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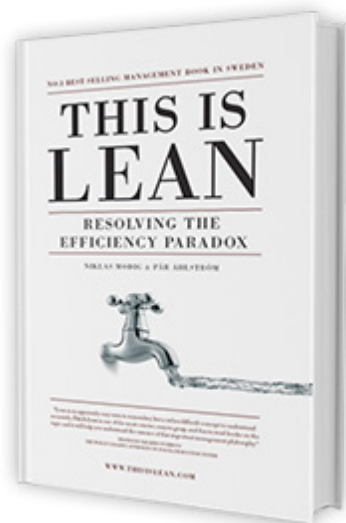
# THIS IS LEAN

## RESOLVING THE EFFICIENCY PARADOX

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Lean is the most widespread management philosophy of our time and is currently present in every industry, yet the concept is still vaguely defined and widely misunderstood. As a response to the confusion regarding the concept of lean and its application, Niklas Modig and Pär Åhlström launched *This is Lean – Resolving the efficiency paradox* in October 2011. The book became an instant best-seller in Scandinavia and after four years it is translated into more than ten languages has sold over 175,000 copies making it to one of the most sold lean books of all time.

By using clear, concise language and insightful examples, the book has brought greater clarification to the essence of lean and revolutionized top-executives and employees understanding of what lean actually is. The book also argues that many companies and organizations have an incorrect view of what “true” efficiency is. Organizations are managed as “islands” and managers develop incentives for each island to become more efficient. By doing this, we believe that we are efficient. The more value from each island the better. The book however demonstrate the opposite - efficient islands is the last thing we want to have. Islands drive sub-optimization, which in turn generates of a lot of challenges, problems and waste for organizations. This means that the more efficient our islands are, the more inefficient we will be. The book defines this phenomena for the efficiency paradox and demonstrate that it can be resolved by adopting a flow efficient operations strategy.



*“Lean is an apparently easy term to remember, but a rather difficult concept to understand accurately. Many executives worldwide still think the real essence of lean production is cost-cutting, which is wrong. This Is Lean is one of the most concise, easy-to-grasp, and fun-to-read books on the topic and it will help you understand the essence of this important management philosophy of the 20th and 21st centuries.”*

Professor Takahiro Fujimoto, University of Tokyo

*“This Is Lean is a wonderful and original book that will do much to help people gain an accurate understanding of lean management. It presents ideas and concepts in unique ways that are easy for anyone to understand and apply. It is a fantastic book. I absolutely love it.”*

Professor Bob Emiliani, Central Connecticut State University

*“I have read several books that attempt to explain the true essence of lean throughout my 25 years in automotive business. This is by far the best one. The way it describes lean will be an eye-opener for many people who have not captured the potential of this complex issue. For everyone managing a value chain today, this book is a must.”*

Lars Wrebo, Senior Vice President, Purchasing and Manufacturing, Volvo Car Corporation

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# INTEGRATION PROGRAM

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## The spread of This is Lean

Shortly after the release of This is Lean, companies and organizations started to use the book as a tool for developing a common understanding. Top-management teams read the book and used it as a base for discussion when evaluating if lean was something that they wanted to implement. Some companies distributed the book to all managers within the whole organisation making it compulsory reading with the message "this should be our view of what lean is". Other companies took the spread of the book even further and let 100% of their employees read the book. For instance, the largest university hospital in Sweden, Karolinska University Hospital, let over 17 400 employees read book. It was during this spread that the idea of a integration program was born.

## The need of integrated learning

As This is Lean was increasingly used as a tool for building a common mindset within organizations, the question of how to best spread knowledge arose. How does a company enable its employees to not only read the book, but to really understand the content of the book to the extent that it could be applied to the specific context and situation of the company? As experienced lecturers and academics, Niklas Modig and Pär Åhlström emphasized the importance of integrated learning to maximizing the absorption of the content of the book. Modig and Åhlström believed that by creating a platform for structured discussion and application of the book's content, a higher level of competence could be reached. As a result, the Lean Integration Program was created and launched.

