way to World-Class Excellence by Jacob Stoller (McGraw-Hill, 2015, New York)

Synopsis

The author took the top road to understand and explain lean implementations in various companies and organizations. Starting with an endorsement from the governor of Connecticut and with input from many AME members and experts, he weaves a dynamic story of lean leadership in our changing world.

By conducting in-depth interviews of 28 CEOs from companies in a wide variety of industries, including Ariens, Barry-Wehmiller, Goodwill Industries, Herman Miller, Ingersoll Rand, the states of Connecticut and Washington, Thedacare and Virginia Mason, he captures in their own words how they guided lean implementations to sustainable financial results.

He acknowledges that lean theory is a hard sell in the boardroom, since many



board members are focused only on the numbers. Lack of top management commitment to lean as a management system and the radical new lean mindset is the main contributor to lean failure and disappointment, but for the 5 percent that truly adapt lean to the whole organization, the results are often stunning. The building blocks of continuous improvement and putting people first are the basic concepts that must be adhered to by all employees.

He defines 11 "Burning Platforms" that he explains in the first 11 chapters, and they are interwoven in the daily work. It starts with explaining the background of the June 1980 highly successful TV documentary, "If Japan Can, Why Can't We?" that featured productivity comparisons and interviews with W. Edwards Deming. This show is given much of the credit for the awakening that Japan was outperforming the U.S., as well as the debate in the 1980 presidential election (video can be viewed at <http://bit.ly/1TazU7C>).

“ I especially like Chapter 11’s Burning Platform topic, which is “reducing dependence on the CEO.” This is a major concern of actually changing the culture permanently, even after the CEO moves on or retires. He finds that installing a unique management system adds clarity and standard work for any new CEO.

BILL BAKER
TARGET MAGAZINE’S EDITORIAL BOARD CHAIRMAN

I especially like Chapter 11’s Burning Platform topic, which is “reducing dependence on the CEO.” This is a major concern of actually changing the culture permanently, even after the CEO moves on or retires. He finds that installing a unique management system adds clarity and standard work for any new CEO.

Hugo Bara at Supremia Grup in Romania says, "We've made it clear that everything in the company has to be improved." For him, kaizen is not just a tool; it represents the values of the company, and lean provides the structure for everyone to contribute.

In the final chapter, the author summarizes his findings on how lean CEOs lead and why lean organizations outperform non-lean organizations: Lean brings out the best in people, and lean gets leaders in touch with reality!

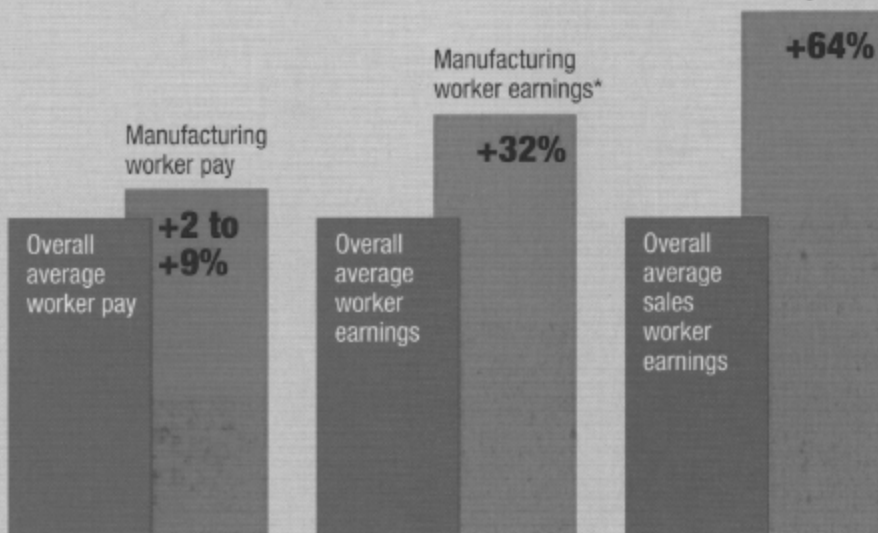
Worth the read?

The book offers deep reporting and analysis of leading lean transformations. It is useful at the C-Suite level and down through the mid-managers and lean practitioners that make the lean engine run. Specific examples help explain that all organizations are different and by adapting lean principles to the reader's company, great, stunning process can be achieved. ●

Bill Baker is Target magazine's editorial board chairman.

BY THE NUMBERS: MANUFACTURING PAY AND WAGES

In October, the U.S. Commerce Department released a report that demonstrates that manufacturing jobs pay better than jobs in other sectors, with earnings up to 32 percent higher.



*Earnings are higher than pay because manufacturing workers on average work more hours per week and per year than other workers.

Wages in manufacturing in the United States averaged \$8.74 per hour from 1950 to 2015, reaching an all-time high of \$20.05 per hour in September 2015 and an all-time low of \$1.27 per hour in February 1950. Over the last year, wages have grown by 45 cents (2.3%).



SOURCES: U.S. DEPARTMENT OF COMMERCE, TRADINGECONOMICS.COM, U.S. BUREAU OF LABOR STATISTICS

Mark your calendar

**AME Atlanta
2016 Lean Summit**
MAY 2-5, 2016
Atlanta
ame.org/atlanta

**AME 2016
International
Excellence Inside
Conference**
OCT. 24-28, 2016
Dallas
ame.org/dallas