

Principles and Practices for Lean Product and Process Development

Lean Innovation 101

Norbert Majerus norbert majerus consulting llc

Intro's



Please introduce yourself

Please tell us your company and what you do <u>in one</u> sentence

One Sentence on experience with lean

What are you most proud of? .. or where would you rather be

Me ...



6-170

39

60

12

978-1-4822-5968-1

22.9068° S, 43.1729° W

Class Expectations





Know and Do



At the conclusion of this workshop, your should be able to:

- 1. Describe the reasons for applying lean in RDE&Q or in the office.
- 2. Understand customer value and waste
- 3. Identify and understand a value stream
- 4. Know the different phases of innovation and how lean principles apply to them
- 5. Understand the main principles of flow, kanban, pull
- 6. Know what metrics are and where they are used
- 7. Understand the key principles of change management



Introduction to Innovation Excellence

Why do great companies fail at innovation?



Companies do not fail because they fail to build a product Companies fail because they fail to build what customers want*

•*Diana Kander, All In Startup, Wiley, 2014

Coming out of Nowhere

Amazon Google Zappos Progressive Tesla
Airbnb
Facebook
iphone

How many tried?

Lean and Innovation Today



GLOBAL Economy

Economic growth is largely a function of:

Population Growth

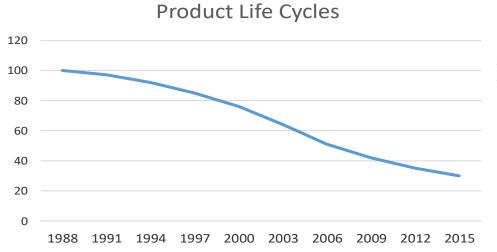
Market Growth

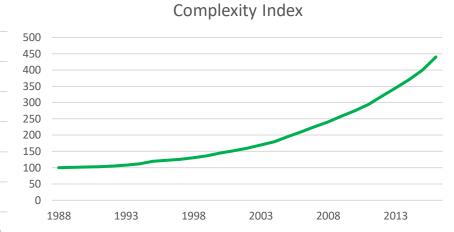
Productivity/Efficiency >>> Lean Manufacturing Innovation >>> Lean Innovation

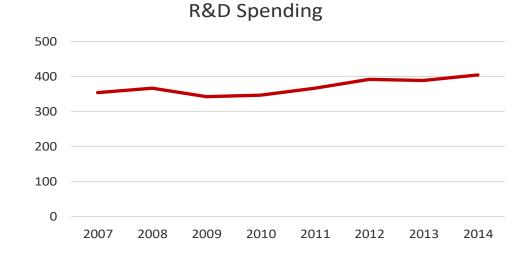
Get better at WHAT we do and how we do it

2016 Global R&D









Global Competition









Get better at WHAT we do and how we do it

Why Lean?



2005



Safety/quality were good (must continue trend)

Late on almost all launches

Less than 50% of the new products were profitable

Low engagement scores and people quit for lack of work

"We could help you improve your process if you had one"



Goodyear Lean Innovation



Safety, quality – all time high

1,500, 95%, 100%

75%

3x

Better engagement

2016 Recipient of the AME OpEx Award



Agenda



Understanding innovation excellence

Preparing the organization

The Process

The People in the lean innovation organization

MY Definition of Innovation



Taking an IDEA and turning it into a profitable PRODUCT, SERVICE, PROCESS, Computer Program, Building ...

I = C + E Innovation = Creation + Execution

Goal of Innovation Excellence



Be the BEST at what you do and how to do it

Achieve sustained prosperity

Lean Schools



Manufacturing

Toyota

Knowledge

Set based/concurrent

It is all about flow

Lean start-up

And many MORE

Roadmap for Lean Product Development Implementation

No consultant/book has all the answers

The key is to understand the principles ... and then figure out where to apply them

The SWOT Approach



Build on your strengths
Improve your weaknesses
Catch the opportunities
Mitigate the threats

Preparing the Organization



Industrial Innovation

Purpose of R&D

The shadows

The true NORTH

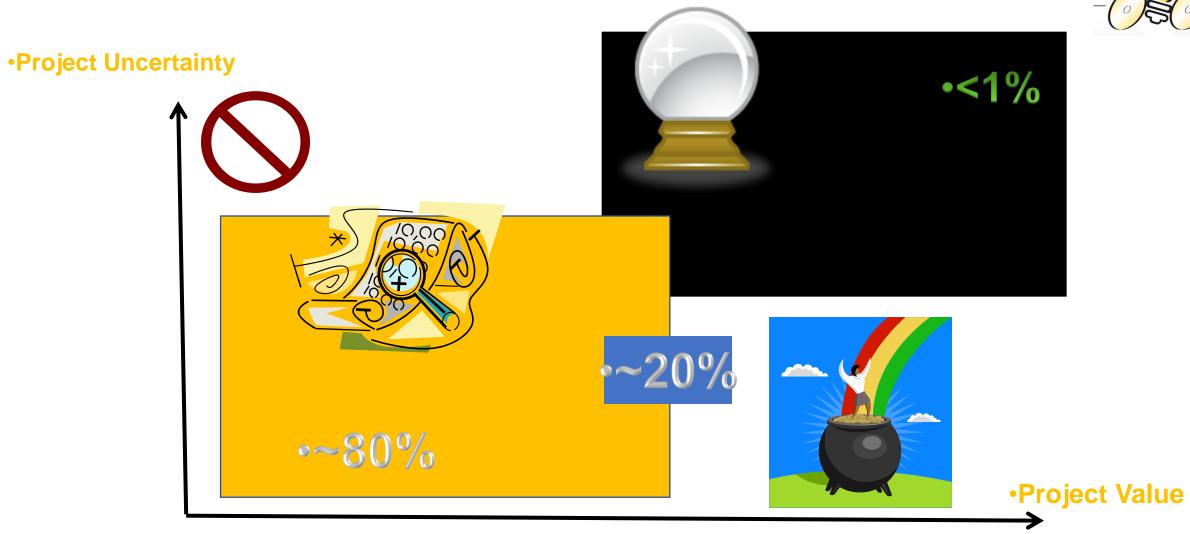
The one with the most tools wins

You may just as well do something that matters

The Lean office

Innovation Grid





Best Innovation Primers



Google – get it all from the outside

Discretionary Funding (past @ Goodyear)

15-20% (3M) - the money will be spent???

Give people the opportunity to experiment a little without approval - red box credit card

The right metrics (30% sales from new products)

The right process

Complete freedom is not the best setting for creativity

Different individuals have different needs for structure in order to be creative

Purpose of R&D



Why should we do

Research

Development

(or Engineering)?

Last Year R&D saved us \$25 Million – Next year we will save \$30 Million - by eliminating R&D



What is the Purpose of R&D?

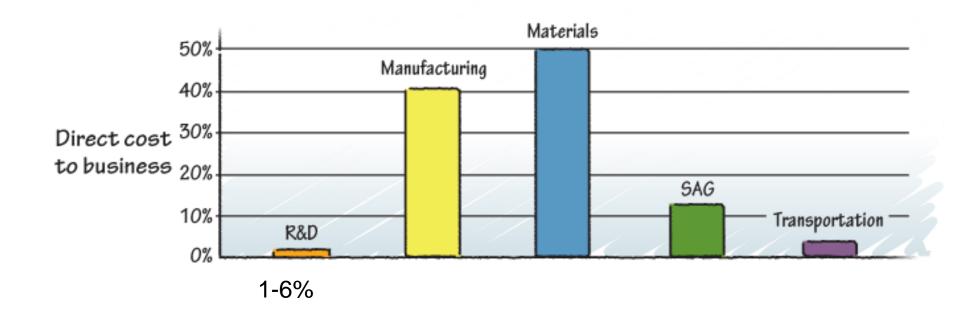




R&D is an INVESTMENT, not a cost

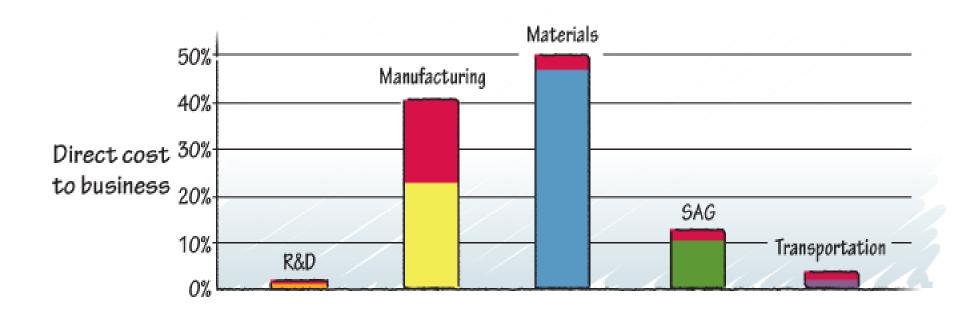
Direct Cost to the Business





Application of Lean

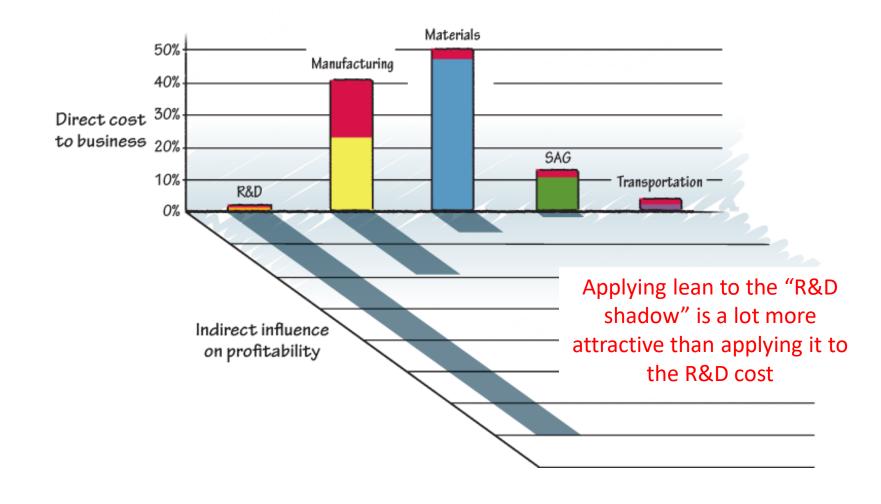




Why Bother??

