

# Operation Excellence

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## Continuous Improvement --- **Why** are we doing this again?

Carol Ptak recently made a posting on the TLS (TOC, Lean, Six Sigma) LinkedIn Group that I think bears repeating, significant consideration, and should be expanded.

“The tools themselves are not the answer. It is the application of the tools. TOC experts for year(s) have been so focused on the tools and trying to sell the tools that they forget (IMHO) that the goal is to improve the organization. I absolutely believe that TOC has the best tool box but a good contractor does not sell a custom home based on the quality of his hammers and nail guns. Why do TOC experts?”

Carol’s got it mostly right. I differ with her on one point that I’ll get to in a moment, but for starters “a good contractor does not sell a custom home based on the quality of his hammers...” is right on! I continue to see TOC, Lean, and Six Sigma practitioners act like crazed priests defending “their approach” as being the best and only one that applies. Bullcrap! When I come across a discussion (very often it is not a civil discussion either) between cross discipline experts – I feel that I’d like to take them both by the ears and knock their heads together and hopefully instill some common sense into both of them.

Before you can reason with any of these well intended zealots, you have to overcome their far too often biased perception that, “TOC, or LEAN, or SIX SIGMA (pick one) is the answer, now what is the problem?”

Eli Goldratt himself said that “... you American’s are funny... if you have a new hammer suddenly, the whole world looks like a nail.” I find if you ask either of them **“Why are we doing this again?”** You get a response because we need to “make things better”. Carol in her quick posting on LinkedIn missed an opportunity to further focus the readers. **“Why”** we are doing something is too vaguely classified as “improve the organization”. I’ll admit the response to, **“Why”** are we doing this? ... “to make money” offends some as well, but it probably falls more in the category of being brutally honest.

Bob Fox has some interesting quotes from Dr. Ohno discussing the Toyota Production System (what Dr. Ohno referred to as his “river system”), that he attributes to a meeting that he and Eli Goldratt had with Dr. Ohno –the meeting occurred sometime in the early 1990’s.

Dr. Ohno: “I’m proud to be Japanese and I wanted my country to succeed. I believed my system was a way that could help us become a modern industrial nation. That is why I had no problem with sharing it with other Japanese companies, even my biggest competitors. But I was very, very concerned that you Americans and Europeans would understand what we are doing, copy it, and defeat us in the marketplace.”

He went on to say that when Americans and Europeans came to visit Toyota that he did his best to confuse them as to **why** Toyota was so successful. He said, “I explained it by talking about techniques, like quicker machine setups, reduction of the seven wastes (muda) and other techniques with Japanese names like kanban and kaizen. I did my best to prevent the visitors from fully grasping our overall approach. Today, I am ready to be open and explain fully what we did. We are now strong enough to deal with any competition.”

“When the experts from your country visited they noticed that our machines were very dependable, our quality was high, and that we had few people absent. I understand that many went back to your country (USA) and suggested you implement preventative maintenance programs, quality circles, and other programs in order to copy our results. I do not think that they understood **why** we did these things, which might explain **why** these changes often weren’t very helpful. I tried to prevent them from understanding **why** we wanted a river system, and I think I was successful.”

I think Carol’s posting is a testimony to the success of Dr. Ohno’s efforts of confusing the “enemy” by focusing on techniques (tools) rather than sharing the Toyota’s “**why** we did these things”. Too many folks are still focused on the tools rather than the “**why**”.

So **why** did Toyota “do these things?” Is it quality?

Bob continues: We asked Ohno if he viewed quality as the most important factor ... Ohno: “There are two reasons we try to improve quality. If our product is better more people will buy it. (Remember this one) Also, bad quality causes big disruptions in my river system. If a car must be returned to the dealer for repair, it disrupts the flow of my river system. The river system is supposed to flow only forward, not loop backward. ... **Improving quality wasn’t our primary focus...**”.

So the “**why**” wasn’t quality. [I can’t prove it, but I’d bet a lot of Lean and Six Sigma “priests” would have placed a large bet on the “**why**” being quality. Again, an approach of tools versus a true understanding of “**why**”.

Bob and Russ Pirasteh in an earlier chapter write:

“I can still recall Ohno saying that the reason he persisted in his 40-year effort to reduce disruptions in his river system was primarily so Toyota could **sell** more. Improvements in quality and reductions in lead time were helpful in reducing the costs of products, but were secondary to their impact **on increasing sales**. This was the secret that he tried often successfully, to keep from his Western visitors.”

Pirasteh and Fox summarize as:

“In order to achieve such (as Ohno’s Toyota) results and do it much more quickly than Ohno we need to:

- Focus Improvement Efforts
- Motivate the desired behaviors
- Supply the missing link.”

The above quotes come from Profitability *With* No Boundaries: Focus, Reduce Waste, Contain Variability, Optimize TOC, Lean, Six Sigma Results. Reza (Russ) M. Pirasteh and Robert E. Fox. ASQ Quality Press, Milwaukee, WI. Published 2011.

So, my thought in reading Carol’s LinkedIn reply is that “to improve the organization” was a bit too general. She gets it, I know she does, as she is currently a principal in a company working with Demand Driven Technologies.

Nevertheless, we as proponents of “continuous improvement” need to remember and emphasize that the “**why**” behind our efforts is to improve results. Ohno’s recognition of the impact of increasing sales is classic. Increased sales generate increased Thruput (my spelling). Increased Thruput generates increased profitability/results. Reduced disruptions, waste, variability, help companies **sell** more.

Let’s gain a consensus on what we are striving to achieve, i.e. “**Why we are pursuing continuous improvement.**” To do that, we need to focus and utilize every tool that we can muster to improve the flow of the river. TOC, Lean, Six Sigma make “beautiful music together”.

[One other section that is fascinating in Pirasteh's and Fox's book describes that Dr. Ohno hated cost accountants too....  
Great reading.]

“Profound knowledge must come from outside the system – and it must be invited in.” W. Edwards Deming

If you need some help in your organization to better focus your continuous improvement efforts – please give us a call  
and invite us in.

All the best!

Jim Covington

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