

I-26 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)

Respondent 2B: We had a problem with the availability of Directors, and they said they needed to avail themselves more to the business. They had to make some structural changes to be less operationally involved. They got the entire company together, not the operational side - only consulting, and we discussed plans on how to structure the teams, so that they could release the Directors. We brainstormed plans, analysed each others' personalities, discussed our clients and listed the projects, to see where they were too involved to see where we could release them. We noted everyone's preference to find those comfortable with managing and those who preferred specialisation, either in organisational development or in human resources. Some were in the middle of the road. Eventually we designed a new structure, and established client managers for the bigger clients, with smaller teams reporting to them. The Directors were able to get more involved in managing the business, and are more available than they were in the past. We now need to get the client managers to the level of the Directors. We have found a new predicament - in the managing of our resources. Where do you draw the line between increasing capacity and getting more work in?

I-27 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 2B: The effectiveness of the business was affecting our business model. Our management was not able to do what management should do, and they need to avail them to that. And the development of our employees internally - we pride ourselves in this. The Directors needed to avail themselves for business purposes - to run the business. We are not a hierarchical organisation - our top level is very small. A lot rests on their shoulders - and they need to get to that.

I-32 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)

Respondent 2C: I am not at the office that often, so it is difficult to say. I have

not had much contact with the Director, I used to see her only once every 3 - 4 months. Therefore she had little input into my work. Now I have an appointment every two weeks - she has more input and it gives me the opportunity to ask questions if I get stuck.

I-36 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 2C: The company ultimately sells its time, and you cannot sell that which you do not record. Otherwise you sell something you concocted. It comes down to integrity.

O-47 Senior consultants are required to take business initiative. They just need to report their decisions / initiatives to senior management.

PE-114 "We can give more constructive feedback, we "protect" our employees too much. We also model and promote integrity" "We have a value for respect but I think it could be described better to see how it is perceived / lived in

PE-205 "If we can have proper processes in place everyone can know where they fit

PE-408 "Employees are empowered to make decisions - managers act as mentors. We have to work on our depth of multi-skilled employees - very young workforce."

PE-44 "We are very focussed on relationships with clients and co-workers, but not really society / country, etc. Focussed more on short term?"

PE-51 "We want to leave a legacy - it is not about individuals or what they get out of it. It is about what our clients get and how we help better the lives of those less fortunate. We are in the relationship business"

PE-72 "We do a lot to understand our customers. We offer 'intangibles' which can only be valuable to the customer if he has the need at the time. We live close to our customers - the client managers have an important role"

PU-107 "We should not be afraid to monitor performance and even show mistakes. A lot of coaching, mentoring, learning among employees. Willingness to share /

PU-114 "We can give more constructive feedback, we "protect" our employees too much. We also model and promote integrity" "We have a value for respect but I think it could be described better to see how it is perceived / lived in

PU-121 "We put our work (clients) before our needs"

Case 3

I-45 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 3B: The documents were sent backwards and forwards. If you do not get the documents out fast enough, then the patients wait for the products. The Quality Department found it frustrating. Their time was wasted which they could use for something else. We streamlined the way we view the document.

I-49 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 3B: We had to supply the market. 50% of the products are packed on the specific bay, with 3-5 major products packed on the specific lines. We want to use these machines to their optimum, with maintenance being done afterwards.

Nortjé. Why are these aspects important?

The corporation has a scorecard, and we fall under the manufacturing division. We also measure customer service levels. The target has increased from 98% to 99%. We cannot afford a breakdown as we supply life-threatening medication.

I-55 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 3C: First of all, you need to keep up with demand. If you do not give the customer their product on time, then they will look to someone else for that product, and we do not want to loose our customers. We manufacture life-saving drugs, and therefore the person who uses it needs to get it on time. At the same time I also did not have enough people and therefore we needed to improve. One person was just watching the machine and machines are not supposed to be watched - they are automated. The operators asked the same question after we bought the machine: "Why do you buy this new machine and I have to come here and watch it? The machine must do what it is supposed to do. Give me a job where I can think.

PE-108 "Must make an effort to respect employees enough to teach what I know and

not assume that they do not want to learn"

PE-255 "We have the tools, but we also need to teach the operator the situation or

PE-73 "Get the focus right so that we do not run out of stock. Understand the need or the times on which product is sold, on all seasonal products"

PE-80 "Understand internal customers' needs. We often forget about them"

PU-108 "Must make an effort to respect employees enough to teach what I know and not assume that they do not want to learn"

PU-115 "We need to work together to help each other, not cover your back, or try and nail others so that you a be see s a better person by the boss"

PU-122 " 'Teach' people and do not instruct - they might not know the background or see the bigger picture"

Case 4

I-56 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)

Respondent 4A: At one stage we started getting more customer complaints, and we put a person in charge to deal specifically with customer complaints. In doing so we were able to deal with the needs of 70% of the people.

Nortjé: How do you know the problem was successfully solved?

Respondent 4A: A report we review at our management meeting showed us that the problem had been solved.

I-60 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4A: A satisfied franchisee is a satisfied franchisee - like an unhappy wife an unhappy franchisee can make your life hell.

I-63 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4A: It was my way of controlling the business and getting back in control. I did save money doing this and found certain problems, but I think I did it mostly for myself. I thought I was losing control, or had lost control, and this was my way of regaining control.

I-64 TOYOTA Learning III

Nortjé: Why is this important to you?

Respondent 4A: It is similar to seeing your children leave the nest. I wanted to get something back. I also wanted to gain insight into the business. Ethics and passion are very important to our business. We did a survey prior to merging with our current partners and the consultant stated he had never in his life seen a group more committed and happy than at NWJ.

Nortjé: Why was the results of this survey important to you?

Respondent 4A: I hear so much rumblings. I learnt from the survey what was happening. Our franchisees would sell if they did not make money. We deal with people. It is not only about me making money. I do not want to take people for a ride. I try to be a good guy

I-71 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)?

Respondent 4C: We had a franchisee who was unable to pay their accounts because of mismanagement. We unsuccessfully tried to get them resolve the problem and manage their business. There was a lack of discipline. We therefore had to force them to sell. We found a purchaser for the stores, spoke to their bank, transacted the sale and moved the person out of the system. I can also give you examples of where we were able to successfully rehabilitate a non-functioning franchisee.

PE-123 "We can improve at being servants and coaching / teaching. We do promote integrity and the customers' interest as first"

PE-46 "Low staff turnover, relationship with staff - working environment, giving shares to staff, staff training - sponsorship (do more in the community)"

- PE-67 "Total transparency with franchisees, relationship with franchisees & staff - quality, value and choice for the end user"
- PU-109 "Honesty and integrity - customer is king"
- PU-116 "Adopt a program of mentorship, understanding the concept that people can grow in their roles, thereby becoming a bigger asset for the company"
- PU-123 "We can improve at being servants and coaching / teaching. We do promote integrity and the customers' interest as first"

Case 5

- I-86 TOYOTA Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 5B: Another example is when a candidate first accepts but then changes his mind and does not start with our client, or dies before he can start or as in one example died within the first three weeks of employment while on company business. In such examples for the sake of goodwill we do not charge the client. We take it as our expense. We work closely with our clients, and want to be on their preferred supplier list. Therefore we would not charge them R150 000 for a guy who was there for two weeks only. Although we are BEE, it makes a big difference if you could be on the preferred supplier list.

- I-87 TOYOTA Learning II

Nortjé: Why are these aspects important to you, focusing on the example of the person who died?

Respondent 6B: The guy who died was placed with one of our biggest clients. So to build the relationship and as a gesture of goodwill we decided not to charge them. They were very happy with the way we handled the situation. It built trust and strengthened the relationship.

- I-89 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)?

Respondent 5C: We had timekeeping issues. There was one specific employee who could never be at work on time, now she is getting to work on time.

I-92 TOYOTA Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 5C: Our previous receptionist had an attitude problem. Some of our workers use taxis or busses as their mode of transport. If they left at five they were in the townships only after dark. So we gave our employees to options for work-hours, but once they changed they had to stick to their new hours, but she was coming in later and leaving earlier. So we counselled her, but after that she refused to greet any of the directors. So we fired her.

I-93 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 5C: She refused point blank to greet the directors! She would ignore their requests. It was bad for the harmony of the company. A bad example to the staff and complete insubordination.

I-94 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 5C: It affected the image our business. She was also rude to candidates and other people. You cannot have such issues with members of staff because everyone is affected.

PE-124 "We can build respect amongst employees by leading by example. People are working for the company and we respect their input and contribution"

PE-33 "Ensuring we are getting people to work to full potential - need to make bigger, more obvious changes. To ensure that people within strive more towards full potential"

PE-68 "Strive to maintain relationships with candidates before, during and after placement"

PE-75 "Can always improve the customers' view of our service. We rely on repetitive

business and find a means to stay in touch with our customers and make decisions based on what we think they think"

- PE-82 "Service to the customer. Early understanding of the client, culture, needs, to find the right people, relationship with clients. Build trust with client who relies on us to find key talent"
- PU-110 "Teaching / preparing candidates to ensure success. Consultants at people source act as mentors and coaches to assistant consultants"
- PU-117 "We actively try to replace / replicate ourselves with employees, we being the managing partners"
- PU-124 "We can build respect amongst employees by leading by example. People are working for the company and we respect their input and contribution"

Case 6

- PE-125 "For us as the leaders we have to respect our fellow workers so that they can respect us"
- PE-6 "To have the right set of mind - positivity. Respect to workers and machinery - 'look after this machine, it pays your wages'."
- PU-111 "Respect and discipline for positivity - identifying solutions"
- PU-118 "Management does not respect the workforce, the workforce therefore does not honour the management by producing at their best"
- PU-125 "For us as the leaders we have to respect our fellow workers so that they can respect us"

Case 7

- I-114 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 7A: If the company is in financial stress, it ruins the relationship with suppliers. Key relationships in the business are adversely affected. This amounts as a breach of duty on the part of us as the franchisor. The outcome of this would be that fewer people are interested in buying our franchises. It will also lead to a breakdown in other processes which we cannot afford.

