



How to Apply the Lean Methodology to Managing Your Team

by Dennis Hammer

Whether you're a small startup still developing a customer and looking for a product or a sustainable company trying to squeeze out a little more growth, you need fast, flexible teams that can solve problems and innovate.

By applying the lean methodology to your team, you can gain the kind of agility and speed you need to produce better results, reduce resources, and be competitive.

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What is Lean Team Management?

Lean management is a philosophy teams can use to improve their performance and achieve better results through incremental change and validated learning.

Lean team management borrows its principles from the [lean startup methodology](#). These principles were designed for startups, but they can also teach teams in any organization how to survive and grow, especially in environments that require high performance and substantial results.

Can non-lean teams be turned into lean teams? Absolutely. In fact, the learning curve is short. [According to the Lean Business Report 2016](#), 88% of teams that identified as “beginners” reported moderate to significant success with the lean methodology.

That number grows to 100% over time as teams mature and become more familiar with lean principles and how to apply them to their team. Basically, brand-new teams with little or no experience with the lean methodology still find it useful.

5 Lean Methodology Principles

The lean methodology includes five major principles that should be used to guide the team and baked into the daily process:

1. **Entrepreneurs are everywhere** – You don’t have to be a startup or even a new company. Entrepreneurs can exist *within* organizations.
2. **Entrepreneurship is management** – Lean teams can be managed in an entrepreneurial way.
3. **Validated learning** – By running experiments, you can test elements, prove what you think you know, and learn new things.
4. **Innovation accounting** – To improve your outcomes, you need to hold the team accountable for things like measuring progress, setting milestones, and prioritizing work.
5. **Build-measure-learn** – This is a system of improving your team by innovating, measuring, and collecting knowledge.

Lean Management is a Mindset

Practicing lean management means teams and their leader have to adopt a new mindset. They have to genuinely want to improve and be willing to honestly measure their own performance. They need to prioritize validating what they know and learning new things.

