

LSS 017 | Karen Martin, Value Stream Mapping: How to Visualize Work Align Leadership for Organizational Transformation

Announcer: Welcome to episode 17 of the LSS Academy Podcast.

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Announcer: You are now listening to the LSS Academy Podcast, the show that's spreading the good news that is Lean and Six Sigma. Now, here's your host, Ron Pereira.

Ron Pereira: Hey there, welcome to another edition of the LSS Academy Podcast. Thank you so much for listening. Before we get started, I wanted to give a shout out to one of our listeners who recently sent in an email.

Mark Reiken, who's from New Zealand, wrote in and commented that he had started listening to the Michael Lombard interview that we just released, on that morning that he sent the email, on his drive in to work.

He said that he was quite interested in the whole Toyota Kata topic because one of his colleagues, had just given him Mike Rother's book to read. That's pretty cool. Mark concluded that, he said that we were doing some awesome work, which definitely made my day.

The reason that I really love my work with all my being is that I could stand here in Keller, Texas, talk into a microphone or even better into a video camera shooting a video. Minutes later, people from all over the world can learn and be inspired by that message.

It's really incredibly rewarding and humbling. Again, thank you for everyone that watches our videos at Gemba Academy, and listens to this podcast.

Today's guest is Karen Martin. Karen is the founder of the Karen Martin Group, which helps organizations deliver high-quality goods and services faster and at lower cost while creating a safe and stimulating work environment.

Karen is one of my favorite lean thinkers. Karen has such tremendous energy and passion for what she does, she's just one of those people that you just like to be around, she's such a nice person, and so good at what she does.

Karen and her co-author, Mike Osterling, recently published a book called "Value Stream Mapping: How to Visualize Work & Align Leadership for Organizational Transformation." During this interview, Karen and I explored the topic of value stream mapping.

This exploration includes a question or two that Karen expected me to ask, but as you'll hear, she does a fantastic job responding to everything that I ask and that you're really going to enjoy the show.

Now, links to Karen's websites and to this book, she's also written some other ones, can be found in the show notes, which you'll find at "issacademy.com/17," that's one-seven.

Again, thanks for listening, let's get to the show. All right, Karen, thank you so much for taking the time to visit with us today.

Karen Martin: Thank you, Ron, for having me on the show, this is great.

Ron: All right, why don't you go ahead and just start by telling us a little bit about yourself including your background, how did you come to learn about continuous improvement in the beginning?

Karen: That was a long time ago. I was running operations, building a couple of start ups, and then managing very rapidly growing operations. We just couldn't keep up with everything.

There were changing dynamics all the time, new customers all the time, and I started exploring all of my options out there as, then a director, and ran into Demming, and was immediately addicted to his message and his philosophy.

I eventually moved completely into the whole quality and process analysis arena. When I left my last corporate job, all the way back in '93 to start my consulting firm, that's when I decided I would specialize in.

Because I thought we did a pretty darn good job of getting our operations very well wired in three consecutive companies, and I wanted to help others do the same thing.

Ron: Tell us a little bit about your consulting company?

Karen: Yeah, we started in '93, and we work with organizations at any stage of what I call "The transformation journey." Sometimes, clients come to us because they've got a burning issue or they're bleeding at the jugular, as I call it.

Sometimes, it's just new leaders have come in, they really want to build a new culture, they want to be a continuous improvement culture.

And sometimes, it's even when there is a large improvement staff already in place that are dedicated resources and they just need to develop new skill sets or deeper skill sets.

It's really the full gamut. We rarely do traditional consulting, it's almost all getting improvement and getting results through developing people and through a fair heavy dose of teaching and developing people.

Ron: Right, we'll link to Karen's websites and all that stuff at the show notes which everybody can find at ltsacademy.com/17, that's one-seven. We'll link to all of your websites and what not.

Karen, before we get into the teeth of the interview, I'd like to ask our guest to share a continuous improvement or leadership quotation that inspires them. What quotation inspires you, Karen?

Karen: There's one, I can't remember the exact words Demming used, but there's one that I paraphrase a lot where when someone says to me, "We don't have time for improvement," which is so common to hear that.

I always very quickly say back to them "Yeah, but isn't it interesting how you always have time to do things inefficiently, and you always have time to correct recurring problems, and you always find time to waste time [laughs] but never time to fix it." What's up with that?

I have one of my own. It's my own. I don't think I borrowed this from anyone. I say this a lot during improvement activities that I'm facilitating, or I'm coaching improvement teams "Do you think, or do you know?" A lot of people aren't...

