

Outline of Presentation

Creating a Philosophy for Decision Making to support your Improvement Journey

What is a philosophy for decision making

Why have a philosophy for decision making

Who should contribute to creating your site philosophy
for decision making

How should you go about creating your site philosophy
for decision making

What is a Philosophy?

*the most basic beliefs, concepts, and attitudes
of an individual or group*

Mirriam-Webster on-line dictionary

*As such, a philosophy can be viewed as a guide for
decision making as you progress your improvement
journey*

Why have a Philosophy for Decision Making?

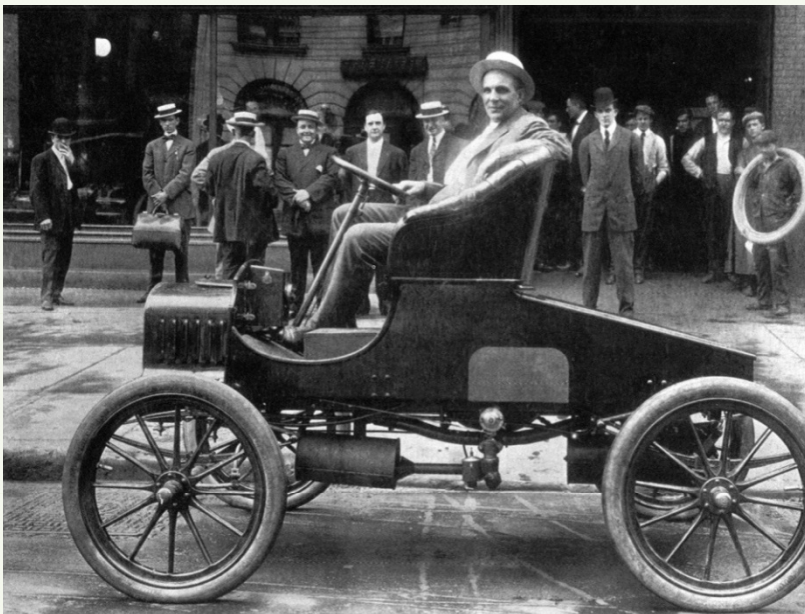
To guide the decision making of all Leaders as you progress your Improvement Journey to ensure 'Consistency of Purpose'

Coming together is a beginning

Keeping together is progress

Working together is success

Henry Ford

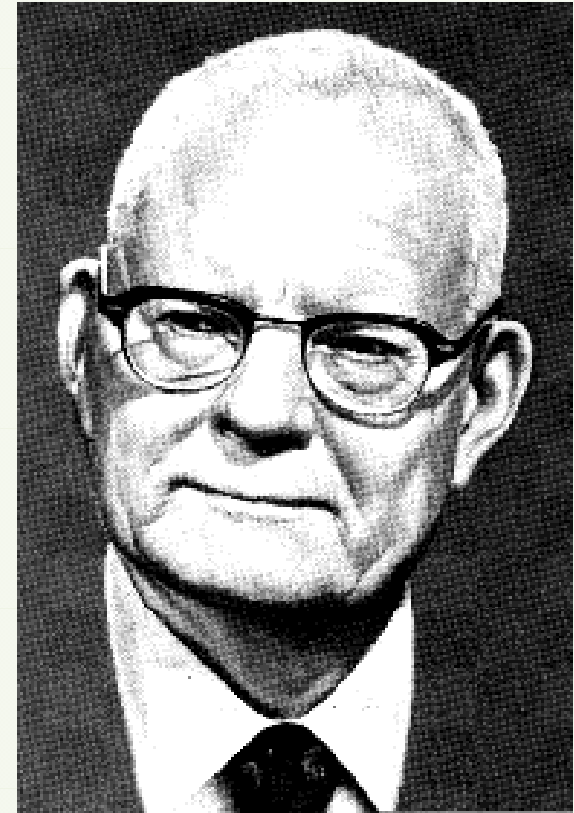


Who should contribute to the creation of your site philosophy for decision making

Dr W. Edwards Deming

Out of the Crisis: covering his 14 Points for Management and 7 Deadly Diseases afflicting companies published by Cambridge University Press in 1982 and 1986

W. Edwards Deming is recognised as being the philosopher-guru of the Total Quality Movement



“It is not enough to do your best; you must know what to do, and then do your best.”