## Lean Integration Program

The Lean Integration Program contains 11 modules covering each chapter of the book. The program includes mini-lectures for each chapter together with various integration questions. The aim of the program is to integrate the content of the book into the client's own situation and context.

Sometimes the program is only used on a management level, but more often it includes all employees.

The idea is to go through the program while reading the book and it is organized and done in competence development groups (and not individually). In consequence, the progress of the competence development within the organization can be controlled. It is thus a structured way of reading and especially integrating the content of the book. It allows whole organizations to develop "organizational readiness" in order to be able to successfully implement lean. The program secures that the lowest level of the "lean competence" within an organization becomes comparatively high and it secures the development of a common "lean mindset".

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## CONTACT INFORMATION

For more information about Lean Integration Program, contact [info@rheologica.com](mailto:info@rheologica.com)  
[www.thisislean.com](http://www.thisislean.com)

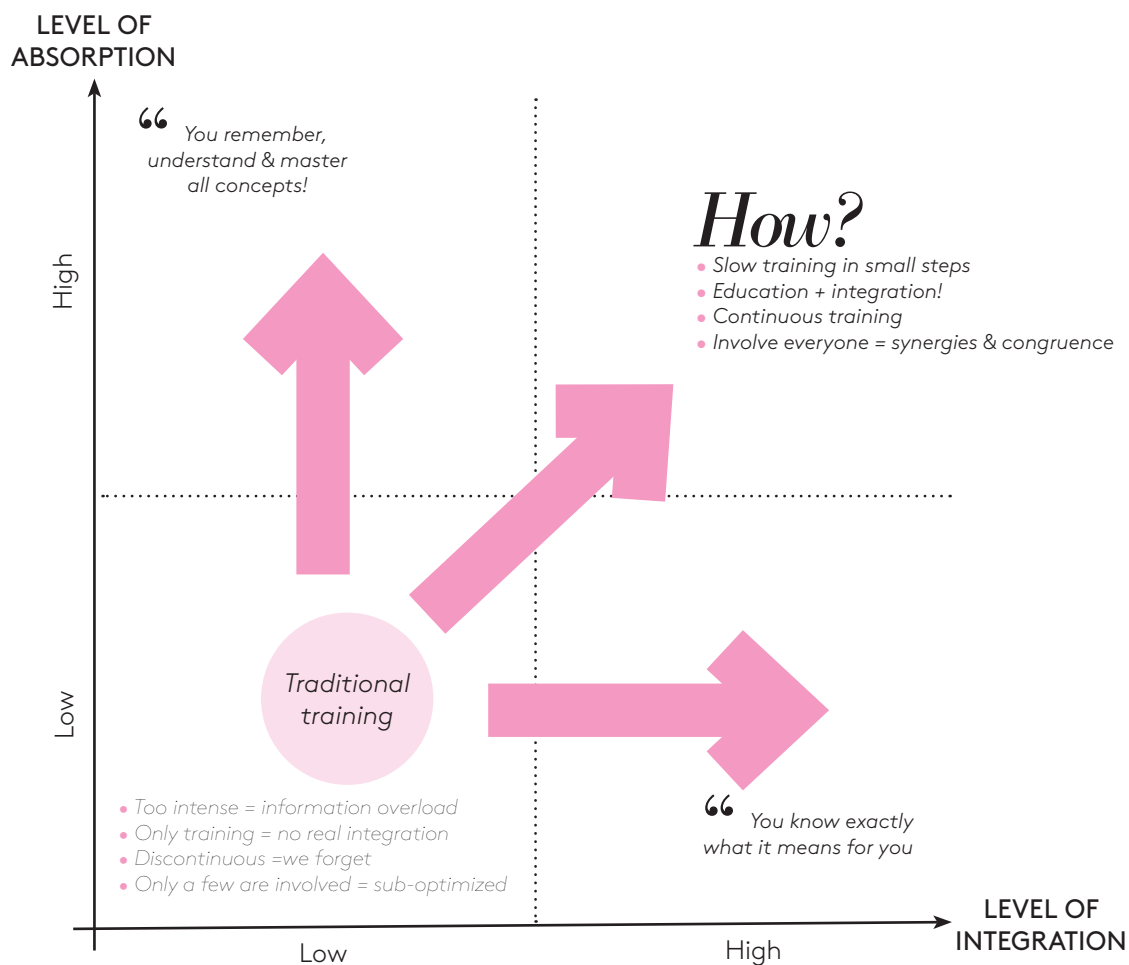
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# AIM OF THE PROGRAM