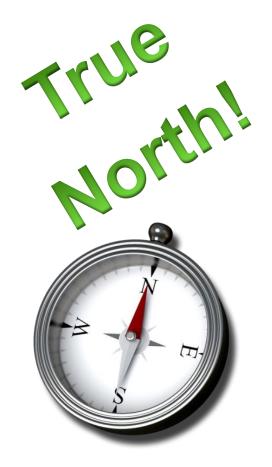
Influence on Profitability of Value Stream





RDEQ MISSION





Efficiently deliver continuous flow of consumer-relevant, innovative products and processes that align with business strategy and drive profitable growth.

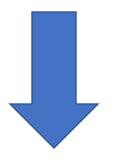
Set the right strategy for the company and cascade it down to align all parts of the organization.

Cascade



Top Down

OGSM



Alignment



The One With The Most Tools Wins....





Mindset, Skillset, Toolset



Which is the Best Lean (Innovation) Tool

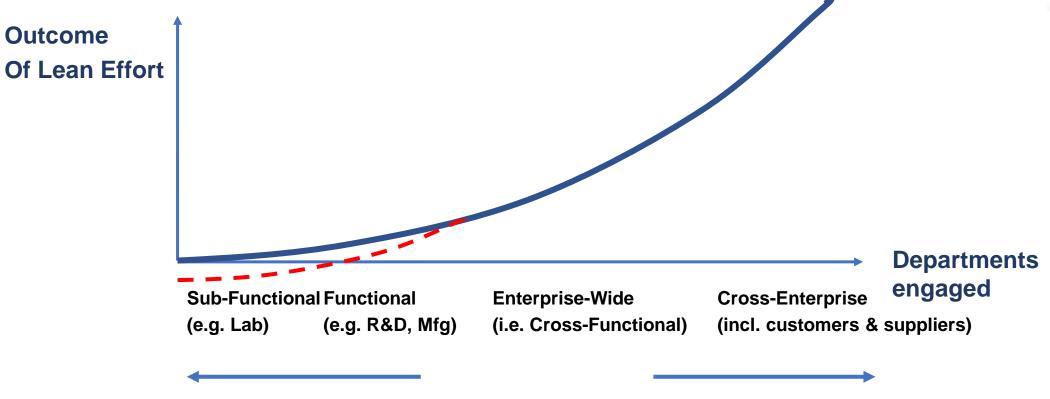


- ☐ Hackathon
- ☐ Lean Startup
- ☐ Design Thinking
- ☐ Agile
- ☐ TRIZ
- ☐ SCRUM
- ☐ Quick Learning Cycles
- ☐ Others



You may just as well do something meaningful





Chances for visible results are better if lean is applied on the highest level of the process

Plan to see RESULTS



Must happen sooner than later

Should translate into currency

Take longer to get something meaningful than bags full of trivial results

The Lean Office



Education

Coaching

Knowledge management

Formal is better than informal

Vision/goals for initiative

Change management

Maybe lead some teams

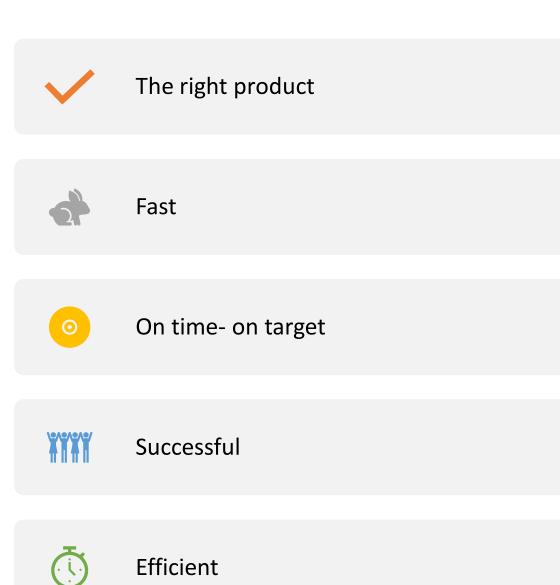
Winning Innovation

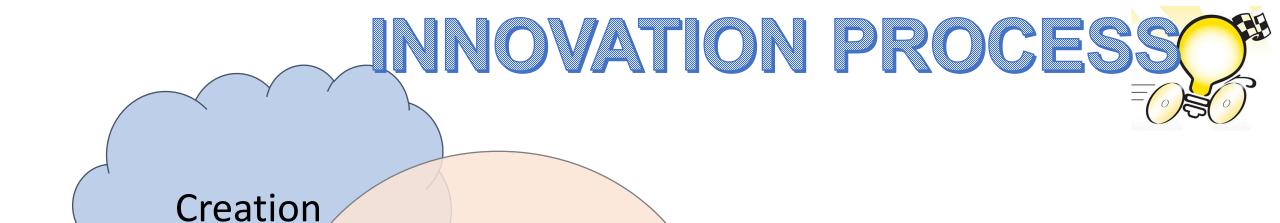


Process



What is a good innovation process





Technology Development

Mass Design

Fail fast and often



Creation

Efficient Knowledge Creation

Technology

Development

Mass Design Failure is not an option

The Culture



Inspired by Toyota/NUMMI

Engaged workforce

Respect for everybody

Humble leadership



Creation



Inspiration

Getting Ideas

Key Principles of exploration

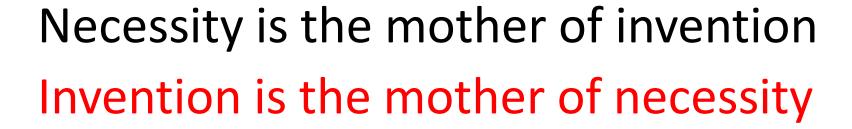
Agility

Examples

Innovation Fact



Most of the big discoveries in the last 20 years originated in R&D









My Dream Process









Basic Principles



The more you try, the higher your chances

You do not know until you work on it

Efficient risk elimination

Agile thinking – the scope can change

Good is good enough

Idea Generation



Methods

Brain storm

Brain blog

Hackathon

Open Innovation

Red Box

• • • • • • • • • • • • • • • •

Not Enough Ideas

Or

Too Many Ideas





Edison tested 3,000 filaments to select 2

Steven Burley: It takes 3,000 ideas for one successful product

2 Leading PRINCIPLES



You know nothing about the project until you start working on it

And things will change every day





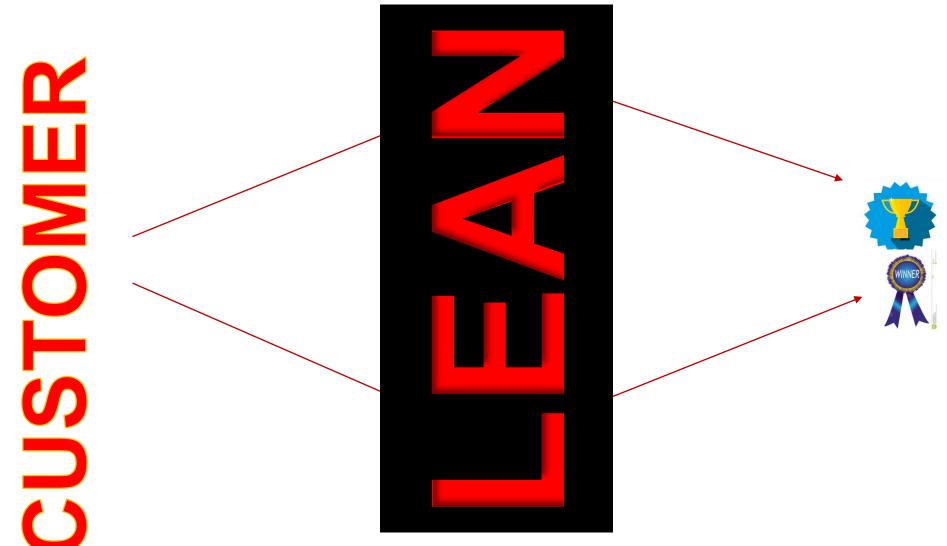






Lean Innovation

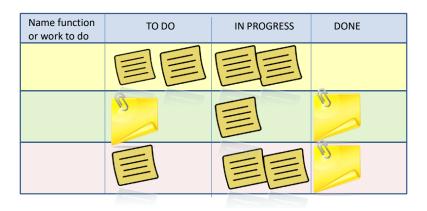




Quick Learning Cycles – SCRUM, sprints, agile ...

Time Period

Goal, deliverable



Potentially
Shippable Product
after every cycle

Work in very small steps, FAST – often time limited steps

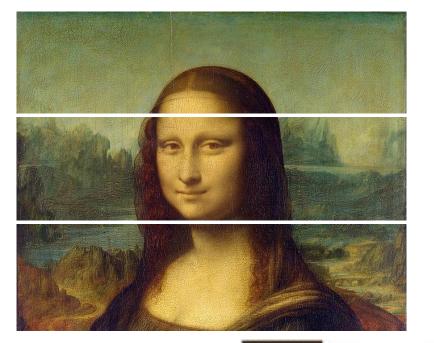
Cross functionally from the beginning

Retain flexibility through the process – launch or pivot at any time

Use technology/world as our lab

And

With the minimum effort





JONAH



Building a house

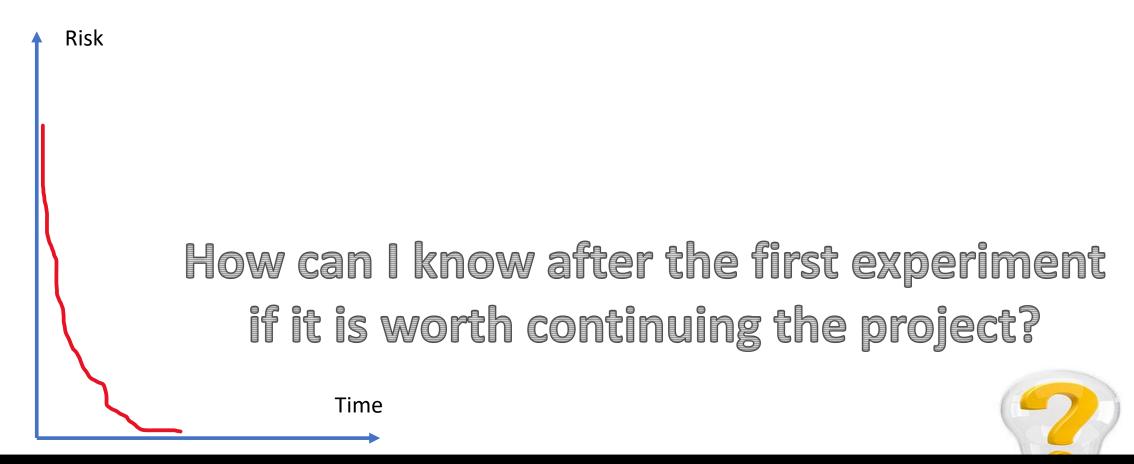


Start Digging

Buy land
Make a drawing
Get a permit
Start digging

Follow the Risk Scale With Critical Questions







The Big Bang Theory episode

•https://www.youtube.com/watch?v=CdF2zVoXi-s

Lean Experimentation





Maximum Learning With Minimum Effort

INNOVATION PROCESSION

Technology Development

Technology Development



Knowledge Management

Experimentation

Scientific

SBCE





Creating a Knowledge Management System



Norbert Majerus April 2022

What did your company spend on knowledge?

