

# Luck or design: Making the legendary Toyota Way work for you

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*Mike Rother, author of best-selling Toyota Kata, dedicated years to researching the secret behind the automotive giant's success and whittling it down to a simple formula for others. Now he is to speak in SA on what he learned and how to get it right.*

"Toyota are the best at what they do on the planet," says Mike Rother, the man behind *Toyota Kata* and the widely used value-stream mapping process.

"[But] trying to copy their management strategy is like taking the world's best athlete, finding out exactly what they do and trying to emulate it. It won't help you run a marathon - the athlete is already deep in many years of deliberate practice," says Rother, speaking from the US about why so many businesses fail, long-term, when they try to take on the Toyota way.

Rother and his colleagues at the University of Michigan's College of Engineering - Jeffrey Liker, author of *The Toyota Way*, and John Shook - have dedicated decades between them to studying the secret behind Toyota's success and ways to pass this on to other companies on a quest for excellence.

Now Rother will be coming to SA in October to share with business and members of the Lean community his findings, notably what business has been missing in its efforts to mimic the success of the Toyota and its management system, as headline speaker at the Lean Institute Africa's eighth biennial Lean Summit Africa at Cape Town's Vineyard Hotel.

According to Rother you can succeed by studying the Toyota way, but you need to start small, think scientifically, experiment, tailor it to your own individual business and, essentially, keep at it.

"Change in any organisation, whether public or private, needs ongoing commitment. Don't look for an answer and think you're done," says Rother. "Any organisation's competitiveness, ability to adapt, and culture arise from the routines and habits by which the people in the organisation conduct themselves every day."

"People tend to look for a solution instead of a process – and that is why it too often fails to take root," agrees Professor Norman Faull, Founder and Chair of the Lean Institute Africa and an Emeritus Professor of UCT Graduate School of Business. "The Toyota way is a management system for creating thinking people throughout a production system, from management to factory floor - and then continuously improving that."

Faull and the Lean Institute have been involved in notable successes in applying these management systems in areas within SA's beleaguered public sector. Working within public hospitals, for example, Lean management methods helped to address such basic issues as punctuality, work flow and waste at very little cost but significant returns on customer satisfaction, staff morale and efficiencies.

"It is a process, a system to live by, rather than a once-off solution. But it works. We have seen the wait by patients for pharmaceuticals drop from 5.5 hours to one hour thanks to punctuality and a shift from batch processing to individual processing," says Faull. "The solution is not a fix, but a journey towards a daily management system on the frontline of service which is based on evidence and continual reflection on that evidence by everyone on the frontline and by senior management.

"What sets Toyota apart is its ability to maintain an ongoing entrepreneurial spirit," says Rother. "While others have entrepreneurial phases which are exciting and customer-centric, these inevitably lapse into maintaining the status quo.

Somehow Toyota has managed to build consistent routines of management and leadership to maintain enough entrepreneurial spark to keep moving forward and be profitable over 60 years.”

Not that Toyota is perfect. It too has suffered setbacks, as, for example in 2009 and 2010 when eight million vehicles were recalled for accelerator issues and 2014, when 1.75 million vehicles were recalled for, variously, faulty brake installations and fuel component issues, which dented its brand equity. And yet it has been able to overcome these costly challenges and remain in pole position.

It is this management system of developing human potential through a scientific approach to ongoing improvement that took the family business which was crippled by crises after World War II and a virtually unknown entity in a world dominated by US car manufacturers, to number one globally.

Rother, who spent six years researching what the essential elements are in this management system and how others can take them and successfully apply them in different contexts, says that it boils down to identifying and understanding the unseen managerial routines and thinking behind Toyota’s success and then applying similar routines and thinking into other organisations.

In his book *Toyota Kata*, he identifies two kata, or practice routines, to get business into the habit of continuous improvement, adaptability and achievement from the factory floor up.

The first is the Improvement Kata, a four-step working routine which includes establishing direction, examining your current condition, working out a target or goal and then conducting experiments to get there. It is a way of looking scientifically at what needs to be adjusted to get to the next goal, without reserve, judgement or fear of failure. The second is the Coaching Kata, which focuses on successful mentoring and development of people in the habitual use of the Improvement Kata.

“Today my colleagues and I are no longer studying Toyota, but instead focussing how other organisations can develop similar routines to replicate that success. How do we develop that skill set and mind set that suits your organisation?” asks Rother.

And in a world of shrinking resources and increased competition, the rewards for those who get it right are worth the effort, comments Faull.

*The Lean Summit Africa 2016, Building Capability in Challenging Times, will run from 19 to 21 October at the Vineyard Hotel and Conference Centre, Newlands, Cape Town. To register log onto [www.lean.org.za/Summit2016](http://www.lean.org.za/Summit2016).*

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