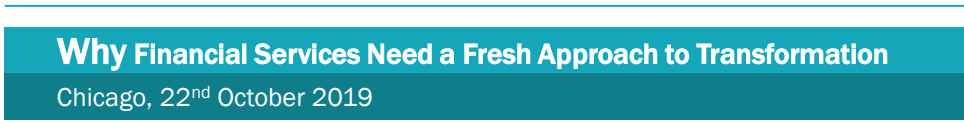




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## Who are we?



Dina Patel is  
Head of  
Performance  
Excellence, S&P  
Global Ratings



Keivan Zokaei  
is Partner and  
Head of  
Financial  
Services at S A  
Partners



Ken Wisinski is  
Managing  
Consultant at  
S A Partners



Brady Jadin,  
Associate,  
Business  
Transformation,  
S&P Global  
Ratings

## Objectives

Current approaches to transformation and change in Financial Services have many weaknesses. We aim to:

- ▶ Provide a fresh look at change, transformation and lean
- ▶ Provide a much better way of leading your change journey which starts with the WHY
- ▶ Explain how to make lean transformation a people tool, not an efficiency tool.
- ▶ Show how these concepts can be applied in practice:
  - Highlight some of the common mistakes and misconceptions
  - Highlight the importance of knowing WHAT-HOW-WHY and when to pivot

We will NOT provide any codified tools or codified steps. Rather a fresh perspective which will be crucial for your transformation

## Continuous Improvement Journey



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## Change “did not stick”

- ▶ Reflecting on Continuous Improvement / lean as a movement
- ▶ **Dan Jones:**  
*“Widespread interest but [lean] did not stick”*  
*“Conflict with modern management and Command & Control”* which has played a significant retarding role.

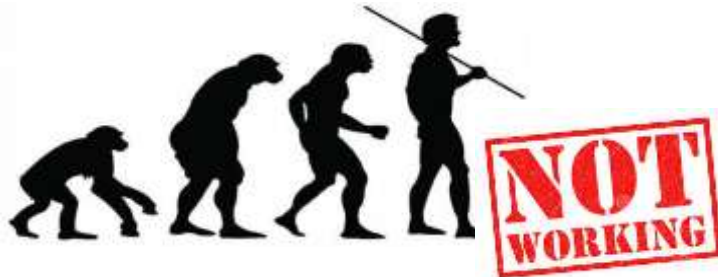


- ▶ Lean is about creating socially responsible meaningful work
- ▶ In lean, humans make systems work (not the other way round)

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## Evolution of Continuous Improvement



**Tools – Processes – Systems – Behaviours**

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## Lean: a Terrible Phrase!

- ▶ *Simon Sinek: "there are 'zero' companies whom have successfully used lean as a tool for efficiency"*
- ▶ *"Lean is not reductionist tools. Lean is about people"*

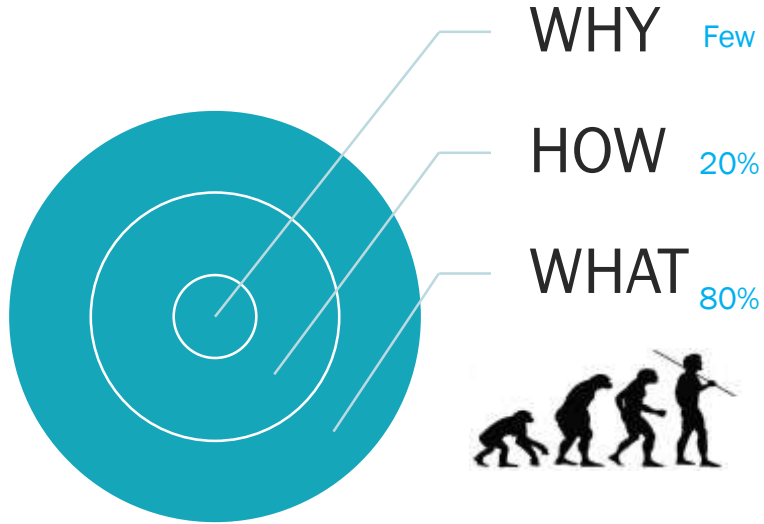


- ▶ *"It only works when it is used as a people tool"*

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# WHY - HOW - WHAT?



