

A FACTORY of ONE

Applying Lean Principles to Banish Waste
and Improve Your Personal Performance



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Chapter 1

What's Your Job?

In short, Lean thinking is Lean, because it provides a way to do more and more with less and less—less human effort, less equipment, less time, and less space—while coming closer and closer to providing customers with exactly what they want.

—**Jim Womack and Daniel Jones,**
Lean Thinking

Have you ever stopped to consider what your job is? Yes, yes, I know: your title is vice president (VP) of marketing, human resources (HR) benefits manager, or chief operating officer. But going beyond your title, what is the essence of your job? What aspects of your daily work create real value for your customers?

From the perspective of Lean, there are three kinds of activities: value-added work, non-value-added (but necessary) work—also called “incidental” work—and waste. (Some purists will distinguish between the last two categories as type I waste and type II waste. But rather than trying to remember that opaque terminology, I prefer non-value-added work and

waste.) For an activity to be considered value added, it must meet three criteria¹:

1. The customer must be willing to pay for the activity.
2. The activity must transform the product or service in some way.
3. The activity must be done correctly the first time.

In other words, the starting point for defining value is what your customer has asked you for—whether that customer is a paying client, a colleague, your boss, or even yourself. Value-added work comprises the actions that move your work closer to what that customer needs. Non-value-added work (or “incidental” work) may not move the value forward, but it is essential to your ability to do value-added work. And finally, waste is just that. Waste. To paraphrase Ernest Hemmingway, it’s the difference between motion and action.

It’s important to note that calling an activity value added or non-value added is not a judgment about the person doing that work. Sometimes, systems or policies force you to do non-value-added work or waste. (I mean, really: Does a florist or a barber really need a special licensing exam? Probably not, but it’s necessary to provide that service.)

I should emphasize that it’s difficult to see waste and value from your customers’ perspective. Think, for example, about ordering a meal at a McDonald’s drive-thru window. Is the lag time between ordering and receiving the meal waste? From McDonald’s perspective, that’s where the value is created—the processing of food. But from the perspective of a customer who decides to use the drive-thru, the value is in speed and convenience (often at the expense of food quality and price). Similarly, are the bathrooms, multiple ordering lanes, and clean interior of the restaurant value added? To eat-in customers, absolutely. But to drive-thru customers, the time, effort, and money invested in these areas are probably waste. The point

here is that what's value added from one customer's perspective may be pure waste from a different customer's perspective.²

Nevertheless, if you look around you, you'll see legions of entrepreneurs, managers, executives, and others who are confusing activity with value creation. Their days are completely consumed with activities that customers just don't care about and certainly won't want to pay for: HR training. Pointless meetings. Shuffling papers that litter their offices. Scouring their hard drives and e-mail folder trees for important messages. Writing and rewriting to-do lists—while procrastinating on the difficult or unpleasant tasks. Correcting errors that they or their colleagues make. All manner of firefighting and crisis management. Be honest: how much of your day is consumed with these activities?

Figure 1.1 shows some common examples of value-added work, non-value-added work, and waste that you can see if you walked into any office.

This definition of value is actually a pretty high bar to jump over. If you were to track your daily activities, you would probably be shocked at how little time you spend on value-added work—and I'm not talking about the time you spend on Facebook, either. The truth is that the vast majority of your *work-related* activities don't meet these three criteria. And this is where many personal productivity books (in my opinion) go awry: They're totally focused on helping you get work—any work—done, without considering whether that work is value added. They fail to challenge you on the most important question of all: Is this work that you're getting better at doing something *you should even be doing in the first place?* Sure, you can become an e-mail ninja and get your inbox down to zero by the end of each day. But, given that much of the stuff in your inbox is garbage anyway, wouldn't you be better off figuring out how to reduce the volume of incoming mail? Or, perhaps you've reduced the time it takes you to prepare your monthly sales meeting

<i>Job</i>	<i>Value-Added-Activity</i>	<i>Non-Value Added Activity</i>	<i>Waste</i>
Lawyer	Drafting patent claim	Calculating billable hours	Correcting errors made by associates
Shoe designer	Choosing colors and materials	Entering information into product spec sheet	Resending lost files to the factory
Surgeon	Operating on a patient	Filling out billing codes	Waiting to begin a delayed procedure
Architect	Designing a house	Taking continuing education classes	Following up with a materials supplier on delayed samples
Florist	Arranging a flower display	Budgeting for newspaper ad campaign	Replacing a chipped vase
Underwriter	Determining premiums	Studying new rate tables	Looking for lost paper or electronic files

Figure 1.1 Examples of value-added work, non-value-added work, and waste in any office.

