

# Lean Focus



## **Walking the Lean Journey with Stan Askren**

*Retired HNI CEO Reveals his Passion for Lean and His Goals at Lean Focus*

May 7, 2019

Stan Askren is a large figure in business and a world-recognized authority on building sustainable, lean cultures. As far as successful lean transformations go, he is a beacon in what is often little more than a sea of vacuity. As the retired CEO of Iowa-based HNI Corporation, a \$2B publicly-traded, Fortune 1000 company providing products and services for the office and home, he helped lead the company toward its goals during the new millennium. Askren accomplished this feat through a company-wide focus and steadfast dedication to tried and true lean principles.

Hired in 1992, he first served as HNI's Corporate VP of Human Resources, and then took on roles in, Operations, Marketing, and Strategy. He was their CEO for the final 15 years of his 27-year career at the industry-leading office furniture maker and hearth products company.

Moving forward with Lean Focus, Askren will add a high level of expertise in his new roles as an Executive Advisory Board Member and Lean Focus Business System Practitioner, working with C-level clients driving total lean transformations. Joining the Lean Focus team only three months ago, he is already beginning a new chapter in his lean journey. The Lean Focus Advisory Board is comprised solely of proven executives, who are well-known industry lean experts with long track-records of delivering market-beating results in their businesses...so Stan fits this perfectly.

Askren brings with him both the positive reputation and experience of serving at the helm of HNI. As CEO, Stan and I knew of each other during our time together at HNI, and recently forged an even closer relationship.

Stan will be advising Lean Focus on matters of strategy in terms of direction of the business, such as the opening of our Lean Focus Business System University, international expansion opportunities, and future acquisitions. As a practitioner, Stan can be in front of our clients leading kaizen events and coaching CEOs on how to lead lean enterprises, which sends a very strong message.

From a business and cultural values standpoint, he is someone who shares the same value set and ideals I do – he is a great fit culturally to what we are trying to do and the message we are sending to the market with our clients, he is just a natural extension of our core values as a company. I have tremendous admiration and respect for the culture that he built and led while at HNI, and cannot think of a higher standard for a “Lean CEO”.

While Askren prides himself on having been a part of HNI’s egalitarian, member-owned business model, one would not exactly describe him as a “softy”. Make no mistake: Askren is a pragmatic, eye-on-the-ball businessperson who is intensely focused on finding a “better way” while driving lean deep into the organization.

Askren attributes HNI’s lean success to many factors but gives a special nod to the influence of George Koenigsaecker. Koenigsaecker led Jacobs Vehicle Systems’ (a Danaher Corporation business) lean conversion. Over a three-year period, the lean conversion doubled productivity and increased total inventory turnover 500 percent. As a group president at the Danaher Corporation, George led the transformations of both the Automotive and Tool Groups, and he authored the original version of the Danaher Business System that was credited for the company’s success. A name that is synonymous with the origins of the Danaher Business System, Koenigsaecker, played a pivotal role in turning Askren on to its overarching principles and its far-reaching applications.

“(Former HNI CEO) Jack Michaels walked into my office one morning and threw a resume at my desk and said, ‘I want you to investigate this guy’,” Askren laughed.

Of course, that man was none other than Koenigsaecker.

With a little footwork, Askren discovered a powerful, focused individual. After meeting Koenigsaecker, Askren learned how he had studied and embraced just-in-time methodologies,

and touted the benefits of Shingijutsu, who were the original disciples of Taiichi Ohno and the highly-successful Toyota Production System.

“George told stories that blew me away,” Askren said. “In retrospect, I didn’t understand much of what he was talking about.”

The result of their fateful meeting? Askren encouraged Michaels to hire Koenigsaecker. With a production system that was no longer considered “world-class” and lagging productivity, it did not take much effort to persuade Michaels to bring the new hire aboard.

Once the Japanese consultants came in to assess the needs of HNI plants, the deal was sealed, and HNI’s lean transformation was “officially” underway in 1993. The path to continuous improvement was becoming clearer to everyone at HNI.

An artful storyteller, Askren has a unique philosophic take on lean’s dynamics within the context of organizational leadership, a viewpoint that even has theological undertones. His ability to communicate meaning through metaphor is uncanny.

“I believe that in our DNA is a desire to bring order to things...the law of entropy is real. I believe we have a desire to make things more effective and efficient, and some of this comes from a desire to bring discipline, to systematically organize things and bring order,” Askren said.