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The intention of the program is to develop “organizational readiness” – deep understanding of why and how - in order to drive and secure change.

The integration program aims to educate entire organizations about what lean is and what lean means for the organization. By combining multiple ways of learning, the program seeks to enable organizations to educate employees at all levels and in all locations in a cost efficient manner.



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# INTEGRATING KNOWLEDGE

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## TRADITIONAL TRAINING

*Low understanding*

*Inadequate training*

*Too intense training (many full days) = low knowledge absorption*

*Discontinuous training (once or twice a year) = loss of knowledge*

*Low integration*

*"Push" implementation. No concrete "need"*

*Low level of contextual integration*

*Low understanding of "why" and "how"*

*Low involvement*

*Only a few are involved*

*Driven by experts, supported by management*

## INTEGRATION PROGRAM

*Deep understanding*

*Extensive training*

*Slow training in small steps = full knowledge absorption*

*Continuous training – every week = full knowledge absorption*

*High integration*

*"Pull" implementation. Clear and concrete "need"*

*Focus on contextual integration*

*Deep understanding of "why" and "how"*

*Full involvement*

*Everyone is involved*

*Driven by management, supported by experts*

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# TRAINING & INTEGRATION

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### READING & VIDEO TRAINING

- Stories
- Cases
- Examples
- Methaphors
- Descriptions
- Theory



Understanding of  
**WHAT** the concepts  
mean

### INTEGRATION EXCERCISE

- Question
- Discuss
- Apply
- Take notes



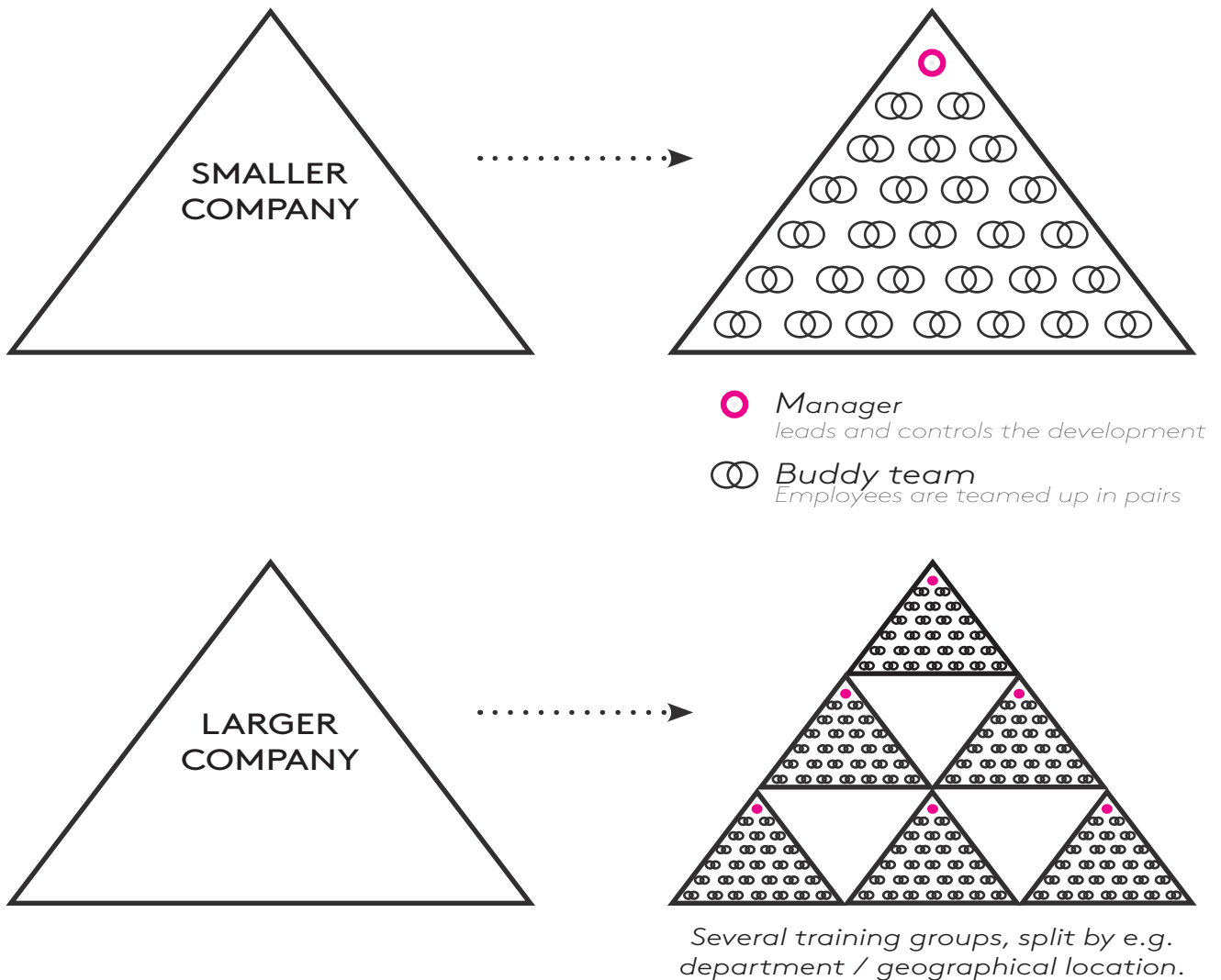
Understanding of  
**HOW** to apply the  
concepts



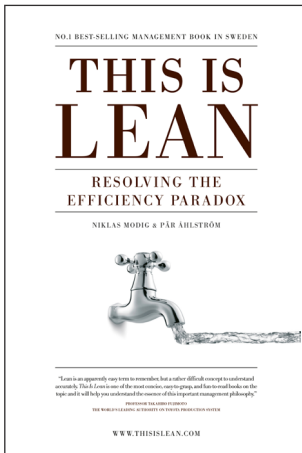
**Mass educate.**  
Raise lowest level of knowledge  
within **entire organization.**  
Create **organizational readiness.**

# PROGRAM STRUCTURE

The training is conducted in training groups consisting of one manager and several buddy teams of two employees per buddy team. The manager supports and manages the training and controls the progress of the program. Either the manager has completed the entire program before the rest of the training group or the manager is one chapter or module ahead of the rest of the training group.



- STEP 1** ● *Managers are trained*  
Managers trained after which the manager leads a training group.
- STEP 2** ○ *Employees are trained*  
All employees are trained. Training is conducted in teams of two, so called b