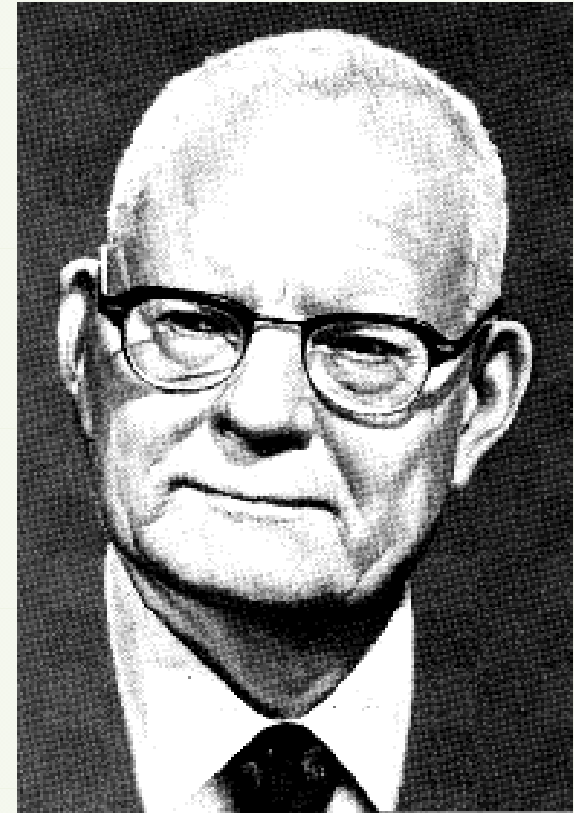
The Fourteen Obligations of Top Management

1. *Create constancy of purpose for improvement of product and service.*
2. *Adopt the new philosophy.*
3. *Cease dependence on inspection to achieve quality.*
4. *End the practice of awarding business on the basis of price tag alone. Instead, minimize total cost by working with a single supplier.*
5. *Improve constantly and forever every process for planning, production, and service.*
6. *Institute training on the job.*
7. *Adopt and institute leadership.*
8. *Drive out fear.*
9. *Break down barriers between staff areas.*
10. *Eliminate slogans, exhortations, and targets for the work force.*
11. *Eliminate numerical quotas for the work force and numerical goals for management.*
12. *Remove barriers that rob people of pride of workmanship. Eliminate the annual rating or merit system.*
13. *Institute a vigorous program of education and self-improvement for everyone.*
14. *Put everybody in the company to work to accomplish the transformation.*

Dr. W. Edwards Deming

*Printed on the back cover
of his book – ‘Out of the
Crisis’ by W. Edwards
Deming 1982, 1986*

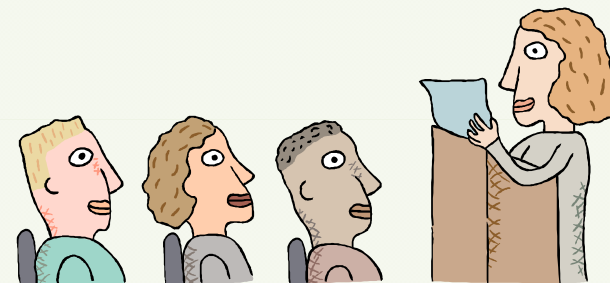
Who should contribute to the creation of your site philosophy for decision making



“If you do not know how to ask the right question, you discover nothing.” – W. Edwards Deming



Ask the Audience



Who should contribute to the creation of your site philosophy for decision making

Steven J Spear

Decoding the DNA of the Toyota Production System published in the HARVARD BUSINESS REVIEW Sep-Oct 99

Based on an extensive 4 year study of the Toyota Production System



The paper describes four principles - three rules of design, which show how Toyota sets up all its operations as experiments, and one rule of improvement, which describes how Toyota teaches the scientific method to workers at every level of the organisation.