\$Billions over the history of the company

Why knowledge management?



Eliminate waste and cost in a development process by preventing reinvention

Manage the risk in product development

Speed up the development

Was easier to manage with strong functions



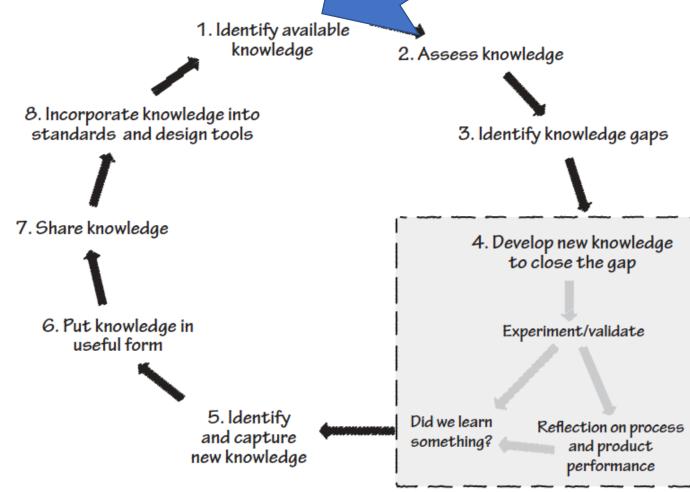
3000

Of knowledge is re-used

My Knowledge Cycle

•Combining many movable parts into a SYSTEM

No Best Place to start



Chemical Abstracts



Knowledge repertoire

Encouraging the RE-use of knowledge



Engineers do not like to do this

NO fun

Trust issue

Feel incompetent

Creativity should be used to create new knowledge, not replicate existing knowledge. (biggest challenge)

Good practices that can encourage the reuse of knowledge:

Managers and leaders must ask for it

Knowledge search and reuse must be part of project plans, playbooks, checklists, etc.

Engineers must be trained in the value of knowledge reuse.

Personal performance management should include knowledge management.



BUYIT

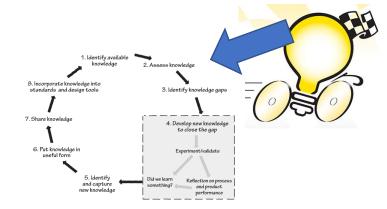
Get it for free

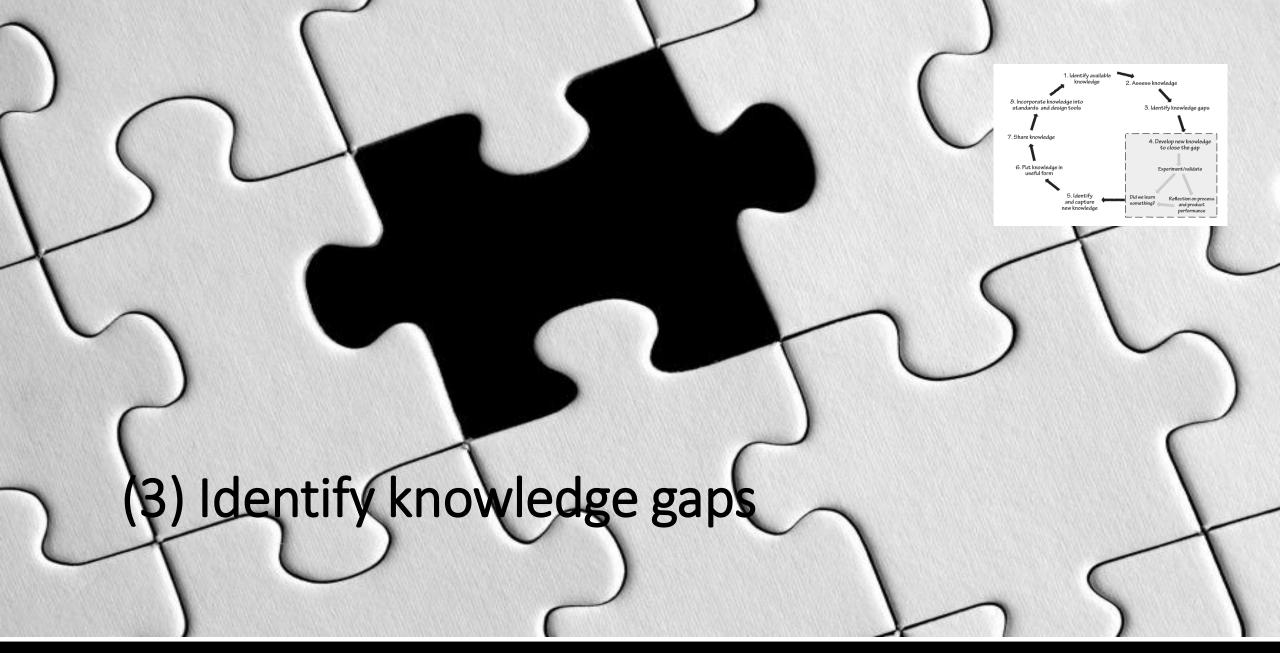
BENCHMARK (Research)

(2) Assess existing knowledge

The knowledge must be assessed for Validity (including statistical)

Fit





(4) Develop new knowledge to close the gap



- Fun part!
- Only develop NEW knowledge if a gap exists
- Develolp KNOWLEDGE not random experiments

Experiment A3



Focus on the gap

Hypothesis

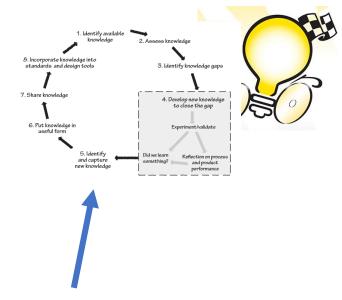
>>>Identify/capture the knowledge

Documentation

Team building

(5) Capturing Knowledge

- Identify, visibility, responsibility ...
- Validate
- Knowledge Workers vs owners
- The "book of failures"



The Perils of Reflection



Project Success

OE example – reassigned to ballast on the blimp

There has to be cultural acceptance that you learn by mistakes

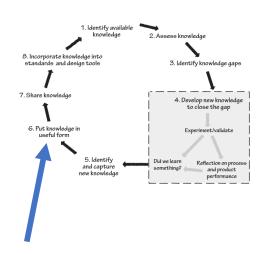
MUST BE IMPERSONAL

Disconnected from results of the project

Focus on what we learned to close the gap

(6) Put knowledge in a useful form

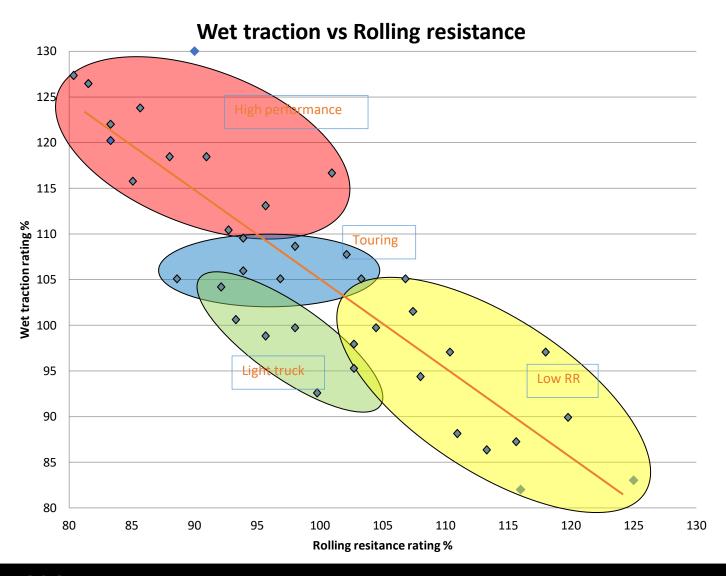




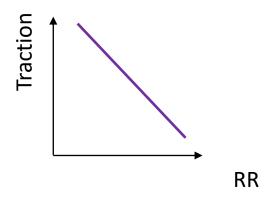
- Engineering language, not text or database
- TEACH it
- Find it

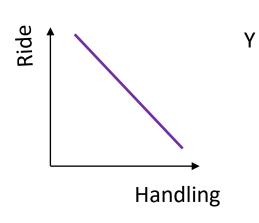
A REAL trade Off Curve

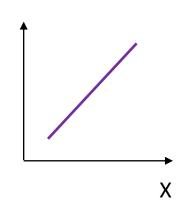


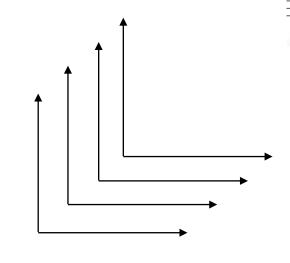


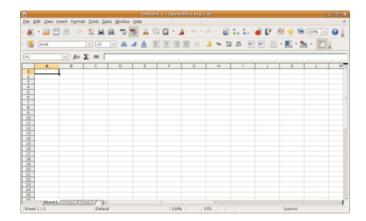
Appropriate Use of Trade Off Curves

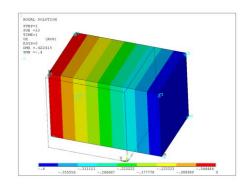














Set based OR OTHER experimental set
focused on knowledge gaps

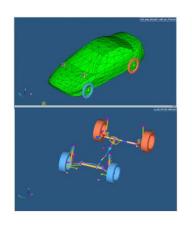
Modeling and Knowledge Reuse



Use knowledge to build good computer modeling or "predictive" tools

Test to validate/improve the models

Allows quick set based and DOE's

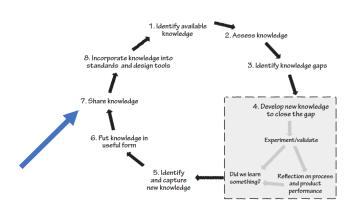


Tires for Chevy "VOLT" were developed virtually with a vehicle model supplied by GM – no tire/car built before "approval"

Tires and vehicle were developed concurrently

(7) Share the knowledge





- Knowledge is power
- Yokoten
- Design tools???

