

Kata

How Toyota Became the Best Company in the World

The Secret to Toyota's Success

Toyota is a very large and prosperous company. When authors try to pinpoint the reasons that Toyota excels, they are continually frustrated. Toyota is a moving target. A Toyota president set out to write a book about Toyota but it was a failure, since Toyota changes too fast to document. This change is a result of Kata, Toyota's Continuous Improvement philosophy.

This is the single greatest reason Toyota is on top and will stay on top.

The American and European concept of Continuous Improvement is one of a bolt-on program that you execute like any other program. Often, it involves a team, training and hard metrics. New ideas are unfocused and only stimulated when interrogated.

If you ask someone from Toyota to explain their Continuous Improvement program they will probably give you a questioning look. This is because Toyota does not have a Continuous Improvement program. In fact, Toyota receives 1.5 million Continuous Improvement ideas a year and implements 95% of them. That works out to one Continuous Improvement idea per employee per quarter. So how can you receive so many ideas per year and not have a Continuous Improvement program?

A New Culture

There are things we do and ways we act every day and this is because we operate within our corporate culture. There are also things we don't do because of our corporate culture. This is the good news and the bad news about corporate culture. A fair question to ask is if your corporate culture is guiding you into the future or inhibiting you from moving towards it?

Changing a corporate culture is a formidable task however there are significant advantages to changing the culture. For example, change. If your corporate culture resists change then moving towards the future is a challenge. However, if change is regarded as a benefit then your ability to conquer the unknown future is much less daunting.

Kata

Kata is the Japanese word that Mike Rother uses to describe how Toyota continuously moves forward. Kata is invisible when you look at Toyota. Just like a corporation's ability to change is invisible. Kata is the name of the improvement process that is ingrained in the culture of Toyota which gives a Toyota a puzzled look when you ask them about their Continuous Improvement program.

Toyota practices Kata throughout their organization though a lot of Kata focuses on their production line. Toyota's organization is structured to execute Kata. When they run a manufacturing line they run it as lean as possible. Then "leads" oversee aspects of the assembly line. This allows them to feel what are the right number of employees needed to manufacture the product and has a steady source of individuals to fill in as needed. They also fill in to execute and mentor aspects of Kata.

Kata is implemented at about the speed of any culture change. How long did it take to create a culture of excellence? Though Kata requires a fair amount of work, once it is implemented, your company will be moving so fast it is not definable.

Ubiquitous

Kata's power is in three areas:

1. it promotes change
2. it provides an operational structure that supports that change
3. it directs change towards a vision

If you want to build an organization that is continuously changing directly towards a vision, then that is what Kata gives you. If you desire to create an organization that craves change, and thereby improvement, then why not guide this change towards a vision. You may have a vision that you can run your organization without waste or execute 100% Rolled Throughput Yield. It is most effective if your incremental change is directed towards that vision.

Every organization has an organizational structure that conscious thought and time have driven the organization to. In other words, there is a good reason for your current organizational structure. In fact, it would have to be something that was very important to the company to cause the company to deviate from that organizational structure. I would suggest that the ability to adapt, compete, and

grow the business well into the future are good reasons to consider changing the organizational structure.

So many current Continuous Improvement programs are executed to simply collect a bunch of ideas. Or worse still, a confusion of Continuous Improvement and projects. The Kata improvement concept generates improvements of any size. It opens the mind to focus on marching towards a vision.

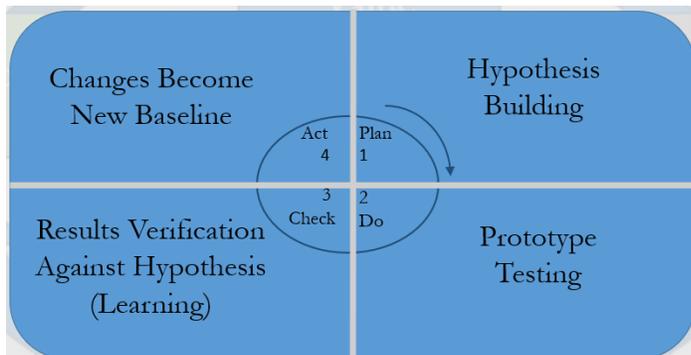
Executing Kata

Kata has two parts:

1. Improvement Kata
2. Coaching Kata

Improvement Kata is a scientific-based process leading you to take steps towards a vision.