Who should contribute to the creation of your site philosophy for decision making



“So why has it been so difficult to decode the Toyota Production System?

..... observers confuse the tools and practices they see on their plant visits with the system itself.”

Steven J Spear

Who should contribute to the creation of your site philosophy for decision making

Jeffrey K Liker

The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer, New York, McGraw-Hill, 2004



Liker has discovered that unless **The 14 Management Principles of Toyota** are embraced by a company, attempts at introducing Lean Production are doomed to failure.

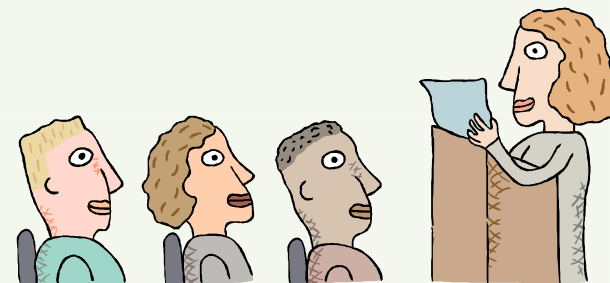
Who should contribute to the creation of your site philosophy for decision making



“When we think in systems terms, we realise all of the Toyota process principles focus on making problems visible so that people can solve them and grow as people in the process.” – Jeffrey K Liker



Ask the Audience



Who should contribute to the creation of your site philosophy for decision making

Steven J Spear

The High Velocity Edge: How Market Leaders Leverage Operational Excellence to Beat the Competition, McGraw Hill, 2010



The Four Capabilities which create the High-Velocity Organisation

The book relates his past 10 years of research into trying to discover the limitations of Toyota's four rules (see previous) in a range of industries. His conclusion was that when applied correctly they will work no matter the industry or organisation.

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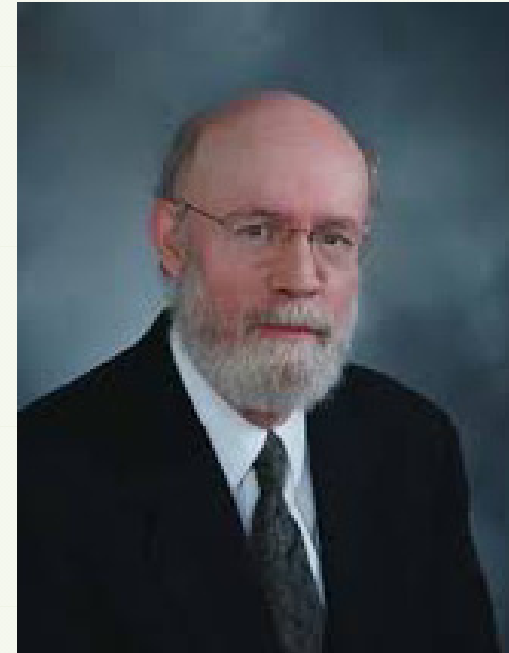


*“And the longer the problem remains unresolved, the more difficult and more expensive it will be to solve”
– Steven J Spear*

Who should contribute to the creation of your site philosophy for decision making

James P. Womack

**Email regarding Consistency of Purpose
sent out on 12 February 2009**



Jim Womack is the co-author of the famous Lean books ‘The Machine that Changed the World’ published in 1990 and ‘Lean Thinking’ in 1996, ‘Lean Solutions’ in 2005 and ‘Seeing the Whole Value Stream’ in 2011. He is founder, ex-chairman and now senior advisor of the Lean Enterprise Institute in Cambridge UK.