A preacher’s son who grew up in a humble home with a hard-working mother, father, and five siblings, Askren said that he admired his father’s leadership role. His father dealt with his share of controversy from the congregations he led. Askren explained that those churches were often in need of significant transformation as well.

“I saw early in my life the courage to go forth, lead change, and set the vision to find a better way and go for it,” he added. “I was only attracted to leaders like that.”

A self-described “tangible guy”, Askren has a nose for value-added and non-value added activities. He holds fast to lean principles in all facets of his life. “Constructive discontent” is how he describes his default mode, an attitude that is ideally suited to all things lean.

“Many people whom I have worked with look for equilibrium,” he said. “The best time to apply lean is when things are going well. As soon as you are done with the harvest, you better be sharpening that plow, and you better be ready to till that field again because success doesn’t last.”

“My predecessor used to say, success can lead to arrogance, arrogance can lead to complacency, complacency can lead to inaction, and inaction can lead to failure,” he said. “It takes wisdom to know what to disrupt and what to leave alone.”

For Askren, the application of lean principles is as fundamental to human nature as the birds and the bees.

“I think lean is so simple yet so profound and it meets so many psychological, sociological, and business needs,” he continued. “When I first experienced lean, I thought that it looked simple but it turned out to be very difficult to carry out and implement.”

When Askren was hired by HNI in 1992, the Ford Production System was its manufacturing standard and it worked. It had helped make HNI a household name during the Post-World War II era and it was difficult to change without an obvious crisis.

However, as the decades passed, the changing marketplace had forced HNI’s strategic hand.

Askren’s predecessor, Jack Michaels, followed on the heels of one of HNI’s founders, Stan Howe, “who really had built HNI...he figured out how to take the Ford Production System and applied it to the metal filing business which was booming after World War II,” he said.

Certainly, there was no reason to change HNI’s core values. More than anything, they helped guide the company through good *and* bad times, serving as *the* main driver of its explosive growth for decades.

So, why don’t more companies embrace lean principles and practices? Askren has a few ideas on the matter. Askren stresses that lean requires hard work.

“This is the thing about lean that most people don’t understand,” Askren said, “Changing the culture and change of the core is painful...but my predecessor, Jack Michaels, had the courage to stay the course.”

Michaels’ courage and insight to use lean paid off for Askren and HNI.

“As part of my development, he replaced a great guy named Bob Burns who had been a hardcore industrial manufacturing guy leading our building products business. He went to Japan, saw this ‘lean thing’, and came back a huge advocate,” he added. “I followed Bob and got up to my eyeballs in practical experience in our Mt. Pleasant, Iowa plant (where they manufacture fireplace hearths, and are a Shingo Prize winning facility). We showed some small gains but we hadn’t reached the tipping point.”

Nonetheless, a light bulb had been switched on above Askren’s head and lean had found another influential convert.

“Dave Gardner (the VP of Operations), along with the team...took that business from marginally break-even -- to nominally profitable – and then very profitable in about 18 months,” he said. “It was a fully-integrated lean system built around markets, products, customers, materials, and operations. Because of that success, the Board requested even more business. They grew organically and added several acquisitions to the family of brands.

“It was one of the most intense parts of my life,” Askren continued.

A \$50 million business became a \$700 million business and sticking with lean added an abundance of value creation, but for Askren and Gardner, lean was still very much a novel way to manage a manufacturing plant, much less a way to increase its revenues exponentially.

“We understood how to weld a joint, but we didn’t understand the plumbing, and we certainly didn’t understand how the building went together.” Askren said. “That’s how we learned...we kept trying, we learned and we adapted...I became the President of that business and it became a huge success.”

“Then, I took a job in office furniture. We had acquired a business that was messed up at the time – Allsteel -- and we began to apply lean there...we screwed a bunch of things up at first but eventually turned them from a non-player, to a market challenger, to a market disruptor, and then a market leader in that business.”

Adamant about how all-encompassing lean is, it is easy to understand how his enthusiasm must have motivated HNI’s management and member-employees to their core.

“It is strategic lean as well ... it’s not just about shop floor assembly cycle time improvement, it is built around what markets we are serving, how we are serving them, and how we are improving every day...more, better, faster, with less,” Askren explained.

“Lean is not a guarantee for marquee recognition but if we had not had lean, I have no idea what would have happened to the company,” Askren said. “Lean won’t fix troubled markets or troubled business models, but lean *will* give you a relative advantage...it’s not a guarantee for success.”

