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REPORT, DOCUMENT

Toyota… In Everyman Language

Information on the Toyota lean process

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About the Author

Richard Keegan was the manager of the Competitiveness Department in Enterprise Ireland. He was responsible for the creating the LEAN Business Offer, Benchmarking, The Green Business Offer and Environmental Supports. At the time of his retirement from Enterprise Ireland 1,153 company projects has been supported under the Lean Business Offer, with thousands of people trained in Lean, over a billion in recorded savings and even over 10% increase in employment for companies engaged in the lean process. At the time of writing he has visited the Toyota Deeside plant 86 times, bringing over 2,000 Irish people to look and see…

He is an adjunct associate professor with Trinity Business School, Trinity College Dublin where he focuses on Lean and Operational excellence. He has extensive practical experience in management roles in manufacturing, food and service businesses.

For over 20 years he has supported the EU Japan Centre for Industrial Co-operations World Class Manufacturing Missions.

He has written extensively on the topics related to competitiveness building, most notably

• Applied Benchmarking for Competitiveness
• Becoming LEAN
• Becoming a Lean Service Business
• The Five Rings of Lean Business Excellence
• DigitaLean (co-authored with Heiko Gierhardt (JLR) and Stefan Schmidt (BMW))

Background

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In the corner of a non-descript industrial estate in Deeside, North Wales sits the Toyota motor manufacturing (Deeside) UK engine plant. Here, a dedicated team produce 350-700 fully functioning engines – every day. Starting with raw aluminium they cast and machine heads and blocks, machine cranks, cams and con rods, to extreme levels of precision at world class standards of quality and efficiency – again and again. This “MAGIC” is done by Welsh, English and Scottish people, with only a very small number of Japanese liaison staff supporting the 500+ local members. The local members have taken the challenge to understand the Toyota Production System and the Toyota Way. They have suffered set backs and challenges on this journey. Business is never smooth but they have responded as a team to meet these challenges Together, constantly.

I first met them in 2008 when we invited Toyota to share their concepts at the Enterprise Ireland Lean conference. As we grew our relationship I was taken more and more into their fold – I believe I have met my “tribe”. Over the years we had 2,000 plus Irish people make the journey to Deeside, to hear and see and learn from the members in Toyota, using and developing the engine production process and developing the Toyota members. These Irish people had come to learn directly from Toyota, not how to make engines but how to develop their people and processes using what they could learn from Toyota. They had to make the step to understand what was being shown and how it could be used in tier own businesses.

Over the years we have laughed and we have cried together when we lost a friend and TLMC member to cancer. We have worked and we have wondered and planned together. This booklet is my effort to share what I have learned in working with and observing the Toyota members at work and at play. Any mistakes made will be mine – but I will learn from them. I hope you do too!

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The material is presented in a way to explain how and why Toyota works and why they do so. Key words and concepts are presented in the “Toyota” way and are then explained in normal language. The concepts are presented in a logical way, building up an understanding of the concepts and how and why they are used. It is designed to give you a basic understanding of the Why and How of Toyota, how they constantly move to develop themselves to be able to operate in an often Volatile, Uncertain, Complex and Ambiguous world. It is not as set of tools, they will be provided by the Toyota Lean Management Centre as part of Welsh Government Toyota Lean Cluster Programme.

The Toyota concepts and ideas are not being suggested ads being immediately appropriate for you. What is appropriate for you will very much depend on your own company issues and challenges. What will be absolutely important for you is for you to try to understand the concepts and tools and work out how they can be applied usefully within your own business. The TLMC Members will be working alongside you to help translate the concepts and ideas into real working activity in your own business. The focus of the TLC Programme is to help you achieve improvements in your own business, with your own people and equipment, with the support of the experienced Toyota members.