- I-123 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 7B: We have to have a standard way of preparing a pizza. It relates to formulas we use and the costs we calculate when we sell a franchise and a corresponding profit margin that will go with the franchise. Speed of service is also important to our customers and this helps with that. There is no other way to make a promise of time to our customers if we do not have a standard way of preparing pizza. We need to be able to keep our promises. This keeps both the customer and the franchisee happy. Our franchisees listen to our clients. Therefore it is also important to be involved with the franchisee as they are involved with the clients and can give you valuable feedback.

I-126 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 7C: It is half of my business. It is like a communication gap. The customers will just go to the next pizza place, and no one would understand what is going on, just because they are angry. I want to keep my customers and make them happy.

I-129 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 7C: I want my clients to be happy the first time. If they ordered at six they don't want to wait until half past seven to eventually eat because the first order was wrong.

PE-112 "Everyone is / should be a leader or act as a leader. Do what you say you will

PU-112 "Everyone is / should be a leader or act as a leader. Do what you say you will

PU-119 "We should promote coaching more. We must not loose touch of how our shops work - they view mistakes as ways to learn to prevent mistakes / errors"

PU-126 "Coaching is done but reviewing is a problem resulting in high staff turnover. Management from support office can learn the ground rules by working as a team member in store. Respect gained is respect earned."

H.6 Success

Case 1

I-5 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 1A: In the first place, it is about lost traceability. If you cannot trace parts you are not complying with one of the primary requirements of aircraft manufacture. All the parts can be scrapped if we are found not to comply - and that will cause significant loss to the company.

I-6 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 1A: This is our business. If we do not comply we do not have a business anymore.

PU-15 "Sustainability of the business through successful completion of programs - in a profitable way"

PU-8 "Success at the top does not necessarily imply success at the bottom, as success leads to competition which leads to stress which leads to unhappiness which leads to no success"

Case 2

I-22 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 2A: It is our stream of income - we sell time, and if it is not well managed it is like a manufacturing company not managing their inventory. It determines our income and also the morale of the people that work for us. It would be a sad day when people do not want to work here any longer because they are misused.

I-25 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 2A: Because of financial soundness and the ability to viably scope projects. It will help that we offer market related and realistic offers to our customers. It improves morale and resource utilisation, but it needs to be managed.

I-27 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 2B: The effectiveness of the business was affecting our business model. Our management was not able to do what management should do, and they need to avail them to that. And the development of our employees internally - we pride ourselves in this. The Directors needed to avail themselves for business purposes - to run the business. We are not a hierarchical organisation - our top level is very small. A lot rests on their shoulders - and they need to get to that.

I-28 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 2B: We went this way because the Directors needed to focus on strategy and sales funnels, on what was going to be our retention strategies and on business development. They have a business development responsibility - and needed to be available that level of engagement. The Directors were forced to focus too much on the business operationally.

Nortjé: Why is this important?

Respondent 2B: In the long term it affects the sustainability of the company. If we do not keep it in mind we will not be sustainable or high performing or exceed at selling.

I-29 TOYOTA Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 2B: Yes, our product development - putting them on the map. They had to develop their products to have a product and service offering. The effort went into developing and designing their methodology, and they did not have a company profile, which formed a problem. They were not out there - they needed something to give to companies. They had booklets introducing the company, but this was limited to remuneration, and the company had since employed industrial psychologists focusing on organisational development. So we had a breakaway and got into our teams to discuss who we were. It was a group session and we discussed 80% of the products which the company offers - now we have something to offer the

market.

I-30 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 2B: It was important because our clients were not aware of our extensive product offering. They thought we did remuneration consulting

I-31 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 2B: For business. We are here to give people jobs and we are here to make money and grow the business. Probably also to educate new employees - 'Welcome to our company - this is what we offer...'

PU-16 "What we need to improve at - becoming a more diverse organisation. What we are good at - customer focus, delivery focus / timely, sharing of info

PU-2 "Company is sometimes hesitant, should be more anything is possible"

PU-9 "We create opportunities - we empower others, if they succeed so do we, we consider satisfaction to be success"

Case 3

I-43 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 3A: We had to cut costs in terms of overtime and try to engage people in problem solving methodology, defining the problem and afterwards sustaining the solution.

Nortjé: Why was this important?

Respondent 3A: Because of the big picture. We were benchmarking relative costs relative to generics, cutting out inefficiencies wherever they could. We want to be the most trusted and competitive supplier of vaccines in the world.

I-49 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 3B: We had to supply the market. 50% of the products are packed on the specific bay, with 3-5 major products packed on the specific lines. We want to use these machines to their optimum, with maintenance

being done afterwards.

Nortjé. Why are these aspects important?

The corporation has a scorecard, and we fall under the manufacturing division. We also measure customer service levels. The target has increased from 98% to 99%. We cannot afford a breakdown as we supply life-threatening medication.

- PE-3 "Have to make sure the small things get done (everything is possible) even though there aren't enough resources"
- PU-10 "We can have more capacity in the warehouse without head-count [increase]"
- PU-17 "Instil in people a culture that 'all is possible'; do not criticize others' ideas; just try learn people to "see" & improve at all times"
- PU-3 "Have to make sure the small things get done (everything is possible) even though there aren't enough resources"

Case 4

- I-61 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 4A: The franchisee must make money. They should not go belly up if they are honest and hard working. We do not want a franchisee to go destitute if they played the game. I do not care if franchisees go under that did not play the game, but those who tried I will help. A happy franchisee will buy and sell more of our stock. Their turnover will be larger, and then they will buy a second franchise, and we will make more money...

- I-63 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4A: It was my way of controlling the business and getting back in control. I did save money doing this and found certain problems, but I think I did it mostly for myself. I thought I was loosing control, or had lost control, and this was my way of regaining control.

I-67 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 4B: I wanted to succeed and make sure that there was no

I-71 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)?

Respondent 4C: We had a franchisee who was unable to pay their accounts because of mismanagement. We unsuccessfully tried to get them resolve the problem and manage their business. There was a lack of discipline. We therefore had to force them to sell. We found a purchaser for the stores, spoke to their bank, transacted the sale and moved the person out of the system. I can also give you examples of where we were able to successfully rehabilitate a non-functioning franchisee.

I-72 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4C: If someone continues to mismanage a franchise it will result in a loss of income. We would have to write off bad debt, and the business will suffer because they won't buy our products and hence the customer will suffer and the lending institution that finance their business will suffer. The reasons are therefore monetary and saving the face of the brand .

I-73 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 4C: We cannot afford to have bad debt and we cannot afford to close a shop down. It affects our income and the brand visibility and customer value if a shop closes down. The more exposure your brand has the better. Therefore it is not good to suddenly loose brand exposure.

Nortjé: Why is this important?

Respondent 4C: We have a brand to grow and business income to grow - this has to increase, not decrease - this is the goal.

I-75 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4C: We needed a credit facility and we needed a way to replace the former credit provider to grow the business. The RCS card potentially has much bigger catchments.

I-76 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 4C: You need as much additional facilities to generate sales in the current economic conditions. This provided an opportunity to improve turnover. In the current conditions either have to give your customers a way to buy jewellery or steal customers from your competitors.

PE-11 "No Shortcuts to achieving success. Foster a culture that creates conscientious behaviour. There is no place for second best, strive for no. 1"

PE-32 "Place the right people in their jobs, measure productivity in the factory - remain at the forefront of the market"

PE-4 "To be the largest Jewellery chain in South Africa. Happy Franchisees equals success."

PU-11 "No Shortcuts to achieving success. Foster a culture that creates conscientious behaviour. There is no place for second best, strive for no. 1"

PU-18 "Competitive - yes; conscientious - yes, but opportunity to increase; anything is possible - definitely"

PU-4 "To be the largest Jewellery chain in South Africa. Happy Franchisees equals success."

Case 5

I-79 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 5A: Our people are happy and the sense that they are achieving their targets makes them happy. And when I catch out the people who are not achieving it makes me happy too. And the numbers seemingly have improved.

Nortjé: Why is this important?

I would rather have an employee that is keen and excited. A happy person comes across as a happy person to our clients. When you are happy you do more.

I-81 TOYOTA Learning II

Nortjé: Why are these aspects important to you?

Respondent 5A: It was the only way to continue working with the company. The company is my baby and I wanted to stay involved. Else I would not have been able to move.

Nortjé: Any other reason?

Respondent 5A:

It seemed important to the company. If I was not able to maintain contact it could have been detrimental. I am involved with everything that happens. I deal with the accountant and the office manager, and I am still there when a problem occurs.

I-82 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 5A: I did not want to take a new job in the UK. I started the company and I did not want to let it go. If I start a new branch, at least I have the backing of this branch. It pays my salary.

Nortjé: Any other reason?

I have a sense of achievement that the company has developed like this.

Nortjé: Why are these aspects important?

Respondent B: There are a thousand recruitment agencies out there. So we did it to build relationships, capture more exclusive business and improve the trust relationship - that they would trust our judgment.

Take one client for example, a big private investment bank. They have five or six people that we worked with but we built a relationship with two through placing people. When it came to their supplier review we were placed on the preferred supplier list. Traditionally they only deal with big agencies - but because of my interaction with them we are now a preferred supplier.

Nortjé: Why was this important to you?

Respondent 5B: We want to have a close relationship with our suppliers. We want to prove ourselves through our results - finding the most difficult candidates and afterwards getting feedback that our placements are fantastic.

Nortjé: Why is this important?

To gain credibility in investment banking. The client is a phenomenal client and the best locally. When you function in a niche area like we do, our candidates want to go to the best. If you do not have access to the best they will not come to you. Our clients employ the best people and this is the

O-83 Case 5 places targets on the amount of CVs each person needs to process, and this increases over time.

PE-208 "We specialise in certain areas and are experts in these areas. Problems arise when we veer out of our areas of expertise."

PE-5 "Competitive Culture, boutique firm, focus on competitive advantage"

PU-12 "Team benefits from the company's success, our success is re-determined every minute"

PU-19 "To make a profit, success, all employees benefit, anything is possible, we all share in the success of each other - hard work pays off!"

