

Two Hours a Day in the “Gemba”

Spending time on the shop floor can save your job and your business.

Apprehensively I admit that for a time my image of the idyllic business leader was Gordon Gekko, the antagonist in the 1987 drama “Wall Street” — a brilliant, scheming, affluent high-roller doling out orders to minions from a posh Manhattan office suite. That’s what being CEO is all about!

So when I got my first shot at a CEO position, I modeled my behavior somewhat accordingly: on the phone with accountants, investors and attorneys (who were always happy to send me a bill regardless of whether we talked about my business or what we saw on SportsCenter); lunching with investment bankers as we chatted about potential acquisitions; holding meetings with my staff on efficiency projects, financial statements and customer satisfaction. I was The Man.

Except ... all the while my business was failing. Year-over-year performance was taking a dive. Over time, my regular discussions with investors morphed from dreaming about our future success to defending our poor performance.

It got so bad that the board of directors assigned a boss to me. A “Group VP,” as they called him. Since the only thing I wanted less than a boss was to be fired, I begrudgingly acquiesced. Then it started. Once a week my new boss would

walk into my office and take me out to the shop floor, peppering me with questions about the status of orders, equipment performance and process control. After several weeks of my uninformed answers and promises to follow up on his questions, he ordered me to spend at least two hours a day “in the gemba.”

Gemba is a Japanese word meaning “real

place.” News reporters refer to the location of the story as the gemba. Detectives call the scene of the crime the gemba. In business, the gemba is the place where value is created. In manufacturing, the gemba is the shop floor.

Immediately, I was put off by the group VP’s use of the word gemba. Like many, I once cringed at the use of Japanese words in American manufacturing. Over the course of 15 years, however, after seeing examples such as the book “The Toyota Way” on the desk of the plant manager of one of the U.S.’s most iconic manufacturers and the announcement of a kaizen event posted on the wall in a Big Three

automotive plant, I came to realize that I was fighting a losing battle.

At any rate, not wanting to lose my job, I reluctantly began spending two hours a day in the gemba. It worked, and before long I was amazed at what I learned about my business. When leaders spend time

in the gemba, we:

See our people. Shocking what we can learn about our shop from the people who actually do the work. This benefit is so significant that it consumed an entire edition of “Never Finished” almost four years ago. When we spend time in the gemba, we get closer to our team and the hurdles standing between them and our success.

Let our people see us. And let them know we take a personal interest in them, their work and their role in the business.

Identify the seven deadly wastes. Stand on the shop floor and look for examples of waiting, motion, inventory, rework, overproduction, overprocessing and transportation waste. Contrary to the belief of many, inefficiency generally doesn’t manifest itself in team members standing around twiddling their thumbs or stretching out a job. We can’t just eliminate cost by announcing a layoff. Instead, waste is buried in areas such as poor flow, work-in-process inventory and the absence of standard work.

See equipment issues first-hand. What are the chronic equipment problems that come up over and over? Is the maintenance team busy performing preventive tasks or putting out fires?

Improve our housekeeping. Most every shop has some version of the pre-customer visit scramble, where everything is tidied up just before the customer arrives. When the leader spends time in the gemba asking questions about tools that are out of place or product that isn’t properly



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identified, behavior changes quickly and the shop looks “customer-ready” all the time.

See customer orders up close. It’s one thing to know that we are coating a kanban valve, it is another to recognize what the part looks and feels like. When we spend time in the gemba we get closer to our customers. We get intimate with our performance metrics. A metric—on-time delivery percentage, for instance—is just a number until we walk the floor, review dates on travellers, discuss the schedule with production control and ask operators how we can help them process orders more timely. Time in the gemba makes our metrics come alive.

Assess our environmental and safety risk. Poorly identified hazardous materials and questionable employee work practices jump out when we view them in person.

Examine the non-conforming material area. Show me a leader who understands the root cause of rejected product and I’ll show you one who is well on her way to reducing rework and improving gross profit.

Play “What’s this?” There’s no better way to understand the business and to create accountability than to do what my group VP did to me. Walk the floor with the team and ask lots of questions.

Fifteen years ago, spending two hours each day in the gemba saved my job and probably saved my business. Today, when a client tells me his business is struggling, the first thing I want to know is how much time he is spending in the gemba, the place we go to reduce cost, improve quality, create satisfied customers and build better teams.

Gordon Gekko, please meet Taiichi Ohno. ■■■

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