

A Lean Journey – Meeting the great masters – Part II

“Having no problems was the biggest problem of all.” – Taiichi Ohno

Normally twice a year from February 1981 onward, I led around 20 executives on study missions to Japan. In total, over the years, I have visited over 250 different companies each affording me a different perspective on Japanese management and allowing me to learn the reasons why they were so successful in quality and productivity improvement. Often, the managers at the manufacturing plants introduced me to the great management masters that helped them in their success. On hearing a new name and a new concept would give me the impetus to search out and meet a new master, learn what they uniquely offered and to get the publishing rights for publishing their material in English. (Over the years, I published over 100 Japanese books in English)

My mission was always to find the best of Japanese management and bring it out to the West. I could not read or write Japanese so I needed the advice of the Japanese managers to guide me.

Before I share with you my meeting with Taiichi Ohno I would like to offer some suggestions that might help you deepen your improvement efforts. I feel that many people are pursuing Lean but I also feel that very few companies in America can equal Toyota or many of the other Japanese companies. I think what is missing are:

1. A strong vision, philosophy, mission and purpose that all “stakeholders” can buy into. Virtually every large and medium size company in Japan has them. They do inspire trust and faith that the company has your best interests at heart. Sure, you have to make a profit and you have to please stockholders but that is not sufficient to get people excited about coming to work. I rarely find significant meaningful value statements with companies in the West. (“You should be just happy that you have a job!”) However, I do recommend you carefully state your purpose to gain support from those interacting with your organization. One of the best statements to look at and study comes from Kyocera, a high successful Japanese manufacturer: <http://global.kyocera.com/inamori/management/index.html>. Read and study Dr. Kazuo Inamori’s philosophy, keywords, and management principles and then compare them to your organization.
2. Often Value Stream Mapping or Continuous Improvement activities are run without having a deep understanding of what “value” really means. Value relates to what the customer wants and needs, if possible at the lowest possible cost and often neglected, is what the work means to the employees.

3. A full set of Lean tools. Plan on when and how each one will be applied. Often certain Lean tools are selected and many are neglected. It is like building a house and leaving out some of the floors. It might look good from the outside but I wouldn't want to live there. In the past, I was introduced from a Toyota consultant to 33 pages; each page was a tool. The consultant would teach a tool, insist that you apply that tool and come back periodically to see that you implemented the tool properly before he gave you the next one.
4. Getting all workers involved in improvement activities and offering everyone an opportunity to learn and grow on the job. Quick and Easy Kaizen is often the first tool, I recommend to a company. At one time, Toyota received 70-implemented ideas per employee advancing their improvement activities, and saving millions.

When I was told about Taiichi Ohno's leadership at Toyota, I looked for the opportunity to meet him and also to publish any books he might have written. I did meet Mr. Ohno, vice president of production at Toyota, and I asked him what was written down that I could use to learn more about the Toyota Production System. He said, "We don't write things down for it is always changing." But, subsequently, he did write a few books and I became his American publisher. I don't think Toyota's leaders were particularly happy with Shingo and Ohno writing about the Toyota Production System (TPS) and sharing to the world the details of what gave them such a great competitive advantage. But, Ohno knew that the West could not be able to easily replicate TPS. Eventually, General Motors knew everything about TPS but they could not or would not replicate it and went bankrupt.

Whenever, I took a study mission to Japan we would visit Mr. Ohno at Toyota. On one visit I said to him, "I want to thank you for greeting my group and lecturing on TPS but we always see an old plant with old equipment." I implied that I wanted my group to see the latest technology at Toyota. Ohno said, "Bodek-san you don't understand TPS. It has nothing to do with the way the plant looks or the age of the equipment." In fact, in comparison with the other Japanese companies we would visit, Toyota's factories were not appealing to look at but the results from their Lean efforts was the best. And Toyota had a reputation early on to not spend money on equipment. Without any offence intended, Nagoya the city with Toyota factories was known as the "Scotland" of Japan. Ohno, would say, "It might be easy to spend wasteful money on new equipment but it is not necessary for us."