PU-5 "Competitive Culture, boutique firm, focus on competitive advantage"

Case 6

I-100 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6A: I find it a challenge to come up with new products, especially products where I do not need to buy heavy equipment and can solve the problem in a unique way. I sometimes subcontract some aspects of a new product to outside suppliers in order to make it a little bit easier for us to manufacture. One of our competitors recently went bankrupt and we were asked by one of their customers to produce a similar product to what they had ordered from them: frameless metal doors, and we were able to successfully subcontract the metal forming. One of our other challenges we will have to overcome is the development of a good sales system, be it on the web or when people call in or visit us.

I-103 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6B: If customers contact me then it means I do not have to contact the customers. To loose a customer is stupid. One example is to take special care to sell to a customer that lives on a main road, where their house is neatly maintained. New customers phone in and want exactly the same product. A R500 discount I gave them initially to win their business quickly pays off. However, our turnaround time to give new customers a finished product is still too slow.

I-109 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6C: This is important to assist processing and to uphold the name of the company. It is also good to introduce new things to the company. We cannot stay in the same business position - earning the same rates. We need to increase and grow, to improve - grow from a small factory into one with multiple branches.

I-112 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6C: If the paperwork is not handled correctly and not kept in the same place, then the company will not be able to grow, and this supports the entire process, from sales through to the completion of a job card. Also, it is important to protect the name of the company, and to keep permanent staff so that they may have a job.

I-95 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)?

Respondent 6A: We had a problem with the sustainability of the company - it was too big for the amount of sales we had. However, the admin

department was too small - and we had the wrong people employed. The team simply did not function good enough, especially the admin team. I received the management accounts only three months after the event as it were outsourced. I realised things were going wrong and had to cut costs - our downfall was the fact that I did not grow our admin wing. Although we had significant turnover there was no profit. We had to do something and started analysing various processes. The factory was an absolute mess - one literally stepped on raw material as you walked throughout. Our lead time was too long and we had a lot of orders. We were selling door too cheaply. We had much more control when we started out, but as our staff numbers grew so did our problems, and they could not solve the problems. We started making huge losses. However, this past financial year was the first year of profit after three straight years of losses. We do however fear the current global economic crisis. Although we do not have any international customers, we are scared of what will happen with the South African economy. Developers are not building any new units.

I-96 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 6A: We had to solve this problem in order to survive. Firstly, my brother and I support our families off of this business. It would also be sad to retrench people. A lot of people have already resigned, and we do not want to go down the retrenchment road.

I-97 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6A: It is about making a real contribution to all the people who work for me. The need to eat and they depend on this money. Most of my employees live in shacks and do not have running water. They come to work without a packed lunch. They buy bread and milk at the canteen for lunch. I feel sorry for everyone who is being uplifted through this business, so it is about more than the survival of my brother and I. I have to succeed for my employees. Also, taxes contribute to society and the city. Business is about profit but there are so many good reason to be in business. If my workers think they only work to enrich me, then they will steal from and sabotage the business. I often remind them that if you protect the goose that lays the golden eggs, you will have eggs for many years. Another

reason why I want the business to succeed is because I had the opportunity and privilege to undergo tertiary education, and I have an obligation therefore to succeed. I want to make the business really successful, I might be far from that dream, but I would rather die trying than not do anything. Lastly, I want to succeed because my workers need someone to lead them and to teach them.

I-98 Toyota Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 6A: Historically we had manufactured timber products, but then a new product, made with fibre glass, landed on the market and we did not have an outside supplier we could buy this from. Raw material was freely available, and as such we had to look for someone with a knowledge of fibre glass. We employed a person with a knowledge of fibre glass and located a group of suppliers in order to build our first prototype based on the product of a competitor. We ran into problems - the door was heavy and expensive - and some doors would sag in the middle. The person we employed also could not do what he claimed during the interviews. He left because of a disagreement, and then we employed the current team leader. He is good with fibre glass. The team leader and I have been able to solve the problems we encountered with the fibre glass doors. We started out manufacturing only flip-up doors and decided to launch a sectional product, this was about six years ago. It took three years for us to solve all the problems. We had to take the product back to the drawing boards. Panels did not fit snugly and we decided to use steel rebates and pop riveted these together to provide additional support. This was very expensive however, and about six months ago we successfully replaced the steel component with fibre glass. A related problem is that the team member walks around looking for components, which extends the current 10 hours needed to complete the product.

I-99 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent A: We were losing out on sales because we did not have the product that the customer wanted. The moment we had the product the customer bought it - and because we were able to manufacture it ourselves we saved some costs. If we could not showcase this product in our sales show area we would have continued to lose sales. Also, using our fibre glass processes we can manufacture products our competitors' high speed machines cannot, and this sets us apart. Our concept was to put art on doors.

PU-13 "Culture of destruction, violence and gangsterism, assuming the "American Culture" in South Africa"

PU-20 "The first thing is for all of us is to work together as a team - great leadership"

PU-6 "To have the right set of mind - positivity. Respect to workers and machinery - 'look after this machine, it pays your wages'."

Case 7

I-114 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 7A: If the company is in financial stress, it ruins the relationship with suppliers. Key relationships in the business are adversely affected. This amounts as a breach of duty on the part of us as the franchisor. The outcome of this would be that fewer people are interested in buying our franchises. It will also lead to a breakdown in other processes which we cannot afford.

I-115 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7A: We are in business because of and for our franchisees. I put these relationships before any other in my business. I cannot afford to place a franchisee at a site that will not be a suitable location. Neither can I afford them not being able to finance the day to day running. This is the biggest possible breach of the trust relationship. I have to trust that a franchise has a good chance of success and that the franchisee will work hard if it is

feasible. A Franchisee's ability to pay you depends on whether they make money or not. This is fundamentally linked to the feasibility of the store.

Nortjé: Why is this important to you?

Respondent 7A: Why? No 1 - long term relationship - first impressions are the lasting ones. Our business is built on annuity income, if a business is not sustainable there is no future for our company. We will end up creating no value.

I-118 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7A: We have a reputation to protect. To have an unsuccessful launch or a poor product greatly damages our reputation. It only takes a little bit of extra time and effort in order to launch a product successfully. There is a naturally adversarial relationship between the franchisor and the franchisee, as they believe we do not understand the day to day implications of running a store. Putting effort into simple things help protect this relationship. So we are definitely weary of losing face, both with the customer and with the franchisee. Every now and again people get "windgat" (haughty) and this is something we have to avoid. Remember, all we own on our balance sheet is the intangible value our brand. If you are successful, you can charge a premium price for this.

I-121 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7B: We value being in tune with our client needs. Our business is about client satisfaction. One should know one's market. I've also learned in franchising that you shouldn't try and be everything for everyone. An example is Fishaways stealing the market from Something Fishy as Fishaways kept to fish but Something Fishy introduced chicken.

Nortjé: Why is this important?

Respondent 7B: Revenue comes from client satisfaction. Business is about money. If one wants a warm fuzzy feeling then there are other things to keep yourself busy with. One needs to have a successful business

Nortjé: Why is it important to have a successful business?

Respondent 7B: Using my own framework, I believe success lies in the eyes of the beholder. One needs to be comfortable with life and fulfilled. Everyone in this life has goals - this is healthy progression. Our successes have a direct influence on feeling satisfied. You have to be able to carry on with life until you are 70 or 80 and have a well- lived life. This means taking life step by step but not necessarily falling into a comfort zone. You have to be able to maintain your life.

I-124 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7B: We need to be able to keep our promises we make to our franchisees. If something backfires and the system we promise does not deliver, within normal circumstances, and we cannot deliver to customers what they want, then the franchisees will look elsewhere and rather buy one of our competitor's franchises. To have healthy progression is a key focus of business. When our franchises draw more happy customers than our competitors we will sell more franchises.

I-130 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7C: First impressions last forever. What they think during the first experience they will continue to think, unless they give you another chance.

Nortjé: Why is this important?

Respondent 7C: To satisfy the clients. I am also satisfied if my business grows.

PE-7 "Believe that we can win despite not being the largest. Anything is possible - sometimes franchisees do not believe this. Mutual prosperity is key."

PU-14 "Having a common goal will improve success in implementation - believing that change can be mutually beneficial rather than personal"

PU-21 "More competitive in our market in SA. Conscientious behaviour leading to

success"

- PU-7 "Believe that we can win despite not being the largest. Anything is possible - sometimes franchisees do not believe this. Mutual prosperity is key."

H.7 Perfection

Case 1

- PU-22 "The people of Aerosud for some or other reason does not have pride in their work they supply and does not care if it is good or bad, as long as they made target, it's ok"
- PU-29 "Perfection is a function of the ability of resources - ongoing training - and incentives to be innovative. But most of all it is a way of life - which we do not have - ours is do what is enough to stay alive and out of trouble"
- PU-36 "Increased customer satisfaction through reduced defects and reduced lead

Case 2

- PE-240 "Our products are based on best practice. Clients' perceptions is his reality thus they should also perceive it as valuable. We quickly adopt to changes in needs. We give 300% but the client pays for 100%."
- PU-23 "CT has a lot of opportunities where employees can work in their preferred field - use their skills in an area they are interested in"
- PU-30 "We will give 200% - employees are proud and own their output"
- PU-37 "Get knowledge management so that we don't have to unnecessarily duplicate tasks"

Case 3

- PU-24 "I think some part of our organisation is ahead of the other - in this journey we all need to be on the same level"
- PU-31 "Delegating to give employees the sense of taking decisions and ownership"
- PU-38 "Empower operators to do even more for themselves, become self-sufficient. Train on equipment and improve problem solving by doing it after each run"

Case 4

- PU-25 "We need to offer a quality product - to be innovative in our thinking about our business and product"

- PU-32 "Place the right people in their jobs, measure productivity in the factory - remain at the forefront of the market"
- PU-39 "Waste free - practised but can improve - as in FG inventory and productivity. Globally and locally optimised - yes - import vs. produce. Innovation - yes, but can improve"