It's not habitual for them to use data to support an assumption, or an opinion, or whatever. You hear people use the word think, and maybe a lot, and I'm just constantly trying to get them to be more precise with supporting an opinion about something.

Ron: I like that. "Do you think, or do you know?" I'm going to steal that.

Karen: You can. I give it to you.

[laughter]

Ron: Very cool. As I mentioned in the intro, our focus today is really on value stream mapping. Before we get too advance, and too in depth, which I definitely want to do a little bit in this interview.

Why don't you give us, Karen, an elevator speech as to what this thing called a value stream map is?

Karen: A value stream map is a very high level, a macro level view of how work flows, or doesn't flow throughout a large segment of an enterprise.

The term value stream mapping was probably created by Jim Womack in "Lean Thinking," but the methodology of value stream mapping was first developed by Mike Rother, and John Shook in their 1999 landmark book "Learning to See."

Which was their version of what they were observing Toyota doing with their material and information flow maps. They re-framed it a bit, and then named it value stream mapping. It comes from John and Mike. I answered your question. Sorry.

Ron: No, that's good. What are some of the biggest mistakes that you see organizations make when they're working with these VSM's?

Karen: Since 1999 I honestly have seen very few value stream maps that I define as value stream maps, so the mistakes are numerous. The first one I see a lot of is that they're process maps, not value stream maps.

Value streams are made of a series of processes, and each process is made of a series of steps, or tests, so they're not macro enough.

They often don't have any metrics at all, which defeats the whole point of, and eliminates the foundation from which you make improvement when you have no measurement in place.

I see value stream maps that have tons of decision trees, and they aren't linear enough to be able to get a clear understanding of the time line.

I see value stream maps that are usually too narrow versus too broad, although I've seen some that are too broad and try to solve world hunger in one map, but usually they're far too narrow.

The risk is that if it's not broad enough you'll continue to sub optimize within a certain part of the company, and not really make holistic improvement that's going to serve everyone well.

Ron: It's pretty obvious that VSM's they work really well for folks that produce widgets in factories. We can count inventory, and put that in between our processes step.

We can measure cycle time, and down time, and change over time and so forth, compare everything to attack time, so it's pretty traditional and somewhat easy to do if you know what you're doing.

What about those of us that work in organizations that don't produce widgets? Can we also benefit from value stream mapping?

Karen: Oh yeah. In fact, that's the bulk of my work is off the shop floor in offices of manufacturing, and then in every other industry there is. Information becomes the widget.

The information can morph just like a widget morphs as it goes down a production line. It can start with a verbal request. It can morph into some electronic format.

It could become a hard copy, maybe a hard copy drawing or report, or a set of marketing material, or something like that, and then it can morph back into verbal, or electronic. It's really shockingly similar.

Ron: How do you handle the in between the process steps where you traditionally see the yellow triangle for inventory? Is this queue time, or waiting time? What's your approach there?

Karen: I'm going to get a little technical here. What we feel strongly about in the information world is that you follow one thing going through the entire value stream. That thing, again, morphs, but it's one incident, or one request going through to delivery.

When you get in between process blocks. You could have work queuing, and we show that as WIP - work in process - but we don't apply lead time quite the same way you do in manufacturing because...

There's many reasons, but one of the biggest reasons is you don't have the...How do I say this? There's such high variation in the office because people are juggling so many hats.

And they're juggling so many different projects that something could wait virtually no time one day, and it could wait a week, or two, or three another time just based on the high variation, and the work is frankly, not well designed [laughs] in most office environments.

It's handled differently because you're following one thing. Lead time is just the time it takes for that one thing to get through each process block.

Ron: Very good. My next question is the tough question of the interview.

Karen: I'm ready.

Ron: As you may know...I'm sure you know. You've probably seen it. There are some critics out there that claim things such as value stream maps. Not just value stream maps, but things such as value stream maps.

Slow down the improvement cycle. I'm just curious if you heard that, and if you have, what are your thoughts on someone that would say that doing this whole value stream mapping thing it just makes us go too slow, lean kaizen needs to be fast? What are your thoughts on that?

Karen: Who are these people?

Ron: [laughs]

Karen: Seriously, I have never heard this, and it's ridiculous. Who says this?

Ron: I've...I don't want to say the...

[laughter]

Ron: I'll tell you offline. A friend of the show. I don't agree with them.

