



# **Enterprise Transformation: Closing the Gap Between Knowledge and Implementation**

## **Lessons Learned on Enterprise Transformation**

**Prof. John S. Carroll  
Lean Aerospace Initiative Plenary Conference  
April 19, 2007**

# LAI Operating Model

**Transformation Events**

- Enterprise transformation focus
- Enterprise level training
- Roadmap for Enterprise transformation
- Fee for service model

**DEPLOYMENT**  
Enable Transformation  
Exchange Knowledge  
Measure Value

**Knowledge Exchange Events**

- Workshops, seminars, roundtables & tutorials
- A membership benefit via point system
- Available to customers, suppliers and consultants
- Events are self-supporting

**Educational Network**


- Contributed SMEs
- Learn from doing
- Collaborations

- Learn from doing
- Research validated
- Impacts future research

**Enhance Membership**

- Benchmarking
- Sharing Lessons Learned
- Neutral broker
- Website
- Active community of practice
- Annual Conference

**RELATIONSHIPS**  
Accelerate Deployment  
Engage all Stakeholders  
Collaborate to Transform



Create collaborative value for customers

**KNOWLEDGE CREATION**  
Conduct Enterprise Research  
Develop Transformation Products

**Expand Lean knowledge**

- Applied research
- Best practices
- Transformation strategies
- Change management
- Future enterprise design

**Products and tools Publications**

- Access
- Knowledge transfer
- Collective action



# Deployment

Assistance with members to help them with enterprise transformation using LAI products/tools and knowledge

- Deployment support for transformation
  - Contractor and LAI@MIT resources used to support
  - Members contribute resources for help and experience
  - Develop certified providers (enterprise level LAI products)
  - Feedback lessons learned into knowledge creation
- Knowledge exchange events
  - Workshops, seminars, roundtables & tutorials to share knowledge
  - Fosters two-way exchange of knowledge
- EdNet



## Conference Accomplishments

- We shared **stories** of progress, impact, insights, lessons learned, principles, problems, plans, and prospects for the future
- We continued to build a **learning community** and network of resources bridging across government, industry, and academia
- We challenged ourselves to **dream big**: from local projects to national and global enterprises, from operational to strategic, from customers to stakeholders, from aerospace to healthcare
- We had **fun!**



# Some Observations of the Conference

- A lot of positive energy in the room during the talks: real interest, excitement, continuing conversations into the breaks
- A trusting atmosphere where people could reveal setbacks as well as successes, ask tough questions, and talk about the politics of change
- “Change management is a full-body contact sport”: many examples of learning from others, inside and outside the organization and the industry, asking for and getting help
- Our graduate students have had wonderful conversations and offers of support (more needed)



# Voices Of The Consortium: Enterprise Transformation

- “The Lean Enterprise journey is a marathon”
- “Taking an enterprise look is... a new way of thinking”
- “You’re only as lean as your customer and supply base”
- “Vision without money equals hallucination”
- “Those who initiate change will have a greater opportunity to manage that change”
- “Corporate ego – they live in a stovepipe of activity”
- “Ten 4-stars bumping up against each other”
- “It costs more to change at the end so make your plan right”
- “Go beyond engagement and start producing results”
- “People at the grass roots level have to believe this is good for them... then it will self-sustain”
- “You can’t simply train your way to a new culture”
- “What lean and six sigma have done is give me the opportunity to tell my bosses they’re stupid, respectfully”



# Voices of the Consortium: Role of LAI and Tactics for Change

- “The power of LAI is the ability to bring multiple disciplines and experience bases together in a single venue”
- “Conversations with our industry partners never had been like this outside the Consortium umbrella”
- “LAI has turned on a dime [to focus on deployment]”
- “Everywhere LAI engages the results are overwhelmingly positive”
- “Knowing comes from doing and teaching others how”
- “I have been spending far too much time thinking about what to do rather than doing and learning”
- “Once you’ve convinced one engineer, you’ve convinced one engineer”
- “Gotta get in close with the systems engineers, ‘cause they have the secret handshake”
- “What am I going to do with a beautiful princess? Now, a talking frog, that’s cool.”