Who should contribute to the creation of your site philosophy for decision making

CTPM

Sample Philosophy for Decision Making

*The following Philosophy has
been established to assist our
Leaders as we progress our TPM
& Lean (TPM³) journey by making
our decisions based on:*

Thinking long term

**Recognising the right process will produce the
right results**

**Adding value to the organisation by developing
our people and partners**

**Identifying and solving root problems so as to
drive organisational learning**

Sample Philosophy for Decision Making

Thinking Long Term

1. Striving for long-term targets (3-5 years), even at the expense of short-term financial goals

Sample Philosophy for Decision Making

Recognising the Right Process will Produce the Right Results

2. Creating continuous process flow (eliminate 'cause for pause') so as to expose problems
3. Using 'pull' systems to avoid over production
4. Levelling out the workload to support continuous process flow
5. Building a culture of stopping to fix the problems, so as to get quality right the first time
6. Standardising everything we do especially across shifts and across departments
7. Ensuring all work is clearly specified as to content, sequence, timing and outcome so that problems can be identified at the earliest possible time by the person doing the work
8. Using visual controls so that problems are identified immediately and no problems are hidden
9. Ensuring every internal customer-supplier connection is direct, and there is a clear yes-or-no way to send requests and receive responses
10. Ensuring the pathway for every product and service is simple and direct
11. Specifying designs to capture existing knowledge and building in tests to reveal problems

Sample Philosophy for Decision Making

Adding Value to the Organisation by Developing our People and Partners

- 12. Growing leaders who thoroughly understand the work, live our philosophy, and teach it to others
- 13. Developing exceptional people and teams who follow our philosophy and strive for excellence
- 14. Respecting our extended network of partners and suppliers by challenging them and helping them improve

Sample Philosophy for Decision Making

Identifying and Solving Root Problems so as to Drive Organisational Learning

15. Specifying expectations before embarking on any activity so as to allow problems to be exposed
16. Going and seeing exposed problems to thoroughly understand the situation
17. Swarming, containing and solving problems to root cause(s) at the earliest possible time to gain new knowledge
18. Sharing the new knowledge discovered from problem solving, throughout the organisation
19. Making decisions slowly by consensus, after thoroughly considering all options then implementing rapidly
20. Becoming a learning organisation through relentless reflection and on-going formal continuous improvement

How should you go about creating your site philosophy for decision making

Pathway for creating your Site Philosophy

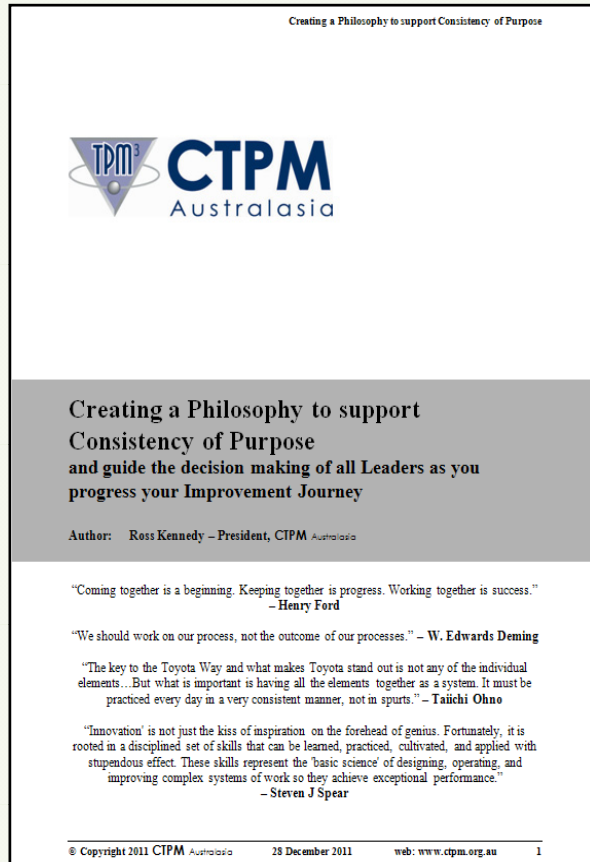
A key task for the Site Leadership Team is to establish your site Philosophy so as to ensure Consistency of Purpose from all your Leaders

10 Step Process

1. Have all Site Leadership Team members read CTPM's paper then review Section 6 (CTPM Sample Philosophy for Decision Making) and delete any of the 20 items which they do not think apply to your site, and add any which they believe should be included

How should you go about creating your site philosophy for decision making

Creating a Philosophy for Decision Making



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Paper available to CTPM members for free

Question Time