Karen: We should have a he said/she said on the show.

Ron: I personally don't agree with it, but I'm just curious. The argument is that tools such as value stream mapping can create bureaucracy if not handled correctly, which, to be honest, I've seen that.

People get a little carried away with before improvements could be made you've got to have 10 meetings on your action plan, and so forth.

Karen: No here's how we approach it. There's no slowness in what we do. It's pretty aggressive actually. I prefer a three day sequestered activity. I don't always get it, but that is for sure the most effective way we've found so far to do value stream mapping.

It's a team at sequester for three days. There are three deliverables, not two. There are three deliverables, a current state map, a future state map, and then most importantly, a transformation plan.

The transformation plan is an Excel document. What we use, with line items of all the improvements that need to be put in place in order to realize that future state and have it become the current state.

At the end of the third day that plan is complete. it has owners, dates, deliverables, measurable, how do we define success, what are the target conditions we're going for, and you start executing that plan literally the next day.

There's a whole thing about how that plan is executed, which we go into great length in the book "Value Stream Mapping," which we just release, which I don't think we mentioned at the beginning that it's a book that came out.

Ron: I've mentioned it in the intro. You didn't actually hear that.

Karen: Oh, I'm sorry.

Ron: No worries. We'll link to it as well in the show notes too.

Karen: One of the other criticisms, what I thought you were going to say that there are critics that say that once you get a transformation plan in place people think it's set in stone, and they don't really actively use PDCA, or PDSA to continue to make iterative improvements to the improvement plan.

That's a no no. As you make one improvement in one area, it may affect another area, so you're always going back to that transformation plan and making sure it still makes sense.

Ron: Very good. Now me personally, back when I worked in the industry I worked and created many, many, many value stream maps over the years, and I'd say the biggest challenge that I faced was a lack of senior leadership support. B

Before I was a senior leader I was just a practitioner, and all the people, the big bosses would turn up for our report outs, and they would review the action plans and nod their heads, and say "Yeah, that looks good," but they weren't really on board.

It wasn't that they didn't support us, but they weren't actively engaged in the improvements. I'm curious...Do you think this is a problem, and if so what can we do about it?

Karen: When you asked the question in the beginning about what do I see that are the things that aren't going well with value stream mapping, I went to the mechanics and what the maps look like.

But by far the biggest methodology planning error that I see is that the maps are being created by people too low in the organization, or they're being done by consultants, or six sigma black belts, or lean champions, and not the people who own the pieces of the value stream.

What we say in the book, and what we practice is "Go as high as you can, accept as low as you need to." I have a value stream map coming up the first week in May with a client where it's their entire senior leadership team. It's all vice presidents and sea level.

The reason why we do that isn't because they're going to be familiar with the current state analysis that you need to have that as a foundation to develop the future state from. You can get that other ways. It's because you need them with the authority to design the future state.

For example, if you're going to take work from one area and put it in another area, or merge two departments together, or eliminate a department from involvement that's leadership level, and sometimes policy level decision making that goes in to that.

They are actively engaged, and yes, I do get them to commit to three days of being sequestered. I sell them on the fact that this is absolutely a strategic decision.

We're talking about getting lead time from in one case recently 17 months down to seven and a half months, and freeing the equivalent of 23 people's worth of time in the value stream, that they can work on all this other business that's coming in the door.

Ron: It's almost a "How can you not do this?" [laughs]

Karen: Right. As an insider, I don't have difficulty selling leaders on this. There's usually a couple that go "Three days?" but once they go through it they absolutely love it.

Because for the first time ever the entire leadership team involved with mapping finally understands how work actually gets done.

Ron: Love it. All right. Aside from buying your book, which everyone should do. I definitely recommend that, and of course signing up for, again, the academy and online training. [laughs] yeah, I love applauding that.

Karen: Absolutely.

Ron: How would you suggest people get started learning more about Value Stream Mapping if let's say if they've never done it before?

Karen: The book is a good place to start. There used to be workshops all the time on Value Stream Mapping when it was new and then early 2000's and stuff like that. You don't see as many anymore. We are doing a couple of public workshops.

Like you guys, I also have webinars that I do. You really have to dive in and do one and learn from mistakes. I do think it really helps to have a good coach that really knows what they're doing.

Ron: I agree, especially in the beginning. Like you said, the most important thing is to start, to try and fail and have some success and so forth. All right Karen.