Figure 1. Science based process.



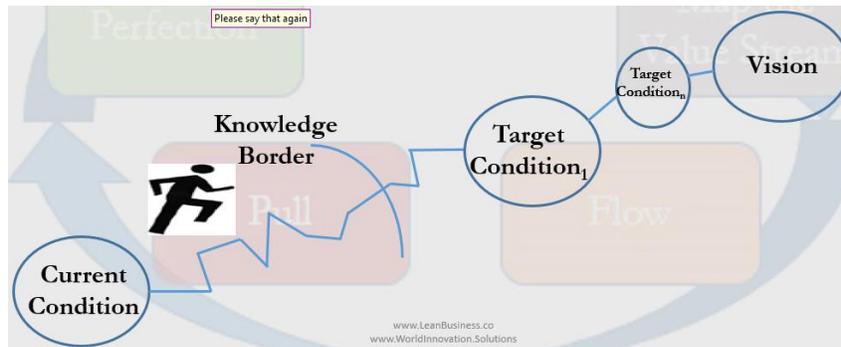
The science-based process is executed on every step towards the vision. This process guides you towards a Target.

It is unlikely that you can take just one step to accomplish your vision. If you can, then probably your vision was lacking. It is most probable that you will fail to accomplish your vision however improvement happens as you get closer and closer to your vision.

Kata has you use your improvement idea to figure out and select the Target Condition. The Target Condition is achievable with a completion date attached to it. Inexperienced individuals will pick Target Conditions that they can clearly see the path to. In Figure 2 this is depicted as the Knowledge Border. For those individuals the Knowledge Border would coincide in space with the Target Condition.

Experienced individuals will select a Target Condition that is beyond the reach of their path of knowledge. As they approach their Knowledge Border and perhaps collaborate with other individuals, the path to the Target Condition becomes clear.

Figure 2. The Kata march towards a perfect vision.



Coaching Kata is a mentor position. Remember that earlier I mentioned that Toyota staffs the manufacturing line as lean as possible. Whereas individuals on the manufacturing line are a good source of improvement ideas they will need help and guidance marching towards that Target Condition. This is the role of the Coaching Kata. Part of the responsibility of the Coach is to help guide the mentee towards a solution. Another part is to offload some of the work needed to get to the Target Condition. One of the very important things a mentee should get out of this process is learning, therefore, the Coach is a teacher.

Benefits

The Kata improvement philosophy not only replaces your Continuous Improvement effort but it empowers and opens the mind of everyone in your corporation. Remember, Toyota averages one improvement idea per person in their corporation per quarter and 95% of the ideas are implemented. That creates a condition where their business accelerates past their competition.

Competition demands agility. Your company will become agile by executing near continuous change.

If you believe your corporation will benefit by having a culture of change then this would be a great way to start.

Asking for improvement ideas is extremely less effective than asking for ideas that take you towards a vision. Two things happen when you march towards a Target Condition. The first is that you are getting closer to your vision. The second is that you are learning how to improve.

Employees can feel disaffected if they don't feel like either they are involved with the company or that their ideas are shunned by the company. When you create a company that embraces change and it is the responsibility of the employees to change the company, then this responsibility creates satisfied employees.

Challenges

It will take a significant effort from the top down to change the culture of your company. The argument to change is a strong one and easy to articulate but it takes commitment to execute.

Coaching may seem easy but even Toyota has a problem finding enough Coaches. Coaches are usually senior enough that they will see much farther past the Knowledge Border than the mentee. This leads to a desire to jump to a solution. That is a failure of execution. The Coach must use the Socratic method to move the mentee towards the Target Solution. This is a challenge as many intelligent people are not capable of finessing an individual to a solution.

A Place to Start

let's say you are in a manufacturing environment and along the assembly line individuals are building a product. Each one of those individuals should be executing Standard Work, which is documented. A good first Kata project could be initiated by the simple statement "What keeps you from executing your Standard Work?". This one question could lead to many Improvement Kata projects.

Summary

Kata has the power to create a flexible and adaptable organization. Toyota has been executing this for decades and they now have a market capitalization that exceeds every American car company in aggregate. Kata has the ability to keep your company ultra-competitive for decades. Use time as an advantage.

Toyota has the same technology as it's competitors, the same people, and the same competition. Kata is what separates it.

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