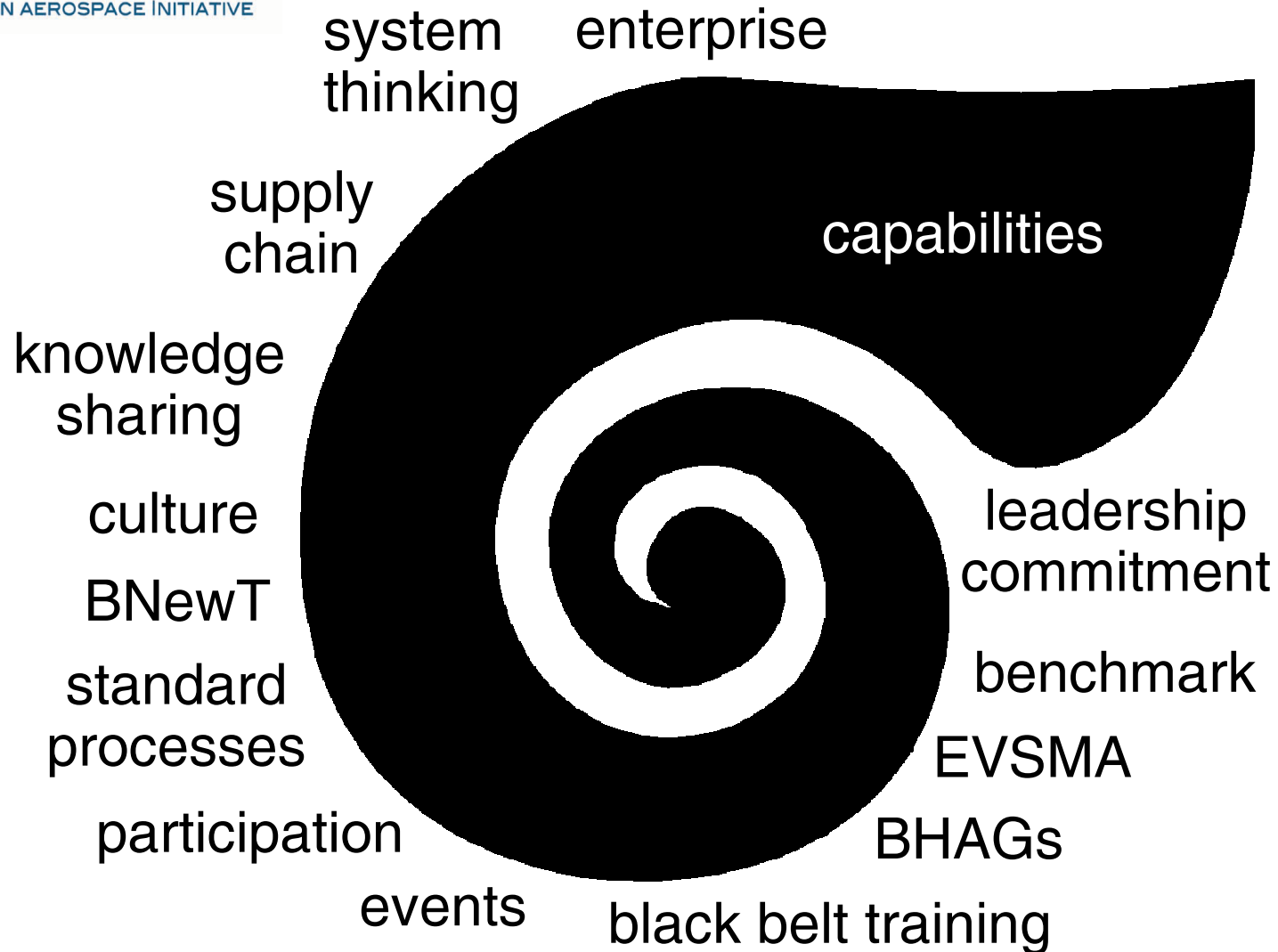


# Wrestling With Big Questions

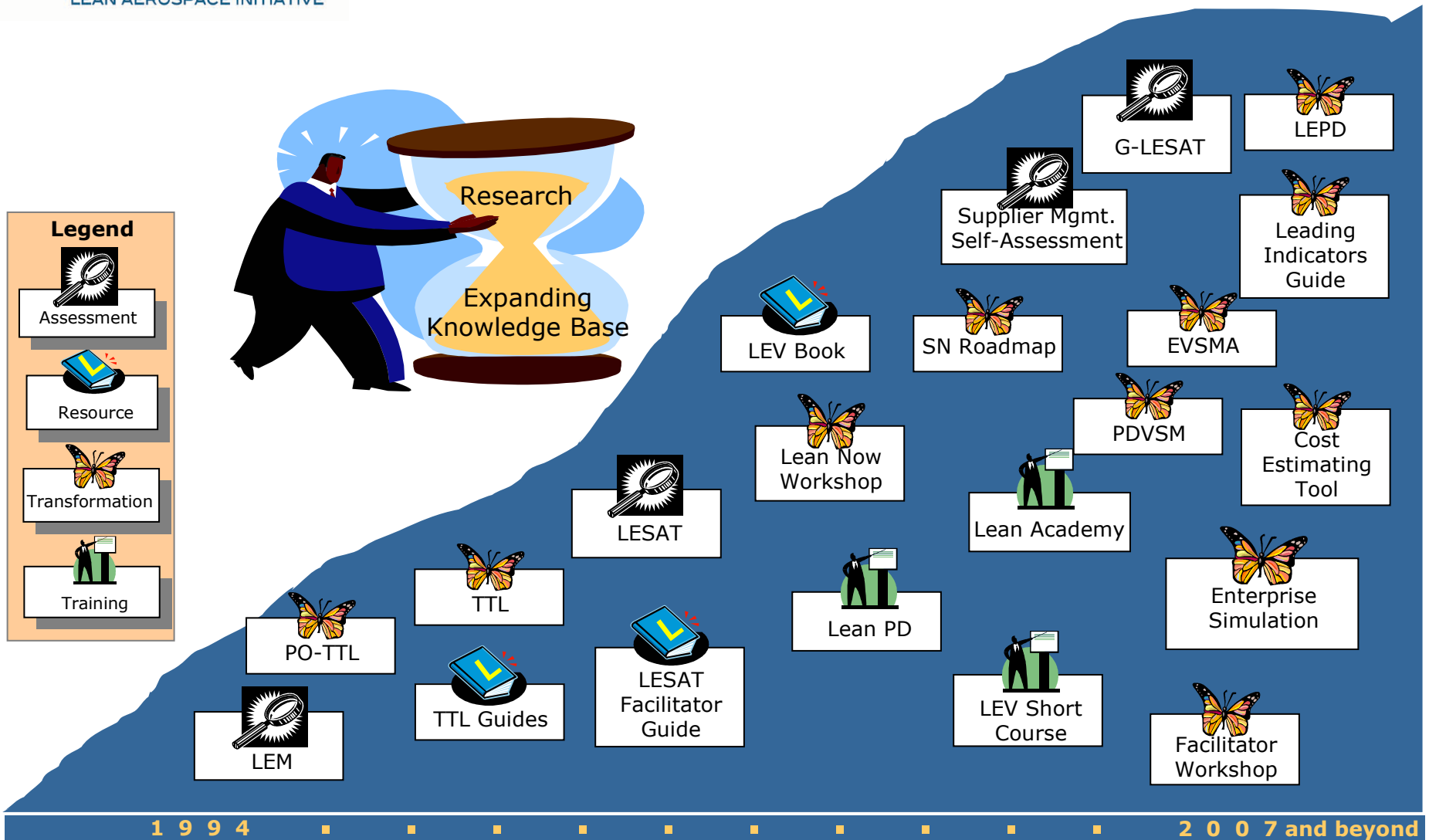
- Deliver tactical results **and** enterprise transformation
- Working with structures, processes, **and** people
- Does change require a “burning platform” or “plasma”? Can a mature culture sustain and grow lean without fear?
- Does the same approach work in every organization, defense or civilian, large or small? Top-down, bottom-up, middle-up-down?
- How can we influence things outside our control or stop trying? “...like trying to teach a pig to talk... it wastes your time and annoys the pig” [2006]



