

Lean Thoughts

Pessimist or Opportunistic?

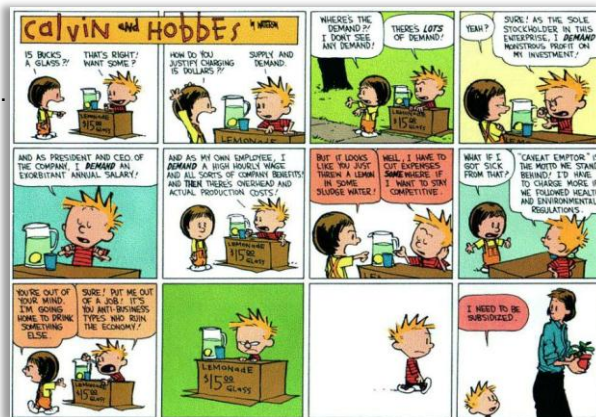
Pessimists are currently in their glory. We are in the midst of a economic storm of unknown proportions. The pessimists are lining up for their share of a bail-out package, jettisoning talent, resources and in some cases their intellectual property and technology.

Pessimists are looking at the markets and others to justify their actions while other arm chair critics are communicating that they are doing the wrong thing.

For example, for years eyes have been on Toyota as the business model to replicate. Indeed the Toyota model has many merits and benefits that can bode well to any business model. Now the eyes have again turned to Toyota to see how they adapt to the current situation. The questions are being raised about the impact of Toyota releasing their contract workers in Japan and how this cannot be called a lay-off. People need to understand that a significant portion of the Toyota model is that the workforce would be comprised of at least 20% contract workers ... this is so the nimble Toyota Production System can flex its workforce to the change in customer demand. So now we have adjusted 20% but the industry sector is down 40% ... what next?

Like every other production environment they are removing production days from the schedule. To the general population this looks devastating and the pessimists are saying ... see Toyota is no different than any other company. This comment could be no further from the truth. Internally, Toyota Team Leaders are applauding the move from 2 perspectives ;

- 1) Currently most full-time team members enjoy 5 weeks of annual leave. The Toyota schedule only has 2 weeks of scheduled downtime annually ... so you can imagine the challenge of scheduling team member vacation requests, cross-training required to accommodate the requests and the resultant vulnerability of quality. Now the folks are elated since Team Members are encouraged to consume vacation days to support the no-production days. The by-product will be increased quality since their will be less disturbances resulting from people moves.
- 2) 2) Again Toyota proves that it had vision where other organizations were busy harvesting in a super-charged economy. Back in May 2007 Ray Tanguay announced how Toyota was going to retrain their 40,000 team members on the basics of the Toyota Production System ... now they have the opportunity. [Back to Basics](#)



Where Lean Thoughts can become Reality

“Successful people ask better questions and as a result, they get better answers”

Anthony Robbins

Opportunistics

Opportunistic organizations are learning how to better leverage their resources. I believe that a certain amount of workforce employment correction will probably be required in many industry sectors but the challenge will be how to leverage the residual ... here are 2 options;

- 1) **Leverage your supply community.** If you are feeling pain, then they definitely are also. You are both plagued by a common denominator ... a lack of visibility of when a recovery will emerge or what will be the new datum for your business. This now makes you supply community eager to participate and support change.

Use an independent facilitator to work with your supply community to create some common touch points with a focus on performance and process excellence. By using an independent facilitator your supplier will more quickly open up with their concerns and opportunities. By working together today, you will reap savings by engineering solutions and your supply community will be poised to support a quick and agile recovery as it happens.

We adopted this approach in the 70's and quite frankly probably allowed our facility to survive as a division and preserved NA jobs. Since then it has become a much copied model globally. We were also able to reduce our product costs in excess of 12% and our inter-face costs by 80% ...

- 2) **Get connected with your employees** on the floor. The use of daily Report-Out boards speeds communication, increases the quality of communication but also allows you to resolve issues quickly and effectively in the center of the operation. Report-out boards do not have to be limited to manufacturing areas ... make sure to add them within your administrative areas where the disturbances to flow originate ... passively and subliminally with devastating results later in the process.



- 2) **Make sure you use the standard De-Brief** questions to maintain focus and support;

What Worked Well – let us keep doing it !

What Did Not Work Well – Stop Doing It !

What to Do Different – Let us change to a better Best practice !

What are your Planned Accomplishments – are we supporting plan and targets?

Resources Required? – make sure we have a winner and are all aligned !