The Yokoten Process



The person who discovers new knowledge is responsible for:

Identifying who else in the company could use that knowledge Communicating the knowledge and provide training if appropriate Assuring that the knowledge is understood and report on usage

Testing example

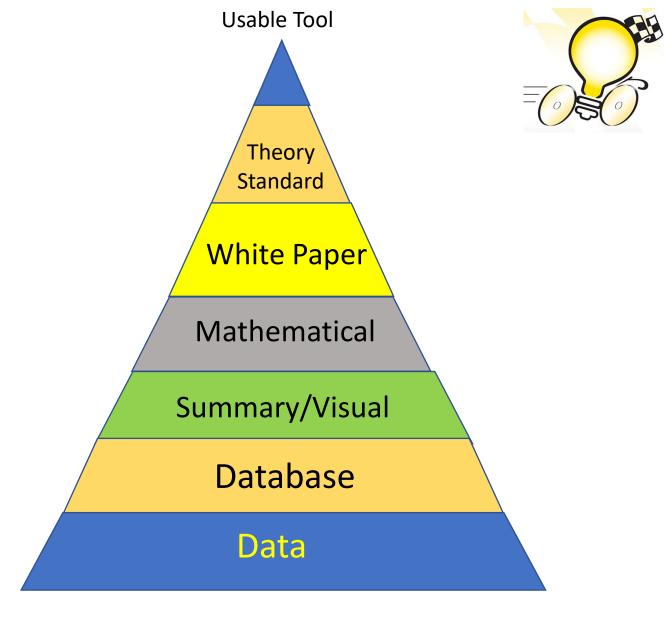
Security Issues

Urbon Book

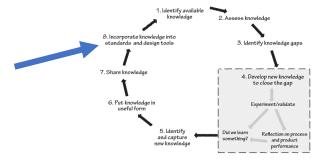
Wikipedia

Design tools solve that problem

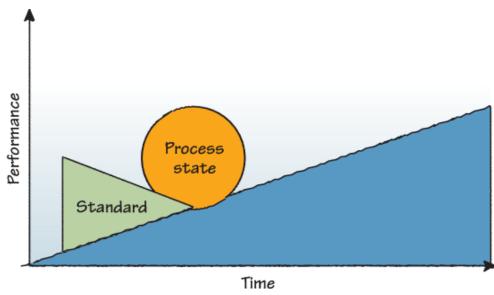
Places For Knowledge



MOST IMPORTANT – Put Knowledge into Standards



- Standards are best ways to do something
- They must allow exceptions to promote innovation (must have's and flexible)



Goodeyar Examples



Design Manual/Wikipedia

Test Grid

Catalogue

Reduction in Prototypes



Yearly total savings – 100 Million/year



- 2. Put KN into tools, FEA's ...
- 3. KM office
- 4. White papers
- 5. Wikipedia
- 6. Dual ladder/Experts/Councils
- 7. Mining
- 8. Ownership

CC BY-NC-ND

9. Experiment A3

10.Playbooks – How to do things

This Photo by Unknown

Lean Experimentation



5/4/2022

Technology Development



Scientific Industry

Define area of research

Literature search/assessment

Hypothesis

Experiments

One variable at a time

DOE

Confirm/Refute

Report

Recommendations

Precise Goals

Knowledge Reuse

Hypothesis - rarely

Experiments

DOE/Taguchi

Set Based Concurrent Engineering

Proprietary

PDCA

Knowledge Documentation

Recommendations

Driven by budget

~30% of the time

Targets

Project Management

budget, time, results

PD??

Management

Presentations

Leadership Direction

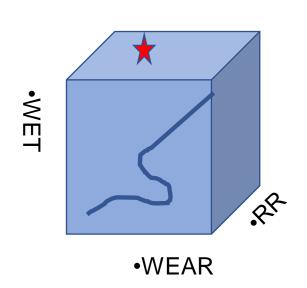
LEAN Technology Development



Focus on Knowledge
Gaps – NOT
Product

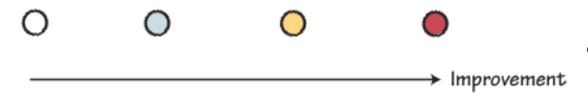
ONE Practice:

Set Based Concurrent Engineering



Set Based Concurrent







Set Based Concurrent •WET Product ➤ Improvement SE. •WEAR Materials Knowled •Tread Pattern •WET ge St. Integration Construction Maybe Equation or Event Concurrent •WEAR use of visible

knowledge

assessment

Principles



Focus on knowledge gap(s) – not the product

Start with a wide space

Work concurrently on sets

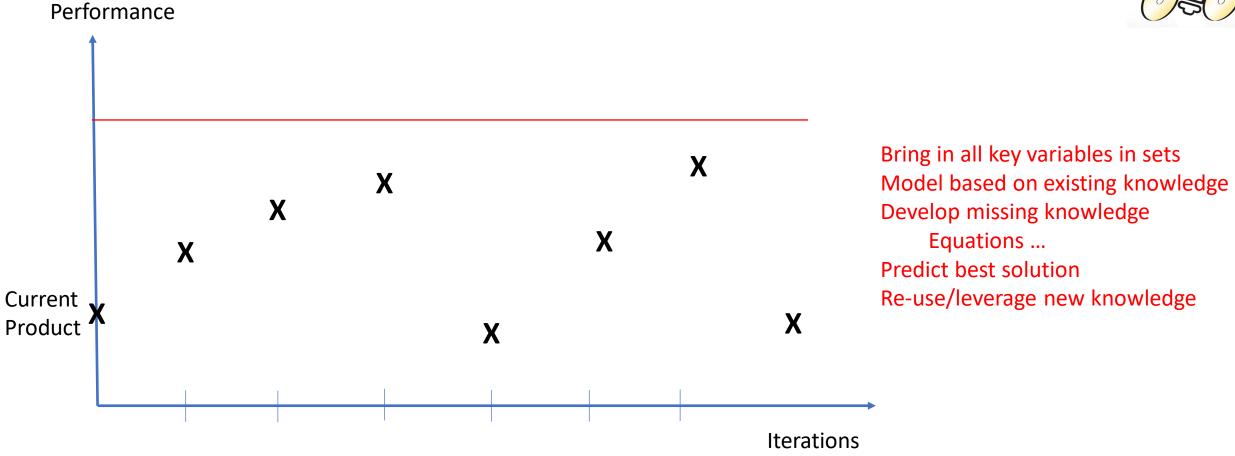
Eliminate as appropriate

Retain options as long as possible

Study interactions at integration events

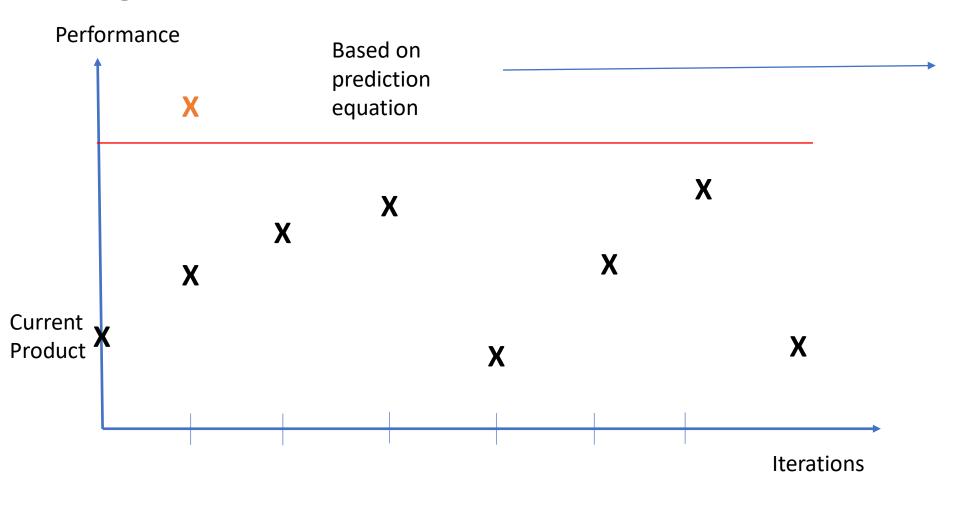
Single Point Iteration vs Set Based/Concurrent





Single Point Iteration vs Set Based/Concurrent





Further
Improvement
based on
identifying new
knowledge gap

INNOVATION PROCESSION

Mass Design

What it is



At Goodyear more than 1,000 new products every year are derivatives based on platform but their own tread design, mold, government testing

Similar to car industry and many other industries (not packaging differences)

70 to 80% of resources

Work is highly standardized

Close to Lean Manufacturing

5/4/2022

Execution Phase

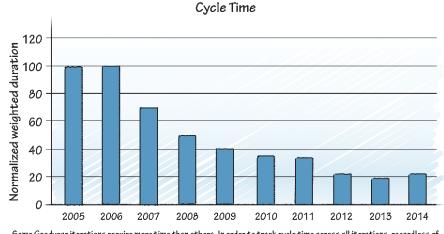
- Generates company income and platform for launching innovation
- Inspired by lean manufacturing
- Goodyear 2016 AME Excellence Award -Innovation Center
- 100% delivered on time
- Fast is better than slow

Innovation Speed



If I had only one thing to focus on, it would be SPEED

- Competitive advantage
- Faster learning, better risk management
- Better cash flow
- Collaterals of efficiency AND QUALITY



Some Goodyear iterations require more time than others. In order to track cycle time across all iterations, regardless of the varying time, Goodyear established a measure of normalized weighted duration, establishing a base of 100 in 2005.