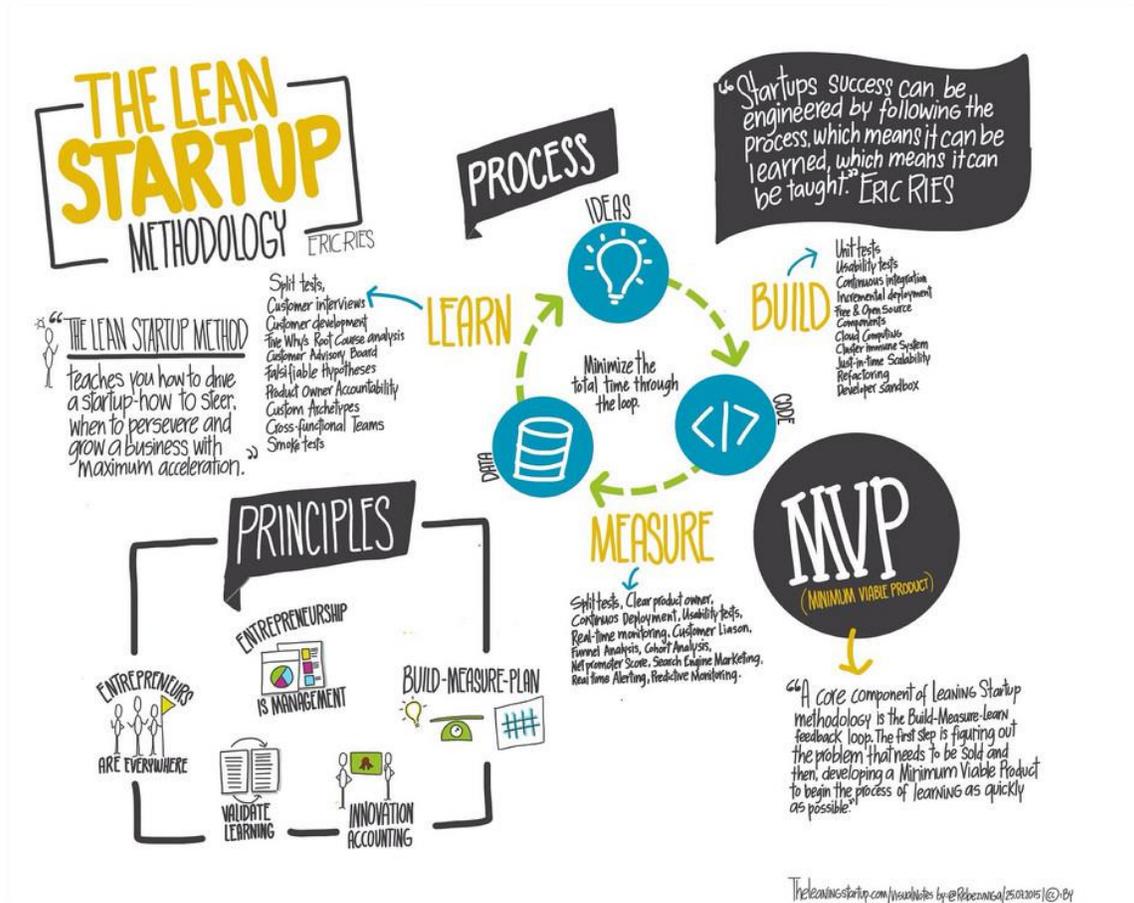


Image: [Rebeca Zuñiga / Flickr](#)

Leaders need to think of themselves less like a supervisor or manager, and more like a coach and teacher. Their job is to make sure the team applies the lean principles at all times and *always* think about the value the customer receives. (In this case, the customer is the organization/company.)

Lean teams in existing businesses actually have an advantage over startups. Early-stage startups have to find their own customer and build a product, but that isn't the case in a stable company.

“In a startup, you’re working to determine your proposition and create a beachhead with your first key customers,” [says Alex Cowan](#), corporate innovation consultant. “In a line of business where you’re operating against a known proposition, you’re refining, scaling, competing, and innovating on an incremental basis.”

This means that a lean team’s job isn’t just to manage a workload, but to find ways to handle work faster, improve results, and reduce resources.

Lean Teams Obsess Over Metrics

One of the most important principles of the lean methodology is [continuous improvement](#). Lean teams need to constantly look for ways to improve their performance and results.

“So often we convince ourselves that change is only meaningful if there is some large, visible outcome associated with it,” [says James Clear](#), entrepreneur and performance expert. “Meanwhile, improving by just 1 percent isn't notable (and sometimes it isn't even noticeable). But it can be just as meaningful, especially in the long run.”

Small improvements won't impact you much today, but over time they will compound to create substantial change. This is why the best teams continually improve. To do that, they need to focus on metrics.

They do this by defining [key performance indicators](#) (KPI; metrics that report on the health, effectiveness, or productivity of the team) and [growth levers](#) (metrics they can push to affect their key performance indicators).

For instance, a customer support team might measure themselves on the number of emails it takes to resolve a customer's problem. Ideally, they want to resolve the issue in one email. The average number of emails per ticket would be a key performance indicator.

How do they affect that KPI? Through experimentation, they might learn that creating robust help documentation reduces the number of tickets and helps them resolve complaints in fewer emails because they can link customers to the appropriate article. Therefore, a higher number of help articles (the growth lever) reduces the number of emails per ticket (the KPI).

In this example, the customer support team used the lean methodology to improve their performance using metrics to guide their behavior. Lean teams often focus on [some similar metrics](#), but it's important to choose the ones that are right for your team, even if they're unusual.

Lean Requires a Champion

While it's possible for teams to govern themselves according to the lean methodology, they usually require a leader to strongly advocate for the lean principles. This is especially true in existing organizations where non-lean teams are asked to transition to a lean workstyle. In this situations, employees who have worked comfortable under a non-lean system may resist change, especially if they aren't accustomed to regularly measuring their own performance.

The lean team leader should champion the lean principles at all times. He or she should educate the team about their new approach, offer guidance, and make sure the team abides by lean principles.

How do they do this? In the beginning, there will be some hand-holding. The leader will have to propose interesting questions, direct experimentation, and help the team analyze results. But as the team reaps the rewards of a successful lean culture (improved performance and productivity), working lean becomes preferred.

An Environment of Continuous Improvement

Lean teams consider the *process* of their work just as much as the actual work itself. When they finish a project, they ask themselves, “How can we do this better next time? How can we achieve better results, complete the work faster, or use fewer resources?”

It’s the leader’s role to propose these questions, [create an environment where the team can experiment](#) with new techniques, give the tools they need, and help them analyze their results.