Case 5

- PU-26 "Innovativeness in recruitment in England and UK - focus on expansion"
- PU-33 "Ensuring we are getting people to work to full potential - need to make bigger, more obvious changes. To ensure that people within strive more towards full potential"
- PU-40 "In a small company every employee needs to pull their weight, there cannot be a missing link in the chain, everyone needs to be moving in the same direction and contribute to the whole"

Case 6

- I-102 Toyota Learning II
Nortjé: Why was it important to solve this problem?
Because the quality of the doors were suspect and you could pick it up easily from the outside. You need to have personal satisfaction in your work, and you also need to make the customers happy. My position in the company has recently changed to working with accounts, but still people phone me eight years after I originally sold a door them. Word of mouth referrals and recurring customers are very important.
- I-99 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent A: We were loosing out on sales because we did not have the product that the customer wanted. The moment we had the product the customer bought it - and because we were able to manufacture it ourselves we saved some costs. If we could not showcase this product in our sales show area we would have continued to loose sales. Also, using our fibre glass processes we can manufacture products our competitors' high speed machines cannot, and this sets us apart. Our concept was to put art on doors.
- PU-27 "Coming up with new ideas to make the job easier - try it and improve on it"

- PU-34 "Waste is not always clear - SA workers does not want to innovate"
- PU-41 "We must work so that we have less waste at the end of the day so that we and the client can pay less for the product"

Case 7

- PU-28 "Need to focus on elimination of waste, process waste and cost waste. More fully appreciate the role of innovation in achieving success"
- PU-35 "We have measuring units that help us to be less waste free. We need to make better use of our staff and become more efficient to be comparable to international competitors"
- PU-42 "Innovation in our market is crucial as the consumer tries new things / ideas. However, because the bulk of them are fickle, the early bird catches the worm"

H.8 Contribution

Case 1

- PE-57 "Business integration and local / domestic added value and efficient"
- PE-78 "Ethical business practices, internal and external"
- PU-43 "We need to establish a culture where people feel comfortable to put forward ideas that might work or not, but it gets listened to"
- PU-50 "This is a purpose where we differ radically in that we are a "consumerism" based environment, i.e. me vs. others"
- PU-57 "Business integration and local / domestic added value and efficient"

Case 2

- I-31 TOYOTA Learning III
Nortjé: Why are these aspects important?
Respondent 2B: For business. We are here to give people jobs and we are here to make money and grow the business. Probably also to educate new employees - 'Welcome to our company - this is what we offer...'
- PE-51 "We want to leave a legacy - it is not about individuals or what they get out of it. It is about what our clients get and how we help better the lives of those less fortunate. We are in the relationship business"
- PE-58 "We contribute to pop-up upliftment program. We can improve on sustainability by leaders (MD & Directors" by them sharing more knowledge and business traits so that the company can continue if something happens to
- PE-9 "We create opportunities - we empower others, if they succeed so do we, we consider satisfaction to be success"
- PU-44 "We are very focussed on relationships with clients and co-workers, but not really society / country, etc. Focussed more on short term?"
- PU-51 "We want to leave a legacy - it is not about individuals or what they get out of it. It is about what our clients get and how we help better the lives of those less fortunate. We are in the relationship business"
- PU-58 "We contribute to pop-up upliftment program. We can improve on sustainability by leaders (MD & Directors" by them sharing more knowledge and business traits so that the company can continue if something happens to

Case 3

- PE-59 "Contribute to science projects at surrounding schools"
- PU-45 "We need to think more about what we can give back and how we can care for the environment. Currently, this takes a back seat to running the business"
- PU-52 "To sell the name of our company to the communities. To have community projects that will be published"
- PU-59 "Contribute to science projects at surrounding schools"

Case 4

- I-61 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 4A: The franchisee must make money. They should not go belly up if they are honest and hard working. We do not want a franchisee to go destitute if they played the game. I do not care if franchisees go under that did not play the game, but those who tried I will help. A happy franchisee will buy and sell more of our stock. Their turnover will be larger, and then they will buy a second franchise, and we will make more money...

I-64 TOYOTA Learning III

Nortjé: Why is this important to you?

Respondent 4A: It is similar to seeing your children leave the nest. I wanted to get something back. I also wanted to gain insight into the business. Ethics and passion are very important to our business. We did a survey prior to merging with our current partners and the consultant stated he had never in his life seen a group more committed and happy than at NWJ.

Nortjé: Why was the results of this survey important to you?

Respondent 4A: I hear so much rumblings. I learnt from the survey what was happening. Our franchisees would sell if they did not make money. We deal with people. It is not only about me making money. I do not want to take people for a ride. I try to be a good guy

I-69 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4B: It was very difficult to employ diamond setters in Durban, as the jewellery industry is traditionally located in Johannesburg and Cape Town. We could not afford the diamond setters from these two cities. It was cheaper to buy the rings overseas. Now we are able to train people off of the street. Now all the people that does diamond setting here has been trained in this factory.

PE-4 "To be the largest Jewellery chain in South Africa. Happy Franchisees equals success."

PE-53 "Create learner-ship programs for unskilled workers, to learn a trade. Do succession planning"

PE-60 "Caretakers - we need to develop people"

- PU-46 "Low staff turnover, relationship with staff - working environment, giving shares to staff, staff training - sponsorship (do more in the community)"
- PU-53 "Create learner-ship programs for unskilled workers, to learn a trade. Do succession planning"
- PU-60 "Caretakers - we need to develop people"

Case 5

- PE-19 "To make a profit, success, all employees benefit, anything is possible, we all share in the success of each other - hard work pays off!"
- PE-40 "In a small company every employee needs to pull their weight, there cannot be a missing link in the chain, everyone needs to be moving in the same direction and contribute to the whole"
- PE-47 "We contribute towards child-abuse charities - more? Career opportunities in society - costing candidates nothing"
- PE-54 "Contribute by architecting people's careers. This is what we do. We do align with a charity and do encourage personal involvement - which the staff enjoy"
- PE-61 "We have numerous charities that try to make a difference in ordinary people's lives. If we are successful we gladly contribute to upliftment of the wider community, as well as enriching people's lives with finding them the right job and improving their finances"
- PU-47 "We contribute towards child-abuse charities - more? Career opportunities in society - costing candidates nothing"
- PU-54 "Contribute by architecting people's careers. This is what we do. We do align with a charity and do encourage personal involvement - which the staff enjoy"
- PU-61 "We have numerous charities that try to make a difference in ordinary people's lives. If we are successful we gladly contribute to upliftment of the wider community, as well as enriching people's lives with finding them the right job and improving their finances"

Case 6

- I-97 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6A: It is about making a real contribution to all the people who work for me. The need to eat and they depend on this money. Most of my

employees live in shacks and do not have running water. They come to work without a packed lunch. They buy bread and milk at the canteen for lunch. I feel sorry for everyone who is being uplifted through this business, so it is about more than the survival of my brother and I. I have to succeed or my employees. Also, taxes contribute to society and the city. Business is about profit but there are so many good reason to be in business. If my workers think they only work to enrich me, then they will steal from and sabotage the business. I often remind them that if you protect the goose that lays the golden eggs, you will have eggs for many years. Another reason why I want the business to succeed is because I had the opportunity and privilege to undergo tertiary education, and I have an obligation therefore to succeed. I want to make the business really successful, I might be far from that dream, but I would rather die trying than not do anything. Lastly, I want to succeed because my workers need someone to lead them and to teach them.

- PE-41 "We must work so that we have less waste at the end of the day so that we and the client can pay less for the product"
- PE-48 "Relationship between the community and the company - the company should plough back into the community, education, sport."
- PE-62 "If we all work together and do what we can every day then each one will gain at the end of the day"
- PU-48 "Relationship between the community and the company - the company should plough back into the community, education, sport."
- PU-55 "Benefit society and do not care about the environment. Not willing to contribute due to lack of understanding"
- PU-62 "If we all work together and do what we can every day then each one will gain at the end of the day"

Case 7

- I-115 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7A: We are in business because of and for our franchisees. I put these relationships before any other in my business. I cannot afford to place a franchisee at a site that will not a suitable location. Neither can I afford them not being able to finance the day to day running. This is the biggest

possible breach of the trust relationship. I have to trust that a franchise has a good chance of success and that the franchisee will work hard if it is feasible. A Franchisee's ability to pay you depends on whether they make money or not. This is fundamentally linked to the feasibility of the store.

Nortjé: Why is this important to you?

Respondent 7A: Why? No 1 - long term relationship - first impressions are the lasting ones. Our business is built on annuity income, if a business is not sustainable there is no future for our company. We will end up creating no value.

- PE-49 "Improve awareness that we are caretakers and have a responsibility to "run a good back leg", before handing over the baton. Franchising is our CSI"
- PE-56 "Maybe we could set up a recycling program in our stores. Offering a 1/2 1/2 policy contribution program. Opening new stores help alleviate
- PU-49 "Improve awareness that we are caretakers and have a responsibility to "run a good back leg", before handing over the baton. Franchising is our CSI"
- PU-56 "Maybe we could set up a recycling program in our stores. Offering a 1/2 1/2 policy contribution program. Opening new stores help alleviate
- PU-63 "LSM huge driving factor. Success of sales ideas need to be communicated to consumers. Legendary heritage.

H.9 Honour

Case 1

- I-10 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 1B: It Boils down to customer focus and customer need. What do they want and what are they willing to pay for? The customers want to see cost decreasing as ongoing. If not, you will be forced out of the industry. It provides the customer satisfaction. It helps with marketing yourself and the company out there. Also, as part of the Global economy we have to get lean. Not only in cost but also in customer satisfaction. We have to improve our low return and fully satisfy the customer. We have to become a healthy

company internally. We have to combine the factors that can turn this into a healthy company.

I-12 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent B: Why? It is Important to have control, otherwise no planning can be successful. Nothing will be successful without a margin of control. and customers and regulatory authorities expect it from us. We need to cut out any waste in the process and avoid embarrassment. It is also important for coherency amongst departments, because in the past no one could account for it. It is important to improve processes continually and address our internal needs.

