

# LEAN IT – THE 'TOYOTA'S SECRET'

Yves Callens

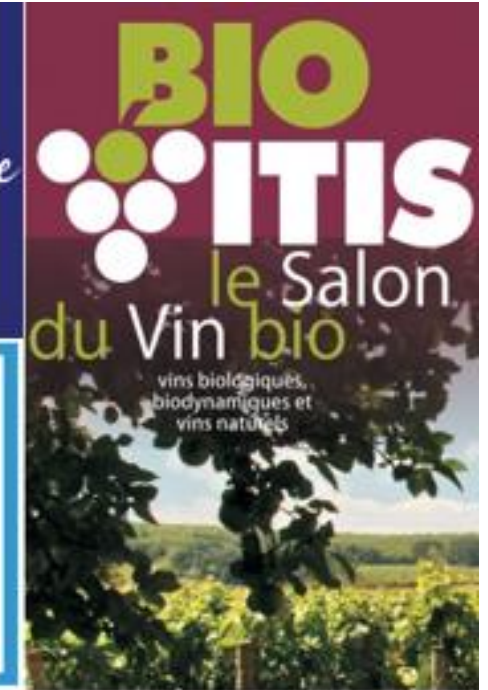
IT Manager – Lean IT

Toyota Motor Europe





**TOYOTA**



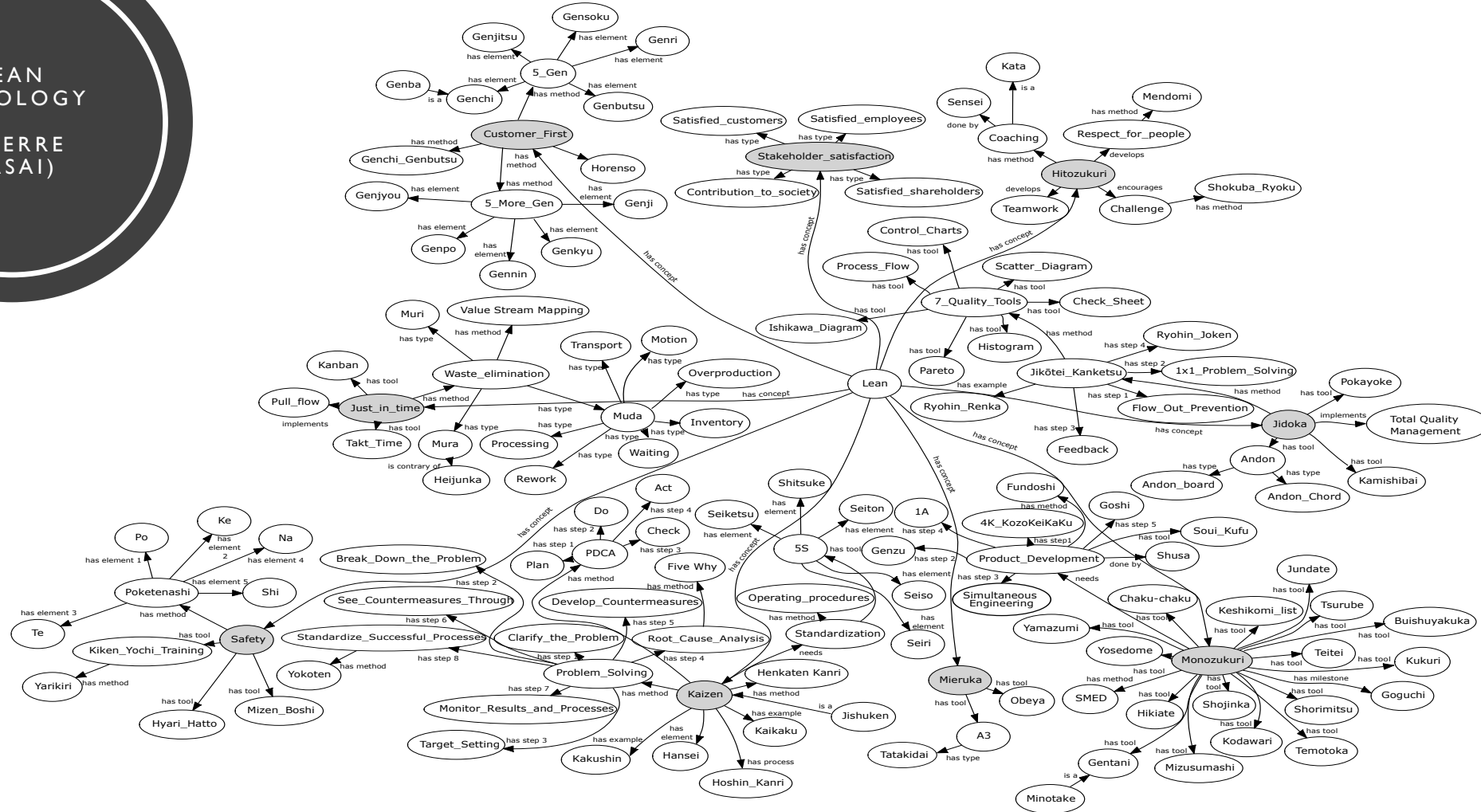
FEW THINGS ABOUT ME

SORRY BUT NOT TODAY



# “MODELLING THE LEAN ORGANIZATION AS A COMPLEX SYSTEM”

LEAN  
ONTOLOGY  
(PIERRE  
MASAI)

