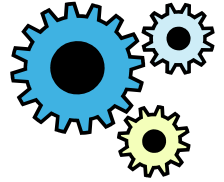




The Centre for TPM (Australasia)



Key Theories and Concepts Supporting the TPM³ Journey to World Class Performance

TPM³ is a journey to World Class Performance incorporating the principles and practices of Lean Production (Toyota Production System). The journey is also supported by many other proven management theories and concepts, some of which are outlined below.

The Winning Edge

Adapted from: *The Psychology of Selling - The Art of Closing Sales* by Brian Tracy

The winning edge theory is very important. What it simply says is that the difference between the top performers and the average or mediocre performers is not a great massive difference. It is always just a small difference.

It is a tiny difference on the margin if you like.

They just do certain things a certain way, a little tiny bit better each time and it adds up to an enormous “Quantum” difference.

Probably the best example of it is this: If a horse runs in a horse race and comes in first by a nose, it wins 10 times the prize money of the horse that comes in second by a nose.

Does it mean that the horse that comes in first is 10 times better than the horse that comes in second? Does it mean it is twice as good? Does it mean it is 50% better or 10% better? The truth of the matter is that it is only a nose better but the difference in prize money is enormous.

In a study done some time ago, they compared 2 horses that had run in the same races throughout the first 9 months of the year.

They compared their times and found that the winning horse, the top horse, had earned over \$775,000 in prize money over the first 9 months of the year, and then went on to break a million dollars. This was one of the first horses ever to do this.

They found that another horse that had run in the same races with it, but had not been in the prize money very often, had only won about \$75,000. There was a difference of over 10 to 1 in their winnings.

When they went back and compared the times that they had run, they found that the difference between the horse that had won \$775,000, a horse called ‘Ackmed’, and the horse that had won \$75,000 was ‘Ackmed’ was only about 3% to 4% faster.

The winning horse was only about 3% to 4% faster in time but the difference, translated into income, was 10 times. By the end of the year the margin was up to 15 times the earnings.

Translating the Winning Edge to Business

The company and the employees that win the contracts and orders get the business and the growth. The company and employees that lose get zero.

It does not mean that the company and employees that lose are only half as good as the company and employees that win the work. It often just means that there is a slight, tiny bit of difference.

The key to success is for all employees to develop that **Winning Edge**.

If you develop that Winning Edge and maintain it by continuously improving through the engagement and development of all employees, there is no reason why you can't move into the opportunities available to the World Class Performers.

TPM³ is about creating the operational Winning Edge for a business.

Sharpening the Axe

There was once a man who took seven hours to chop down a tree because he didn't have time to stop and sharpen his axe!

Are you or your company too busy to stop and sharpen the axe!

TPM³ is about developing the capability to be more effective and efficient so you can achieve the production / maintenance / support / design & install plan in a significantly shorter period of time (reflected by increased OEE, less Time Lost, shorter Lead Times, or lower Life Cycle Costs)

Continuous Improvement & Breakthroughs

TPM³ is akin to your grandfather maintaining his axe. When the handle wears out Grandfather would replace it with a better quality handle. When the head wore out Grandfather would replace it with a better quality head. Grandfather always had the best axe.

Then one day, someone developed a chainsaw, so Grandfather replaced his axe which had had many handles and heads replaced, with a chainsaw because it was a more effective way to cut down trees (breakthrough). Grandfather then used the skills and disciplines of maintaining his axe (continuous improvement) to maintain his new chainsaw so that it was always the best chainsaw.