

Ley Hill Solutions

Newsletter - January 2010 (extract)

Quality Guru Series 1. Taiichi Ohno

Toyota began life as a loom-maker, but the founder's son, recognising the huge potential of the motor vehicle, sold the patent for one of the loom designs and started the Toyota Motor Corporation in 1929. The company did very well until Japan's defeat in the Second World War destroyed its economy and Toyota was forced to make pots and pans alongside its trucks in order to survive.

Then in 1950, Taiichi Ohno, whose career began on the factory floor of the original loom company, visited Ford's River Rouge Plant in Detroit and the rest, as they say, is history.

Ohno admired Ford's mass production techniques, but found they had inefficiencies that he was sure could be overcome. He went back to Toyota and created the Toyota Production System, built around the elimination of waste (muda) and more economic use of warehouse space. His "kanban" ("signboard") just-in-time system involved moving little cards around the factory that signalled what particular parts to restock and when.

This allowed Toyota to build cars efficiently, profitably and to a very high standard, leading to rapid expansion and global domination. The company grew so fast that the town it was based in was renamed Toyota in 1959 and then later became a city.

The Toyota Production System itself has been copied throughout the world in a huge range of industries and is required study for the majority of business students. The "Kanban" cards have, of course, been replaced in many instances with electronic systems and barcode readers, but the principles are still the same.

Ohno was happy to share his methodology. Eventually becoming a Vice President of Toyota, he went on to publish books about the Toyota Production System and often spoke in public about it. In later years, he would describe it in terms of the American supermarket, with customers choosing products from the shelves. Only the chosen products would be replaced i.e. it is a pull rather than a push system. It is the demand for the product that dictates how much restocking takes place, so goods do not sit idle on shelves or in factory bins. There is no waste, but the product is always there when needed.

So, from his humble beginnings as a loom factory worker, Ohno went on to create probably the most famous production system in manufacturing history.

The information provided in this newsletter and on our website is as correct and up to date as we can make it. no warranty, express or implied, is given regarding its accuracy. We do not accept any liability for errors or omissions. We shall not be liable for any damages (including, without limitation, damage for loss of business or loss of profits) arising from the use of, or inability to use, this site or any information contained in it, or from any action or decision taken as a result of using this site, or any such information.