Lean Management is Not Lean Startup[1]

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Over the past five years, "Lean Startup" programs have received a great deal of interest and attention[2]. Lean Startup is typically described as a means for starting a new business. It is essentially an approach to business planning and development involving rapid learning cycles, scientific experimentation, and continuous customer contact.

Lean Startup and the Lean work improvement method are different because they are used to improve different kinds of work activities. The Lean Startup method is applied to the *developmental work* that goes on within a startup environment. In this highly uncertain environment, work activities are constantly changing as the business grows and progresses from an initial concept to a viable operation. This contrasts with the Lean work improvement method, which is applied to *stable work processes* that are repeatedly carried out within an established organization.

While Lean Startup and the Lean work improvement method involve different kinds of practices applied to different kinds of work, they do have similar features such as rapid learning cycles and customer focus, and it is possible to apply both approaches within the same organization. For example, Lean Startup results in the development and implementation of new work processes as the business grows and begins to operate. When these new processes are created and implemented, the Lean work improvement method can then be applied toward their ongoing improvement.

In addition to Lean Startup, other Lean-style approaches for design and development work can be used in conjunction with the Lean work improvement method. For example, "Agile" is a project management framework that has spawned popular software development methodologies such as "Scrum"[3]. In addition, "3P" is a development method that is often used by Lean organizations for designing products and Lean manufacturing processes[4].

To illustrate the connection between the Lean work improvement method and an Agile project approach, consider a major information technology project that requires sophisticated information system design and development activities. While the frontline associates who will ultimately use this new system should have a great deal of involvement in the development project, it is unreasonable to expect them to actually drive system development activities because of the need for specialized expertise. For

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[1] Hinds, David (2017). *The Essence of Lean: A Superior System of Management*. New Worldview Press, Fort Lauderdale, Florida.

[2] Ries, Eric (2011). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses.* Crown Business, New York, NY.

[3] Sutherland, Jeff (2014). *Scrum: The Art of Doing Twice the Work in Half the Time*. Crown Business, New York, NY.

[4] McDonnell, Dan and Locher, Drew A. (2013). *Unleashing the Power of 3P: The Key to Breakthrough Improvement.* Taylor and Francis Group, Boca Raton, Florida.

these types of projects, system development specialists typically lead the development effort using Scrum or some other type of Agile approach.

As the information system is implemented, it will often have a disruptive effect on the work processes of the system users. This will require major changes to the way in which they do their work, and it may even involve the creation of entirely new work processes. Implementing and training the associates on these new work processes is a part of the Scrum project. However, once the new processes are in place and reasonably stabilized, then the Lean work improvement method can be applied toward their future continuous improvement.

Even though the Lean method does not apply directly to developmental work, a Lean culture will certainly be a great asset in facilitating the radical changes that often result from such work. For example, IT projects can produce changes to the operation that are disruptive, painful, and subject to significant employee resistance. A strong Lean culture built upon mutual trust and respect will lead to associates who are more confident and trusting. As a result, they will be more willing to take on risks and to accept the uncertainty and disruption that comes along with these types of radical changes.