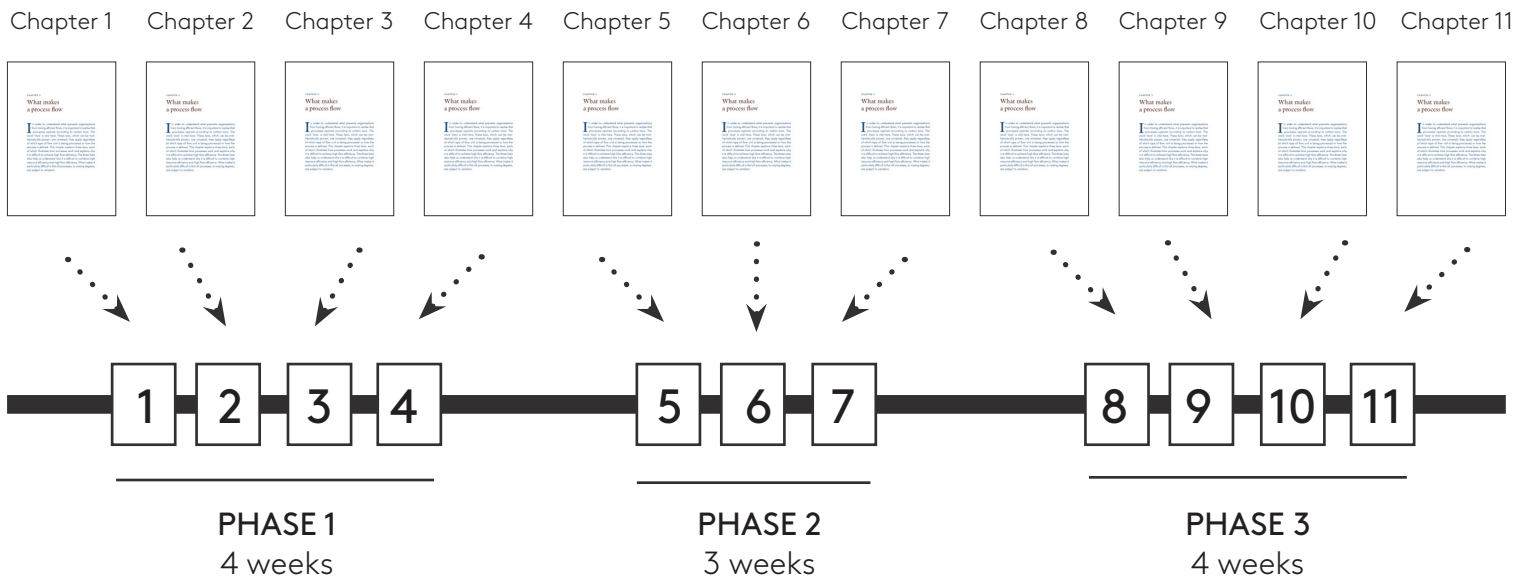


### Situation

- A book contains a lot of concepts and insights
- When reading a book, the level of absorption is low; the reader just remembers a few things
- When reading a book, the level of integration is low; the reader does not reflect on what the content means for his/her organisation

### Solution

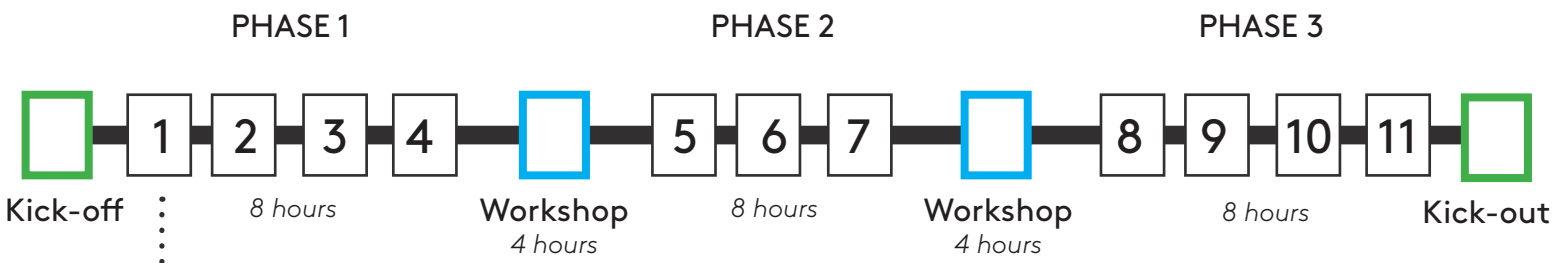
- By dividing a book into small training modules and complementing each module with exercises the level of absorption (understanding all concepts) and level of integration (creating personal meaning) will increase
- Concepts are communication tools and people need extensive training (know-how) in order to start using them



