

## GA 24 Keivan Zokaei

**Announcer:** You're listening to Episode 24, with Keivan Zokaei.

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**Man:** Welcome to the Gemba Academy podcast, the show that's focused on helping individuals and companies achieve breakthrough results, using the same continuous improvement principles leveraged by companies such as Toyota, Del Monte, and the US Department of Defense. Now, here's your host, Ron Pereira.

**Ron Pereira:** Hey there, this is Ron Pereira with Gemba Academy, and I'd like to welcome you to another episode of the Gemba Academy podcast. As always, thank you so much for taking time to listen to this podcast, and for watching our videos over at [GembaAcademy.com](http://GembaAcademy.com). I do want to give one quick Gemba Academy update.

We've recently released the second edition, if you will, of our Gemba Live episode over at FastCap. If you're not familiar with FastCap, you really need to at least check out some of the free videos that we have available on FastCap, just an incredible company. Paul Akers and his team recently moved into a new facility in Bellingham, Washington.

There are no walls within this facility. It's an open facility, it's gorgeous. We were able to get some incredible footage.

We were using drones, and all kinds of interesting techniques to capture the footage. Paul and his team just blew us away with their passion, and their drive for continuous improvement. If you're a Gemba Academy customer, definitely go to the Gemba Live! section of your subscription and check out FastCap. It says 2014. There's another series, FastCap 2012, where we were in FastCap's old facility, so you can check that out as well.

Now then, in today's podcast, I'm excited to welcome a guest to the show. This is a new guest, is Keivan Zokaei. Keivan is based out of the UK, and he specializes in this Lean and Green movement. It's a really interesting topic. Something that I'm ashamed to say, I don't know as much about as I should, and something that I

personally want to grow in and learn more, because it's an area that Gemba Academy needs to explore down the road.

In any event, today what we talk about is how Lean and Green play together, and why so many companies actually struggle to adopt a sustainability, or more of an environmental approach. All the show notes for the things that Keivan and I are talking about can be found over at [Gembapodcast.com/24](https://gembapodcast.com/24). Again, [gembapodcast.com/24](https://gembapodcast.com/24).

Enough from me, let's get to the show.

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**Ron:** Keivan, thanks for coming onto the show. Where are you calling in from today?

**Keivan Zokaiei:** Thank you, Ron. Good morning or good afternoon to you. I'm calling you from London. It's a beautiful London afternoon. It's very good to be with you, guys.

**Ron:** I love London. It's been many years since I've been there, but I especially love the double decker tours. I'm sure you don't do those, but... [laughs]

**Keivan:** You see, if you live in London, you rarely do that. You rarely get to do that. I've done it once.

**Ron:** Keivan, why don't you start by giving us a little bit of history on your background, maybe how you first came to learn about Lean thinking, and then what are you up to these days?

**Keivan:** Thank you, Ron. My background, I started being introduced to the concepts of Lean and continuous improvement when I was doing my master's degree at Warwick University in the UK. At the end of my master's degree, I decided to do a dissertation. I decided to do Lean and green as the topic of my dissertation, or my thesis, if you'd like.

It was interesting because even then I had two choices. I was in two minds between strategy or Lean and green. They were quite different fields, and I had two very good professors to pick. Eventually, I decided to go for the Lean and green, but every since I've been involved with both of them.

**Ron:** What do you do? Are you a consultant now?

**Keivan:** I am a consultant now, but as soon as I finished my master's degree, I was fortunate to be head-hunted into the Lean Enterprise Research Center at Cardiff University. I was tenured academic for a number of years, for about six or seven years. I benefited from working with a number of leading edge Lean thinkers, from whom I've earned a lot at Lean Enterprise Research Center.

That center doesn't exist anymore. Also, the people who work there left it. A number of years through my academic career, I decided to become a consultant and try my hand in being a change agent.

**Ron:** We're going to explore the whole Lean and green topic here in a bit, but, Keivan, what we like to do with all of our guests when we start these episodes is have them share a quotation that inspires them. The quotation can be related to Lean or leadership or really anything. What quotation inspires you?

**Keivan:** Ron, Dr. Deming himself famously said, "A bad system beats a good performer almost every single time." I really do believe a bad system drives behavior. No matter how hard we push in a bad system I don't think we have a big chance.

**Ron:** Love Dr. Deming. All right, Keivan. Let's go ahead and get into the topic of Lean and green a little bit. The first question I have is a general question. Is Lean in itself green?