I-13 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent B: I believe we can create a learning culture inside the company if we ask the right questions. It is the better alternative and more cost effective, it makes things and we will be more customer focused. We can create an environment in which people are evolving to better standards. We need to be able to compete in our market and stay flexible and not get stuck in our ways. Learning is important. We can also get rid of waste. You do not want waste in your processes, because it is multiplied every time you do it. Processes are slower and less cost effective. We need to be as lean as possible and we have to comply with the regulatory authorities to maintain contracts. Our industry is regulated because of safety requirements and we could forfeit our contract with our customers. We made this new procedure available to the whole company, everyone is working to a higher level, so now if we come across any challenges we will work from that level, and so keep on improving.

I-9 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 1B: Why? Aerosud is determined and striving to implement lean and that entails culture and changing the current culture and selling the culture. No one can function if chaos persists. There is waiting time, it looks bad, and you deliver poor products. This gives reason for quick results

but you need to meet people where they are at. It shows that the lean stuff work and you reap low hanging fruit. You do not have to spend time looking for tools or raw materials. It provides a small victory and it is a tangible problem that was solved.

- PE-36 "Increased customer satisfaction through reduced defects and reduced lead
- PE-64 "Internal customers not important to us, only delivery to the outside customers. Need to focus on customer satisfaction"
- PU-64 "Internal customers not important to us, only delivery to the outside customers. Need to focus on customer satisfaction"
- PU-71 "Most of the people do not understand what, why etc the customer wants. People need to understand their role / importance in our 'food chain'"
- PU-78 "Ethical business practices, internal and external"

Case 2

- I-34 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 2C: I represent the company when I work. If they do not have control, then they do not know what image I am presenting. It is like manufacturing cars without knowing what product exits the production line. If everyone is tasked with product design, some of it will be wrong, because there is no control. It is also about standards and efficiency. I wasn't part of the company when the standards were set. If I identify a need at a client I proceed on my own without the knowledge of what is already present in the company. I might be delivering a solution of a lower quality or be developing my own product -loosing the benefit of being part of a company. It is like having your own company but paying the bulk of the profits over to another without any benefit. If you have a product, you want it to sell on its own. If the product delivery is not standard, then all you have is group of people doing their own thing. My efficiency therefore stays low, and the company won't get its margins right. We cannot charge a client for all of our development - so we charge two days in stead of four and the company's

I-36 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 2C: The company ultimately sells its time, and you cannot sell that which you do not record. Otherwise you sell something you concocted. It comes down to integrity.

I-37 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 2C: As a consultant you sell your name. My product is my name in the marketplace. If we are challenged by a client to prove our time claims, then everyone who worked at CT will suffer damage.

Operationally, efficiency will improve if controls improve. If you have data you can more accurately scope projects by knowing how much time to spend on the project. It also addresses scope creep. If we quote a fee and then spend more time than initially planned, we cannot charge more, therefore it is important because it becomes unbillable hours, even though it is all billable.

O-44 Strategy is communicated and executed informally. Basic strategy according to one of the consultants (confirmed by another) is to keep and 'mine' existing clients, and this happens through relationships with clients - every consultant needs to push the relationships that they have with clients.

PE-121 "We put our work (clients) before our needs"

PE-16 "What we need to improve at - becoming a more diverse organisation. What we are good at - customer focus, delivery focus / timely, sharing of info

PE-30 "We will give 200% - employees are proud and own their output"

PE-51 "We want to leave a legacy - it is not about individuals or what they get out of it. It is about what our clients get and how we help better the lives of those less fortunate. We are in the relationship business"

PE-65 "We are very focused on personal relationships / understanding the client / delivering a service to a client's satisfaction. We are dependent on their

PE-72 "We do a lot to understand our customers. We offer 'intangibles' which can only be valuable to the customer if he has the need at the time. We live close to our customers - the client managers have an important role"

- PE-79 "We are very customer focused in our delivery. Going forward we can improve by getting to understand the diverse customers in diverse markets and come up with solutions and thus giving us the competitive edge"
- PU-65 "We are very focused on personal relationships / understanding the client / delivering a service to a client's satisfaction. We are dependent on their
- PU-72 "We do a lot to understand our customers. We offer 'intangibles' which can only be valuable to the customer if he has the need at the time. We live close to our customers - the client managers have an important role"
- PU-79 "We are very customer focused in our delivery. Going forward we can improve by getting to understand the diverse customers in diverse markets and come up with solutions and thus giving us the competitive edge"

Case 3

- PE-66 "Value defined by the customer - too often think what Can I push on the customer while he may actually have very different ideas"
- PU-66 "Value defined by the customer - too often think what Can I push on the customer while he may actually have very different ideas"
- PU-73 "Get the focus right so that we do not run out of stock. Understand the need or the times on which product is sold, on all seasonal products"
- PU-80 "Understand internal customers' needs. We often forget about them"

Case 4

- I-57 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4A: We had to see whether there were any real problems. Sometimes problem is taken out of context, and we had to see whether these issues were significant. One customer lost is a huge problem for this business. We also have to keep an eye on the franchisees. If they treat the customer incorrectly we have to educate them.

- I-58 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 4A: I do not like it when a customer complains. Our brand is known to be a quality product. Another important reason is that it makes

good business sense as well.

I-64 TOYOTA Learning III

Nortjé: Why is this important to you?

Respondent 4A: It is similar to seeing your children leave the nest. I wanted to get something back. I also wanted to gain insight into the business. Ethics and passion are very important to our business. We did a survey prior to merging with our current partners and the consultant stated he had never in his life seen a group more committed and happy than at NWJ.

Nortjé: Why was the results of this survey important to you?

Respondent 4A: I hear so much rumblings. I learnt from the survey what was happening. Our franchisees would sell if they did not make money. We deal with people. It is not only about me making money. I do not want to take people for a ride. I try to be a good guy

I-66 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 4B: It was important to solve because a lot of rings came back from our customers after they had bought it. The plating came off of our locally manufactured products, and the rhodium plating came off of our imported products. It revealed a yellowy white instead of white and we had to solve it.

I-73 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 4C: We cannot afford to have bad debt and we cannot afford to close a shop down. It affects our income and the brand visibility and customer value if a shop closes down. The more exposure your brand has the better. Therefore it is not good to suddenly loose brand exposure.

Nortjé: Why is this important?

Respondent 4C: We have a brand to grow and business income to grow - this

has to increase, not decrease - this is the goal.

- PE-74 "Focus on customer research & assessing their needs, quality of product and program for measuring nature of customer complaints"
- PE-81 "Set up to understand the customer - can improve"
- PU-67 "Total transparency with franchisees, relationship with franchisees & staff - quality, value and choice for the end user"
- PU-74 "Focus on customer research & assessing their needs, quality of product and program for measuring nature of customer complaints"
- PU-81 "Set up to understand the customer - can improve"

Case 5

I-86 TOYOTA Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 5B: Another example is when a candidate first accepts but then changes his mind and does not start with our client, or dies before he can start or as in one example died within the first three weeks of employment while on company business. In such examples for the sake of goodwill we do not charge the client. We take it as our expense. We work closely with our clients, and want to be on their preferred supplier list. Therefore we would not charge them R150 000 for a guy who was there for two weeks only. Although we are BEE, it makes a big difference if you could be on the preferred supplier list.

I-87 TOYOTA Learning II

Nortjé: Why are these aspects important to you, focusing on the example of the person who died?

Respondent 6B: The guy who died was placed with one of our biggest clients. So to build the relationship and as a gesture of goodwill we decided not to charge them. They were very happy with the way we handled the situation. It built trust and strengthened the relationship.

I-88 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent B: There are a thousand recruitment agencies out there. So we did it to build relationships, capture more exclusive business and improve the trust relationship - that they would trust our judgment.

Take one client for example, a big private investment bank. They have five or six people that we worked with but we built a relationship with two through placing people. When it came to their supplier review we were placed on the preferred supplier list. Traditionally they only deal with big agencies - but because of my interaction with them we are now a preferred supplier.

Nortjé: Why was this important to you?

Respondent 5B: We want to have a close relationship with our suppliers. We want to prove ourselves through our results - finding the most difficult candidates and afterwards getting feedback that our placements are fantastic.

Nortjé: Why is this important?

To gain credibility in investment banking. The client is a phenomenal client and the best locally. When you function in a niche area like we do, our candidates want to go to the best. If you do not have access to the best they will not come to you. Our clients employ the best people and this is the

I-94 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 5C: It affected the image of our business.

She was also rude to candidates and other people. You cannot have such issues with members of staff because everyone is affected.

PE-110 "Teaching / preparing candidates to ensure success. Consultants at people source act as mentors and coaches to assistant consultants"

PE-229 "Does the business flow? Volumes of CV's are huge, workloads huge. Need to streamline the amount of paperwork and need to be more efficient in

selecting customers. Get more information from customers to ensure we are on the same page with what they need.

- PE-75 "Can always improve the customers' view of our service. We rely on repetitive business and find a means to stay in touch with our customers and make decisions based on what we think they think"
- PE-82 "Service to the customer. Early understanding of the client, culture, needs, to find the right people, relationship with clients. Build trust with client who relies on us to find key talent"
- PU-68 "Strive to maintain relationships with candidates before, during and after placement"
- PU-75 "Can always improve the customers' view of our service. We rely on repetitive business and find a means to stay in touch with our customers and make decisions based on what we think they think"
- PU-82 "Service to the customer. Early understanding of the client, culture, needs, to find the right people, relationship with clients. Build trust with client who relies on us to find key talent"

Case 6

- I-102 Toyota Learning II
Nortjé: Why was it important to solve this problem?
Because the quality of the doors were suspect and you could pick it up easily from the outside. You need to have personal satisfaction in your work, and you also need to make the customers happy. My position in the company has recently changed to working with accounts, but still people phone me eight years after I originally sold a door them. Word of mouth referrals and recurring customers are very important.
- I-105 Toyota Learning II

Nortjé: Why was it important to solve this problem?

