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The current economic climate has most executives and managers on edge. With wild stock market fluctuations on an almost daily basis, keeping most companies from panicking is difficult. When half of your value seems to disappear with the drop of the Dow, the knee-jerk reaction is to begin cutting costs within the organization. Slashed training budgets are a common casualty of tough economic times, but organizations that teach and implement lean principles view training as a key function that should not be reduced. During a recession, training is a valuable tool for reinforcing a company's culture, generating cost savings, and preparing for economic upturns.

Recessions, in general—periods of reduced economic activity—automatically set off alarm bells. However, post-World War II, the average length of a recession is only 11 months. In the big picture, this means that recessions are relatively short-lived events. When you look at the long-term strategy and mission of your organization, a recession will only reflect a small piece of your company's overall history. Companies with foresight and planning use this time of reduced activity to refocus on their initiatives, including training. Rather than seek short-term gains by reducing the organization's training budget, they recognize that training is what enables them to develop and retain their

employees, hone skills, refine processes, and continually improve. By sharing information and investing in employees through training, companies with continuous improvement philosophies keep their employees focused on the organization's long-term goals while getting people the tools to make small improvements on individual levels.

When employees have less work, they can still be productive if they use their downtime to learn new skills or train fellow employees. Learning organizations are masters at identifying internal experts and facilitating knowledge sharing. By doing this, these organizations reap several benefits: they foster teambuilding, realize cost savings, and build loyalty.

### A Valuable Tool for Weathering an Economic Downturn

One of the key hallmarks of lean is its focus on relationships. Lean methodology examines how an organization's employees, customers, and suppliers work together as partners. Constantly evaluating these relationships continually improves processes, systems, and products. The result of delivering products in close collaboration with vendors and customers is highly satisfied, loyal customers. Less variation among products and services results in a higher quality product at a lower cost.

Another vital characteristic of lean is its



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focus on eliminating waste and unnecessary activities. Behaviors, activities, and actions that fail to add value should be removed from the business or manufacturing process. Once a company creates this mindset among its employees, it will realize small improvements in areas it had never considered before. Most of the non-value-added activities that occur within organizations are found in human behaviors—not in automated manufacturing processes. By training employees in the mechanics of lean on the shop floor, you'll begin to see its influence in other business functions as employees apply its philosophies in other aspects of their jobs. Unlike other types of training, lean training can be applied to any type of business (service and manufacturing, process or discrete) in any business function (manufacturing, marketing, accounting, technology, human resources, etc.) at all organizational levels. Greater efficiency, lower costs, shorter lead times, and improved processes can be realized across all operations.

#### What are some additional benefits of lean training?

- Continual improvements in your business functions
- Creative and cost-effective problem solving
- Improved responsiveness to change, making a company more adaptable to different market situations

And while these benefits are appreciated no matter what the economic climate, they are even more valuable in uncertain ones. As competitors focus on cutting costs, your organization can continue to invest in innovation, growth, and productivity during slow times.

If all of this sounds somewhat familiar, it's because none of these ideas are new. The lessons a company can apply in order to do well during a recession echo the same lessons that Toyota learned in the 1940s. Realizing they did not have the money or resources to compete with larger car manufacturers like General Motors or Ford, Toyota figured out ways to do more with less. Their management embraced W. Edwards Deming's concepts of teamwork, collaboration, and trust. In the end, they built a learning organization that focuses on developing and empowering employees, working closely with suppliers, and continuously improving their manufacturing processes.

Once your company has resolved to stay its course and not cut back on training during an economic crunch, you'll still want to make sure that your training dollars are spent wisely. One way to do this is to make sure that the training that is offered is targeted so that its impact is greatest. Analyze your business and understand what value streams are strategically important to your business. Where do you have the

opportunity to grow the business, capture market share, differentiate yourself from the competition, and create value for the customer? Focus your training and continuous improvement on techniques and issues that will transform this area of your business. By doing this, you will be able to maximize the return on investment of your training costs and grow in any type of business climate.

Another way to train that is cost-effective and fast is through an eLearning platform. E-learning enables companies to teach lean concepts quickly and communicate their message to the masses at a relatively low cost. It is an excellent platform for teaching the principles, concepts, and theories that form the basis of a lean journey. Once your employees have mastered the rudiments of lean, they can quickly apply what they've learned on the shop floor and across the business functions.

The choices a company makes in how it reacts to a recession play a large role in how the organization will emerge from an economic downturn. Focusing on training during a recession can give a company a competitive edge. By developing your people and updating their skills, you can build important employee loyalty. Customer satisfaction, improved quality, and lower costs are side effects of implementing lean training. Continuing these training programs during a recession makes a company stronger in the long run and also makes recessions a lot less fearsome than they may first appear. ■