

Hitchhiking the Galaxy of Lean

“Conversations with a Hitchhiker on the Road to Lean”

by Al Pond

*retired Ford Motor Company currently senior consultant
Lean Learning Center, Novi, Michigan*

Hitchhiking the Galaxy of Lean

- My Journey: 1964 to present
 - Long view – plant floor to executive roll
 - Diverse view – production to strategic planning
 - International – Americas, Europe, Asia Pacific, and Africa
 - Recent venues: Academic, Medical, Publishing, Semi-conductor, and Snack Foods

Hitchhiking the Galaxy of Lean

- A story of Business Process Change
 - Worlds largest learning laboratory

Hitchhiking the Galaxy of Lean

- Ford 2000
- Crafted in 1994 by Alex Trotman
- Enterprise wide business process change
- Largest reengineering effort
 - 360,000 employees
 - Over 120 plant sites
 - From Order to Delivery
 - Significant change

Hitchhiking the Galaxy of Lean

- Ford 2000 results
 - Average \$6 Billion profits
 - Stock increased 130%
 - Outsold GM
 - Ranked in top five of Forbes 500
 - Best of all automotives worldwide
 - Best bonus and profit sharing

Hitchhiking the Galaxy of Lean

- Today's Picture
 - Employment at less than half of 2000 levels
 - Annual losses in Billions
 - Continual downsizing
 - Somewhere on Forbes 500? - - - (532)
 - 85% decline in stock price

Hitchhiking the Galaxy of Lean

- What happened?
 - Toyota still in top 15
 - Billions in profits
 - Growing business and employment
 - GE still in top 5

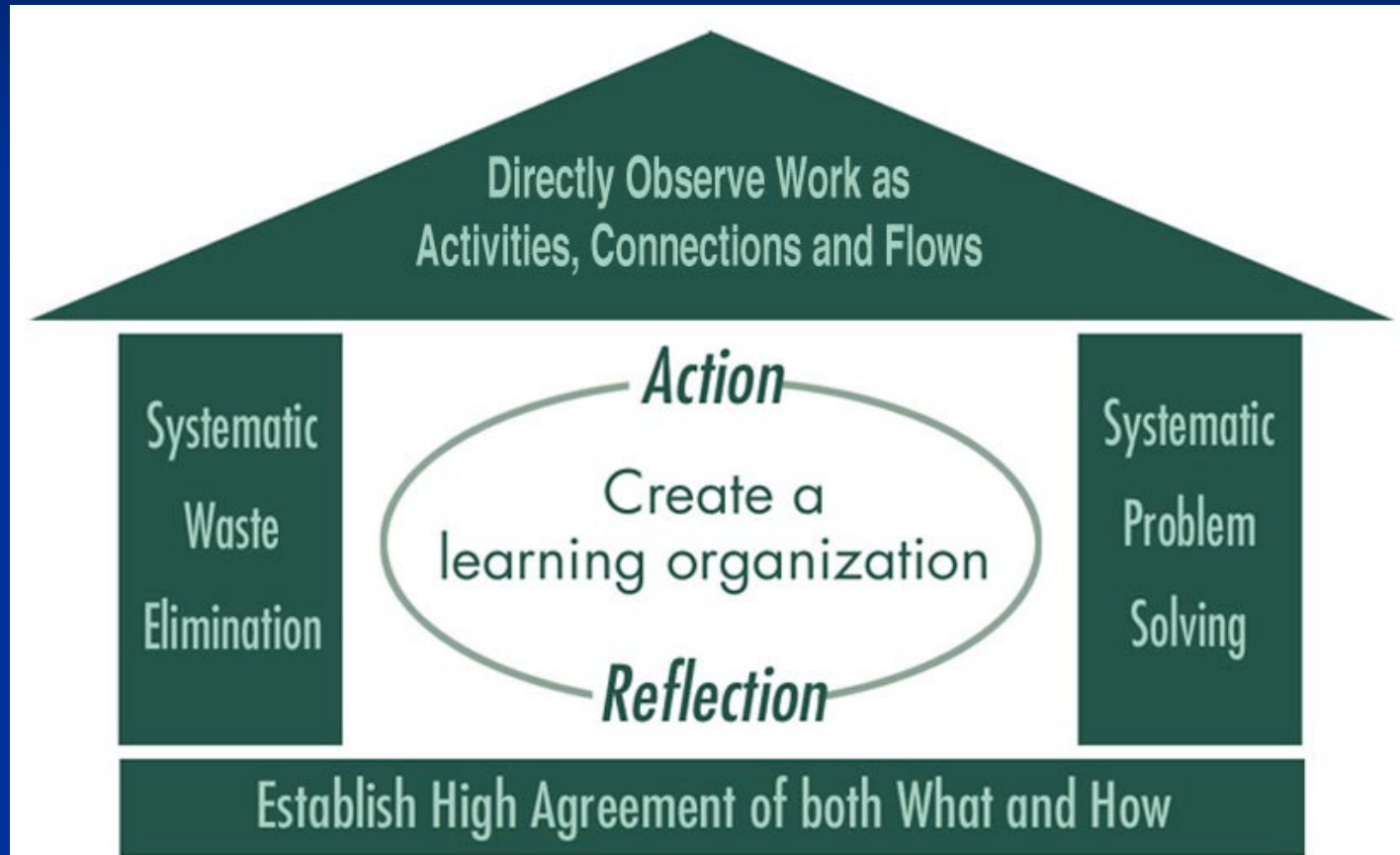
Hitchhiking the Galaxy of Lean

- Confluence of many forces
- Most profound:

Hitchhiking the Galaxy of Lean

■ Thinking & Culture

Lean Principles



Lean Systems Rules

1. Structure every activity
2. Clearly connect every customer – supplier
3. Specify and simplify every flow path
4. Improve through experimentation

* These rules have been modified from a Harvard Business Review article: *Decoding the DNA of the Toyota Production System*, Bowen & Spear, September - October 1999.

Hitchhiking the Galaxy of Lean

■ Questions????

- Additional reading: “The Hitchhiker’s Guide to Lean”
Flinchbaugh & Carlino