- 1 *Island vs. ocean efficiency*  
*Resource efficiency vs. Flow efficiency*
- 2 *Resource vs. flow unit*  
*Value adding time vs. value receiving time*  
*System level, high & low level of abstraction*  
*Direct needs vs. indirect needs*
- 3 *Little's law*  
*The law of bottlenecks*  
*The law of variation*
- 4 *Long vs. short throughput time*  
*Many vs. few flow units*  
*Many vs. few restarts*  
*Primary needs vs. secondary needs*  
*Superfluous work, efficiency paradox*

- 5 *Ohno, Toyota Production System*  
*Lean Production, Lean Thinking*  
*The Toyota DNA, The Toyota Way*
- 6 *The fruit metaphor*  
*Means vs. Goals*  
*Triviality test*
- 7 *Doing the right thing*  
*Doing this right*  
*Economics of scarcity*

- 8 *Efficiency matrix, efficiency frontier*  
*Demand, supply and variation*  
*Business vs. operations strategy*
- 9 *Perceived position vs. actual position*  
*Moving in the matrix*  
*The lean operations strategy*
- 10 *Values*  
*Principles (JIT, Jidoka)*  
*Methods*  
*Tools*
- 11 *Static goal vs. dynamic goal*  
*Execution vs. Learning*  
*Finding the big fish*  
*Learning to fish*



- Read chapter in book ~30 min
- Watch chapter films on program platform ~30 min
- Complete exercises with buddy ~1 hour
- Place chapter exercises on Competence Development Board

**QUESTION 1:1**  
**ARE YOU ORGANIZED AS "ISLANDS"?**

Are you experiencing "island thinking" within your organisation?  
 If so, how? Give concrete examples!

✓  
 ✓  
 ✓

If any, what are the negative effects of not seeing the "big picture", i.e. what potential challenges do we have to handle when having too strong island focus?  
 Give examples from your personal experiences!

✓  
 ✓  
 ✓

**TEAM:**

**Integration exercises**

- Video & exercises available on the program platform
- 4-6 questions per chapter
- All buddy teams print answer sheet in A6 and place on Competence Development Board (CBD)

**Competence Development Board**

- Ensures that all teams progress and carry out exercises on time
- Basis for group discussions after each phase

**CBD at start**

**Lean Integration Program**  
Competence Development Program Board

PHASE 1	MODULE 1	MODULE 2	MODULE 3	MODULE 4
PHASE 2	MODULE 5	MODULE 6	MODULE 7	
PHASE 3	MODULE 8	MODULE 9	MODULE 10	MODULE 11
TEAM	Please module service here	Please module service here	Please module service here	Please module service here
TEAM	Please module service here	Please module service here	Please module service here	Please module service here
TEAM	Please module service here	Please module service here	Please module service here	Please module service here
TEAM	Please module service here	Please module service here	Please module service here	Please module service here
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TEAM	Please module service here	Please module service here	Please module service here	Please module service here
TEAM	Please module service here	Please module service here	Please module service here	Please module service here

**CBD after chapter 1**

**Lean Integration Program**  
Competence Development Program Board

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**CBD during chapter 2**

**Lean Integration Program**  
Competence Development Program Board

PHASE 1	MODULE 1	MODULE 2	MODULE 3	MODULE 4
PHASE 2	MODULE 5	MODULE 6	MODULE 7	
PHASE 3	MODULE 8	MODULE 9	MODULE 10	MODULE 11
TEAM			Please module service here	Please module service here
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**PROGRESS IS EASILY CONTROLLED!**