

By David Pate, TBM Senior Management Consultant



David Pate began in the 1990's when his company worked with Toyota to implement the Toyota Production System. His career includes progressive levels of responsibility in operations at Collins & Aikman automotive where he served in multiple positions including director of lean manufacturing, director of planning and plant manager. In his role as Director of Lean Manufacturing, David led lean transformations for four large factories and implemented a program for lean supplier development. As plant manager, he utilized lean to drive and sustain significant reductions in defects and increased productivity.

He has worked in diverse industries with many TBM clients including McCain Foods, Bunge, Solae, Nike, Carlisle, Ansaldo and Amway to drive results, develop lean leaders, and implement sustainable culture change.

All of the news about Toyota's Quality problems has prompted me to reflect upon the fundamentals of a lean business system. At the beginning of my lean journey, I learned from Toyota about the cultural foundation upon which the House of the Toyota Production System was built. This cultural foundation is comprised of four principles and seven concepts. While in light of the recent issues, the concept of "Quality First" may be the most obvious place to focus, I gravitate to another of the key principles; "Problems are Treasures" and how it will be applied at Toyota and manufacturing companies worldwide as this crisis unfolds.

We don't often think about problems as treasures. In fact, we typically view problems in a very negative context. Problems are often treated as something to be avoided, blamed on someone else, ignored, or hidden. And yet, it is those very problems that provide a path way for future improvement. The problems that we encounter in our daily operations are really opportunities for improvement – but only if we can accept them as gifts and stop sweeping them under the proverbial rug. It is when problems are ignored that they grow and multiply to something that negatively affects the customer—the ultimate sin.

We can translate those problems into improvement opportunities by embracing abnormality management. The practice of abnormality management helps us to realize that a problem exists, understand the root cause and implement a solution. Most importantly, we must monitor the corrective action to determine if the solution was appropriate and continue making improvements until the problem—or opportunity—is permanently resolved. It sounds simple, and we hear it often, but only a few companies with a disciplined culture sustain results and continuously improve.

Defining a process to track problems and their corrective actions is critical for ensuring you take advantage of problems (or opportunities) when they arise. In daily operations, the SQDC (Safety, Quality, Delivery, and Cost) board in the process area along with a kaizen newspaper is our preferred method for identifying abnormalities, developing corrective actions, and tracking completion and sustainment. When these problems are larger in scope or become chronic, the A3 form is another helpful tool to ensure problem resolution. Regardless of the tool you choose always, always follow the Plan Do Check Act (PDCA) methodology.

While firefighting is a constant reality, it is less so in a strong lean culture. The complexity of our process or the chaotic conditions in which we operate may force us to prioritize the problems that warrant a permanent solution. However, we must make that choice and drive those most critical problems away. A mentor of mine once told me, "you may have to firefight ten fires each day, but if you don't spend the time required to permanently extinguish at least one a day, tomorrow, they will become eleven, then twelve, and so on until you are buried."

The crux of continuous improvement is realizing that these opportunities exist and driving them to a permanent solution.

Toyota's recent quality issues have definitely impacted their customers and the results have been very painful for Toyota. Toyota has arguably been the highest quality and most effective car producer for two decades. The other automotive companies have stumbled as well. It is going to be very interesting to see what changes result from Toyota's most recent opportunities.

So what about your company? How are you going to capitalize on your treasures? ■

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A stack of newspapers is shown on the right side of the page. The top newspaper is clearly visible, with the word 'BUSINESS' in large, bold, black letters. Below it, the text 'City Editor: Chris Blackwood' is visible. The main headline on the newspaper is 'The Humbling of Toyota, A combination'. The stack of newspapers is thick and extends into the background, creating a sense of depth and volume.

BUSINESS
City Editor: Chris Blackwood
The Humbling of Toyota, A combination