

# Making Lean Sustainable

With its wealth of experience and internal knowledge the Lean Enterprise Research Centre (LERC) is perfectly placed to comment on the whys and wherefores on lean thinking and how the various approaches can be applied in the public sector. **Simon Elias**, a director of LERC, promotes the idea of Sustainable Lean, plus the work of the LERC's innovative Public Sector Think Tank.



## About LERC

Formed in 1994 by *The Machine that Changed the World* and *Lean Thinking* co-author Dan Jones, the Lean Enterprise Research Centre (LERC) It is the largest dedicated academic lean research centre in the world and has established an international reputation and strong presence in its role of researching, applying and communicating lean thinking.

LERC's strategy has evolved over the past 16 years, and its activities now encompasses master's degree education (for executives) and a range of engagement activities, which include knowledge transfer activities, short courses, lean networks, conferences, workshops and elearning. Such activities are channels through which research outputs and new lean knowledge are disseminated to the practitioner communities. They also play an important role in feeding back key issues and trends which inform LERC's evolving research agenda and degree programme syllabus. The linkage among these three activities is important and provides LERC with a unique perspective and offering.

## Position on Lean

LERC generally promotes a holistic, 'systems' approach to lean improvement, acknowledging that lean is much more than simply improving processes through the application of tools and prescriptive principles. Lean is primarily positioned as a means for organisations to create capacity, enhance value-adding activities and improve the flow of productive activities. Successful lean organisations employ lean strategies, lean leadership and understand the need for an engaged, empowered workforce. LERC's strength stems from an understanding of the many different 'lean' methodologies and an appreciation that different organisations require their own, bespoke solutions for sustained implementation - in other words, they need to adopt a *contingent approach* to lean.

As lean thinking has rapidly spread in recent years into both consumer services and the public sector, it has become evident that while the underlying principles are highly relevant in a service context, there have been several examples of implementation failures, highlighting a lack of

understanding of the unique nature of services compared to manufacturing - and the implications of these for 'going lean'. Furthermore, in the public sector notions of 'value' and 'the customer' can differ significantly from the private world and this further complicates the application of 'traditional' lean thinking in this area and reinforces the need for this contingent approach.

LERC's recent research has focused on Sustainable Lean - that is, how lean thinking can be implemented in a way that ensures lasting, organisational change. The findings of this work have been published in *Staying Lean* (which can be downloaded as a PDF from LERC's website).

## The Public Sector

LERC's projects and activities have followed lean's expansion in many different sectors, starting with automotive and manufacturing sectors and then, since the turn of the 21<sup>st</sup> century, in consumer services and the public sector - the latter including defence, healthcare, government agencies, higher education, local government and central government. From a research perspective, the challenge is to understand how to successfully translate and apply the lean philosophy within complex public organisations.

It is clear that despite some problems, lean is having a significant impact in many parts of the public sector, and there are several documented success stories (for example, see *Leaner and Fitter - Boosting Productivity in Public Services*, CBI, 2010). However, it can be argued that success does vary considerably. For instance, many parts of the armed forces have been implementing lean for much of the past decade, though the focus has largely been 'cost down' which, while leading to undoubted financial savings, has not endeared the approach to service personnel and has meant that



sustainability of change has been questionable. Healthcare has seen many highly successful examples of lean-related implementations, while the local authority sector is a recent convert to lean, though again driven largely by a cost saving agenda.

Some of the biggest lean implementations in the public sector have been the large government departments, such as Her Majesty's Revenue & Customs and the Department of Work & Pensions, which have implemented highly structured programmes, focusing on improving transactional effectiveness.

Having observed lean's impact on the public sector, researchers in LERC have concluded that there is still a degree of confusion among public sector managers on not only what lean is, but how it should be applied in their particular environments. There have also been several challenges to the traditional lean orthodoxy, which has complicated the situation further.

LERC's research project 'Systems Thinking in the Public Sector', commissioned by the Wales Audit Office (available from: [www.leanenterprise.org.uk](http://www.leanenterprise.org.uk)), is a recent attempt to demonstrate how a particular

improvement approach can be highly effective in achieving real and tangible change for citizens, though it is clear more research evidence is required to help understanding and clarify many of the issues.

The idea for LERC's Public Sector Think Tank emerged out of this apparent lack of clarity and the desire from public sector managers for an independent network to debate and discuss lean related issues, where they could learn from each others' experiences and share a dialogue about lean in their environments.

An initial meeting took place to scope out the network's *modus operandi*, which will be characterised by events hosted at members' organisations, which will provide an opportunity to witness first hand the results of a range of business improvement approaches. The first of these was hosted by the Ministry of Justice's Court Services (HMCS), at Liverpool County Court, which provided an opportunity to learn more about how HMCS delivered its improvement programme, to discover what results it has achieved and to talk to staff about the experience.

Membership of the network is free and open to any public sector manager interested or involved improvement activities.

Those interested in joining the Public Sector network should contact Sarah Lethbridge ([lethbridgesl@cardiff.ac.uk](mailto:lethbridgesl@cardiff.ac.uk))

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