With over 9,000 member-employees, HNI now boasts a couple of billion dollars in annual sales and operates more than a dozen manufacturing plants. Getting that many employees on the same page is a challenging endeavor, to say the least.

“The key is to force the activity and engagement of management and the employees. Our members will do what they see the management do,” he continued. “I call it a worm’s eye view...if you are not on the floor, in the office leading it, engaging in it, seeing your employee-members doing it, then you are not going anywhere...If you don’t put resources behind it, hold people accountable, set the goals, then it just won’t happen.”

Askren said there is an elongated learning curve, but that lean in itself cannot be delegated. For Askren, lean is a “taskmaster” and he was ultimately responsible for its efficacy. Indeed, the buck did stop with him – the top leader.

“Lean is hard, it is constant problem-solving, which wears some people out,” Askren reiterated.

“Rarely is there gain without change, and rarely is there change without pain,” he added. “A lot of what lean is about is not changing the business, but about changing the people.

“It starts with leadership...for the employees who are in the trenches, they are empowered and they are given more say over what they do,” he said. “One doesn’t move from traditional management to lean management without significant change.”

The traditional management “command-control” business model is something that most management holds near and dear to their own perile. Askren, too, was forced to relinquish a great deal of control during HNI’s lean journey.

“A lot of lean is the requirement of being an obstacle breaker...a lot of what is entailed is giving up control to people on the floor,” he said. “People who were doing what they were told before are now leading the charge and that scares the heck out of some managers.”

For Askren, “Leadership is really about setting the priorities, organizing the resources, and bringing focus to the problems...Management is supposed to solve the bigger issues. It is constant engagement of leadership solving these problems...and being held accountable.”

“People don’t like transparency because that leads to accountability, so there needs to be a forcing function that bring those things to realization,” he said. “Not everybody is tuned into continuous improvement.

“A tree grows from a seed to a sapling to a mature tree to an old tree, then it falls and it dies,” Askren said. “Organizations and people are natural organisms, so like a tree, leadership also needs to be regenerated...”

Askren pokes fun at much of the current lean rage, describing it as mere “intellectual flatulence”. Like an inoculation against pneumonia, the problem with so-called “smart-speak” is that it gives one just enough justification against doing it deeply and well, he explained.

“In our country, we are in the second generation of lean leadership. I think it will be interesting to see if we make that turn...I think Toyota even struggled with that a bit,” he concluded. “I believe that, in a ruthlessly competitive world, people want to do well and lean is still the best way to drive effectiveness and efficiency in whatever organization you are leading.”

Askren summed it up neatly: “I think you will see more people who are playing with lean, talking about lean, and I think you will see more doers.” One can only hope so.

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**BACKGROUND**

Damon is the President & CEO of Lean Focus. For over 25 years, he has been implementing lean in consulting, operations, continuous improvement, and GM & VP-level leadership roles for such companies as Danaher, HNI, Eaton, Argo Consulting, Experian, and Winegard.

Trained by disciples of the Toyota Production System, he worked in a Shingo Prize winning facility and is a Shingo Prize Examiner. Over his career he has demonstrated hands-on leadership and facilitation of 500+ kaizen events for 50 major corporations in 16 different countries. Damon led the North American Danaher Business System Office. While at Danaher, one of his mentored operating companies was nominated Most Improved Plant, and one of his factories won Best Plant Worldwide 2 years in a row. Damon holds an MBA from St. Ambrose University and a Bachelors of Arts in Management and Marketing from Iowa Wesleyan University.

**INDUSTRY EXPERIENCE**

Aerospace and Defense, Automotive, Electronics, Capital Equipment, Chemicals, Protective Packaging, Residential Construction Materials, Water Quality, Dental, Test & Measurement, Sheet Metal Fabrication, Life Sciences, Medical Devices, Discrete Assembly, Oil and Gas.

**LEAN EXPERIENCE**

Building/Installing Problem Solving & Kaizen Cultures, Operational Due Diligence, Acquisition Integration, Strategic Planning & Policy Deployment, Sales Force Efficiency & Effectiveness Tools, Pricing Margin Analysis, Transactional Kaizen, EBITDA focused operational improvements, Cellular Manufacturing, 6S & Visual Management, Standardized Work, Mistake Proofing (Poka Yoke), Visual Controls, Setup Reduction (SMED), Total Productive Maintenance (TPM), Daily Management Processes, Leader Standard Work, Working Capital reduction via Kanban & Pull Based Inventory tools, DSO Reduction, and Accounts Payable processes, Value Analysis & Engineering, 3P, Accelerated Product Development Tools.

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