**Keivan:** Probably not, to be very honest. It depends how conscious you are about the green aspects of it. Companies, such as Toyota, who are extremely conscious about the environmental performance are also very sustainable. We were fortunate to have access to some Toyota executives and Toyota data not so long ago.

We carried out the benchmark of Toyota against other car manufacturers. In fact, let's say we carried out the benchmark of the volume auto production. The results were remarkable because the environmental performance leak almost matched the economic performance leak. The best performance economically and quality-wise was also the best performance from an environmental point of view, which was quite remarkable. This just shows us that you will be also green if you have environmental consciousness.

**Ron:** I'm curious, your initial reaction was that Lean wasn't necessarily green. Why do you think that is?

**Keivan:** The reason for that is that you will only become green if you are extremely conscious and aware of your green performance. Otherwise, your performance, your environmental performance, is not likely to be that great. The reason we see companies such as Toyota also putting cars such as Prius out -- or they are very soon going to launch the fuel cell technology -- is they've been working at it for maybe best part of 20 years.

**Ron:** What's interesting about a company like Toyota...When you think of a Prius obviously that's a very green car but the way they're actually producing all of their vehicles, I reckon, is also extremely green just within the four walls of their factory. Is that fair?

**Keivan:** That is fair, yes. That's what our benchmark proved with hard facts, yes.

**Ron:** What does it take to make a Lean and green business?

**Keivan:** I would say pretty much Lean itself. In order to create a Lean and green business, companies need to adopt a holistic approach -- a systematic and holistic approach -- towards Lean and green. The same way that adopting Lean tools does not guarantee creating a Lean company, adopting Lean and green tools will equally not guarantee creating a Lean and green company.

What is required is to have the tools, the processes, the leadership, the strategy, and the supply chain. In fact, I call that the Lean and green business system model.

**Ron:** Give me some examples. Back when I worked in industry, I remember seeing some events that were done where the maintenance department went around and they figured out that there was all these air fittings and so forth that were leaking. That's maybe not necessarily a green activity, but there were examples like that that I can remember back from my industry.

There wasn't a lot of focus on those types of initiatives.

Give me some more examples of what a Lean and green company is doing, some very practical, put-your-hands-on-it examples.

**Keivan:** Let's put two examples out, just quick ones. There is a famous global retailer by the name of Marks & Spencer. They are not very big in the US, but they are well-recognized in the US. They are predominantly a British retailer of clothing and groceries. They have launched a scorecard. This is probably the main information that we can share with your audience.

The scorecard is quite remarkable. It covers three areas -- environmental, ethical, and Lean. Those are the three pillars of sustainability, by the way -- environmental, social, and economic. They have all of the supplies to go through the scorecard, understand how they're performing, and give themselves good targets in terms of improvement, and go on a journey of improvement.

That's why. They've taken the entire supply base on an improvement journey. Not only they are improving economically every day but they are also improving environmentally and socially or ethically every day.

**Ron:** What are they doing? I'd like to push my guest a little bit here so I apologize in advance.

**Keivan:** Sure.

**Ron:** Give me a practical example of what that company did. In a Lean tool way, we can say, "I just did some value stream mapping and I reduced my lead time from five weeks down to five days." That's a nice Lean improvement. What are some practical examples of some green improvements that that particular company has made?

**Keivan:** In the case of Marks & Spencer as a good example, what they've done, they have worked with a number -- maybe tens of if not hundreds -- of their key supplies. If you like, yes, you're right, those supplies will begin some lead time reduction initiatives, some inventory reduction initiatives. They will reduce some of the waste.

Let's take the grocery supplies as an example. If you reduce your food waste of course it is some Lean improvement. Of course it is some economic improvement. Coincidentally, food waste is also one of the biggest contributors toward global warming. That, coincidentally, is a huge environmental footprint that has been eliminated.

In another example, recently we worked with, in fact, the largest sandwich factory on Earth. We managed to reduce 1,000 tons of food waste, most of which was bread. In that case, bread was a baked item. Because it was baked, it consumes a lot of energy and it emits a lot of CO<sub>2</sub>. By eliminating all of that food waste, you have eliminated a huge amount of CO<sub>2</sub> as well as saving a lot of money.