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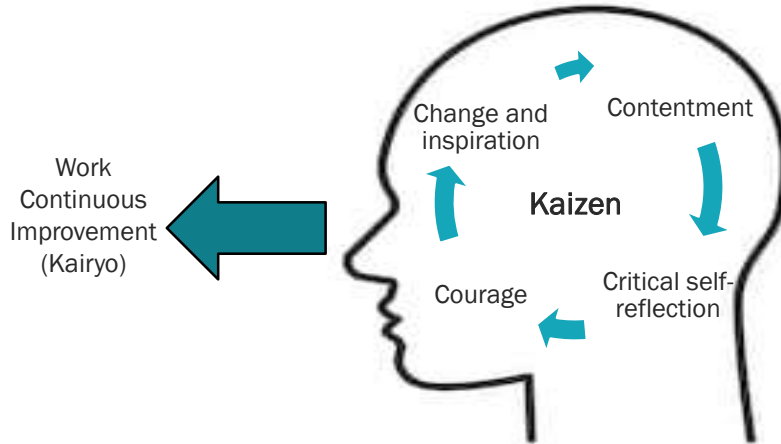


**WHAT?**

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**What = Kaizen?**



- ▶ Kaizen is a process in our mind of tapping into our inner strengths and our innate potentials to push the envelope. It is through continuous critical self-reflection that we attain (external) continuous improvement

Reference: June Nakamuro

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**What = Eliminating Muda?**



Muda (Waste)



Mura (Unevenness)



Muri (Burden)

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## Dice game

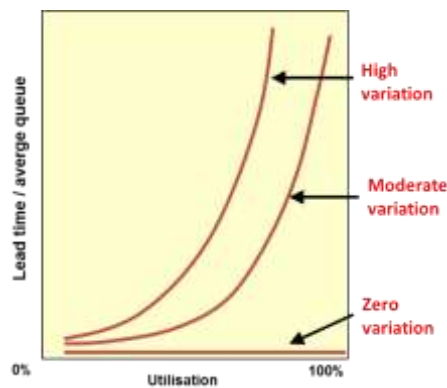
- ▶ Understand Muda, Muri and Mura
- ▶ Operations Management (or lean) is primarily about understanding and eliminating **Muda, Muri and Mura**
- ▶ Muda = waste; Muri = over-burden; Mura = unevenness or variation
- ▶ Dice Game

Reference: John Bicheno

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## Relationship between Muda, Mura and Muri



$$\text{▶ } Q (\text{leadtime}) = (C_a^2 + C_e^2)/2 \times (\rho/(1-\rho)) \times t_e + t_e$$

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## Summary of “WHAT”

- ▶ Kaizen is continuous self-improvement. Create a better “me” and help create a better “you” in order to create a better “us” and a better “world”
- ▶ We could ‘sell’ our change journey (e.g. lean) as reduction of over-burden
- ▶ Often the key lever for improvement is to understand and manage (absorb) variation both internally (process) and externally (customer demand)

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HOW?

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**HOW?**

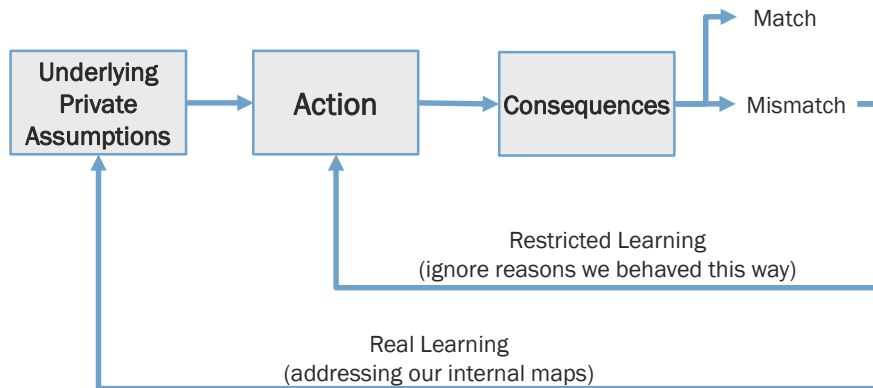


**Managing Change?**

- ▶ Lets revisit some of the most famous models for change and how they sometimes are based on “negativity”