In this ORDER



- 1.Safety
- 2.Quality
- 3.Delivery
- 4.Speed

Value and Waste



Waste and Value-Creating Activity



Value-Creating: An activity that the consumer pays for willingly because it seems truly necessary to meet the consumer's need.

Process Waste: An activity that takes up time, resources, or space, but does not add value to the service or product.

Business-required Non-Value Creating: An activity that may not be value creating, but is required for business reasons (e.g., planning, budgeting, auditing, Sarbanes-Oxley, regulatory requirements, etc.).

5/4/2022

Examples of WASTE



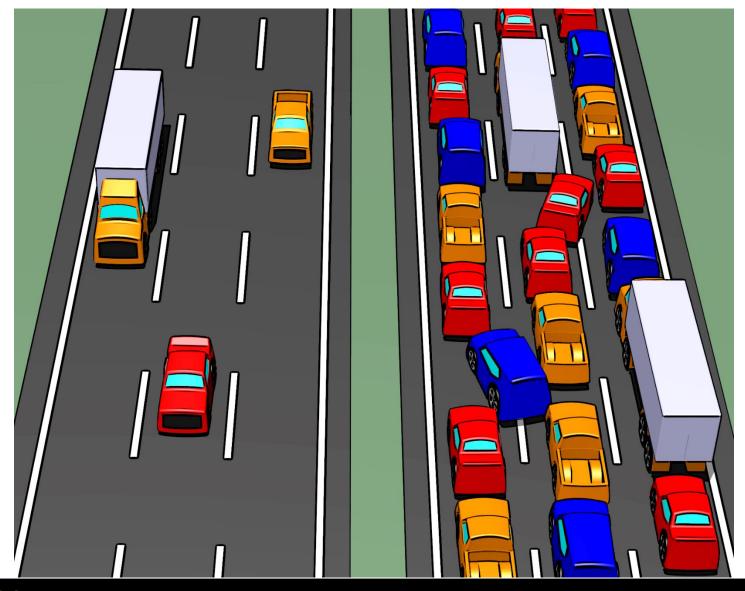
- 50% of experimental tires are used
- Running tests that are not needed
- Keeping tires that will never be tested
- Travel expense
- Useless meetings important people not showing up
- Wasting TIME (what is the cost of time?)
- Follow up
- Changes and fixes
- Not having the information needed
- Waiting on stuff
- Providing information that nobody looks at (reports)



" How did you waste time before the internet?"

What is the biggest expense in R&D?





What is the biggest waste in R&D?

game

The biggest waste is thinking that you cannot do it.

Jim Womack - Gemba Walks,



Lean Enterprise Institute Version 1.0 – Feb 2011

#1

#2

Convincing yourself that you are already doing it and

....that it is implemented already

....or that it did not work

...and move on the next big thing ...

correlated to management rotation cycles

New initiatives

Shingo award and other assessments

Unfortunately it takes many years to get good at lean R&D .. Toyota still works on it ..

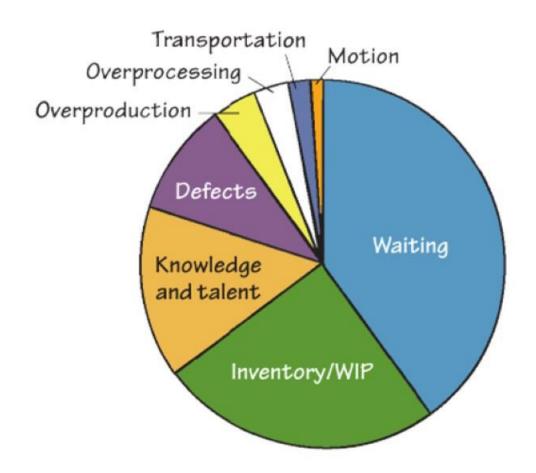
The companies who have been at it the longest seem to realize how far they have to go...

Focus R&D effort ONLY on functional goals rather than the profitability of the value stream

#5

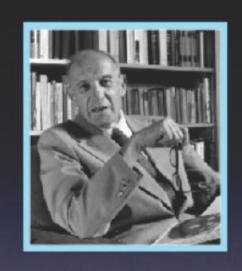
System Kaizen vs random Kaizen Highest level, end to end, adjacent

Waste



"Learning to see waste and then systematically eliminate it has allowed lean companies such as Toyota to dominate entire industries."

Eric Ries, The Lean Startup



"There is nothing so useless as doing efficiently that which should not be done at all."

Peter Drucker

"The hard part about developing eyes for waste is that most waste is caused by doing things right within the conventional system."





Delivery, Flow, Speed, Efficiency



Schedule to CAPACITY

Cadence – customer demand

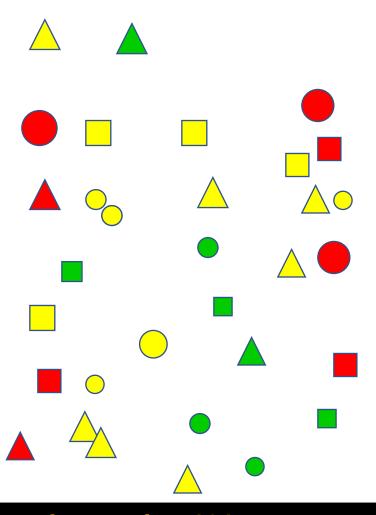
Kingman equation

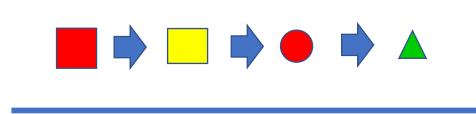
Little's Law

Simulations

Schedule For Flow







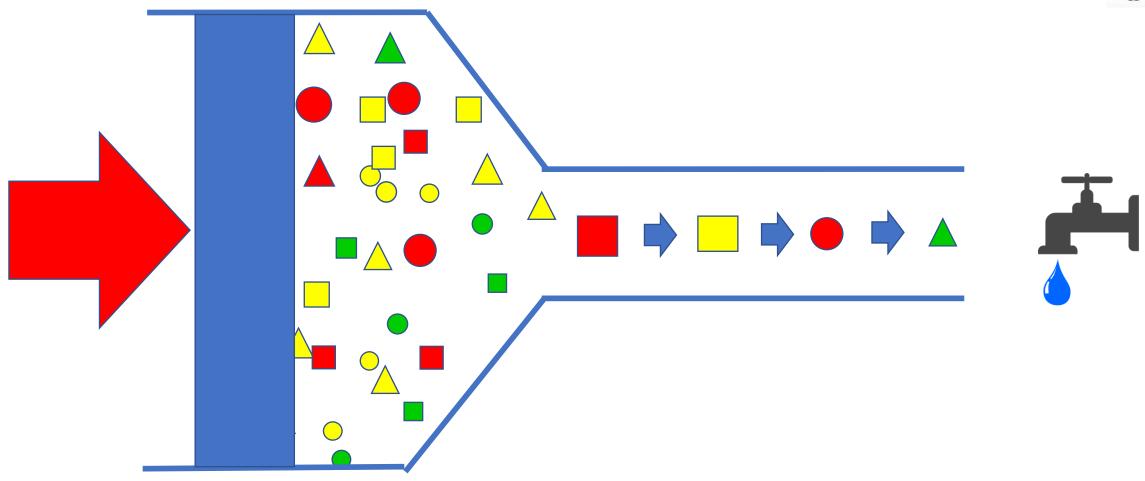






Hydraulic Principle





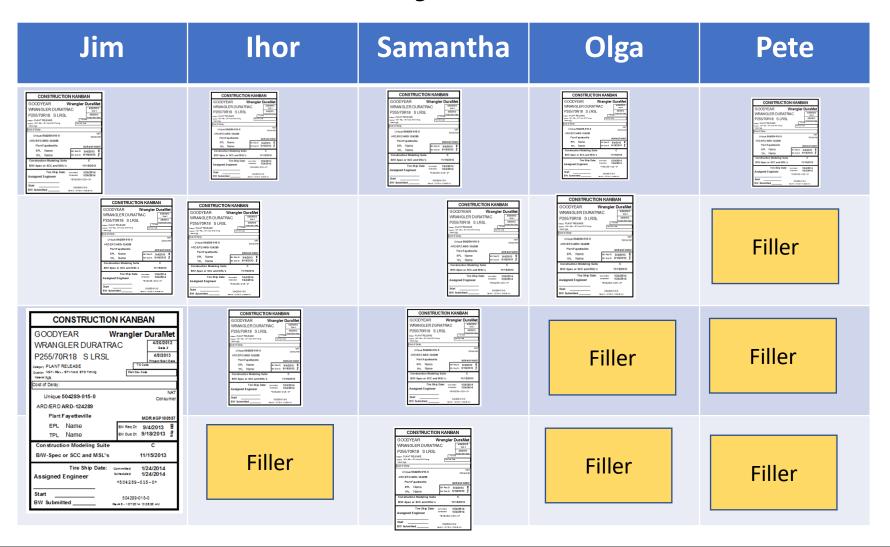
Visual Planning

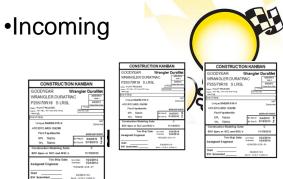


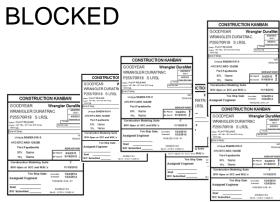


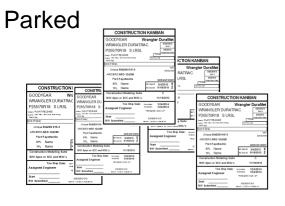
They can have ANYTHING but not EVERYTHING