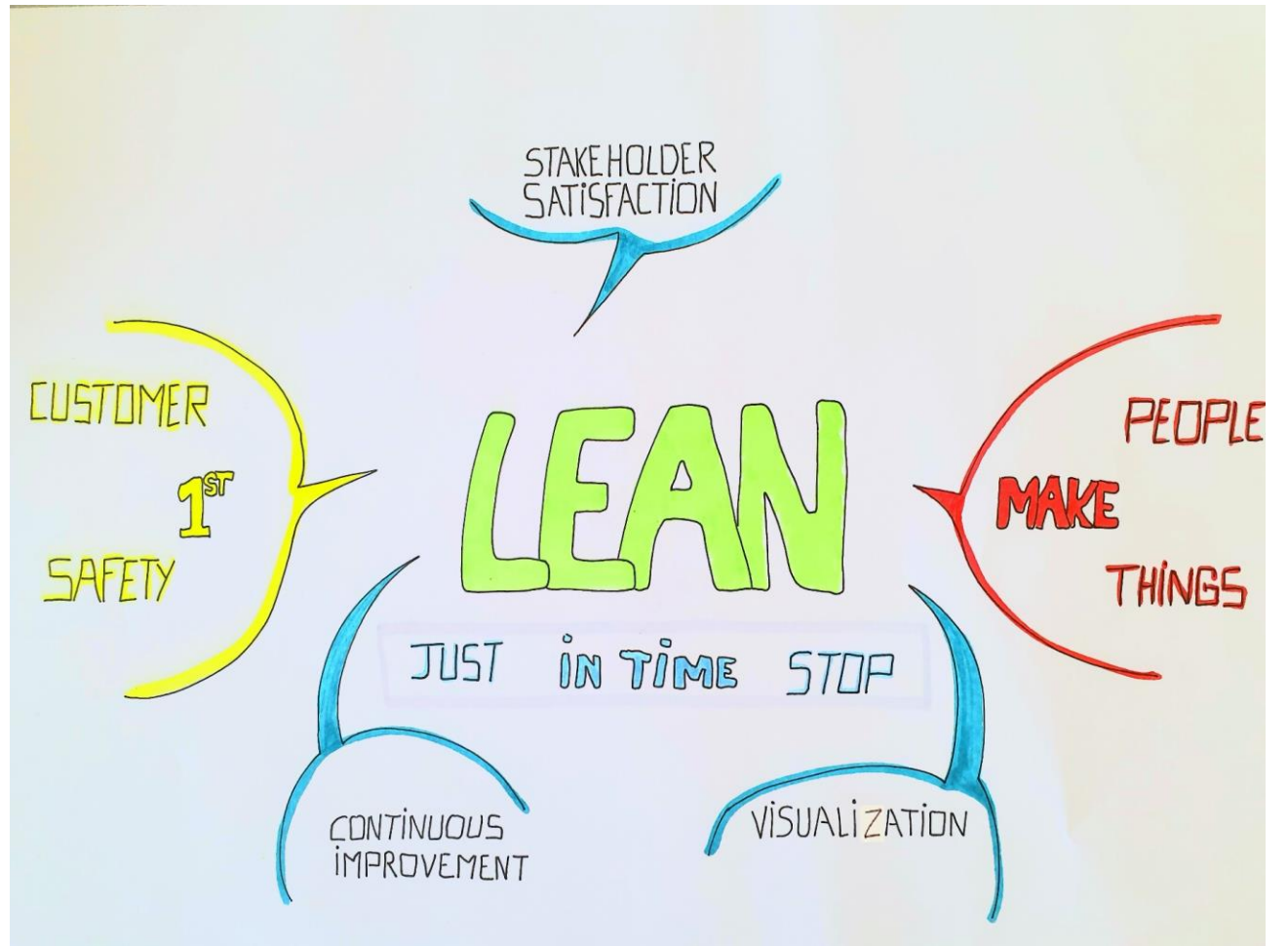


Extract of PHD thesis of Pierre Masai Toyota Systems (Japan) former CIO of Toyota Motor Europe



*In a nutshell*

LEAN



People

Educate

Train

Empower

LEAN FOCUS OF TODAY:  
HITOUZUKURI  
...

TRANSFORMATION  
&  
COST/INCOME  
RATIO

*Employees are seen as a cost  
that should be contained*

Press release about a major bank in Belgium:

‘... In the bank the agile transformation will suppress 30 % of the employees (3300 jobs)... The bank is targeting a cost/income ratio of 50% in 2017 instead of 56% in 2016.’

Source: [rtbf.be](http://rtbf.be), 13 mai 2017

TRANSFORMATION  
&  
COST/INCOME  
RATIO

*Employees are seen as a cost  
that should be contained*

suppress 30 %

agile  
employees

cost/income

ratio of 50%



# TRANSFORMATION & SKILLS

*Employees can be replaced based on skills (plug and play)*

Press release about a telecom company in Belgium:

‘After a year of negotiation with unions, the company will lay off 1341 employees. In parallel, the company wants to hire 1250 persons with a more digital profile.’

Source: La libre.be, 28 janvier 2020

# TRANSFORMATION & SKILLS

*Employees can be replaced based  
on skills (plug and play)*

lay off 1341 employees  
hire 1250  
digital profile

PEOPLE ARE ASSET  
NOT COST



Extract from an interview of Akio Toyoda:

Question: There are companies that are laying off thousands of people all at once. What do you think?

Response from A. Toyoda:

‘It all depends on how you view human resources. I know a few companies that tend to view them as a cost. However, at Toyota, top management does not look at employees as a cost, to say the least.