**Ron:** My wife would love that. She's gluten free so she hates bread. [laughs]

**Keivan:** There you go. Yes. Exactly.

**Ron:** What about within an office environment? You'll hear stories of don't print anything anymore or various things to preserve paper. Are companies like Toyota, do they have practices like that in place?

**Keivan:** Absolutely. Toyota do ties into the environmental footprint. They do it not only on the shop floor in the manufacturing, but they also do it in the offices. Everybody. It doesn't matter where they are in the company. Everybody will have environmental indicators to perform against.

This goes back to the earlier point about having a systematic way of implementing a Lean and green business. In fact, I should say creating a Lean and green business because you cannot implement Lean and green. It's not a tool to be implemented. In fact, it can only be created.

Toyota, following the Hoshin Kanri, which in English you might translate as policy deployment or strategy deployment, following that everybody is given indicators. Everybody is given targets and measures to perform against. That includes all of the office staff.

**Ron:** Why do you think so many companies don't adopt a Lean and green business philosophy?

**Keivan:** Here is the million dollar question, Ron. Actually, many companies are still unaware of the potential synergies between the two. When I go around -- I don't have a number to put on it -- let's say, roughly, more than 95 percent of the companies that we come across have a separate Lean team and environmental team.

There is a continuous improvement department in an economic sense. That is the Lean department, Six Sigma department, CI department, whatever brand is being given. Then there is a separate environmental department. There is the EHS or green office or sustainability program, whatever you'd like to call it. Of course, all the big corporations have it and many smaller, medium-sized companies also have it. At least there is an EHS officer in these companies.

There are two continuous improvement offices within these organizations. One is economic continuous improvement and the other one is environmental or social continuous improvement. Sadly, I find out nearly 95 percent or more of these companies never create any cross-fertilization between the two. These two departments hardly are aware of each other's existence let alone being in touch and working together.

This is probably going back to the fact these companies are not aware of the potential that exists in creating the synergies between the two.

**Ron:** Yeah. What's interesting, even when you talk about companies that have so-called "Lean departments" or "continuous improvement departments," that in and of itself is a very dangerous situation. Then it's all here comes the Lean people. Whereas, when you go to a company like Toyota or Danaher, some of these ultra so-called Lean companies, they're all practicing it.

There's no Lean department, per se. Sure, there might be a few guys who do some training or whatever it is, but everyone is practicing. Go to FastCap. 50 people. All of them are crazy for this kind of thinking, this business improvement mindset. It almost seems to be the same situation on the green side of the world. If you have one little department of five people there's only so much they can do. Everyone has to get involved.

**Keivan:** Absolutely, Ron. You bet. That's exactly the case. In fact, as early as today I was talking to an environmental manager out of Germany, and she was saying exactly the same thing. She was saying in her organization she was perceived to be the environmental person so she will go and sort it out. Let's not worry about it.

As you rightly said, of course that's not the case. It's the same with Lean. There is a danger that we have turned these things into departments. We've turned them into silos rather than a way of life.

**Ron:** Yes, exactly. If someone wants to learn more about this Lean and green topic what can they do? Are there books or workshops? Hire you to come in and help them?

**Keivan:** [laughs] That would be the best option. Short of that, Ron, there are loads of good references out there. In fact, there is a lot of free material off the Web. I am using a site -- [www.leanandgreenbusiness.com](http://www.leanandgreenbusiness.com). I hope it's OK for me to reveal that URL.

**Ron:** Absolutely.

**Keivan:** That is a free source of information that people can go there and download case studies or papers or articles or even some videos from various people there. Also, there are loads of good books on the subject. Of course, I've written one so I would recommend my own book.

**Ron:** What is it called?

**Keivan:** My book is "Creating a Lean and Green Business System." We were honored to be awarded the Shingo Prize in 2014. It was a great honor. Again, I'm not saying definitely that's the resource. There are loads of good resources out there.

**Ron:** Let's do this. We'll link to all of your websites and your books here in the show notes, which people can find at [gembapodcasts.com/24](http://gembapodcasts.com/24). Let's do this. Gemba, I want to buy 10 copies of your book and then somehow get you to sign those. Then we'll give them away to Gemba Academy, the audience here, Gemba Academy listeners or whatnot. We'll figure out a way to distribute them.

Let's work offline and figure out how to get you to sign those books and we'll get those distributed. How's that sound?