## A better model for change: Single vs. Double Loop Learning



Adapted from Chris Argyris. 1977

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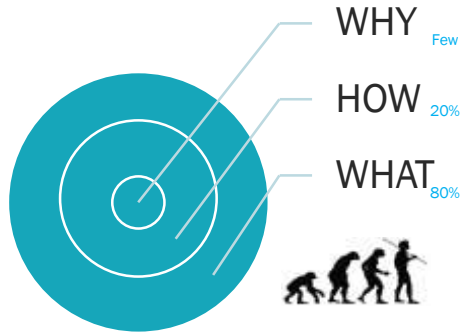
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## Summary of "HOW"

- ▶ Change the way you look at things and the things you look at change
- ▶ REAL learning (double loop learning) requires us to re-visit (our own and our organisation's) hidden assumptions that drive behaviour in the first place – which takes a lot of courage
- ▶ A holistic framework is required for change which should address strategy and leadership as well as work. Any good model should cover Strategy (Purpose) and Learning & Leadership (People) in addition to Work (process).

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**WHY?**

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**Why?**

- ▶ In CI we are not positively engaging people nearly enough (bunch of engineers!)
- ▶ *People will forget what you said, people will forget what you did, but people will never forget how you made them feel*



Sakichi Toyota  
1867-1930



Konosuke Matsushita  
1894-1989



Soichiro Honda  
1906-1991



Akio Morita (Sony's  
co-founder)  
1921-1999

*Japanese OEM firms founded by engineers embodying the spirit of **Monozukuri***

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### Story of Next Jump



BETTER ME (Train and improve yourself at work)  
 +  
 BETTER YOU (Use that knowledge to help others)  
 =  
 BETTER US (Work together to create a better world)



### Wealth Generation?

Company	Year	Revenue	Adjusted for inflation Revenue	Employees	Wealth generation per employee
NxJ	2017	\$ 2,500,000,000	\$ 2,500,000,000	250	\$ 10,000,000
Toyota	2017	\$ 255,528,000,000	\$ 255,528,000,000	364,445	\$ 701,142 X 14
Microsoft	2000	\$ 22,956,000,000	\$ 33,193,020,000	47,600	\$ 697,332 X 14
GM	1925	\$ 116,016,277	\$ 1,534,669,942	83,278	\$ 18,428 X 543
Entire US Coal Industry	1850	\$ 8,800,000	\$ 269,752,766	20,400	\$ 13,223 X 756



## Why Continuous Improvement?

- ▶ Understand psychological reasons for change through the lens of **Positive Psychology**

## Monozukuri = Hitozukuri

Sensei is uninterested in the problem solved. Instead interested in developing the mentee

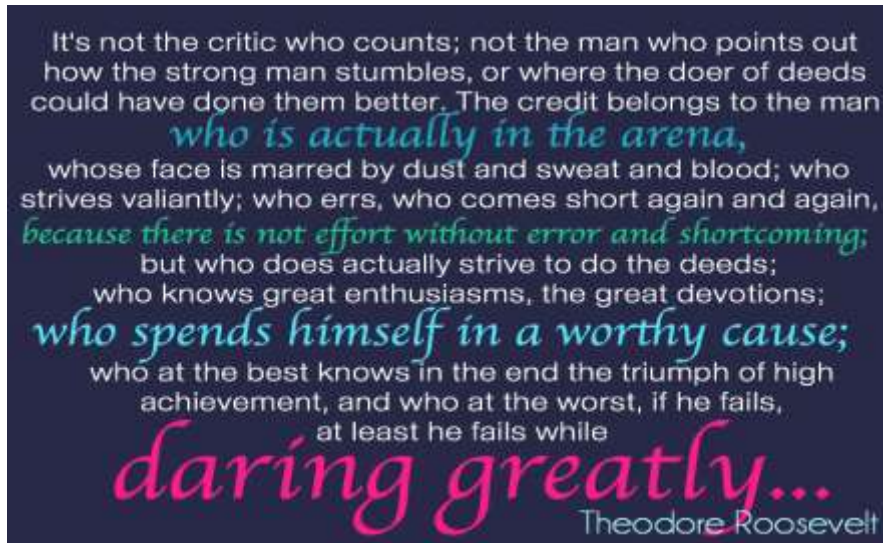


## Engagement (and flow)





But real change takes courage!



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Understand your own WHY



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