PowerPoint presentation from three hours to two ... but do you even need the PowerPoint? Does the sales team? Perhaps a one-page summary report would be faster, easier, and more valuable.

It's astonishingly easy to forget that the work on which you spend so many of your waking hours must be guided by *what* your customers need. In fact, they couldn't care less *how* you get the work done. They don't want inputs (e.g., focus groups, training sessions, PowerPoint reports) or "deliverables." They

want outputs and answers. They want results that solve their problems in the shortest time possible for a reasonable fee. Therefore, you should always be mindful not to accelerate activities that look productive but don't actually provide value for your customer.

Most distressingly, the work that generally gets short shrift in these busy days is the value-added work that customers actually care about. George Gonzalez-Rivas and Linus Larsson expressed this situation beautifully:

We think that the appearance of being busy and overloaded is simply a management proxy for effort and productivity. ... But in the absence of meaningful measurements, we settle for the Plato's Cave version of productivity—a cluttered desktop, an overloaded calendar, and workers running from meeting to meeting.³

Why Is It So Tough to Create Value?

The way your organization works—and more importantly, for the purposes of this book, the way *you* work—probably hasn't changed much over the years. For example, think about how you share documents with colleagues: I'll bet that you're still e-mailing them back and forth, creating multiple copies of the same document, clogging the mail server, and creating confusion regarding which version really is the final copy of `finalbudgetv5.xls`, even though there are now excellent alternatives (shared drives, SlideRocket, Google Docs, and Dropbox, just to name a few) to this practice. Or, you're wallpapering your office with to-do items on Post-it® notes that invariably get lost or ignored, rather than using software like reQall or a low-tech kanban (which we'll discuss in another chapter) to keep it safe and organized within the context of your work.

Or, think about the way that bureaucracies create oceans of worthless activity for employees. One organization I know had strict purchasing rules that forbade people from buying anything for themselves; as a result, staff had to fill out extensive paperwork, submit (a paper copy) to the procurement office, and wait for three weeks to get a \$50 telephone headset. Hospital nurses, who handle most of the patient paperwork, spend hours per week copying and reentering the same information in different formats on different forms for different departments.

Bob's Story: Getting Rid of Academic Waste

Bob left industry in 1999 and became a university professor. Driven by the desire to improve his productivity and performance as a professor, he quickly started applying Lean principles and practices to the way he designed and delivered his courses. He focused on reducing errors, variation, and rework for himself, and helping students avoid suffering needlessly lower grades due to ambiguity in homework assignments and evaluations.

Bob standardized and searched for abnormalities—deviations from the ideal state—in his work and his colleagues' work. For example, he noticed that some faculty regularly missed appointments with students due to a lack of visual controls. He also noticed that students frequently stood in line outside the professor's office to have the teacher clarify something he didn't explain well in class. This line of waiting students was a clear sign of waste and defects in the "production" of fully educated students.

By rooting out abnormalities in his teaching process and his workplace—the classroom—he has reduced errors in interpretation of his assignments. As a result, he rarely sees students during office hours—they don't need further explanation of the topics he covered in class. His homework assignment questions are narrowly focused, unambiguous, and carefully designed to help students achieve specific learning outcomes.

The result of this focus on value is extremely high student satisfaction. Students often tell Bob that the courses they had with him were the best ones they took in college.

Bob explains, “This rewarding outcome has always been driven by two simple questions: What can I do to improve my teaching in every class and every course? How can I improve students’ learning experience so that they will actually apply in the real world what they learned in the classroom?”

I’ll leave the discussion of business process improvement for the entire organization to the excellent Lean books already on the market. But it’s essential to examine the way you work *within* your organization to discover how to remove some of the waste and non-value-added work that fill your hours.

What the Heck Is Your Work, Anyway?

In any discussion of value, it’s essential, first and foremost, to figure out who your customers are and what they want. That’s your work.