At Toyota we view people as assets. They are the source from which the knowledge and wisdom for “kaizen” (continuous improvement) comes.’

Source: [toyotatimes.jp](http://toyotatimes.jp) | 16 April 2020

PEOPLE ARE ASSET  
NOT COST



Toyota, top  
management does not look at employees as a  
cost

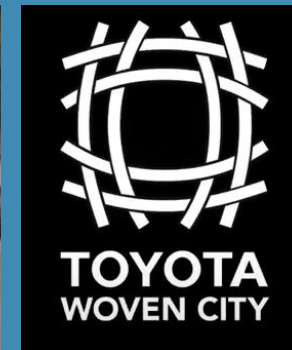
we view people as assets  
knowledge and  
wisdom for “kaizen”

# TOYOTA TRANSFORMATION

Improve efficiency  
to re-allocate people

“It's my goal to transition Toyota from an automobile company to **a mobility company**, and the possibilities of what we can build, in my mind, are endless.”

Source: Akio Toyoda at CES Las Vegas, 2018



# Simplifying Organizations Design Principle in LeSS

FROM  
**RESOURCE-THINKING**  
TO  
**PEOPLE-THINKING**



Traditional organizations manage people as resources, assuming the skills of individuals are relatively fixed. They are structured to maximize the utilization of these resources against the goal of increasing individual productivity. This requires significant management effort to resolve these complicated resource allocations.

LeSS organizations manage people as people and assume that the greatest skills of individuals are *acquiring and developing skills*. LeSS organizations are structured to purposely cause a mismatch between existing skills and knowledge and those needed, for the benefit of increasing adaptiveness. This requires people to *learn*, which causes both joy and discomfort... but all the complicated resource management disappears.

