



Learning: the Best Catalyst for Change

by: Sheila Julien, Senior Associate

Many years ago, a colleague at a high tech firm was studying a group of Japanese competitors and she told me that when these corporations sent people to visit other companies, each person was given a specific “learning goal.” In addition to their task at hand, the visitor was expected to learn as much as possible about a particular issue and then share it within the company. These organizations believed their competitiveness could be improved largely based on how effectively they brought knowledge into the company. Consequently, they invested in gathering, disseminating and using learning as an organization.

By contrast, our business culture focuses on individual learning aimed at the job at hand. As a consequence, much of our learning goes to waste because much of what we learn is by chance and then the knowledge stays in one place. An individual may accumulate a great deal of knowledge and skill in his or her work, but little is shared. One may master one’s own job, but know little about the work in supplier or customer organizations – knowledge that could help streamline the whole process. A sales rep may gather information about the customer that could be useful to engineering or manufacturing, but chances are high that that knowledge will never be transferred. Whenever someone leaves an organization, much of their knowledge goes with them. As Ted Teng, Principal and CEO Prime Opus Partners, put it in a recent interview he did for Cornell’s eClips (<http://www.prendismo.com/viewclip/15960>): *“I don’t think we truly have a knowledge management system. At best, we have somewhat of a talent management system. Right? Because the knowledge for the most part resides within the talent.”*

I recently saw how powerful knowledge transfer can be when conducting a “Lean Office” training session during which I helped a cross-functional group map their value stream. All the participants had thorough knowledge of their own piece of the process, but no one really knew much about the processes of their internal customers and suppliers. Value Stream Mapping is inherently a ‘knowledge sharing’ process, so there were plenty of Eureka’s! When individuals learned how their work fit into (and often slowed or hindered) the work of other parts of the value stream, they were able to identify ways to shrink the time required to deliver their service by well over half. Several persistent problems in one area were immediately solvable with information provided by another – once they knew about the problem. What the participants learned about their colleagues’ work was at least as valuable as what they learned about Lean Six Sigma.

To quote the innovator, Doug Hall, we must ‘feed the brain’! In order to develop new insights, new solutions, new opportunities for competitive advantage, we must actively mine for knowledge that can trigger solutions. All sorts of learning can become a catalyst for change. Learning about the market and the customers can help you see possibilities for innovation that you have overlooked before.



Knowledge about the competition can instill a sense of urgency and trigger insights into better methods and approaches. Even serendipitous learning about the world at large can lead to breakthroughs. But the most essential knowledge is the knowledge of one's own value stream. Above all, know thyself! (And thy customers and suppliers!)

Systematic Learning About the Market Helped Toyota Grow US Sales

In the early 1980's, Toyota believed that to grow their sales in the United States, they would need to have manufacturing facilities here, but they concluded they did not have enough knowledge to do so successfully. So they entered into a joint venture with General Motors opening the NUMMI plant in California to produce both the Chevy Nova and the Toyota Corolla in the United States.

Having achieved their learning goals, Toyota went on to open plants in Alabama, Kentucky, Indiana and more. General Motors had the opportunity to learn the production systems that enabled Toyota to produce very high quality product with low cost. Indeed, many individuals at GM learned a great deal through this venture. But in keeping with the practice of gathering knowledge by chance and then leaving it where it lies, GM gained little more from the venture than the cars that came off the assembly line.

Learning from the Customer Opens Up New Possibilities

Customers may tell you what they want, but not necessarily why. What do they really value? How do they use or struggle to use what you give them? What are the things that you could do differently that the customers would not know to ask? They don't ask because they know enough about your process to suggest it and you don't know enough about their process to offer it.

Contextual inquiry is a method of learning more about the customer needs than the customer could tell you by watching the customer use the product in context. It has been used by some software developers and systems designers for a number of years. But it can be used in many other circumstances. The staff of an assisted living facility was able to eliminate almost half the forms in the move-in process by spending time with the departments requesting the forms to really understand how and why they were used. With the new understanding, they were able to design a much simpler and less error-prone move-in process that also perfectly met the needs of the accounting, facilities, and medical departments as well.

Knowledge of the Competition Can Produce Urgency or Better Insights

In 1989, Robert Camp published his book, *Benchmarking: The Search for Industry Best Practices*, describing a methodology to learn and apply better ways of doing things by identifying and studying the best. His is a rigorous and time-consuming methodology, and companies must choose the most important aspects of their work to compare and try to improve.



In addition to benchmarking, there are a number of quick and inexpensive ways to mine competitive information. Visiting competitors' websites can increase knowledge and generate ideas about how you might leapfrog them by combining the best of the competitors with your own best capabilities and offerings. Visiting the competitor as a customer can also tell you a great deal about their customer service and how you can improve your own. The manager of a loan processing and underwriting group went to a competitor to apply for an auto loan – and was astonished at their speed and quality. This learning experience changed his mindset: “We were processing loans as fast as we can. Now I know we have to process them as fast as they can!”

Knowledge of the competition can create urgency for change or insights into better practices

Inspiration is Everywhere! Learn from the World at Large

What is going on in technology? What methods are others trying out? How is it working for them? How could it work for you? In the mid 20th century, Toyota noticed that Ford auto workers were nine times as efficient as those at the Toyota plants. So they sent Taiichi Ohno to study the Ford processes. Ohno concluded, however, that the capital intensive Ford production model could not be applied to the Japanese automobile company. Nonetheless, Ohno continued to search for ideas for improvements. On one study mission, Ohno watched the bread replenishment system in a Midwestern grocery store and saw how he could adapt this method to make cars with low capital requirements. The Toyota Production System was conceived – a breakthrough achieved!

A friend who has a knack for developing innovative solutions once explained his method to me: “When I have a problem I am trying to solve, I go new places, talk to new people, read new books or journals, visit new websites with the problem in the back of my mind all the time. Everywhere I go, I ask myself how the new things I am learning can apply to the problem I have to solve. It is amazing to me how many connections there really are!”

Knowledge of the Work

The most important knowledge of all is knowledge of your own value stream – the set of activities that move the value from your suppliers through your operations to your customers. Know it in detail – how long it takes, where it piles up, how well it is synchronized with the needs of the customers.

In most organizations, there is a knowledge barrier that holds the waste in place: the people

who know the work best are seldom in a position to know the big picture so when they see waste, they often assume there must be a reason for it. And if they know of better ways of doing something, they often lack the influence to make any significant changes. And those with the broader perspective and the influence do not really understand how the work as it is done today well enough to arrive at the ‘Eureka!’ moment.

If this sounds familiar, you may recall that in Bill Conway's Five Ways to Search for Waste, the first way to search is: “Follow the Market, Technology, Competition”.



One of the fundamentals of the Lean approach is that you must “go to the work.” Don’t just talk about the results or listen to people talk about the work – go to the work. Look at the work, and learn from the people who do it every day. Without this knowledge, little can be substantially improved.

So if you want to lead your organization to new and better things, feed the brain! Lead the organization to make gathering and sharing knowledge more systematic. Establish learning goals, repositories for information, and systems for seeking and sharing knowledge about the market, the customers, the competition, the outside world, and the work itself. Knowledge is the most powerful of change agents.