

POM 2008 Plenary Session: Richard J. Schonberger

Saturday, May 10, 8:30-10:00 am, Aventine D, E and F

Richard Schonberger is President of Schonberger & Associates, Inc., providing lectures, seminars, and advisory services to industrial and business organizations worldwide. Originator of the term and concepts of world-class manufacturing, he is author of numerous books, as well as some 150 articles in periodicals ranging from *Harvard Business Review* and the *Wall Street Journal* to *Quality Progress* and the *Journal of Cost Management*. He has been awarded the Shingo Prize for Excellence in Manufacturing and the British Institution of Production Engineers' International Award in Manufacturing Management, and has received the Institute of Industrial Engineers (IIE)'s Production and Inventory Control Award.



Richard Schonberger presents hard evidence showing the birthplace of lean—Japan, including Toyota—to have grown fat, with average company inventories soaring for 10 to 15 years. In a global ranking, Scandinavia scores high, the U.S. sliding to a middling rank. Among 33 industries electronics and distribution rank high; heavy vehicles, chemicals, and pharmaceuticals near the bottom.

Richard offers well-supported explanations. (1) Lean—applied mostly in operations and presented as waste reduction—generates little executive excitement, and scarcely resonates among boards, analysts, marketers, and the general public. (2) Unsung stars of lean have success in pathways other than the well known “lean core.” (3) Lean’s greatest potential lies in logistics pipelines, but power plays rather than solutions govern inter-company inventories. (4) Big companies bureaucratize lean, contrary to its simplicity mandate. (5) As production migrates to less-developed countries, such a bedrock lean-core concept as cellular design fails to follow.

Course corrections include raising visibility of alternate lean methodologies, including de-proliferation; gaining marketing’s interest by correctly presenting lean as driver of flexibly quick customer response; removing certain accounting and costing obstacles; facing up to capacity starvation, chronic obstacle to synchronous operations and ability to respond to unexpected orders; and elevating continuous all-employee improvement to parity with dis-continuous improvement through projects.