Toyota Way – Who we are and how we are

Toyota had grown across the world and they had realised that there was a problem – people in other countries did not think the same way as they did. They realised that it was essential to share with overseas people how they thought and why they thought and acted as Toyota. This became known as the Toyota Way and was published in 2001. It is only 11 pages long but it captures and shares the drivers for Toyota. It can be summarised by two words:

Respect – Challenge

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If your ever watched the Karate Kid or any of the Kung Fu movies you already know that simple things can often cover very deep subjects – “Wax On – Wax Off”, how to walk correctly – all carry deep meaning as you develop your understanding of the concepts and the practices. It is this necessary focus on the BASICS that is at the heart of the Toyota Way. It presents a “Reason” for the business – to do good for society and the “How we do things” for the business, their customers, suppliers and the wider community. It creates and shares the Bigger Purpose that Toyota as a group is working for. This bigger purpose is central to getting a group of people to be able to work together. Everyone knows WHAT they are trying to do, WHY they are doing it and HOW they are going to get it done. We say the modern generation have this need to be part of something bigger than themselves, well, in Toyota , that has always been a key driver for all Members – to be part of what we are now calling:

Societally Significant Activities – such as this Welsh Government and Toyota working together with Welsh businesses and people to drive capability and competitiveness by sharing ideas and practices, working together for the better future of Wales.

Respect and Challenge

Respect - is at the foundation of how Toyota chooses to engage with its people. It is also fundamental to how its people engage with Toyota. Mutual respect forms the basis for engagement and interaction. All are Members, all working for the company and for each other.

Challenge - provides the basis to accept that there may always be opportunities to be better. By accepting “Challenge” as a core principle it means that all things are open to improvement. This opportunity to improve drives Toyota to build the capability, skill and will of all its Members to be able to challenge, to be able to look for and find problems, to be able toc rerate and deliver improvements, constantly.

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HOSHIN KANRI – Sharing the Big What to Focus on The Toyota Way defines the very high level thinking of the company to deliver on its Vision and Mission. Each year the company defines its annual strategic direction and focus. This is shared using Hoshin Kanri-Strategy Deployment. Each region, country, factory and department creates its own strategic plan to support achievement of the global Toyota objectives. Each factory and department take ownership of creating and delivering on their plan, contributing to the big goal. The Hoshin Kanri approach helps create Mass Buy In across the business, all working together, towards a shared common goal. At the level of the individual department this can be very practical and specific – how do we plan to improve quality, cost, time, movement or some other characteristic.

GEMBA – The Work Place – Where the Value is added The Gemba, the workplace is where the action happens. In Toyota, the gemba can be the manufacturing floor, the foundry, the office or the warehouse/shipping areas. It is anywhere value is created or absorbed. By talking about “Going to the Gemba” Toyota mean going to where the action happens, to see for yourself. This can be very powerful, for many reasons. If Members seethe managers on the shop floor they know that their workplace is important. When it becomes normal to see managers “on the floor”, not just in a crisis situation, Members can become comfortable in engaging with them, building a feeling of a team.

In typical Japanese fashion there is another “level” to “gemba”, covered by the three Japanese words: Genchi, Genbutsu, Genin
Genchi – Go to the real place
Genbutsu – Look at the real thing
Genin – Talk to the real person

Engagement between managers and operators leads to a shared ownership and commitment to fix and improve, together.

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SHOKUBA RYOKU – Power of a Good Team A significant driver for going to the GEMBA is to build a good team. If people are used to engaging and working together, on shared issues, it naturally builds strong teamwork. Everyone has been through the challenge and fixed things together.

GEMBA RYOKU – Wisdom of the Work Place Toyota believe in their people. They invest in developing them and their ability to identify and fix problems. This of course leads them to believing in the Wisdom of the Work Place. The old adage “the operator knows best” is translated into Toyota as the “workplace has wisdom”. Leaders listen, support and develop the creation, capture and dissemination of wisdom.

MONOZUKURI – Excellence of Making Things Japan has been following a strategy of creating real excellence in manufacturing. This requires deep understanding of the process and how to achieve extreme levels of performance. It is essential to know the detail of a process if you want to achieve and sustain high levels of delivery. In practice this means capturing the detail of the work, the knack points and the issues that may arise.