**Keivan:** That sounds great, and I might as well chuck in a couple of free copies in there if that's the case. Absolutely. Let's do that. Maybe you want to have a draw and send out a couple more.

**Ron:** Let's go ahead now and transition, Keivan, into what we're calling the quickfire section. This is where you get to share your personal thoughts and wisdom, which obviously you've been doing, but now we're going to focus in on you. We spend a lot of time in Lean talking about respect for people. It's one of the pillars of the whole Lean body of knowledge.

It can be hard to define respect for people. What does it mean to you to respect people?

**Keivan:** That's one of my favorite topics, actually. Ron, making people anxious by overburdening them...

**Ron:** That's interesting.

**Keivan:** No, I was going to say that is the opposite of respect.

**Ron:** [laughs] I was going to say no one said that. [laughs]

**Keivan:** [laughs] I hope not because I was going to say that's the opposite of respect. Let's say what it is not first. That's what I meant. Overburdening people with worry or overburdened with too much anxiety -- a zone of anxiety, if you like -- that is the opposite of respect.

On the other hand, under-burdening people with too little to do and not respecting their mental or physical abilities -- especially, of course, people need to be respected for their mental abilities -- is equally not respect of people. You can call that the zone of frustration.

Somewhere in the middle is business as usual. Again, business as usual is probably not respect for people. Something slightly more than business as usual which you can call the zone of slight stretch -- not too much stretch -- that is, for me, respect for people. Where people can maximize their potentials.

**Ron:** I like it. When you hear the phrase "kaizen culture" what comes to your mind?

**Keivan:** I would say, again, somebody in some organization, some CEO, decided to change something from the top. That is one thing that comes to my mind from a sliding negative point of view. From a positive point of view, of course, it's all about having a culture of continuous improvement. That is, I'm sure, what people really mean by saying a kaizen culture.

Continuous improvement, again, going back to the previous point goes back to stretching people but not too much. Not overburdening people. Maximizing people's potential.

**Ron:** Keivan, what's the best advice you've ever received?

**Keivan:** [laughs] I must say this one I received not so long ago. I learned this from a good Ted Talk. The subject of the talk was that you do not try to make things perfect from the beginning. Take them into iterations. I must confess that one of my many flaws is that I am perfectionist, and that sometimes slows me down from doing things. Therefore, it takes me a long time to take the first step sometimes.

This was great advice for me. Do not try to make it absolutely perfect. Just take it into iterations. There is a famous challenge on the Internet. You can follow it yourself by the name of Marshmallow Challenge. This is a challenge where you bring people in to big workshops, and you get them to make a tower using spaghettis and to put a marshmallow on top.

They've got a certain amount of time. Let's say they've got 20 minutes. Most people spend time doing politics and power struggling in their groups and they're planning and designing. Guess what? At the end they put something together and they put the marshmallow on top and it crumbles down. [laughs]

The interesting point here was that graduates of business schools were not actually performing very well in this challenge. However, graduates of kindergarten were performing quite well. I'm sure you've seen the Marshmallow Challenge yourself, Ron.

I've learned from that, of course, the kindergarten kids know something and that is they have to take the first step. Over the years, maybe through obsessions and compulsions of life, we push back from that.

**Ron:** Yes. No, absolutely. People ask me, when we're talking about the tool 5S they say, "Which one is the hardest S?" I always say with a smile, "Start."

[laughter]

**Keivan:** That is very true, yes. I like that.

**Ron:** Do you have a personal productivity habit that others might benefit from?

**Keivan:** I try to write down a to-do list of the things that I need to do. Again, that was another way for me to remember to get things started and to get them done, as well. My inhibitions were mostly around starting so I keep a to-do list. I keep a handwritten short list of things that I need to do every week. Every single week.

I must say that has significantly helped me a lot.

**Ron:** We've talked about your book already. Again, we're going to link to that in the show notes. If you could recommend another book related to continuous improvement or leadership to someone who was interested in learning more about Lean and continuous improvement what would it be and why?

**Keivan:** I very much am in love with "Out of Crisis" by Dr. Deming. I'm sure you've read it, Ron, and I'm sure many of your audience have read it. Still, I refer back to it time and time again. It's an excellent read.

**Ron:** I'm going to change this last question up a little bit on you just with your unique background. The question is really centered on you're a Lean thinker who has just been hired as the general manager of a company. We're going to keep that part, but I'm going to make the focus of this question is that you're a Lean thinker who has a tremendous amount of Lean and green experience.

