

# Lean PD For Executives:

How to Get Leaders Excited About Lean PD (Without Freaking Them Out)

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## How to Get Leaders Excited About Lean PD (Without Freaking Them Out)

### Key Takeaways



- **The biggest enemy to any change effort is the Status Quo: the value delivered must be compelling enough to overcome natural resistance to change.**
- **Value is most compelling when it is defined by the individuals themselves, using their own language to reflect the benefits that will mean the most to them.**
- **A series of small yeses can accomplish much more than a Big Yes, and it is easier to say yes to a small step than it is to make a major commitment to something that is unproven.**

### What's In It For Them?

The key to a successful executive presentation to introduce lean product development is the answer to the question, "What's in it for them?" If you do not have a compelling answer to that question that will get them to sit up and pay attention, you are better off practicing lean within your area of control until you do.

The answer to that question generates pull. If your lean product development efforts have risen to the level where senior staff have begun to pay attention, you need all the pull you can get.

### Your Biggest Enemy is the Status Quo

Senior executives got where they are because they are successful within the current system, as dysfunctional as it may be. The current state is a comfortable home where they know what to do, what to say and how to act. If you want lean to go as far as it can, they will be uncomfortable. If you have a command-and-control culture, they will have to delegate authority down to the people on the ground. If you have a numbers-driven culture, they will have to spend more time "at the source" and less time reviewing spreadsheets. If they manage by objective, they will have to learn how to hold people accountable for "how" as well as "what" and if managers are expected to have all the answers, they will have to learn how to facilitate and coach instead of give orders.

All of this is uncomfortable, and it is not helpful to insulate them from the need to make these changes. Sustainable lean transformations begin when product development leaders recognize that the change they seek starts with them. It helps to acknowledge that we are not just asking for easy things like money or a memo of support.

### Value, Value, Value

How do we overcome this natural resistance? We make the rewards more compelling than the discomfort. We show, without overpromising, that the value created through lean product development will be worth the pain. The "value gap" is the distance between the current state and the target state that lean product development can help you achieve. The bigger the gap is, the more compelling the value will be.

Value needs to be concrete: increased profits, increased market share, more satisfied customers, lower costs. It needs to be specific to your organization. While every company wants to get faster, each company needs to get faster for its own reasons, and you need to understand those reasons to make a compelling case. It needs to be aligned with your company's strategic direction. Ideally, it should lead directly towards your company's vision of the future.

The language you use to express value must be the language your leaders use. Find out how they measure success, and use the same measures, expressed in the same way. Pretend that you sit on the company's Board of Directors and your CEO is trying to explain how lean product development will benefit the company. What questions will he or she face about budgets, stock price, major customer relationships, strategic initiatives? Show how lean product development will provide the answers to those questions.

Value may be hard to find if leaders perceive that your company is doing very well. What are the opportunities that the combination of success plus better performance will give your company that success alone doesn't? If you raise the bar now, how can you become even more successful? How can lean product development help you leverage your strengths?

## Share Only the Details They Need to Know

In our enthusiasm for lean ideas, we sometimes forget that others may be natural skeptics, and that it may have been years since many senior executives have been directly involved with a product development program. Senior managers who do not have engineering backgrounds often accept common premises about product development that are simply not true: "Marketing just needs to define a good set of specs - and then you just need to deliver them." "Can't you just do it right the first time?"

For these managers, it's simply not helpful to dig too deeply into the details of lean product development. You should be prepared to answer whatever questions they have, but your own presentation does not need to dive too deeply into the tool kit. Remember that lean product development tools are just countermeasures, and they may not even fit your organization. It's the overall approach that needs their support.

Set-based concurrent engineering is especially tricky because it is completely counter-intuitive the first time someone learns of it: "Let me get this straight: we're going to pursue multiple alternatives - in parallel - when we don't have enough resources NOW?" Frankly, there's no need to go there in a first meeting.

It's challenging enough to explain that lean product development works by eliminating the root causes of problems in late development that cause delays, by improving knowledge-sharing across projects and the ability to deliver platform technologies that are flexible and extensible.

Let their questions about how this works guide you to the level of information that they need to know. Provide examples - internal success stories if at all possible - to show how lean product development works, and what the potential might be.


## Ask For Something Achievable

A series of small yeses is much better than one big, fat no. Few decision-makers at any level would commit unknown amounts of time or money to achieve uncertain returns, especially when there are so many competing priorities.

It's better to ask for one specific thing that the decision-makers can readily agree to do: provide funding and support for one pilot team, for example. If the pilot teams do well, the next step may be to introduce visual planning tools across the organization or train everyone in lean problem-solving. Then the product development process will need revisions to maximize the benefit of these tools, and so forth. A series of visible successes generate momentum for more, and leaders adapt to their new roles more easily if the changes are more gradual so that they have time to build the new skills they need.

It takes years to fully implement a lean product development system, and Toyota itself grew the system over time in a series of steps. It's OK for the team to have a grand vision, and to share that with others for whom the big picture is important. It's easier to say yes to a small step in the right direction. Over time, those steps add up, and in the meantime, you have kept your leaders engaged.

## Use Nemawashi to Validate and Assess Support

If you ever needed nemawashi, you need it now. There should be no surprises. It may be difficult to get one-on-one time with every single person who will attend a leadership meeting, but you should make the effort to speak with as many as possible in advance. When you see them, you can share your draft presentation and ask questions to elicit their feedback. Avoid the temptation to present it. Ask: Do I understand the strategic alignment well enough? Is the value strong enough? Are solving these problems a priority? If we could deliver this value, what would it mean to you? By the end of every meeting, you should ensure that you understand what's in it for each person, individually as well as for the company as a whole. When you walk into the meeting, ideally they are already on your side, waiting to say Yes so they can begin to realize the value as soon as possible. 

## Ideal Presentation Outline

A. The Business Need: What problem does the organization need to solve? What opportunities exist if you can get products out faster, lower costs or increase R & D capacity?

B. The Value: If you can solve this problem, what is the value to your business? Use the same language that your audience uses: time to market, not development cycle time, increased ROI or NVA. Be conservative yet tangible, and tie the value to the organization's strategic plan, if one exists.

C. The Solution: Show that Lean PD is the bridge between the business need and the value, without diving into detailed tool descriptions. If your company has a successful lean program, leverage it: use the same language if not the same toolkit, and show how lean product development addresses the specific needs of R & D staff vs. lean office or lean manufacturing.

D. Examples. Internal examples are best. If you have none, look for relevant examples from your industry or related companies. Competitor and customer examples are especially compelling.

E. Specific next step. What one concrete thing are you going to ask for? How easy is it for them to say "Yes" to that one thing?

F. Follow through. How and when will you keep in touch with this team as things progress?

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