Tom's Hijunka Box







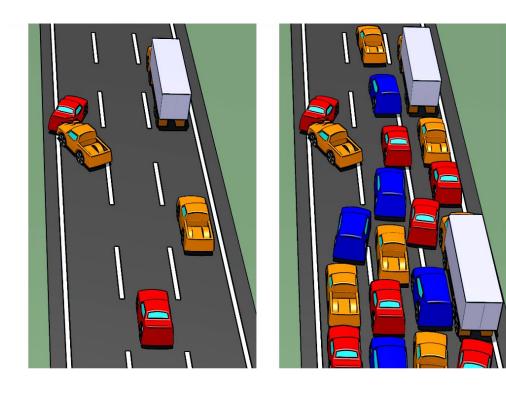




Law of Utilization

The Effect of Utilization



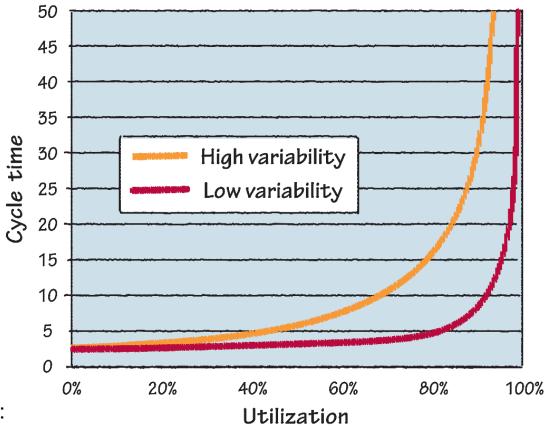


Utilization and Cycle Time





Effect of Utilization on Cycle Time



*The basic relationship:

CT = Average Processing Time * (Utilization Ratio / (1-Utilization Ratio)).

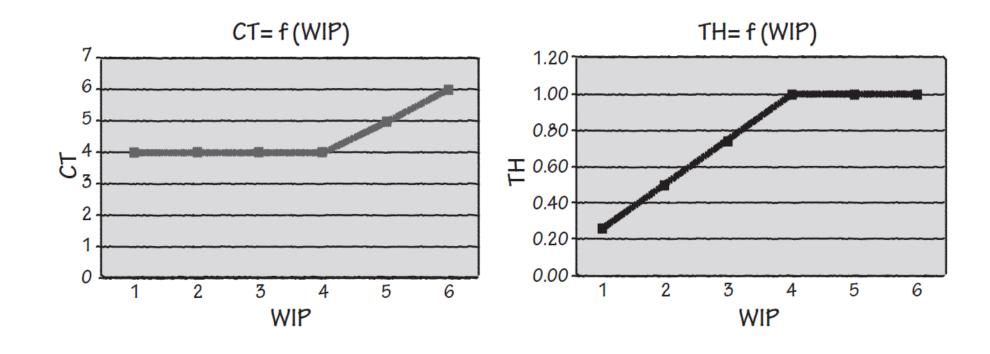
Search "Kingman's formula" and related for more information.

Little's Law



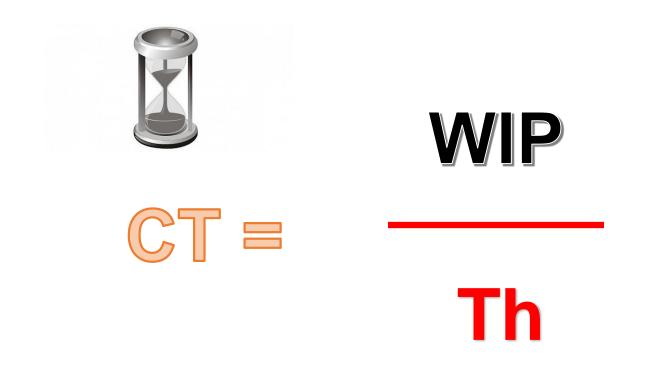
Little's Law





Little's Law



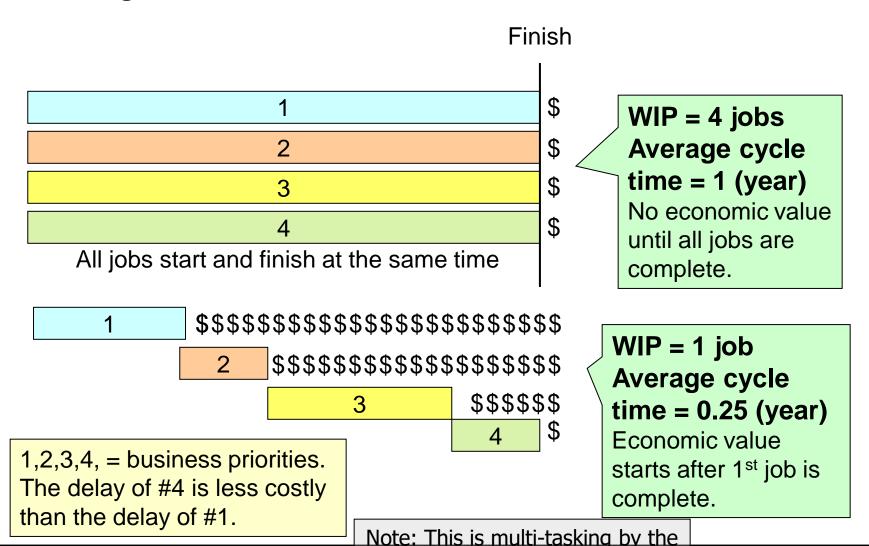






Multi-tasking (= Batching) One Engineer, Four Jobs





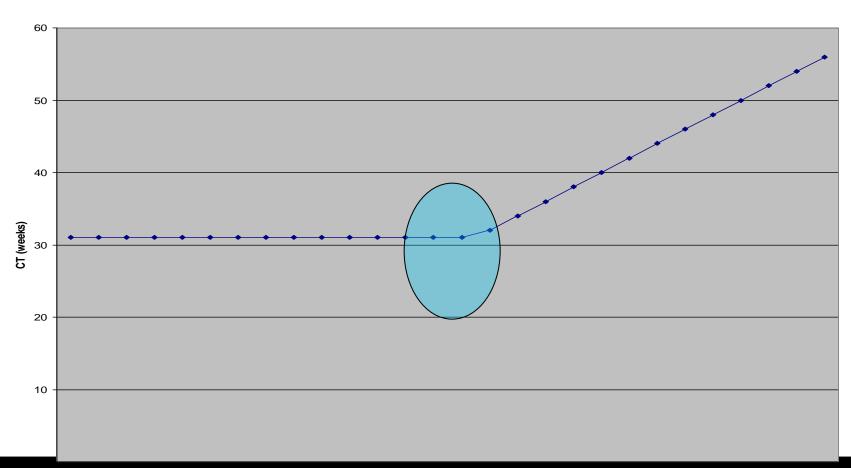
same resource

Lean Innovation 101

Little's Law CT=WIP/TH



Commercial CT vs WIP



CONWIP



One comes out, one goes in

Takt at Work





© Can Stock Photo - csp26904





© Can Stock Photo - csp269040







D Can Stock Photo - csp2690405











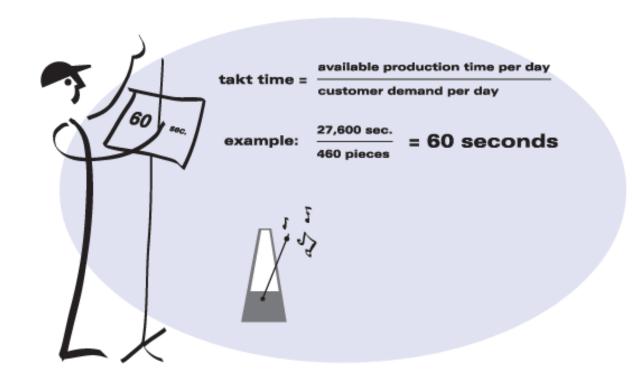




© Can Stock Photo - csp2690405

Takt

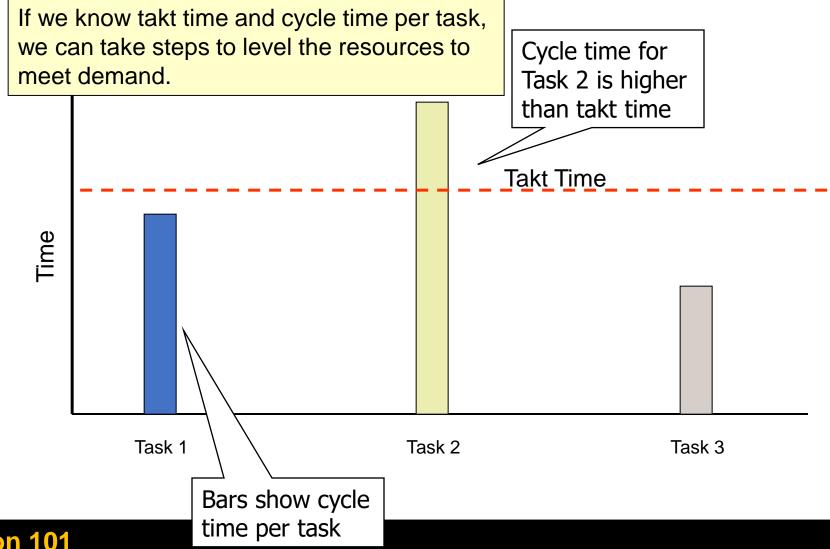




An example of calculating takt time.