Now we've come to my favorite part of the show. It's the quick fire segment where you get to share your personal thoughts and wisdom with our listeners.

First question is when you first started down your personal lean journey, what was holding you back from being successful?

Karen: There were a couple of things, but the biggest of all of them were...as a consultant I'm speaking. I really wanted my clients to go faster than they were capable of going or that they wanted to go.

I have finally relaxed into that and I say move the needle wherever it is. Move it at their pace. Push for sure, I definitely push. But I really let the client take the lead on the pacing.

It still frustrates me a little bit because people can get so much better faster, but it's not my call.

Ron: Yeah. Any progress is better than no progress.

Karen: Exactly.

Ron: What's the best advice you've ever received?

Karen: Probably the opposite or in conjunction with what I just said. Probably that was the key advice from a couple of people. It was "Karen, you're not the CEO of that company and you're not the leaders in that company. You have to allow organizations to move at their own pace."

Really, it was very good advice and I've been pretty much where I'm at now for about three years of my 21 years in business and it's good. It's good for everyone.

Ron: Yeah. Go ahead. Can you share one of your personal productivity habits that others might benefit from?

Karen: I'm a big fan of the zero in box rule. Every day I zero out my in-box several times. I don't know if you want me to go into details about how I do that.

Ron: No. That's maybe another podcast actually because that would be great to explore.

Karen: I have on my team Tiffany McCallan is on my team and she is a master at helping people break their habits and get to zero in-box. She's just fantastic, so she helped me.

Second thing I do is I use Google Drive now for all of my standard work for the organization, so everyone has access to it. We update it real-time all the time. It's truly continuously improved.

In that I also have a To-Do list that now that I went to Google Drive it's on all my devices and I'm actively working To-Do lists every day, all day long. That has made a world of difference.

Ron: Yeah. We also use Google Drive and I love it. Now we've already recommended your book, so that one doesn't count. But can you recommend just a really awesome continuous improvement book or maybe it's on leadership or something.

That you read and that you think everyone else should read.

Karen: I have 10.

[laughter]

Ron: Yes.

Karen: Let's see. I'm going to go old school for a moment. Every single person in improvement or interested in improvement has to read Deming's "Out of the Crisis". Everyone has to read Peter Senge's "The Fifth Discipline".

Everyone needs to read Drucker's...The essential Drucker just came out that's the "Drucker-isms" it's fantastic. Now you want me to go into the lean space maybe.

Ron: No, it doesn't have to be. Sometimes we lean folks, we get so laser focused on things like that. Like my favorite books are by Malcolm Gladwell.

Karen: Yeah. I like his works too.

Ron: That's a great list. We'll go and link to those in the show notes. The last question here is, imagine that you've been hired as a general manager of a company struggling with quality, productivity and poor morale. You were recently hired because of your past success.

The good news is the CEO that's hired you has given you complete operational control. What would you do on your first day?

Karen: First day, I'd probably go and observe in at least four areas for an extended amount of time, I'd have to figure out where the problem areas were and pick those. I would probably talk with 20 people and give them a safe environment to tell me what's really going on.

Ron: You mean you wouldn't sit in your office and review websites?

Karen: Heck no!

Ron: God, I love it. Karen, thank you so much for taking time. I know you're extremely busy. I really appreciate you taking the time to visit with us.

Why don't we close the show with how people can connect with you via social media or a website or whatever you'd like to give out there?

Karen: Thank you. My website is KS...and that's "S" as in Sue. Ksmartin.com. On that website there's a link to, upper right-hand corner, to all social media.

We're on Twitter, Facebook, LinkedIn, Vimeo, SlideShare, YouTube, all of that and all the free webinars are there as well. That's the best way.

Ron: Again, all the show notes can be found at lssacademy.com/17. Karen, thank you again. I really appreciate it.

Depending on when you are listening to this, Karen is going to be doing a webinar with us, again at the academy on April 23rd called "Value Stream Mapping" from tool to management practice.

Definitely register for that, it's going to be incredible. I can't wait to talk to you again Karen.

Karen: Ron, thank you so much. This was really great fun. I look forward to the webinar.

Ron: All right. Take care.

Karen: Thank you. Bye-bye.

[music]

Announcer: That's all for this episode of the LSS Academy podcast. Now it's time to go down with the only book you need to get started in lean thinking. That's the LSS Academy Guide to Lean.

The best part is that this book is absolutely free when you visit lssacademy.com/guide. Don't miss your chance to truly understand what it takes to think lean.

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