



Ted Williams is considered the greatest hitter in baseball....

His .406 batting average for the 1941 season is legendary, and he finished his playing career with a .344 overall average, 521 home runs, and a 0.482 on-base percentage – the highest of all time. A newspaper reporter once said to Ted, “Gee Mr. Williams, you’re the best batter the game has ever seen – you must be a great student of hitting.” Ted replied, “No sir, I’m a great student of pitching!”

Just as there is a difference between focusing on hitting versus pitching in baseball, there is a big difference between focusing on “improvement” versus “waste” in the Continuous Improvement arena. As this article will explain, and as Ted Williams knew, seeking solutions to the latter is the key to achieving breakthrough results.

It’s the understanding of what waste is and how to search for it, that makes all the difference.

Mary Jane Conway-King

Where's the Fruit?

by Sheila Julien, Senior Associate

“When the best of the suggestion box is ‘recycling paperclips,’ you know you’ve hit rock bottom.”



What do you do once you’ve gathered the low-hanging fruit?

Several companies contacted us recently with a similar problem. When they initially began to practice Continuous Improvement (CI), they were flooded with ideas and opportunities to make improvements. Training in CI provided an opportunity for people to bring forth the ideas that had occurred to them over time and that they had been keeping “on the shelf.” But eventually even the most richly laden shelves will go bare and all the “low-hanging fruit” will be harvested.

This scenario plays out when you embark on a search for solutions or ideas for improvement rather than a search for WASTE. One of the key differences in Conway Management’s Right Way To Manage© approach has always been a focus on the waste, as opposed to simply ‘improvement’. What’s the difference? Most of the big waste is hidden in plain sight – long-standing business practices that compensate for a problem that has not yet been solved. The root causes of the problem have not been addressed, and compensating steps have been built in to avoid bad outcomes such as poor quality or lost productivity.

For example, a maintenance organization for a power plant “walks down” each preventive maintenance job to make sure the instructions are clear and the parts are available. A financial services company sends every transaction to “QC” for inspection and corrections. A grocery chain checks, rechecks, and rewrites its



advertising pages numerous times before each weekly publication. A financial services company sorts all of the transactions by client and by transaction type before processing them. Inventories are built up just in case, and long production runs are scheduled to avoid long set up times. Each of these is compensating for and masking an underlying problem that has not been addressed.

In fact, whenever you find yourself trying to optimize (find the best trade-off between two evils), you can be sure that you are masking underlying root causes which, if addressed, would lead to breakthrough business improvements. Nearly all the breakthroughs of the past forty years are a result of seeing waste and addressing the underlying causes where the competitors simply saw standard operating procedures.

“Recognizing waste is a matter of vision. And vision is the starting point of real business transformation”

When I was just out of grad school, I was an enthusiastic optimizer, very good at improving work processes by moving them from "sub-optimal" to "optimal." But to my astonishment, I learned there were a few organizations accomplishing results that totally dwarfed what we were accomplishing through optimization! How could you do better than the optimum?!?

The secret to doing better than the "optimum" is in surfacing and addressing the hidden assumptions. Optimization is the process of evaluating the "trade-offs" between two things that seem to be in conflict. For example, as you increase inspection, you increase costs but you decrease the defects that get through. If you shorten your production runs, you can reduce your inventory but your production will decrease because change-over time required to change machines from producing A to producing B means more downtime. With optimization, you try to find the exact point that minimizes the total cost.

But every optimization problem has some "givens." Taiichi Ohno, creator of the Toyota Production System, and his followers achieved breakthroughs by shifting their focus from finding the best "trade-off" to working on these "givens." When we talk about "root cause" analysis, we mean to focus on those "givens" (Goldratt called them "underlying assumptions") that cause you to try to find the path of least waste. Once you find and address the underlying cause, assumption, or given, you can find and move to an optimum that is at a totally new level! And more room for improvement opens up as you make more progress on the "givens." **Instead of diminishing returns you have expanding opportunities.**

But people are risk averse. It is very uncomfortable and difficult for most people to acknowledge waste before they can envision a solution for it. An organization will not embark upon a sincere search for waste without strong leadership questioning why, encouraging and rewarding the identification of waste, and challenging conventional wisdom.

The ability to recognize waste is a rare and valuable skill and it grows with practice.

Senior management needs to nurture the practice if it is to take hold within the organization. Until an organization recognizes the waste for what it is, there will be no full court press to eliminate the underlying problem.



How do you nurture the ability to recognize the waste embedded in your business processes? Constant questioning. Ask yourself and everyone else if you would need this if everything were right, and right the first time. It sometimes helps to bring in outsiders to help you look for waste, because it is easiest to think “outside the box” if you are “outside the box.” Customers and suppliers or people from adjacent processes may challenge assumptions we don’t even realize we are making. Benchmarking internally, within the industry, and in different industries can also raise questions and help you recognize waste that you have overlooked before.



If your implementation of Continuous Improvement is simply to look for ideas for improvement, you will follow a road of diminishing returns. But if you search for WASTE, regardless of whether you already have a solution, you can delve into the underlying causes to make truly important improvements. And with each significant transformation, new opportunities will come into view. Recognizing waste is a matter of vision, and vision is the starting point of real business transformation.