Applying lean management techniques to managing change can reduce waste, increase efficiency and ensure that momentum is maintained toward successful transformation.
Applying Lean Principles to Change Management

Lean principles can reduce waste in change management, including unnecessary meetings, travel, tasks, operations and idle time. The following highlights some popular lean principles and how they apply to change management.

- **Just-in-time.** All tasks are divided into work streams and stages to ensure the right work is done at the right time.
- **Ongoing maintenance.** Scorecards are used to evaluate risks and identify issues early on.
- **Continuous improvement.** Work stream tasks are continually updated to reflect new learning; redundant work is eliminated.
- **Quality at the source.** The next stage does not begin until the previous one is completed.
- **All stakeholders treated as partners.** All core and non-core teams are involved in execution and reporting so have an incentive to deliver their best.
- **Small lot production.** Tasks are divided into work streams and stages to reduce the amount of upfront work and reduce lead times between different jobs.
- **Employee empowerment and growth.** Responsibilities for work streams are shared among team members to create a more flexible workforce.

How can lean principles apply to change management? First, it helps identify the necessary changes—what decisions must be made and what management milestones must be created. Second, these milestones are divided into stages to reduce the number of marginally useful activities performed at the wrong time.

Planning should start in a top-down fashion and focus on key milestones, particularly at the executive level. Too often, minutely detailed transformation plans are created at headquarters and immediately sent out to leaders in remote locations, causing remote managers to lose sight of the overarching goals. Similar to an efficient manufacturing process where parts arrive at the factory just before they are installed, just-in-time change management ensures that the right things are done at the right time.

With this in mind, our lean change management model addresses the challenges of corporate transformation. Think of it as a coach’s playbook: key strategies—“plays”—if you will—that help manage change with minimal waste and maximum efficiency and ensure that momentum is maintained toward successful transformation. The playbook translates the program vision for change into a management framework that clearly defines key work streams, resources and time frames.

**The Playbook: Implementation and Benefits**

To implement the playbook, begin by establishing governance bodies with oversight assigned to program sponsors and, more directly, to a change management leadership team. These groups succeed with clearly defined roles and responsibilities, and regular meetings. We have found that the ideal model consists of a central team and business-unit teams that work directly with the central change management leadership group (see figure 1).

A playbook checklist outlines key milestones, decisions and stages. It serves as the basis for monitoring progress and discussions about when milestones will be met. Similar to the “pulling the cord” principle in lean manufacturing, when a milestone is not met teams do not begin the next task until the present one has been completed, to resolve issues more quickly and prevent rework. Applying lean manufacturing strategies, change leaders can monitor activities to ensure they are executed at the right time and at the right level of detail.

**FIGURE 1: Playbook team structure**
There are five main benefits to using the lean change management playbook:

**Better use of resources.** By coordinating with a central team, local teams can execute preset strategies with less overlap. Thus the transformation can involve lean teams in planning, with the potential to ramp up later.

**Right-time execution.** Teams are better equipped to do the right tasks at the right time at the right level of detail, even when the project scope or team resources change.

**More objectivity in defining plans.** Though traditional models help define the vision and value of successful change, they lack detailed execution plans. This leaves change managers, bearing the responsibility of reaching milestones that are, at best, vaguely defined. The playbook eliminates that frustration by defining change milestones up front.

**More transparency in measuring progress.** Change programs often fail because there is no structured approach to measuring change teams’ progress. The playbook solves this problem by highlighting, work stream to work stream, the greatest threats to staying on track. Thus, change teams have clear direction on what “plays” they must call to counter the threats and drive progress.

**Consistent change readiness.** As the plays are defined centrally and refined locally, all business units execute the similar set of activities. This results in consistency among all units and ensures coordination during global strategy deployment. The playbook provides consistent interpretation of readiness so that all parties know each other’s status.

**The Playbook in Practice**

We recently executed a supply-chain transformation for a large global retailer with various degrees of available resources and at different stages of change readiness. Achieving cost-savings goals depended on how efficiently the plan could be deployed. Given the project’s complexity, the central team had to engage numerous stakeholders while providing the right level of detail to facilitate decision making—within tight time and resource constraints.

The following playbook ensured risks were identified appropriately and decisions were made early (see figure 2).

**Program initiation.** Change management leaders were designated along with a governance model to manage the scale and complexity of the global deployment. Central team leaders assigned to each work stream provided a point of contact to exchange information, drive communication and resolve issues. Representatives from each location served as in-country program managers in charge of voicing local concerns and updating the central team. One international leader oversaw global deployment and served as a liaison between central and in-country teams.

**Strategy definition.** The team defined the direction and guiding principles of deployment and identified the core components and work streams. We defined the transformation roadmap, functional plans and the stakeholder transition plan, and identified change management resources, program communications and training, and implementation support. The main decisions and milestones for each work stream were defined at an appropriate level of detail for each stage. Current metrics and key performance indicators (KPIs) were documented. The team also revisited the original business case for change to ensure the right measurements were in place.

**Detailed planning.** The team developed detailed plans to manage and execute change readiness. The team prioritized potential KPIs linked directly to the transformation, classified and shared them with all stakeholders. A business readiness scorecard was prepared to showcase deployment status across all locations (see figure 3 on the following page).
Deployment preparation. Central and unit-level teams completed detailed tasks and central leadership implemented performance monitors and outputs. The teams confirmed KPIs with stakeholders, prepared dashboards and reports, and developed pre-implementation baselines. Managers attended weekly meetings where they examined each unit’s progress and ensured that all were focusing on the most pressing milestones. The reviews were updated in a central checklist repository so the units could track each other’s real-time progress and communicate problems to the central team. The checklist reviews occurred over a series of meetings and during calls with the main parties.

Execution. Following months of preparation using lean principles, the actual deployment began. Project teams handed off report maintenance to operations teams, and all stakeholders received summarized results through automated dashboards and reports. Although the company had minimal resources, the lean change management all but guaranteed a successful transformation.

The Right Environment
A successful transformation starts by forging an environment conducive to change. As a result, the value of a dynamic, cost-effective plan for implementing change cannot be overstated. Using the same lean principles that have streamlined manufacturing so well, today’s business leaders can find the playbook for successful change.

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