# Spiral Development



# Research Deployed for Transformation



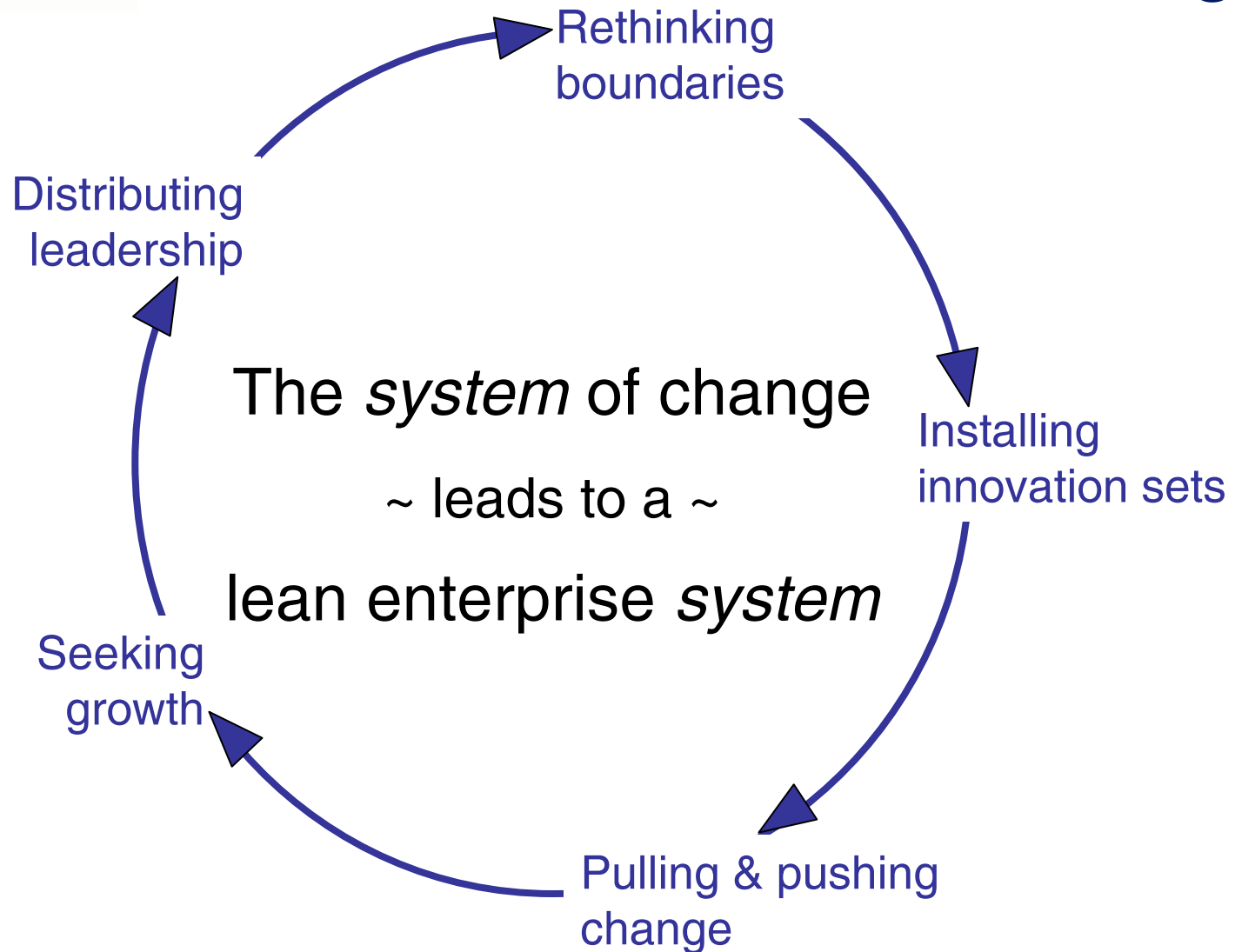


# MIT Model: Five Capabilities for Lean Enterprise Change

- Rethinking organizational boundaries
  - Value stream with suppliers and customers
- Installing sets of innovations
  - Complementarities of programs in a system of change
- Pushing and pulling change
  - Sequence and integrate divergent change approaches
- Seeking growth opportunities
  - Project positive vision for continual growth & renewal
- Distributing leadership practices
  - Recognizing a system of leadership at all levels



# Successful Lean Enterprise Change





# Enterprise Transformation Lessons

- There is no transformation without leadership: “Changing behavior is an executive task... you have to sleep, eat, drink, live this philosophy”
- Leaders go first, except when they go second: “Biggest challenge was actually getting the leadership in the room”
- Leaders come out from behind the curtain (or the podium) to “go to the Gemba” and connect: “If you’re not doing it, hands dirty at the most senior levels, then you won’t succeed”
- Effective leadership is not about commanding obedience but about developing leadership capabilities throughout the organization



## Parting Thoughts

- We are ***all*** part of this learning community.
- We need your participation and inputs.
- Help us make research part of ***all*** we do.
- Your inputs are essential in shaping the Consortium's future direction and goals.
- Hope you have enjoyed the conference and are taking away some new ideas you can use.
- Stay connected! See you next year!