

Unclogging the arteries of innovation

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The magic of focus and simplicity: Steve Jobs and the Toyota Way

With the death of Steve Jobs last year, there has been an uprush of interest in what made this great business genius tick. What are the secrets of his success?

In a recent article in *Harvard Business Review*, his biographer Walter Isaacson discusses what he feels were two of Jobs' most important leadership principles: focus and simplicity.

For Isaacson, who also authored the biographies of Henry Kissinger, Benjamin Franklin and Albert Einstein, Jobs' ability to focus on a few tasks or projects and ruthlessly cut others was the major axis around which his genius swirled. This allowed him to aim for perfection.

"When Jobs returned to Apple in 1997, it was producing a random array of computers and peripherals, including a dozen different version of the Macintosh. After a few weeks of product review sessions, he'd finally had enough. 'Stop!' he shouted. 'This is crazy.' He grabbed a Magic Marker, padded in his bare feet to a whiteboard, and drew a two-by-two grid. 'Here's what we need,' he declared. Atop the two columns, he wrote 'Consumer' and 'Pro'. He labelled the two rows 'Desktop' and 'Portable.' Their job, he told his team members, was to focus on four great products, one for each quadrant. All other products should be cancelled," writes Isaacson. "But by getting Apple to focus on making just four computers, he saved the company."

This focus, according to Isaacson, allowed Jobs to filter out "what he considered distractions."

To complement this razor-sharp focus, writes Isaacson, Jobs had the instinct for simplicity, which enabled him to eliminate impractical frills in his designs.

"Jobs' Zen-like ability to focus was accompanied by the related instinct to simplify things by zeroing in on their essence and eliminating unnecessary components. 'Simplicity is the ultimate sophistication,' declared Apple's first marketing brochure. Jobs aimed for the simplicity that comes from conquering, rather than merely ignoring, complexity. 'It takes a lot of hard work,' he said, 'to make something simple, to truly understand the underlying challenges and come up with elegant solutions.'"

Sure, Jobs had other leadership skills and traits that some applaud and others vilify. But focus and simplicity resonate with one of today's fastest-growing forms of leadership: lean leadership. Lean principles are turning up everywhere from business magazines to engineering journals, self-development literature to cookbooks. Does this last one seem out of place to you? It shouldn't. Lean is about cutting out the fat.

Jobs' ability to focus and simplify helped him cut the fat.

The organisation that really pioneered these concepts of Lean is Toyota, integrating these principles so deeply into its culture that it cannot exist without them - so much so that lean leadership is generally known as *The Toyota Way*.

Toyota's lean approach is based on a few key aspects: eliminate waste, empower employees to make decisions, and constantly strive for improvement. It cannot be implemented overnight on site while reading the pages of a self-help guide, though. The Toyota Way is a philosophy, and ultimately should translate into an organisational culture rather than a set of rules and protocols. It is an approach that requires a specific kind of leadership.

"I worked at Toyota Tsusho for many years," says Fortune Sibanda, who directs a programe on lean leadership at the University of Cape Town's Graduate School of Business. "This is a company that is still very much rooted in Japanese culture and business practice.

"The Toyota Way is very tangible in Toyota Tsusho. The organisational culture is very structured and disciplined, and the decision-making process is truly unique in my experience. They've created a system that creates thinking. And that is what lean leadership is all about."

According to Sibanda, the lean leadership principle works for any organisation in any business and contains seven essential behaviours for leaders: know your people and business, insist on honesty, set clearly defined goals and priorities, always follow through (Plan Do Check Action), reward the doers, expand people's capabilities, and know yourself.

"There is one great myth about this leadership technique, that it is a once-off event, a destination. Instead it is a journey of constant improvement. It is not a project. There are no formulae or textbooks. It is a philosophy; a way of being in an organisation," she says. "Ultimately, such a philosophy needs to be embedded in the DNA of an organisation for it to be effective."

"Lean leadership's strongest trait is that it allows for the fastest response to a problem. A solution can be designed and implemented very quickly. Problems are solved every second, every hour of the day," says Sibanda.

It is a culture that has allowed Toyota to climb out of the disaster and calamity that struck Japan and Thailand, and the recall scandal of 10 million defective automobiles, causing the company to lose their lead above their competitors. Forecasts suggest that Toyota is back on track with record group sales of 9,58 million vehicles this year.

It is a culture that is at present addressing serious issues in South African hospitals.

The Department of Health Rapid Process Improvement Workshops was a project launched in 2010 by Lean Institute Africa, commissioned by the national department of health, to test the lean approach in 18 public hospitals in 'priority' health districts. Overall, 336 individuals participated in the workshops, 18 of which are managers at the hosting hospitals.

The workshops targeted waiting time reduction, stock availability, patient file availability, cleanliness, patient flow, infection control, waste segregation, theatre improvement, equipment repair, month end data capture, and emergency response times.

"The results were staggering, with marked improvements experienced throughout. And delegates were overwhelmingly in support of the general Lean approach with almost 70% of the hospitals sustaining the improvements," says Professor Norman Faull, Director of Lean Institute Africa. Evidently, Jobs' focus and simplicity, and the very similar Toyota Way, can be applied to sectors other than private business where innovation is aimed at social good.

Although Jobs never referred to his leadership style as "lean", the overlaps are obvious. The common denominator is the constant effort to cut the fat and look for, in Jobs' words, "elegant solutions".

Toyota and Apple constantly innovate at the forefront of technology: Apple has just given the world the sleek and updated iPad and Toyota recently launched its incredible FT 86. Due to a leadership approach that unclogs the arteries of innovation, these companies are likely to endure for years to come, unlike those still struggling with clots of waste, bureaucracy and visionless leadership.

The Lean Leadership programme at the UCT GSB runs from 7-9 May. For more information please contact Iona Gutuza on 021 406 1368 or visit <u>www.gsb.uct.ac.za/leanleadership</u>.

For media enquiries please contact Gareth Coetzee on 021 448 5941 or send an email to gareth@rothko.co.za.

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