

## Lean Enterprise Diagnostic Assessment

Consortium member companies use the information from the annual Lean Enterprise Diagnostic Assessment as an input to their continuous improvement plans. As W. Edwards Deming famously said, "If we don't measure it, we won't improve it." And that's especially true of the "soft" indicators of how well our continuous improvement activities are operating. The "soft stuff" (how people learn, collaborate and execute continuous improvement) is actually the "hard part," and deserves earnest attention from the entire management team. It's what sets the Toyotas of the world apart from everyone else. Management makes that tangible — and practical — by tracking progress indicated by increasing scores in the assessment.

The Lean Enterprise Diagnostic is comprised of on-site personal interviews and data collection conducted by The Cumberland Group (TCG). It includes the following steps:

- ✓ **Interviews** – A cross section of 6 to 8 personnel should be interviewed. We need to pick a convenient date for doing this.
- ✓ **Data Collection** – This amounts to completion of the Lean Diagnostic ScoreCard ahead of time, by the personnel that are interviewed. And a plant walk-through to observe current operations under normal working conditions. If you would like to have several additional people fill out the survey, let's discuss ahead of time; we can do that.
- ✓ **Review the Lean Diagnostic Assessment Results** – We will come back to meet with your leadership team to review the results of the assessment and assist in the creation of a Performance Improvement Road-Map & Goals for your organization.
- ✓ **Future Years** – Completion of an update report based on the original Lean Diagnostic by The Cumberland Group and delivery of an annual Diagnostic Assessment.

**There are 14 different categories in the assessment,** which is focused on Lean operating practices and continuous business performance improvement (CI).

1. Management Support
2. Culture
3. 5S Workplace Organization
4. Value-Stream Mapping

5. Setup and Change-Over Reduction
6. Total Productive Maintenance (TPM)
7. Pull Systems / Kanbans
8. Production and Information Flows
9. Plant / Facility Layout
10. Standard Work (Operators and Leaders)
11. Lean Product and Process Design
12. Accounting Support for Lean
13. Supply Chain
14. Continuous Improvement

**Who should be selected for the interviews and to do the surveys?**

A cross-section of personnel from production operators to senior management should be selected. Ideally we start by observing your daily shop-floor planning meeting to launch the day's activities. The first interview should be with a Senior Leader of the organization or Lean Implementation Champion (we would like to talk with one person in each of those roles). *The primary purpose of the assessment is not to see how 'high' you can score. It's intended to help identify improvement targets for the next 12 months. Ratings of 4 & 5 mean you believe you are one of the 'best' companies in the world for that particular trait and have practices that Toyota-like companies could emulate for improvement purposes.*

**In each interview we would prefer to talk to someone who can take us around the company and show us examples (evidence) of your current practices for two or three of the assessment categories. For example: *In one interview we might primarily focus on 5S practices and Standard Work. In the next interview session the person might primarily focus on Lean Product Development & Supply Chain. The attached 'schedule for assessments' will help to guide this activity.***

In selecting people for the interview we need to make certain all 14 categories of the assessment get covered. We will start the interview in an office, but will quickly leave that space and ask the person being interviewed to take us to two or three places in the company that are reflective of your current practices for that particular category. Again, **show us physical evidence of the Lean category as currently practiced in your company.**

If appropriate, include people in support departments like engineering, product design and sales in these interviews, if it will help to provide greater insights into the effectiveness of your current lean practices.

**What is required of the person being interviewed?**

The person being interviewed will meet on site with TCG for approximately 45 minutes. During this time, we ask a number of questions regarding your Lean progress. All information gathered is kept strictly confidential, we will NOT reference remarks to any individual person.

The person being interviewed should complete the Lean Diagnostic Score Card prior to the interview. It will help to prepare them for the session. If there is a question they do not understand, they can ask about it during the interview. They do not need to respond to every category. *As noted in the above section we indicated we primarily focus on two or three categories in each interview.* **Make certain the person knows which categories they have been assigned as a knowledgeable individual.** And we would like to see examples of where you are doing the rated category well, as well as, areas where you are not doing as well as you might like.

**What is required of the company during the interview days?**

- Use the attached agenda in order to facilitate a smooth transition from one person to the next. Please add the interviewee's name, position and length of service with the company.
- The start time should be whenever you hold the day's planning meeting (assuming that is done at the beginning of the day).
- A plant tour should follow the planning meeting.
- The initial interview should be conducted with the Lean Champion or Leader of the Lean implementation.
- Please provide us with an office or meeting room for the interviews

**What is required after the on-site interviews?**

TCG will arrange for a meeting time with the leadership team in order to discuss the findings from the diagnostic and facilitate the creation of the Lean Road-Map.

**What materials are provided before the on-site interview, and what do you do with the Surveys?**

TCG will provide the Lean Diagnostic Score-Cards in Excel. (File name: Lean Diagnostic – Company Wrksht TCG.xls).

The diagnostic can be completed on paper and given to us prior to the interview, or use the Excel file and e-mail the files to [Michael@cumberlandchicago.com](mailto:Michael@cumberlandchicago.com) beforehand. Please ensure that the Lean Score-Cards are completed and forwarded to TCG prior to the site visit.

**Proposed Agenda**

Time			Activity	Name	Position	Yrs. Of Service
8:00	to	10:00	Plant Tour / First Interview			
10:15	to	11:00	Second Interview			
11:15	to	12:00	Third Interview			
12:00	to	12:30	Lunch			
12:30	to	1:15	Fourth Interview			
1:30	to	2:15	Fifth Interview			
2:30	to	3:15	Sixth Interview			
3:30	to	4:15	Optional Interview if needed			
4:30	to	5:00	Meet to Plan/Finalize Next Steps			

The above schedule is for six or seven interviews. If you elect to do eight interviews, we should plan to double up the 1:30 and 2:30 time slots. We will have two people from Cumberland to do the diagnostic in this first year. So we could do a couple of interviews in the afternoon in parallel. Obviously, we would need a second room for those sessions.