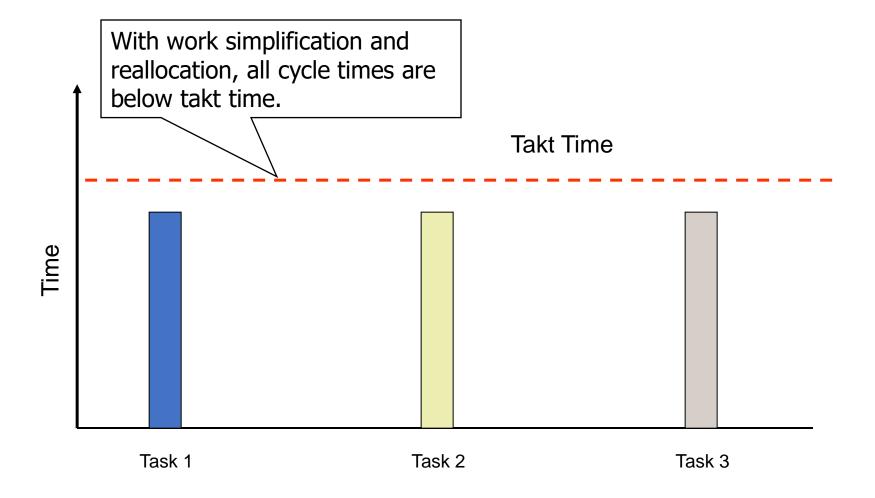
Resource Leveling





Resource Leveling





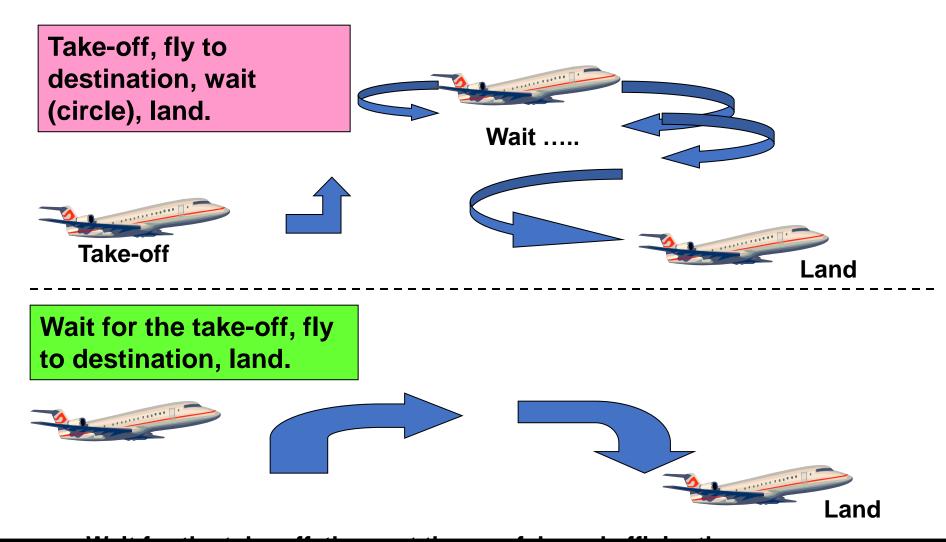
After the Takt is set,



Resources are assigned to meet the takt

Lean Air Traffic Control: The Model for GIC

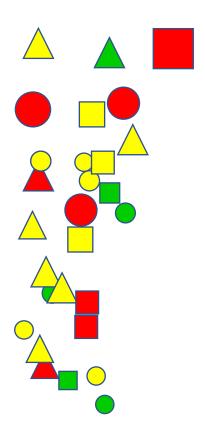




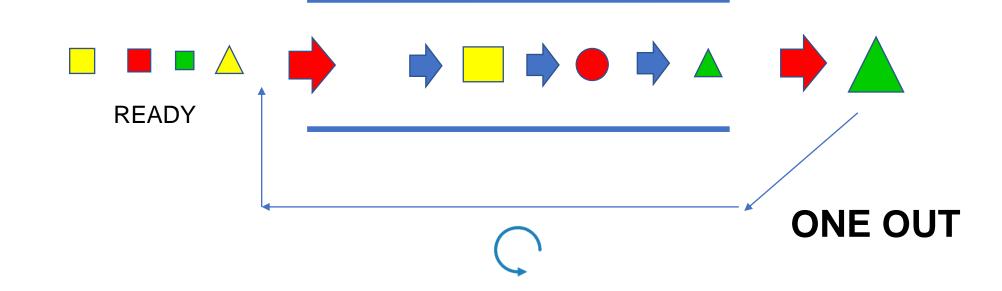
Pull



- Virtual
- Queue

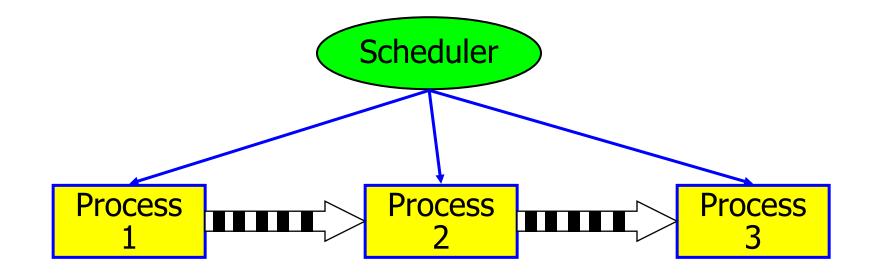


•ONE IN



Push System

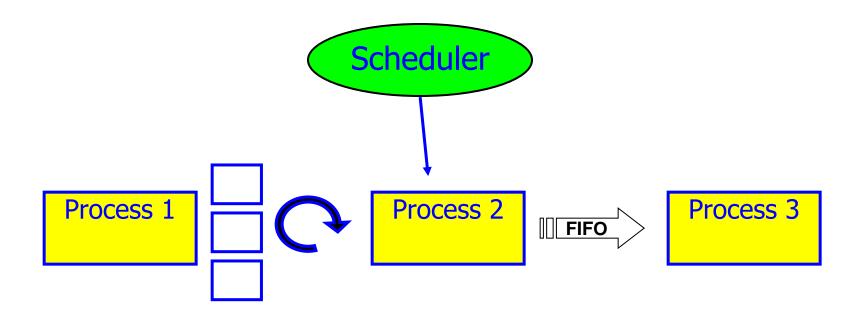




Schedule tells each process what to produce Material is produced and sent to the next process

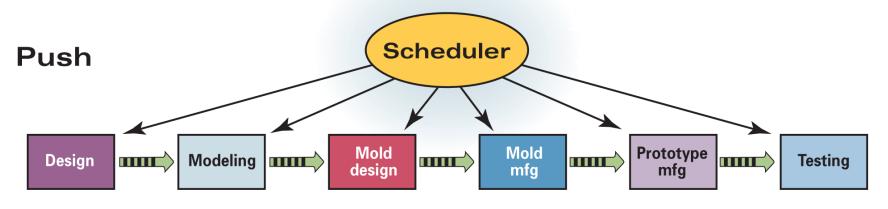
Pull System

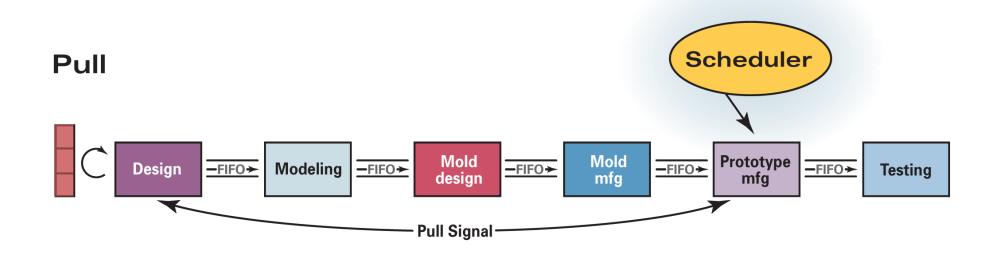




Push and Pull







Why Speed?



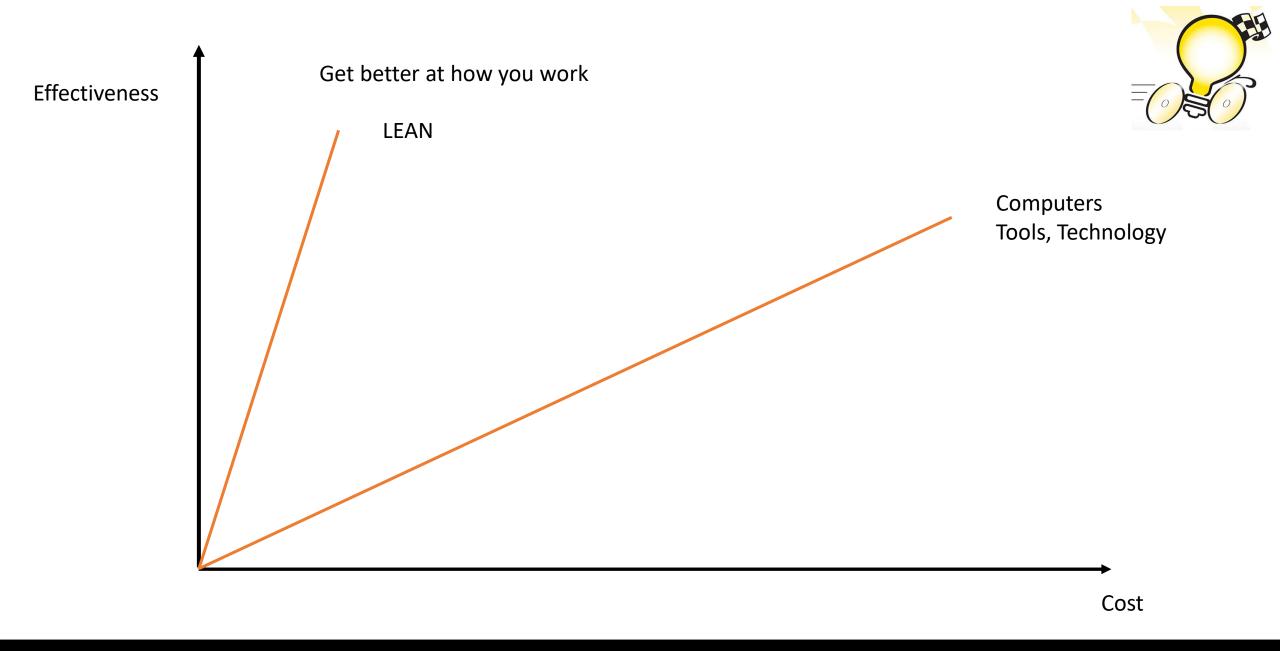
- 1. Profitability first to market
- 2. Efficiency
- 3. Quality
- 4. Agility
- 5. Better Risk Management
- 6. Employee engagement
- 7. ROI and Cash Flow
- 8. Faster learning

Traditional Methods to Increase Speed



- Invest more money
- Allocate more people
- Hire better people
- Buy computers/software
- Invest in technology
- Install faster equipment
- Start continuous improvement initiative