Respondent 6B: We had a problem to manufacture the former solution and our customers did not want it. A garage door is one of the most important entrances into a house. Architects often leave it to the garage door manufacturers to ensure that this entrance look good. This also helps our customers when they want to sell their properties again.
- I-106 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6B: Personal satisfactions boosts your confidence. It is important for a business. We once made our employees overalls, instead of wearing it to work they wear it at home because they are proud to work for a garage door manufacturer. A good quality product also markets itself. If our customers do not take care of the product we install for them other people see that is it looking bad, and blames us, not the person who originally bought it from us. Personal satisfaction is good. It feels good when people ask me after all these years whether I am still with the company. A lot of our work is referrals. The pricing of our company is also good. People stick with us because they have been satisfied.

- PE-69 "Old customers come back to us irrespective of price. Our customers appreciate our personal attention .We render a service to the whole family"
- PE-76 "Customers must be happy. Sell the customer what they want. Value must be defined by the customer"
- PE-83 "For us to go forward we need to make sure that the customer is happy and satisfied with our product at all times"
- PU-69 "Old customers come back to us irrespective of price. Our customers appreciate our personal attention .We render a service to the whole family"
- PU-76 "Customers must be happy. Sell the customer what they want. Value must be defined by the customer"
- PU-83 "For us to go forward we need to make sure that the customer is happy and satisfied with our product at all times"

Case 7

- I-117 Toyota Learning II

Nortjé: What was the context of solving this problem, that made it important to solve?

Respondent 7A: We knew that a quality product could not be brought in and that we had to make it ourselves. But it also had to be easy to make and the taste had to be good. Consistency would also be very important. We call this blind taste testing. The team combined a theoretical and an iterative process, working what I call elbow- ghries important in the situation - I asked

them whether they had built their theoretical pasta in an actual pizza shop during a peak period, and until then they hadn't - so I asked them to go do it there - and this helped a lot with solving the problem. They received good feedback from the other employees in the store as well. Also, you have to take the supply chain into account.

It is important to be consistent in our business. Also - something like this has to be easily executable. All of the stores need to be able to make the same quality pasta at the same speed anywhere. It only takes one unhappy customer to destroy trust in a product.

Also, our customers have an expectation of speed and convenience. We need to be able to prepare something in 40 minutes

Nortjé: Why was it important to solve this problem?

Respondent 7A: Trust with the Consumer based on the consistent experience over time. This helps to avoid breakdown in trust and to protect the brand. Consistent behaviour and our ability to execute is of the utmost importance.

I-118 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7A: We have a reputation to protect. To have an unsuccessful launch or a poor product greatly damages our reputation. It only takes a little bit of extra time and effort in order to launch a product successfully. There is a naturally adversarial relationship between the franchisor and the franchisee, as they believe we do not understand the day to day implications of running a store. Putting effort into simple things help protect this relationship. So we are definitely weary of losing face, both with the customer and with the franchisee. Every now and again people get "windgat" (haughty) and this is something we have to avoid. Remember, all we own on our balance sheet is the intangible value our brand. If you are successful, you can charge a premium price for this.

I-124 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7B: We need to be able to keep our promises we make to our franchisees. If something backfires and the system we promise does not

deliver, within normal circumstances, and we cannot deliver to customers what they want, then the franchisees will look elsewhere and rather buy one of our competitor's franchises. To have healthy progression is a key focus of business. When our franchises draw more happy customers than our competitors we will sell more franchises.

I-130 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 7C: First impressions last forever. What they think during the first experience they will continue to think, unless they give you another chance.

Nortjé: Why is this important?

Respondent 7C: To satisfy the clients. I am also satisfied if my business grows.

PE-133 "Could improve the scientific method in problem solving. Can improve our focus on creating value. Great response to challenges."

PE-70 "Cost on way in respect of absolute consumer focus"

PE-77 "We do believe the customer is king. We look at what the customer will pay and then develop the product to fit in these parameters"

PE-84 "Definitely value as defined by the customer. Already implemented. Look at creating value products and great price without compromising our brand

PU-70 "Cost on way in respect of absolute consumer focus"

PU-77 "We do believe the customer is king. We look at what the customer will pay and then develop the product to fit in these parameters"

PU-84 "Definitely value as defined by the customer. Already implemented. Look at creating value products and great price without compromising our brand

H.10 Other Level 1

Case 2

O-43 Pro-active problem solving and prevention, and quality checks and balances, take place in team settings - problems identified and resolved to good relationships. According to one of the consultants, very few examples of

- O-45 Resource balancing is currently done through asking team members if they have capacity. In the past this planning used to be in the 'in the mind' of one of the directors, according to a consultant. However, now a joint meeting is held with consultants to plan the session, and slots are diarized.

Case 5

- I-80 TOYOTA Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 5A: When I started the company I wanted to return to the UK. I did not anticipate that we would grow this big. I went over and we had a trial run of how it would be if my manage the office from a distance. We used technology, Skype and webcams, and I could to talk to everyone. I did not dream that I could still manage the company from a distance. Everyone feels so much more comfortable now with the prospect of me leaving. When I open Skype I immediately know who is at the office, and they are not annoyed by me doing that.

- O-81 Consultants provide a daily report of what they achieved against goals that was set for each person.
- O-85 Case 5 uses Skype video conferencing to connect the British director with the offices in South Africa real time.

Case 6

- I-100 Toyota Learning III

Nortjé: Why are these aspects important?

Respondent 6A: I find it a challenge to come up with new products, especially products where I do not need to buy heavy equipment and can solve the problem in a unique way. I sometimes subcontract some aspects of a new product to outside suppliers in order to make it a little bit easier for us to manufacture. One of our competitors recently went bankrupt and we were asked by one of their customers to produce a similar product to what they had ordered from them: frameless metal doors, and we were able to successfully subcontract the metal forming. One of our other challenges we will have to overcome is the development of a good sales system, be it on the web or when people call in or visit us.

- O-97 Case 6 operates an apprenticeship model. Work instructions get transferred from operator to operator.

Case 7

- I-116 Toyota Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 7A: We tried to introduce a new menu item, Pasta, at our franchises. The question we had to answer was the following: How do you make a good quality pasta in an environment where you do not cook food? Our stores essentially reassemble cooked food on a round base - it is all pre-cooked food just re-assembled. Our first solution to this problem was to contract with a supplier to pre-make the pasta and then we would just heat it up in the store. However, this was too expensive as we had to charge the customer a premium on the high price we already paid to the supplier in order to achieve our margin. The product quality was also poor. Eventually we had to remove the item from our menus. We however did want to reintroduce pasta, and we had to rethink how to make pasta in a pizza shop. The team really exceeded my expectation.

Nortjé. I notice you mention "exceeded your expectation". Why do you think the team had significant success with this problem?

Respondent 7A: What helped them was to imagine they had a brand new store - and that they could design it such that the entire pasta could be made fresh in the store. They went to a store and made pasta in the store, and then tried to retrofit it to the pizza processes. In so doing they were able to figure out how to make a fresh pasta in a consistent and fast way - in a pizza shop.

- I-119 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)?

Respondent 7B: The type of market we are in requires us to be flexible to changing market needs. Our specific group wants to turn the pizza for South

Africans into a commodity item, and therefore we need to introduce interesting side-products. One example is a smaller pizza for kids, another example is the introduction of pasta prepared at our outlets. We actually launched a pasta product earlier but had to take it off the market again - the end-product was not right. We re-launched it and today it is a significant success.

I-125 Toyota Learning I

Nortjé: Can you give an example of a problem that you have recently successfully solved (i.e. results are improved as expected and problem is not recurring anymore)

Respondent 7C: Our delivery vehicle would wait at the gates of security complexes for forty minutes because of the long queue of visitors hoping to enter. We then specified our promise of 39 minute delivery applies only to the entrance of the gate. In order to improve the service we launched an SMS delivery notification service that is triggered as soon as the pizza leaves the store. This has prevented customers from phoning us on a Friday evening asking how long they still have to wait for their pizza.

O-108 A case 7 franchise owner explained to the author that he allows his team in the kitchen to balance the work amongst themselves, as he does not want to treat them as children.

O-119 A case 7 franchisee told the author that the head office puts in a lot of effort to have a strong relationship with him.

O-120 Case 7 sends their customers a text message as soon as their ordered product leaves their facility for a delivery.

H.11 Other Level 2

Case 5

I-80 TOYOTA Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 5A: When I started the company I wanted to return to the UK. I did not anticipate that we would grow this big. I went over and we had a trial

run of how it would be if my manage the office from a distance. We used technology, Skype and webcams, and I could to talk to everyone. I did not dream that I could still manage the company from a distance. Everyone feels so much more comfortable now with the prospect of me leaving. When I open Skype I immediately know who is at the office, and they are not annoyed by me doing that.

I-84 TOYOTA Learning II

Nortjé: Why was it important to solve this problem?

Respondent 5B: R60000 is a significant amount. It puts a lot of pressure on us, especially a sudden surprise like this, that accumulated over just a three week period. We eventually negotiated the bill down to R20 000.

I-86 TOYOTA Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 5B: Another example is when a candidate first accepts but then changes his mind and does not start with our client, or dies before he can start or as in one example died within the first three weeks of employment while on company business. In such examples for the sake of goodwill we do not charge the client. We take it as our expense. We work closely with out clients, and want to be on their preferred supplier list. Therefore we would not charge them R150 000 for a guy who was there for two weeks only. Although we are BEE, is makes a big difference if you could be on the preferred supplier list.

Case 7

O-119 A case 7 franchisee told the author that the head office puts in a lot of effort to have a strong relationship with him.

H.12 Other Level 3

Case 2

O-44 Strategy is communicated and executed informally. Basic strategy according to one of the consultants (confirmed by another) is to keep and 'mine' existing clients, and this happens through relationships with clients - every consultant needs to push the relationships that they have with clients.

- PE-135 "We thrive on change and challenges. There is more of a collective approach to problem solving. Our leaders always have the bigger picture in mind - this has not necessarily been instilled in all employees"

Case 5

- I-79 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 5A: Our people are happy and the sense that they are achieving their targets makes them happy. And when I catch out the people who are not achieving it makes me happy too. And the numbers seemingly have improved.

Nortjé: Why is this important?

I would rather have an employee that is keen and excited. A happy person comes across as a happy person to our clients. When you are happy you do more.