Table

By capturing this level of detail a company creates a foundation to achieve excellence – MONOZUKURI.

HITO ZUKURI – Make the Person! Japanese has a tendency to sue different characters to create meaningful words or concepts. This “HITO ZUKURI” is a Keeganism, it is not real Japanese, but it is my effort to describe what Toyota do to build the capability and capacity of their people. Toyota have created a very detailed member development programme. They have identified What their people need to know and how to transfer this knowledge to their people. The knowledge and skills of Members needs will obviously develop as their Members develop.

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YAMAZUMI – Steps in doing the job We have talked about the GEMBA and leaders going to see the workplace. At the workplace our people need to know what they have to do. In Toyota this is know as a Yamazumi, the list of actions that need to be done to get the job done. In very simple terms it is a list of all the steps to do the work. You will learn about the Job Element Sheet and the other tools that are developed from the Yamzumi when you engage with the TLMC members.

The Yamazumi helps focus attention on what actually happens in the workplace. Obviously once you have a list of steps you can easily move to identify which steps are adding value, which are not adding any value and which steps are not adding value but “have” to be done.

Value Added / Non Value Added / Non Value Added but Currently Necessary

Once you see this picture, with the Yamazumi list, your focus is about how to remove waste and increase value added time and effort.

PDCA – Plan Do Check Act Toyota decide to constantly challenge what they do. Each member is expected and supported to identify waste and improve the process. This known as the PDCA cycle. Recently Toyota have added Observe to the PDCA cycle, effectively stating what has been done for a long time:

Observe – Go Look and See what is happening Plan – What are we going to do to improve Do – Make a change, try something Check – capture the facts and data, see if we achieved improvement Act – Did it make the difference, What’s Next?

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Welsh Government – Toyota Lean Cluster Programme Offer

The Welsh Government has partnered with Toyota and their Toyota Lean management Centre to provide direct support to Welsh businesses who want to drive the competitiveness of their business using Lean thinking. The offer is known as the Toyota Lean Cluster (TLC) Programme and builds upon the successful Irish Lean business Offer.

The TLC programme combines on-site training and exposure to lean tools and thinking in the Toyota Deeside engine manufacturing factory. Also, Toyota members visit participating companies and help them to apply the basic tools that they have been exposed to within their own operations, tackling issues and problems that the individual companies have identified as being important to them. The focus of the programme is to help build the capability and capacity of the participating company staff to identify and fix issues within their businesses, using lean thinking and tools. Participants return to the Deeside engine plant two further times to deepen their understanding of th concepts and how they are deployed, and to learn how they can be used even more effectively within their own operations.

The Welsh Government Toyota Lean Cluster Programme also seeks to create local expertise through the use of local networks of participating companies. These network sessions will be supported by Toyota members and will help to build the local resource through supporting and facilitating networking between participants.

The core mission of the Welsh Government Toyota Lean Cluster Programme is to work in partnership with participating companies to develop a sustainable competitive advantage leading to a significant increase in profitable sales, exports and employment. Lean tools and techniques are helping companies across the globe to address competitiveness issues within their business, building the capability of their people to identify issues and improve their operations. The TLC Programme is designed to encourage Welsh companies to adopt Lean business principles in

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their organisation to increase competitiveness. The programme is based on 3 levels of intensity of interaction with clients.

LeanStart: focus on value

Training and exposure to Toyota Lean tools will be delivered in the Toyota Engine plant in Deeside over a series of three days, during the course of the programme. A short in company assignment by a Toyota Lean Management Centre Member, which will introduce Lean principles in the participating company and complete a specific improvement project. Assignments typically extend over eight weeks. Participants will be invited to join a local Lean network.

LeanPlus: performance improvement

A medium-scale business process improvement project by an external business development consultant, which will result in sustained use by the company of Lean techniques and related methodologies and will achieve significant measurable gains in company capabilities and competitiveness. Assignments will typically be not less than 6 months duration.

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