Do More With Less



Top 10 "lean for speed" principles



- 1. Flow and Pull schedule to capacity, spf, cadence, resource balance
- 2. Lean project management (agile, vis plan, daily huddle, decisions, portfolio, COD...)
- 3. Knowledge management and re-use
- 4. People management, talent, engagement ...
- 5. Standard work & product/test standards
- 6. Front end innovation management
- 7. Remaining waste elimination overprocessing,
- 8. Managing variability (buffers, agile, ...) 70% capacity
- 9. Late start
- 10. Critical path management, overlapping tasks and sequence

Winning Innovation



Process



Culture

What is the right culture



Enables innovation

Caring, appreciative

Aligned

Rewarding/fun

Principles



True North

Engagement

Empowerment

Respect

Upside down leadership

Motivation

Collaboration

Diversity

Cultural Transformation



There is no transformation without a people transformation

ALL about the people - Change Management is CRITICAL

From "must do" to "want to do"

Collaboration

Humble leadership and respected individuals

ENGAGEMENT

Upside Down Leadership





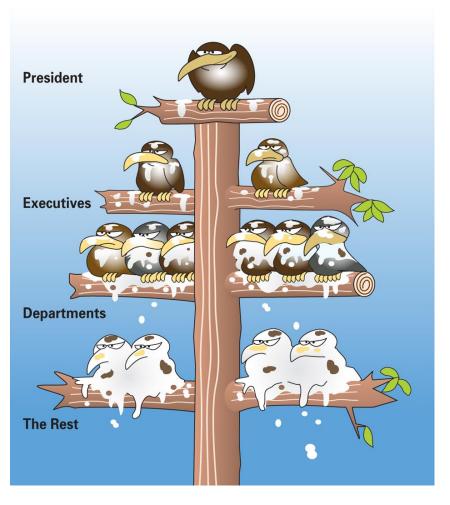
Billy Taylor, Director NAT Manufacturing





Ellis Jones, Plant Manager Akron

Leadership

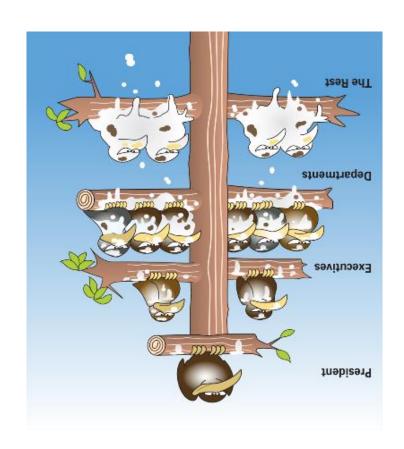


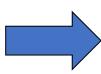
*Inspired by unattributed graph

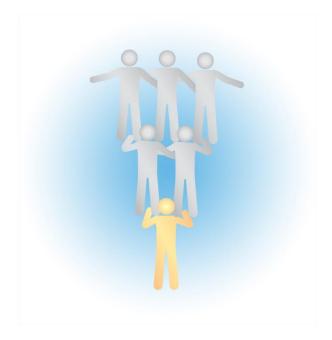


Lean Leadership











Leadership Transformation



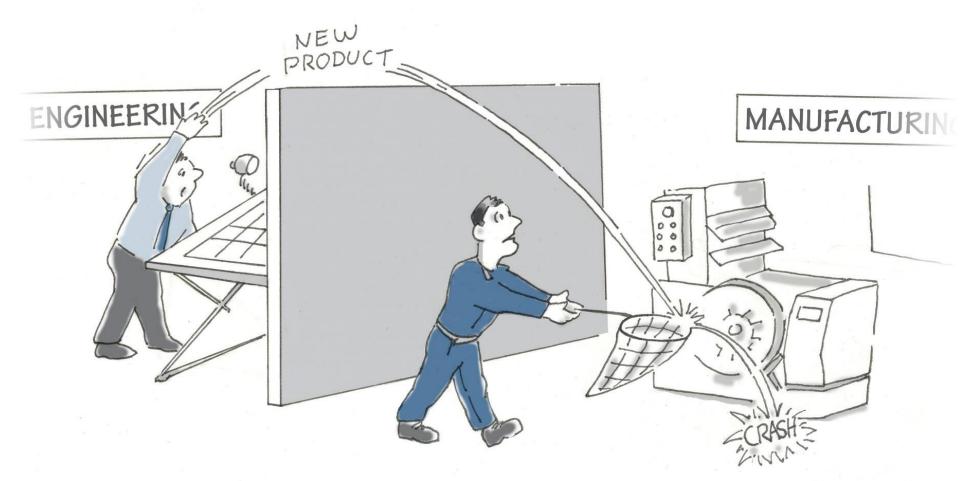
Helping People to be successful



Tell people what to do

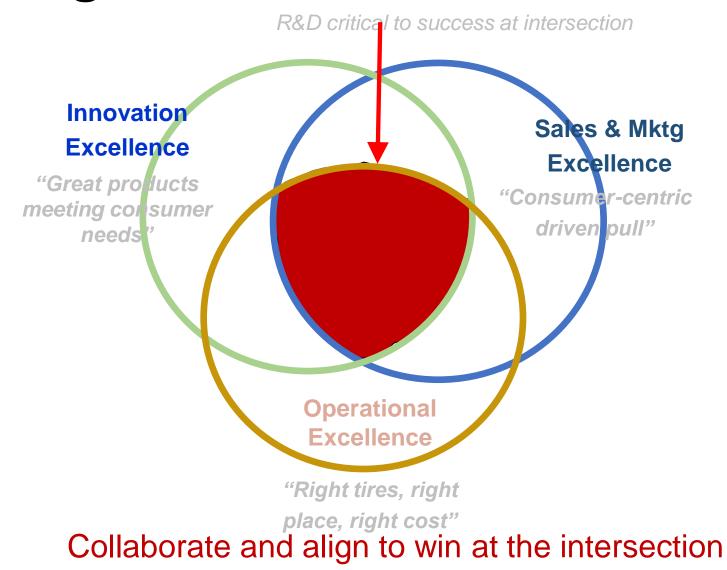
New Product Launch





Integrated Excellence



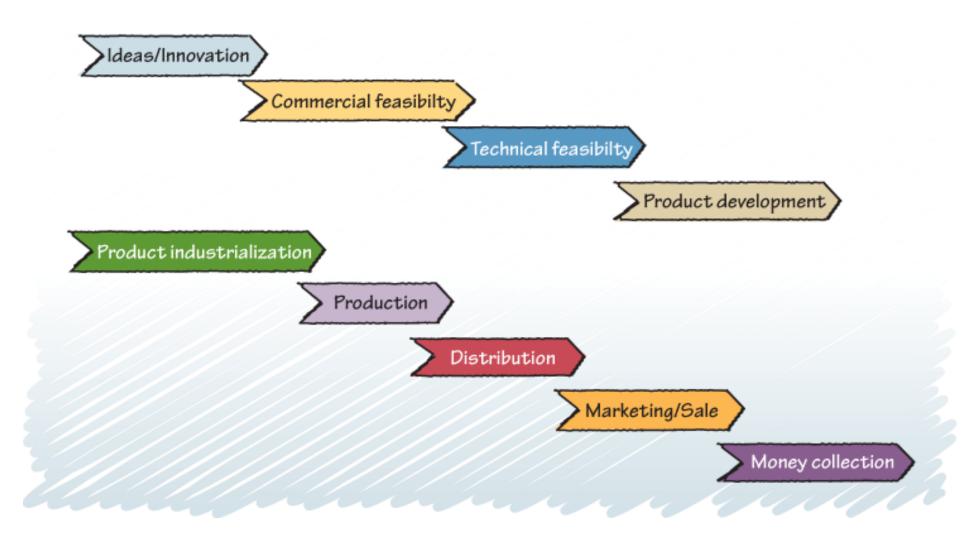


Winning Innovation

5/4/2022

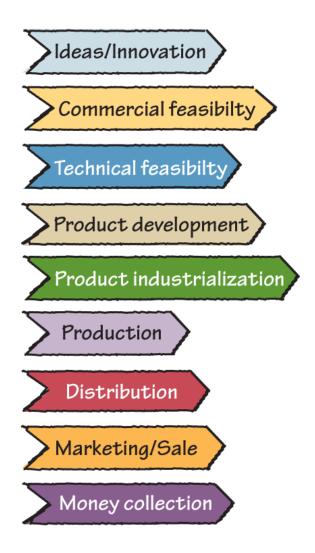
Typical R&D Value Stream





Value Stream Collaboration





Targets set JOINTLY – but they evolve

Targets reflect value for customer and company growth

CONCURRENT development

Functional and personal agenda take a back seat to the value for the customer and the growth of the company

Engaging Associates Respect for People

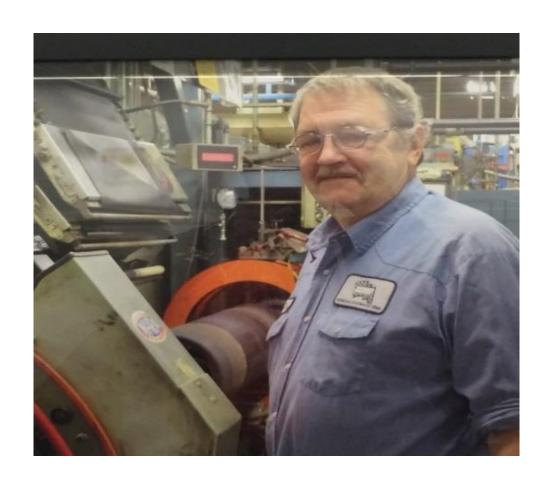




Engaging Associates

"We came here to die"





I build the BEST NASCAR tires!

What Made the Difference



He did not get paid more

He found a purpose

He gets the respect he deserves

He owns the machine and the product

He loves to help

MY Roadmap to a Lean Culture





"Plus and Delta" for the Day



In few minutes, meet in your work teams of list the pluses (what went well?) and the deltas (what would you change, and how?)

Describe to the rest of the class.

On-line survey: You will receive short questionnaire about this course. Please take a few minutes to respond to this anonymous, on-line survey. Past responses have been very helpful.

Thanks





If everything seems under control, you're just not going fast enough.

-- Mario Andretti

Contact Information norbert.majerus@gmail.com

Cell.: 330 801 3184

leandriveninnovation.com