- I-81 TOYOTA Learning II

Nortjé: Why are these aspects important to you?

Respondent 5A: It was the only way to continue working with the company. The company is my baby and I wanted to stay involved. Else I would not have been able to move.

Nortjé: Any other reason?

Respondent 5A:

It seemed important to the company. If I was not able to maintain contact it could have been detrimental. I am involved with everything that happens. I deal with the accountant and the office manager, and I am still there when a problem occurs.

- I-82 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent 5A: I did not want to take a new job in the UK. I started the

company and I did not want to let it go. If I start a new branch, at least I have the backing of this branch. It pays my salary.

Nortjé: Any other reason?

I have a sense of achievement that the company has developed like this.

I-87 TOYOTA Learning II

Nortjé: Why are these aspects important to you, focusing on the example of the person who died?

Respondent 6B: The guy who died was placed with one of our biggest clients. So to build the relationship and as an gesture of goodwill we decided not to charge them. They were very happy with the way we handled the situation. It built trust and strengthened the relationship.

I-88 TOYOTA Learning III

Nortjé: Why are these aspects important?

Respondent B: There are a thousand recruitment agencies out there. So we did it to build relationships, capture more exclusive business and improve the trust relationship - that they would trust our judgment.

Take one client for example, a big private investment bank. They have five or six people that we worked with but we built a relationship with two through placing people. When it came to their supplier review we were placed on the preferred supplier list. Traditionally they only deal with big agencies - but because of my interaction with them we are now a preferred supplier.

Nortjé: Why was this important to you?

Respondent 5B: We want to have a close relationship with our suppliers. We want to prove ourselves through our results - finding the most difficult candidates and afterwards getting feedback that our placements are fantastic.

Nortjé: Why is this important?

To gain credibility in investment banking. The client is a phenomenal client and the best locally. When you function in a niche area like we do, our

candidates want to go to the best. If you do not have access to the best they will not come to you. Our clients employ the best people and this is the

Case 7

I-116 Toyota Learning I

Nortjé: Can you give me another example of a problem that was successfully solved?

Respondent 7A: We tried to introduce a new menu item, Pasta, at our franchises. The question we had to answer was the following: How do you make a good quality pasta in an environment where you do not cook food? Our stores essentially reassemble cooked food on a round base - it is all pre-cooked food just re-assembled. Our first solution to this problem was to contract with a supplier to pre-make the pasta and then we would just heat it up in the store. However, this was too expensive as we had to charge the customer a premium on the high price we already paid to the supplier in order to achieve our margin. The product quality was also poor. Eventually we had to remove the item from our menus. We however did want to reintroduce pasta, and we had to rethink how to make pasta in a pizza shop. The team really exceeded my expectation.

Nortjé. I notice you mention "exceeded your expectation". Why do you think the team had significant success with this problem?

Respondent 7A: What helped them was to imagine they had a brand new store - and that they could design it such that the entire pasta could be made fresh in the store. They went to a store and made pasta in the store, and then tried to retrofit it to the pizza processes. In so doing they were able to figure out how to make a fresh pasta in a consistent and fast way - in a pizza shop.

I. Implications for selected cases who want to position themselves closer to Toyota

I.1 Increase customer value

Although the selected cases understand the needs of the customers fairly well (100% cases showed evidence), there seems to be little follow through on that understanding into changed products and production processes (two of the seven cases showed evidence), and no follow through throughout the lifetime of the product. It is, therefore, suggested that the selected cases move past building strong relationships with customers to building a strong extended value-stream that will maximise customer value add and support the customer throughout the lifetime of the product or service they sell. In this regard case seven could provide some learning, showing evidence in three of the four activities of *Increase customer value*. Overall, this is the third best strategy in terms of competency residing with any of the cases (75%), however, the seventh best in terms of application at the cases (39% overall score of implementation, i.e., tallying a matrix of activities covered by case for 'Increase customer value').

I.2 Organise by value-stream

The selected cases seem to have mastered the ability to set up multi-disciplinary teams focusing on achieving some sort of customer-related outcome, but have yet to transform their organisations to run based on the flow of value to the customer. To move beyond the initial benefit of multi-disciplinary or value-stream teams focusing on limited outcomes, the selected cases need to review and perhaps reengineer their organisation structures to become value-stream driven organisations. Case two may be a good example to study, as they have succeeded with two of the three strategies. Overall this is the fifth best strategy in terms of competency residing with any of the cases (67%) and the sixth best in terms of overall implementation of the strategies at all the cases (overall score of 43%).

I.3 Deploy policy

The best score of any of the cases is 60% of the activities covered, which lies ninth out of the twelve strategies of the model in terms of competency residing with any of the cases. Overall score for the cases is 26%, which makes this strategy the second worst performing strategy covered. The selected cases therefore need to apply effort both in acquiring the skill-set needed for 'Deploy policy' as well as implementation thereof in their own organisations.

1.4 Empower employees

Overall, 'Empower employees' ranks eleventh out of twelve in terms of competency residing with any of the cases (best score 57%). In addition, the overall score of implementation at the cases combined ranks eighth (overall score 39%). This means the selected cases as a group need to apply effort both in acquiring the skill of policy deployment, as well as focus on implementation at their organisations.

1.5 Eliminate waste before it occurs

Case seven practices all of the activities of 'Eliminate waste before it occurs'. However, the overall score for the selected cases is 52%, which makes it the eleventh worst strategy out of the twelve studied on the TPS level one. The bulk of the evidence points towards an understanding of the selected cases regarding the pragmatic value of being involved at Gemba with input from a wide array of functions, but missing the waste targeting aspect of Eliminate waste before it occurs. It is suggested that the selected cases obtain the required skill-set either through collaboration with case seven or by other means.

1.6 Promote Flow

Four of the seven cases implemented three out of the four activities of 'promote flow', and the overall score of implementation is 61%, which makes it the second highest implemented strategy across the seven cases. However, Ohno places a significant emphasis on the ability of Just-in-Time manufacture to expose wasteful activities in operations, allowing the organisation to fix the root causes (Ohno, 1988:2, 39, 68, 95, 107, 127). It is suggested the selected cases calculate the opportunity cost of not manufacturing products or delivering services 'Just-in-Time' with regards to the potential waste they keep on carrying. Alternatively, other approaches that will force the selected cases to remove waste in their system should be sought.

1.7 Increase resource effectiveness and efficiency

Resource effectiveness is the second best-covered strategy of the fundamental nature of the TPS (case three covers 80% of the activities). However, it only scores seventh overall out of the twelve strategies when tallying all case scores (40%). The score for 'ensure processes truly specify customer value' is the second worst score and positioned 36th overall when ranking the coverage of all activities. Lean purists would argue lean starts by reviewing processes from the perspective of customer value, and it is suggested the selected cases start any future improvement initiative with this activity.

I.8 Standardise

The best cases covered 2 out of the three activities of standardisation. Overall, the combined score for standardisation is coverage of 52%, landing a 3rd position out of the twelve strategies' strategies of the fundamental nature of the TPS. It seems like a 'quick win' to install a systematic approach to senior management process confirmation (checking whether standards are in place), something which will allow more managers to spend time at the Gemba and be sure to improve the effectiveness of problem solving if the vast majority of lean literature holds true.

I.9 Formalise industrial engineering

The best case had covered two out of three or 67% of the activities associated with this strategy, and the overall score for the selected cases was 50%, which makes it the fifth highest score. The lack of a focus on the profitability of improvement initiatives may be a quick win for the selected cases. As suggested, it may add an immediate scientific edge to improvement initiatives and also improve or Install a process for facilitated, radical improvement.

I.10 Create intelligent processes

The seemingly higher than expected score for the implementation of error proofing devices or controls provide a potential untapped source of quick gain for the selected cases. Also, the low score for keeping specific individuals accountable to solve specific problems may provide a fairly easy change in support of Autonomation. The best cases covered two out of three activities of Create intelligent processes or 67%, earning a fifth position for strongest coverage and the overall score received for coverage by the selected cases is 52%, earning a second position for the best overall coverage.

I.11 Balance resources

The best Cases covered two of the four activities of 'balance resources', which infers that both a focus on the required skills or tools and on implementation may be required. A quick win may be to find ways to further improve communication between individuals and teams to ensure informal balancing.

I.12 Enable visual management

The best case in 'enable visual management' covers three of the four activities, or 75%. This places this strategy in terms of coverage by any case in the third strongest position. However, the combined score for all the cases for 'enable visual management' is 46% coverage, placing this strategy sixth. Quick wins to consider are to install 4-S checklists with senior management process confirmation to ensure implementation.

I.13 Summary of implications

From the perspective of an individual case, two stories are told by this dissertation. The first story is about a group of selected cases that were compared with the fundamental nature of the TPS level one. The outcome of this comparison shows the majority of activities comprising twelve main strategies are covered by at least one case. If the best outcome of any case is chosen as a representative outcome for each strategy, a total of 77% of activities are covered.

The second story is the story of an individual case participating in this study. The outcome of individual case comparisons show coverage of activities lying between 31% and 58% of the strategies of the TPS level one, with a mean of 43%. Indeed, eight of the 12 strategies are covered by less half of the cases, which gives an indication of the strength of coverage.

A suggested next step for each case would be to use a list of their representative sub-proposition outcomes and construct an action plan to acquire missing skills and build upon strengths, as appropriate to their current organisation need. However, other options also exist. One example is partnering with some or all of the participating cases (in this study selected cases are all non-competing) and to form a continuous improvement community that helps each other build on areas of strength and improve in areas of weakness. For most of the strategies, a strong and a weak case exists, i.e., in an individual's case's area of weakness another case will have a strength (the combined group outcome is 77%, but individual outcomes range between 31% and 58%). There are, however, some sub-propositions where all the cases are weak, and there they could partner together and source the help of some third party consulting group (e.g., for 'balance resources', where the best outcome of any individual case is 50%).