I want to distinguish here between your “job” and your “work.” Your job has some sort of fancy title and incorporates the formal requirements and trappings of your position. By contrast, your work is your real value-creating activities. Your job description probably isn’t very helpful in figuring this out. It usually bears only the faintest relation to the job you actually do. (Plus, it’s written in turgid HR and business jargon that makes sense to no one except the folks who define job classifications for a living.)

To identify your work, you need to identify the various customers you serve and the various value streams in which you operate. That’s the first step in determining what value-added work is for you.

The “customer value” map in Figure 1.2 is a good way to begin seeing your customers and, if relevant, the value they are requesting from you. This is a map from one of my previous jobs. Customers are listed above each line in bold

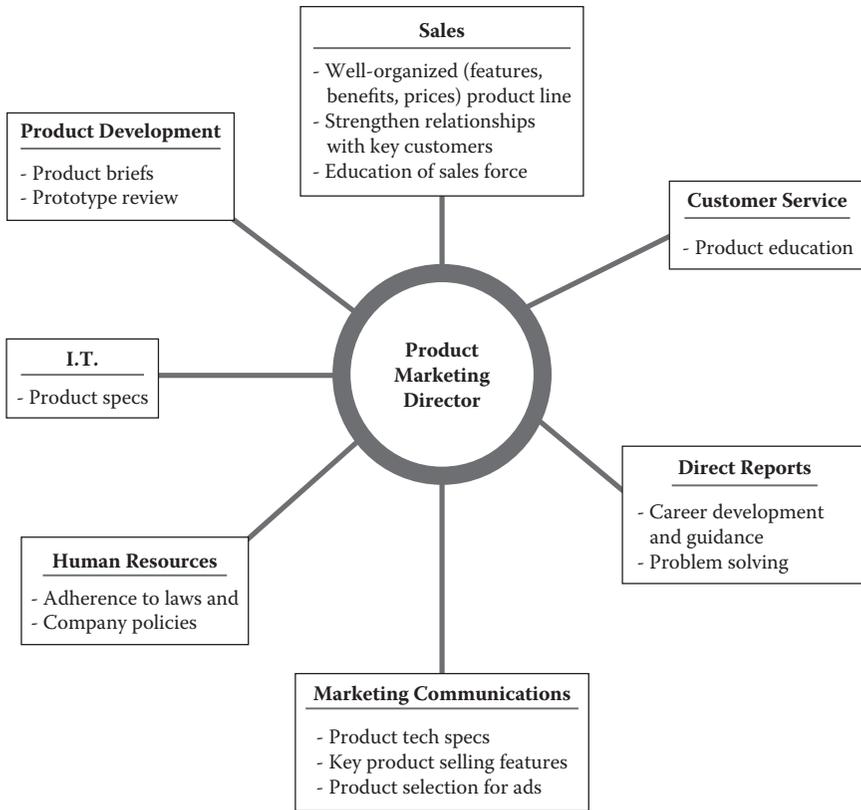


Figure 1.2 Sample customer value map.

letters; the value each customer wants is listed below each line.

You'll notice that by looking at my job on the map in this way, you are better able to focus on *value*, not on specific activities or on “deliverables.”

Let me be more specific about that: My direct reports, for example, didn't really want corporate performance evaluations from me. What they really wanted was guidance in developing their careers and improving their skills. The performance evaluation was just a tool (and not a very good one, for that matter) for delivering that value. As another example, the VP of sales worked together with the chief

financial officer (CFO) to forecast revenue for the year. He needed pricing, margins, and target volumes from me—but he didn't need me to attend all the finance meetings.

Even if you're an independent contractor or an entrepreneur, this map and the thinking behind it still apply. Obviously, you have a variety of customers who benefit from your services—that's easy. But, your biggest customer, most likely, is yourself: You are the beneficiary of your marketing activities, your bookkeeping, and the classes you take. You could easily make a value stream map that represents business development, financial management, and education as separate streams.

Here's the key point: Focusing on the value to the customer (even when you are the customer) frees you up to improve both *what* you do and *how* you do it. Once you have that perspective, you're unshackled from preconceptions of how to do your job, and you can see more clearly how to create value and reduce waste.

Going to the *Gemba*

A desk is a dangerous place from which to watch the world.

