

## What are the Barriers to Lean Manufacturing Success?

### From Basic Misunderstanding of the Principles to Mediocre Consultants, be Aware of these Obstacles that can Foul Up Lean Initiatives

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*The following is excerpted from our recent Supply Chain Digest Letter on Lean Manufacturing. An electronic copy of that Letter, along with a variety of other resources, is available at our Lean Manufacturing Resources page: [Lean Manufacturing](#).*

Why have many companies not been able to achieve the benefits they had hoped for from Lean strategies?

Experts cite a variety of factors:

**Misunderstanding of Lean:** Some companies have looked at Lean as merely a cost reduction hatchet, not a method for serving customers and removing waste. This can lead to a Lean “facade” that on the surface uses some of the tools of Lean, but does not really embrace its core philosophies. It can also lead to “cost shifting” tactics that simply move inventory or other operating costs to trading partners, which can reduce internal costs in the short term but do nothing for total supply chain costs in the longer term.

**Lack of Broad Organizational Involvement:** Lean initiatives are sometimes made the province of a small group of Lean specialists, with little support from top management, and little real understanding from shop floor personnel and other managers even as they are “trained” and encouraged by this small group. Lean develops no real roots in the corporate culture.

**Conflicts with Other Initiatives:** In some companies, other improvement methodologies, such as Six Sigma, Total Quality Management, etc., can create internal conflicts with Lean initiatives, and even lead

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to competing “camps” that differ over which methodology should be used where.

**Conflicts with ERP Implementations:** While some ERP providers provide very strong support for Lean manufacturing techniques, many companies have also found it difficult to fine tune Lean programs with the simultaneous implementation of a major ERP system. There is just too much to do, and corporate IT managers implementing ERP may not well understand Lean concepts. Lean and Lean-focused ERP implementations can do very well together today, but it takes solid planning.

**Demand Volatility:** Many companies have also found their Lean strategies thwarted by the increasing volatile demand environment, and increasingly complex mix in product portfolio. Supply chain complexity has many costs, and one of them is making Lean techniques more difficult to adopt “Cleanly.”

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### **Disparate Manufacturing Environments:**

Lean has been challenged to work well in some complex manufacturing environments. Ditto with how to translate Lean principles into process or hybrid manufacturing industries. Most industries are also struggling with rapidly shrinking product lifecycles and the need for many new product introductions. The need to get fast cycle products to market can often trump the perceived need to operate on Lean principles.

**Mediocre Consultants:** A huge consulting industry has developed around Lean, and spawned a virtual army of boutique Lean consulting firms. Almost every company uses consultants of some kind at least early in its Lean journey, and many for longer periods after that. As with any profession, there are good and not so good Lean consultants, and no easy process for separating the two. Some know Lean theory well, but aren't able to teach it nearly as well as they can do it themselves. Many Lean projects have stalled because consultants couldn't move the project in the right way.



**Lack of Staying Power:** All these factors combine to make it challenging for some companies to get Lean right from the outset. Add to that the manufacturing cost pressures mentioned above, and if a Lean initiative actually sends costs going in the wrong direction at the start, companies frequently cancel the program rather than fixing what went wrong with a proven methodology.