

Lean Government?



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In the spring of 1989, Shigeo Shingo addressed the 14th annual Productivity Conference at Utah State University. Shingo had just received an honorary doctorate from the Utah State College of Business, and had in turn bestowed his name upon the North American Shingo Prize. Today the Shingo Prize is highly regarded, but in 1989 few persons knew of Shingo's work or his greatness, and fewer still presumed that the Toyota Production System (aka "lean") had application outside of manufacturing.

Shingo, 88 years old by this time and physically frail, was in a wheelchair for the conference, but rose to his feet and stood to address the gathering of 700 or so academics. He was expected to discuss the best practices he had pioneered. Before he began his formal presentation, however, Shingo called out to the moderator of the session, seated on the dais to Shingo's left. Speaking through an interpreter, Shingo chose to take the moderator, an officer from nearby Hill Air Force Base, to task. Holding up a copy of his then-new book, *Non-Stock Production*, Shingo exhorted the unwitting moderator to take the book back with him to the base and use it to eliminate waste in the military. Shingo spoke in a strong voice as he pointed alternately to his book and then to the commander, his words translated almost as he spoke them.

Then Shingo turned his attention to the academics in attendance. Shingo scolded the professors: "Twenty-thousand doctoral dissertations on economic order quantity [EOQ] and not one on SMED," he scolded. SMED—Single Minute Exchange of Dies—is Shingo's concept that reduces changeovers to just minutes, thereby invalidating the concept of "optimal

quantities." The reason that no one chose SMED for a PhD thesis according to Shingo: "Because SMED was too simple an idea, and didn't contain enough fodder for a thesis." Shingo's indictment seemed to go right over the heads of most of his erudite audience.

Animated now, Shingo turned his attention back to the unfortunate but polite moderator who had now come to represent wasteful government spenders. Shingo announced to the moderator through his translator "I sent a copy of my book to Ronald Reagan with a promise that if he followed my ideas, he would be able to cut the defense budget by a third without any reduction in service." Shingo turned to the audience and continued, "But obviously he didn't read my book, so your taxes will continue to go up." Shingo's speech went on as expected—but the highlight was the unexpected. Shingo's message was: "It doesn't matter if you are building automobiles or baking bread, the concept of waste is still the same."

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That was 20 years ago, when most businesses were just beginning to feel the pinch of the new customer-first economy. Today, not only private enterprise, but the public sector has come to realize the wisdom of Shingo. In 2008 there is nearly as much interest in lean in the Public Sector Prize as in the Business Prize. Three cheers to the generals and the commanding officers who value it. They realize we can't keep borrowing against our future to solve our productivity and problems. But what about other areas of our government?

I heard a news story last fall which quoted my state's governor's warning that "we either will have to raise taxes or cut services." In fairness to the governor, this was what the press heard, not necessarily what he said. But do we really believe that there are only those two choices?

Today there are glimmers of hope in federal, state, and local government. At the 2007 Shingo Conference in Jacksonville were reports from local officials who hoped to leverage lean for better service and lower taxes. But generally the day is ruled by status-quo thinking. There is no plan for improvement, only for either raising taxes or cutting services. In my local school system, for example, the principal buys and stockpiles unneeded computer paper and hordes old furniture to "hit her budget," fearing that cost savings will be penalized. Classroom space has become storage. Custodians must work overtime to continually shuffle unneeded resources so that the auditorium will be available for school events. "Government economics" abound at every level, rewarding wasteful behavior and penalizing waste reduction.

This presidential-election year is a good occasion to reflect on Shingo's prophetic comments about the quality and cost of services provided by our federal, state, and local governments. Productivity at every level of industry, in every educational endeavor, in every government agency, and with every elected official is critical today. Perhaps in celebration of Shingo's 1989 unanswered challenge, I'll send a copy of his book to Mr. McCain and Mr. Obama. Maybe they'll read it. 改善

GBMP is a non-profit provider of productivity improvement concepts based on the Toyota Production System.