Now you've been hired as a general manager of a company. They need to improve all aspects of their processes, everything from their efficiencies, the traditional Lean stuff, but obviously their environmental side of their business is totally out of control.

Unfortunately, the situation is that you've discovered that many of the senior leaders that you're dealing with aren't really so enthused about all of this Lean and especially all of this green mindset and the ideas that you have. With this said, how would you approach that situation as being the new guy on the block who's really been tasked with trying to get this stuff to take root? What would you do?

**Keivan:** First of all, let me say do not lose heart. I would not let the negativity to get hold of me. I would stay positive about it. I am a great believer in something called positive intelligence. It's not just about how much you understand process or how much process intelligence you have. It's also about how much positivity you have.

People who ooze positivity, we've all seen them. We all know that those guys will get it done eventually. That's the number one thing I would try to do is psych myself up, if you like, to make myself believe that I'm going to make it happen.

Second thing is maybe it's a good strategy to create some small wins. I'm sure we've all seen this.

Big events have very humble beginnings very often. If we can grab confidence of people, if we can win people's confidence through small wins here and there, if we can do a kaizen workshop or something similar that has got some tangible benefits and we start doing it, this is another good strategy.

Thirdly, I am also a great believer of having a road map. No matter how much resistance is out there, you have to have a road map and navigate your way through. These are the quick three steps that comes to my mind.

**Ron:** I like it. We're actually in the process of creating a new course here at Gemba Academy. It's focused on how to build a culture of kaizen, that type of thing. We're working in a lot of different aspects such as Charles Duhigg's book "The Power of Habit" and how habits are actually developed. There are so many fascinating things about how our minds work and what you just said about taking things in chunks and developing so-called keystone habits, as they call it.

I'm reminded of the story of the company where the CEO was hired and he basically attacked safety and that was it. Safety. They were like, "What is this CEO of this billion dollar company talking about safety?" The fact of the matter was it was a habit, and he knew that if they could excel at safety then eventually everything else would come into alignment and it did. It's very similar to what you just said.

**Keivan:** Absolutely, and that's a great book, by the way, "The Power of Habit." Great suggestion there, Ron. Another example, very similar to this one, comes to my mind. A CEO we worked with. Guess what he did. He actually tackled the toilets. He ordered the toilets to be painted. As simple as that. That was his strategy into winning people's minds and hearts, starting with very mundane, down-to-earth areas such as the WCs.

**Ron:** I don't know if you're familiar with our friend Paul Acres at company FastCap. I'll send you a link to this video that we did with him. He has a company where they do tours on a regular basis. The bathroom is the first place that he

brings. If you're the president of a company, it doesn't matter if you're a billion dollar company or one million dollar company.

It doesn't matter. You all have to go to the bathroom and see how they practice Lean in there. [laughs]

**Keivan:** Absolutely. That's true. Very true with this. Very interesting. I was not aware of that. That's an interesting example.

**Ron:** Thank you so much for coming onto this show. It's been really fun, and I look forward to reading some more of your work over on your website. Again, we're going to link to everything at [gembapodcasts.com/24](http://gembapodcasts.com/24).

Why don't we finish up with you sharing some final words of wisdom, Keivan? Why don't you tell people how they can connect with you via social media?

**Keivan:** Thank you. It's been a great pleasure to talk to yourself, Ron, and to speak to your audience. I would, again, dare to share another quotation from Dr. Deming. He, again, famously said, "Survival is optional. No one has to change."

It is not mandatory to survive, but we all obviously want to go on a continuous improvement journey and push ourselves into better and better positions. In terms of being in touch with myself, I am available via LinkedIn and also available via S A Partners' website.

S A Partners' website is [www.sapartners.com](http://www.sapartners.com). You can easily reach me there. There is a contact page. Also, you can easily Google my name, and you will find my LinkedIn. I'll be very happy to hear from people who have any Lean and green questions.

**Ron:** Again, [gembapodcast.com/24](http://gembapodcast.com/24). Thanks again, Keivan. Hopefully we can meet in person one day. Perhaps, we'll do another interview down the road.

**Keivan:** I very much hope so, Ron. Well done for you for your Gemba Academy work. It is an exciting website, and I wish you ever more success.

**Ron:** Thank you. Take care.

**Keivan:** Take care. Thank you. Bye-bye.

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