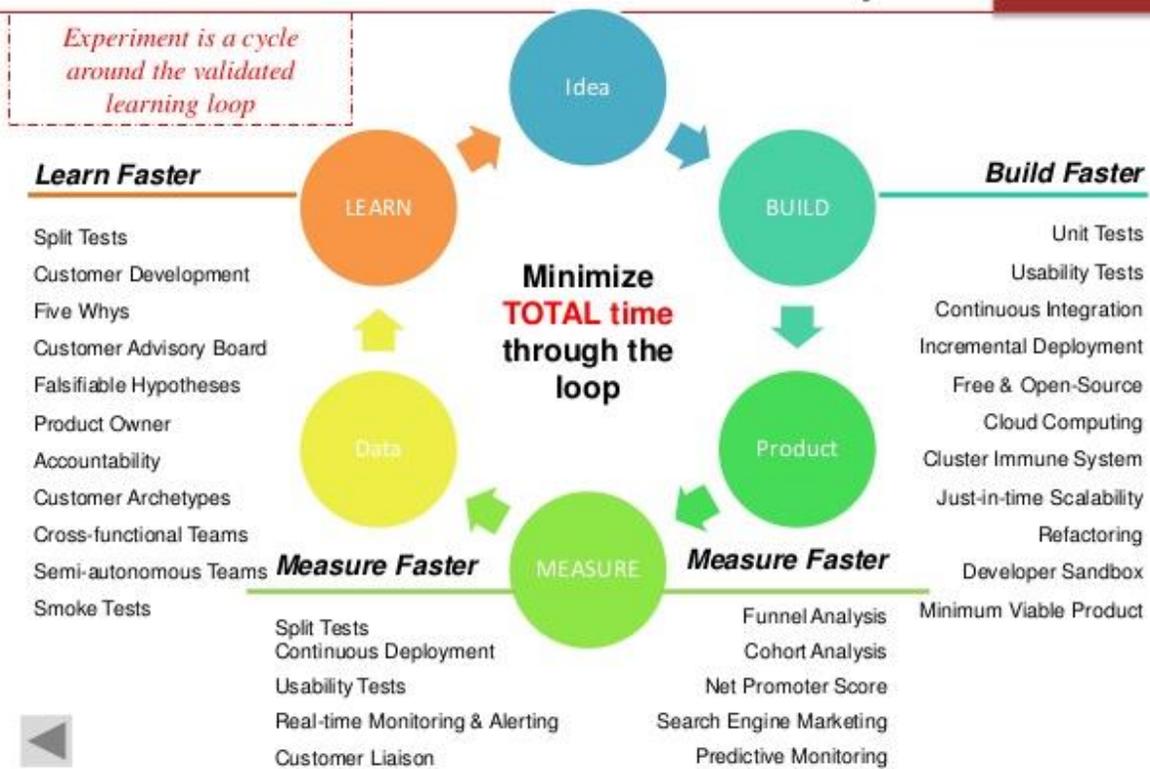
Most importantly, improvement should be based on small, incremental changes, *not* major paradigm shifts. Large changes are often destabilizing. Whenever a team makes a drastic change to its process or workflow, there’s an unavoidable productivity slump as everyone re-learns their job.

Incremental changes can help you learn *before* you commit time and resources into a big change. For example, let’s say an accounting team wants to try a new way of following up with clients for payment. Before rolling the new process out to all clients, they would try the new system with one or two clients and compare their results against the old system. If they were happy with the outcome, they would implement the new system for a larger group of clients and measure again. They would only roll the new system out to every client once they were sure the change would create positive results.

Lean teams do this by following the build-measure-learn cycle. Experiments start with ideas that are built, measured, and analyzed. The learning from one experiment fuels the next idea.

Build-Measure-Learn Loop

Steer



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Finally, lean teams need the autonomy to experiment with new ideas *without* getting approval from someone higher in the organization. In traditional non-lean teams, approval to try new things has to come from elsewhere, but that takes time, which prevents the team from responding quickly to new information.

“The continuous improvement model relies on employees, not top management, to identify opportunities for improvement,” [says Maggie Millard](#), marketing director and continuous improvement expert. “This bottom-up improvement is effective because employees are closest to the problems, and thus better equipped to solve them.”

The Transition to Lean Takes Time

Lean teams don't develop overnight, especially in organizations that haven't prioritized lean principles in the past. Team leaders have to help teams abandon old principles and restructure their day-to-day.

But the results of lean team management justify the effort. Creating lean teams will build a sustainable, growth-focused company that consistently strives to be better.