Source: LeSS newsletter 19 August 2020

# Simplifying Organizations Design Principle in LeSS

FROM  
**RESOURCE-THINKING**  
TO  
**PEOPLE-THINKING**



individuals are *acquiring and developing*  
*skills*

requires people to *learn*, which causes both joy and  
discomfort

# HITOUZUKURI = MAKE PEOPLE

has method

Coaching

Job rotation

Develops

Respect for  
people

Teamwork

Encourages

Challenge





## JOB ROTATION

**Retailer** management, Retailer incentive compensation,

Sales car pricing, **Sales** car order management, Sales fleet, Sales vehicle ordering support,

After Sales technical documentation, **After Sales** technical services, After Sales Commercial and technical application, Used car, Brand protection

Scrum pilot, Scrum trainer, **Agile** coach, Toyota global Agile transformation, Toyota global agile book, **Lean IT** trainer...

MAKE  
PEOPLE

1. Kaizen

2. Muri, Mura, Muda

3. Genchi Genbutsu

# I. KAIZEN IS COLLECTIVE NOT PERSONAL

*Kaizen comes from people's knowledge and wisdom to continuously improve*

Kaizen in yearly personal objectives

**X**

Kaizen based on collective decision to share cost and benefits

**O**

CONTRACT

TEAM

MAKE  
PEOPLE

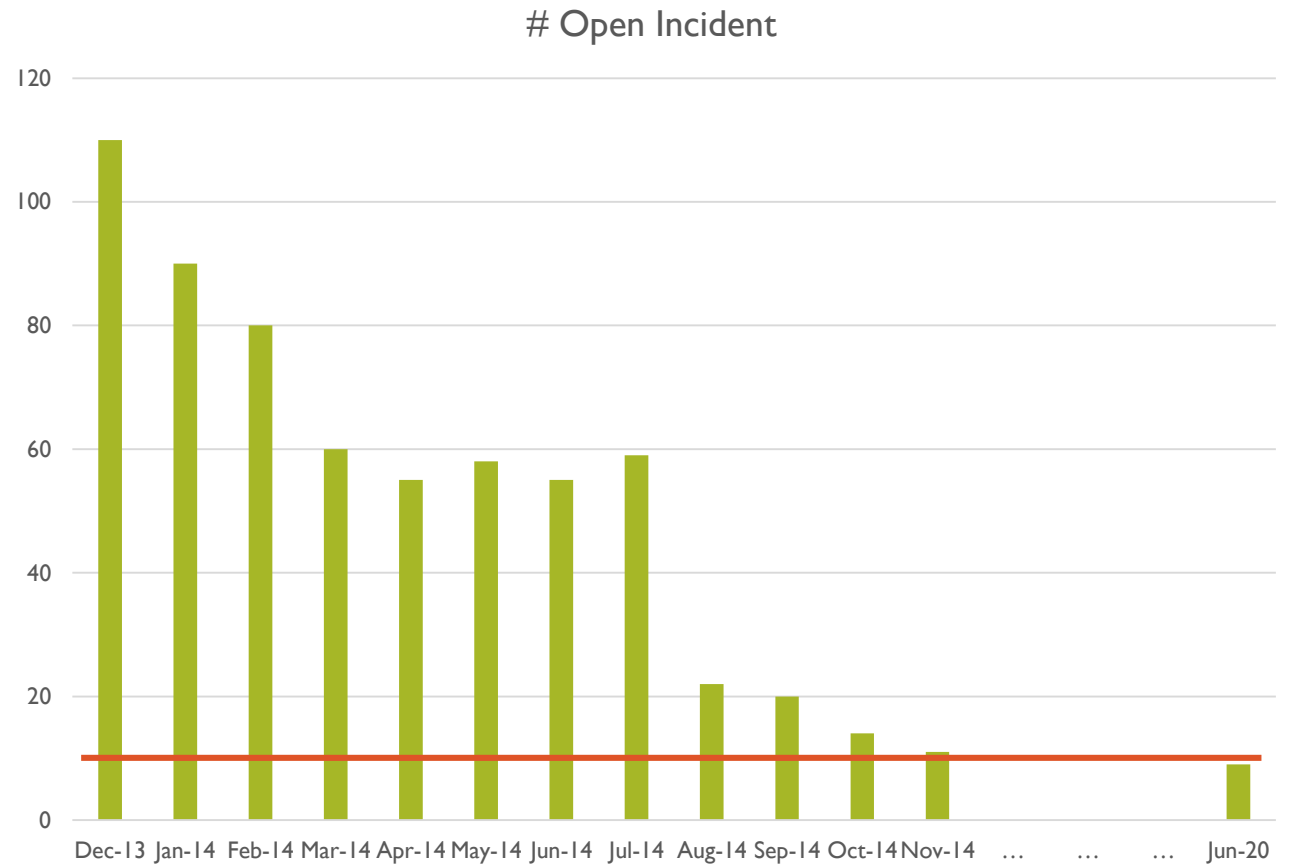
1. Kaizen

2. Muri, Mura, Muda

3. Genchi Genbutsu

## 2. ALWAYS TACKLE MURI FIRST

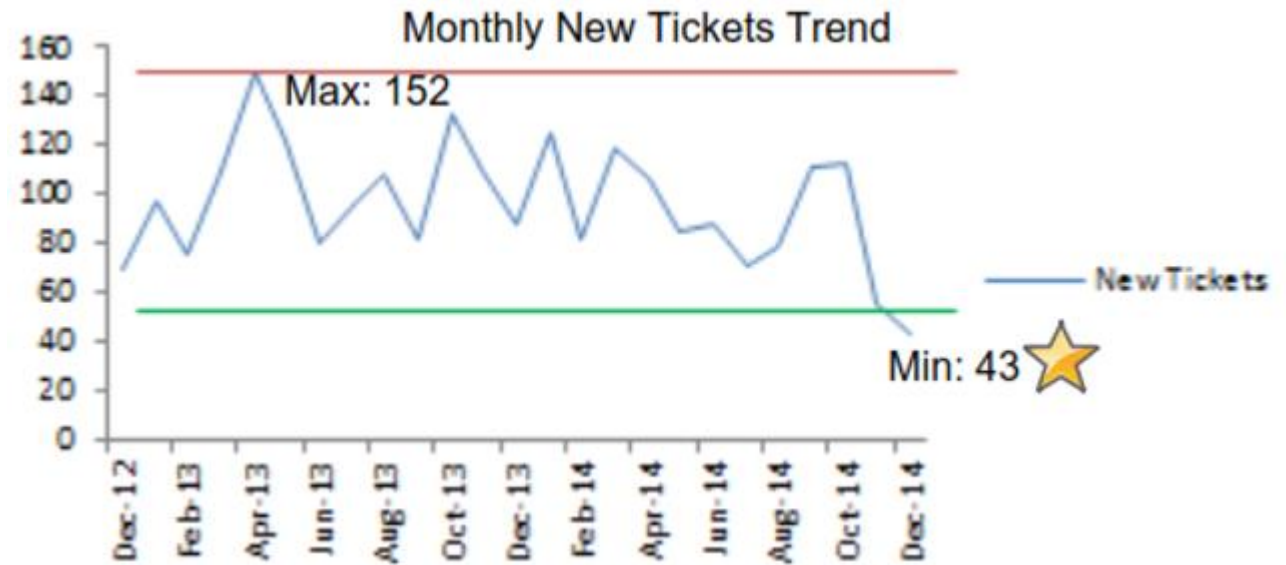
CHANGE



## 2. THEN MURA AND MUDA

*Solving Muri allows time for kaizen to reduce Muda.*

CHALLENGE



MAKE  
PEOPLE

1. Kaizen

2. Muri, Mura, Muda

3. Genchi Genbutsu

### 3. GENCHI GENBUTSU



Go and sell:

2005 - Retailer platform – 27 countries



EXPERT

Go and see:

2017 - Technical documentation system – 36 countries



FACTS



IN A SAFE PLACE

no change  
without  
discomfort

no change  
without  
discomfort

&&BEYOND

## THE TOYOTA'S SECRET

Lean is cultural at Toyota like a second skin  
It doesn't mean that agile is easy for us

Lean in IT is like an underwear for an agile journey  
It would feel odd not having any.

THANK YOU!