When he was the chairman of Toyota Gosei, I said to him, "I saw a process where 60 hoses were being machined together – that is not one-piece flow." Again he said to me, "Bodek-san you do not understand TPS, we are in business to make money and 60 hoses was at this time the proper batch size."

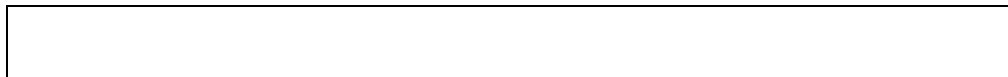
On that visit to Toyota Gosei, I also saw a woman building a part and in front of her was a wooden board with the exact instructions on how to assemble the part, copies of how good and bad parts looked, areas for her to write down problems that occurred and also to write down her statics and accomplishments.

One day Ohno was standing in front of a Toyota Gosei warehouse surrounded by a group of managers and said, “At Toyota we don’t need warehouses. I want you to get rid of the warehouse and convert this building into a machine shop and retrain all of the employees to be mechanic. I will give you one year to do it.” Ohno did not know if they could do it in a year but he also knew if (you don't ask, you don't get.) He knew the power of just asking.

He would never tell you how to do something. He always left it up to you. Ohno just demanded you to do it. Of course, this was very nerve wracking and Ohno was “falsely” labeled as “ruthless.” His ruthlessness was in demanding you to consider doing the “impossible.” You could never say “no” to Ohno and at first you might not have believed in your ability to comply but most times miraculously you would do it.

Ohno often asked managers to run their departments with half the number of workers. I am sure the manager’s head just “spin around” several times. But, most often, managers were able to do get it done. When Ohno subsequently came back, he would ask you to do it again. (There was no way to please him.)

Whenever I would bring a group to Toyota, Ohno would present the same simple lecture. He wanted you to get a basic understanding of TPS. He would draw a picture of a river and show pointed rocks under the water. The river represented work-in-process (WIP) inventory, which would hide all of the potential problems (rocks) found in manufacturing. Your job was to lower the river, reduce inventory, expose the rocks, the problems, and then to “chip away” at the rocks and solve the problems. Then you reduce the WIP again, continually exposing the “rocks, the problems.” You continue to do this until all of the problems are gone.



Mrs. Shingo once told me that Mr. Ohno called Dr. Shingo and asked him to be a consultant/teacher for Toyota. Over the years, Shingo taught over 3000 engineers and managers at Toyota the principles of industrial engineering (IE).

One day, I asked Mr. Ohno, “How did you learn about JIT?” He said, “I read “Today and Tomorrow,” by Henry Ford. That statement made me one million dollars for when I returned

from Japan, I called the Greenwich, Connecticut library and asked them to get me the book. They found a copy of the book published in 1926. I read it, got very excited, and then called Doubleday the original publisher; got the rights for the book and sold 35,000 copies at \$35 per book (it probably sold a lot more after I sold Productivity Press.) I just have lots of “dumb” luck.

One day, I asked two of Ohno’s top assistants, “Who invented JIT, Ohno or Shingo?” The answer was, “Who came first the chicken or the egg?” I asked the same question of Dr. Shingo just before died. His answer was, “I did, for I was Ohno’s teacher.

I hope to continue each quarter and tell you about the other great masters I met and learned from.
Norman Bodek

PS: My latest book and discovery is The Happiest Company to Work For! Mirai Industry has never lost any money in the last 50 years, making lots more then other companies their size. Imagine working in a company that tells you to make all the decisions for yourself. Don’t ask your boss and if you make a mistake, we will give you \$6 for everyone you make, learn from it, but don't’ make the same one again. For consultants, Mirai is an amazing example of what is possible.

Stakeholders are: employees, management, investors, community, suppliers, customers, creditors, government, and unions – everyone that interacts with the organization.

Norman Bodek
President of PCS Inc.
Author of The Harada Method