—John le Carré

If you spend any time at all with someone who knows about Lean, you won't be able to finish your first cup of coffee before you hear that person talk about “going to the *gemba*.” The *gemba* is a Japanese word that refers to the place where work is actually done. If you're in a factory, the *gemba* might be a particular production line; it's not the plant manager's office. If you're in company headquarters, the *gemba* in question might be the accounting department where invoices

are processed, and most definitely not the executive conference room.

Lean practitioners are obsessed with going to the gemba because it's only there that you can grasp the reality of a situation and fully understand a problem. For example, it's only by going to the gemba and seeing the customer service reps struggle to navigate through your expensive new software package that you can begin to understand why misshipments and customer returns have spiked. It's because the order entry screens are poorly laid out, and the reps have difficulty entering the data correctly. Without going to the gemba, without seeing people struggle with the software, you might think that your reps are sloppy, lazy, or just don't care. No report from the information technology (IT) department can substitute for the insight that comes from direct observation.

Obviously, the gemba for your work is the place where you actually do your job. You might think, then, that you don't need to go to the gemba. After all, there's nothing there that you have not seen a thousand times already. But, as Yogi Berra is reputed to have said (and with Yogi, you can never be sure what he really said and what's simply apocryphal—even he doesn't know), "You can see a lot just by looking." And the truth is that you probably haven't looked—really looked—at your work honestly and objectively in a long time (or maybe ever).

Take a look at your inbox, for example. How many of the messages that you read and write each day are actually related to what your customers want? How much of your daily activity is truly value-added work (using the three criteria I listed)? Odds are, it's a pretty low percentage. Only you don't see it because you haven't really looked.

As peculiar as it sounds, you have to go to your own gemba. You have to observe what you do and how you do it to spot the value and spot the waste in your work. That's not

<i>Start Time</i>	<i>End Time</i>	<i>Activity</i>	<i>Planned or Unplanned?</i>	<i>Value-Added/ Incidental/Waste</i>
8:30	8:42	Read and write e-mail	P	Incidental
8:42	8:45	Review budget	P	Value-added
8:45	8:46	Read new e-mail re: today's absent employees	U	Waste
8:46	8:50	Review budget	P	Value-added
8:50	9:00	Colleague asks for help with Powerpoint slides	U	Incidental
9:00	9:30	Prepare target specs for new product	P	Value-added
9:30	9:35	Explain to boss why I won't attend 9:30 meeting	U	Waste
		Etc....		

Figure 1.3 Time-tracking log.

easy, of course, because we're all terrible observers of ourselves. But assuming that you don't have piles of money to pay people to watch you work, you can at least log what you do during the day and how long you spend doing it.

I know that the prospect of maintaining a daily activity log for a week or so is probably about as appealing as treating a raging case of scabies, but it is a great way to get a handle on the value-added work, incidental work, and waste in your day. Figure 1.3 is an example of such a log.

What's It All about?

These exercises—the customer value map and the time-tracking log—are simple tools that will help you clarify what you do each day. The prospect of filling these out is probably uninspiring at best, and daunting at worst. But if you're serious about improving the work that you do—about creating more value with less effort—then these are necessary first steps. First, you have to identify your customer and the customer's needs. Then, you have to figure out what activities are necessary to meet those needs. It's as simple as that.

The purpose of this book is to reconnect you with the value-creating portion of your work. As you go through the chapters, you'll learn to see the common (but difficult to spot) waste in your work and how to eliminate it. You'll also learn how to apply the concept of continuous improvement to your work. Ultimately, by learning to identify the value and the waste in your daily activities, you can approach what George Gonzalez-Rivas and Linus Larsson called the Platonic ideal of what your job should be.

Let's get started.

Next Steps

- Create a customer value map: Identify your downstream customers and the value that they demand from you. Include yourself and your needs in this map. Don't focus on tasks or inputs; focus on what benefit they need. (You may find it useful actually to *ask* them what they want.)
- Complete a time-tracking log for one week.

Notes

1. *The Hitchhiker's Guide to Lean*, Jamie Flinchbaugh and Andy Carlino, Society of Manufacturing Engineers, Dearborn, MI, 2006, 14.
2. Thanks to Kevin Meyer, founder of the Evolving Excellence blog and the president of Factory Strategies Group, for this outstanding example.
3. *Far from the Factory*, George Gonzalez-Rivas and Linus Larsson, Productivity Press, New York, 2011, 108.