J. Crisis of 2009-2010

Toyota faces a crisis due to the sudden unintended acceleration of a number of its vehicles, potentially linked to numerous deaths and accidents in the USA. At the beginning of 2010 Toyota had already recalled more than 8.5 million vehicles globally at an estimated cost of US\$2bn, but with total cost due to lost sales estimated between US\$3bn and US\$5bn. Fifty two deaths are potentially linked to this problem, and Toyota faces over US\$3bn worth of lawsuits in the USA (Tomoko, 2010). Akio Toyoda, current president of Toyota Motor Corporation, partially blames this crisis on the company's rapid growth outstripping its ability to replicate its culture abroad, but some commentators believe there was a deliberate attempt by Toyota to maximise profit despite being aware of safety concerns (Madslien, 2010; BBC World Service, 2010).

K. Toyota's position on Schmenner's service process matrix

		Degree of Contact with, and Customization for, the Consumer		Challenges for Management
		Low	High	
Degree of Labor Intensity	Low	The Service Factory Airlines, trucking, hotels, resorts, and recreation	The Service Shop Hospitals, auto, and other repair services	Capital decisions, technological advances, managing demand to avoid peaks and to promote off-peaks, scheduling delivery of service
	High	Mass Service Retailing, wholesaling, schools	Professional Service Physicians, lawyers, accountants, architects	
Challenges for Management		Marketing, making service "warm," attention to physical surroundings, managing fairly rigid hierarchy with need for standard operating procedures	Fighting cost increases, maintaining quality, reacting to customer intervention in process, managing advancement of people delivering service, managing flat hierarchy with loose subordinate-superior relationships, binding workers to the firm	

Figure K-1: Service Processes Matrix and Related Challenges for Management (Schmenner, 1987:256)

Although manufacturing automobiles is not regarded as a service operation, Toyota Motor Manufacturing's is closely tied with Toyota Motor Sales in Japan, as has a significant focus on the voice of the customer (Womack and Jones, 2003). The part of Toyota functioning as a service organisation would therefore fall in the 'low degree of labour intensity, high degree of contact with the customer' quadrant. Applying Schmenner (1987:256), this implies the parts of Toyota that function as a service organisation may face, or might have had to overcome, some of the following challenges: capital decisions, technological advances, managing demand to avoid peaks and promote off-peaks, scheduling, delivery of service, fighting cost increases, maintaining quality, reacting to customer intervention in process, managing advancement of people delivering service, managing flat hierarchy with loose subordinate-superior relationships and binding workers to the firm; which would have impacted their culture and selection of strategies.

L. Additional Comparison of individual case results to Hayes and Wheelwright's (1979a) product process matrix

This appendix discusses the variance between the number of activities found practised given a categorising of the selected cases into three groups

It is possible to create three groups of cases given the type of manufacturing and compare this with Hayes and Wheelwright's (1979a) product process lifecycle matrix. Table L-1 shows the groups against the type of operations, i.e. service operations, high volume manufacturing operations and low volume manufacturing operations.

Table L-1: Groups of cases given the type of operations

Group	Organisations included	Rationale
1. Service	• Case two • Case five	• Pure service organisations
2. Manufacturing - high volumes	• Case one • Case three	• Relatively high volumes – some products with flow lines
3. Manufacturing - low volumes	• Case four • Case six • Case seven	• Multiple products and relatively low volumes – mostly job shop or jumbled flow

Table L-2 compares the results of these three groups against Toyota. Firstly, a comparison is possible between the ranges of individual strategies between the three groups. Three strategies exhibit a range of greater than 1.5:

- Deploy policy
- Increase resource effectiveness and efficiency
- Enable visual management

In each of these cases the biggest difference is found between the low volume manufacturing and high volume manufacturing cases

A second comparison may be made to the small ranges, 0.5 or less. Three strategies exhibit such a range

- Organise by value stream
- Empower employees
- Formalise industrial engineering

For both the small and large variance strategies, it is not immediately apparent why a difference exists, and, except for 'Increase resource effectiveness and efficiency' does not seem to be able to be explained by product or process differences as compared to Toyota. Further research is suggested into why these the largest difference occur with these strategies.

A third comparison is possible between the overall scores, which is discussed in the main document.

Table L-2: Group results for each TPS level one strategy

Strategy	Toyota	1. Service (avg)	2. Man. high (avg)	3. Man. low (avg)	Range (1. to 3.)
Increase customer value	4	1.5	1.0	1.7	0.7
Organise by value-stream	3	1.5	1.0	1.3	0.5
Deploy policy	5	2.0	2.0	0.3	1.7
Empower employees	7	3.0	2.5	2.7	0.5
Eliminate waste before it occurs	3	1.5	1.0	1.7	0.7
Promote flow	4	3.0	2.0	2.3	1.0
Increase resource effectiveness and efficiency	5	2.5	3.5	1.0	2.5
Standardise	3	2.0	1.5	1.3	0.7
Formalise industrial engineering	3	1.5	2.0	1.7	0.3
Create intelligent processes	3	1.5	2.0	1.3	0.7
Balance resources	4	1.5	2.0	1.3	0.7
Enable visual management	4	2.0	3.0	1.0	2.0
Grand total out of 48	48	23.5	23.5	17.7	6.3
Percentage compared to Toyota	100%	49%	49%	37%	

Activities where no evidence is found given a product and process comparison

Hayes and Wheelwright (1979a:133) constructed a product-process matrix and suggest that understanding an organisation's position on their matrix may describe its strengths and weaknesses in the corporate strategy.

Table L-3: Fitment of cases to Hayes and Wheelwright's (1979a) product process lifecycle stage

Process, Product life cycle stage	Case that fits criteria
I) Jumbled flow, low volume	Case six
II) Disconnected line flow, multiple products and low volume	Some case one, some case three, case four, case seven
III) Connected line flow, few major products and higher volume	Limited products of case one and case three
IV) Continuous flow, high volume, and high standardisation	None

		Product structure Product life cycle stage			
		I Low volume, low standardization, one of a kind	II Multiple products, low volume	III Few major products, higher volume	IV High volume, high standardization, commodity products
Process structure Process life cycle stage	I Jumbled flow (job shop)	Commercial printer			Void
	II Disconnected line flow (batch)	Heavy equipment			
	III Connected line flow (assembly line)			Auto assembly	
	IV Continuous flow	Void			Sugar refinery

Figure L-1: Product Process Matrix (Hayes and Wheelwright, 1979a:135)

Some of the activities where no evidence was found at any of the cases may be explained by comparing Toyota's position on Hayes and Wheelwright's matrix with the selected organisation. Specifically, three activities not found (as shown in table 4-17) may be directly attributable to such differences. These are *manufacture Just in Time* (part of *promote flow* strategy), *separate rework from normal production* (part of *balance resources* strategy) and *test whether standards are in place* (part of *standardise* strategy):

- In all of these, Toyota's position on the product-process matrix as a line flow organisation suggests their environment is highly conducive to practising these

activities due to the high volume, low number of product categories and highly repetitive nature.

- In a situation where an organisation manufactures low volumes of a high number of products, i.e. a job shop or batch flow set-up (as with the selected cases), it becomes very difficult to set up an entire supply chain to manufacture numerous items Just-in-Time, or have standards for every single part visually posted to enable its testing, or to separate rework from normal production.

These differences may therefore explain the absence of these activities at the selected cases.

M. Comparison of competitive dimensions to results

This section compares the competitive dimensions associated with each case to their highest TPS level one outcome or score (i.e. the strategies where the largest number of activities was found to be practised)

Chase et al (2001) suggest organisations focus on different competitive dimensions when they compete, which impacts their focus on improvement and selection of strategy. These include cost, product quality and reliability, delivery speed, delivery reliability, flexibility in demand, flexibility in new product introduction and other product specific criteria, e.g., service (Chase et al, 2001:24-26).

Inference for Toyota - Ohno's (1989:4) positioning of the two pillars of the Toyota production system as Just-in-Time and Autonomation, with a basis of elimination of waste, suggests Toyota has multiple competitive dimensions. Just-in-Time allows Toyota to be highly flexible, both in satisfying demand but also in introducing new products; Autonomation creates significant reliability and elimination of waste enhances quality and speed of delivery.

Table M-1: Comparison of original competitive dimensions to the TPS level one results

Organisation	Competitive dimension	Highest TPS level one outcome
Case one	• Delivery reliability	• Promote Flow • Enable visual management
Case two	• Flexibility in new product introduction	• Promote flow • Enable visual management
Case three	• Quality and reliability	• Enable visual management. • Increase resource effectiveness and efficiency
Case four	• Flexibility in demand	• Eliminate waste before it occurs
Case five	• Product specific criteria, e.g., service	• Promote flow
Case six	• Cost competitiveness	• Create intelligent processes • Standardise
Case seven	• Delivery speed	• Promote flow

The following cases show a potential link between their highest TPS level one outcome and the original competitive dimension associated with the case -

- case one;
- case two;
- case three;

- case four;
- case six; and,
- case seven.

The outcome of this analysis is further discussed in chapter five.

For most of the cases, it seems their competitive dimension is supported by the TPS strategy where they practise most activities, e.g. -

- promoting flow will support delivery reliability (case one);
- practising flow and visual management to introduce new products faster will provide increased flexibility in introducing new products (case two);
- visual management will allow quality assurance to better implemented, and Increase resource effectiveness and efficiency is directly tied to quality (case three);
- having more responsive production processes by eliminating waste in designs will support flexibility in demand as lead time will be shorter (case four);
- creating intelligent processes and standardising will support cost-competitiveness (case six); and,
- promoting flow will increase delivery speed (case seven).

Seemingly there may be some link between competitive dimensions and strategies of the TPS practiced, but further research will be required to draw such a conclusion.

It may be worthwhile to discuss case two in further detail, as this is the case that practices the most activities of the TPS level zero. A link between the higher prevalence of the TPS level zero activities at case two and its competitive dimension may exist:

- Ohno explains that the TPS was created because Japanese automakers, in particular Toyota, could not produce large numbers of a specific vehicle, but rather had to introduce various models of which a smaller number would be made (Ohno, 1988).
- Potentially, case two's competitive dimension of 'flexibility in new product introduction' is similar to Ohno's original consideration.
- This may explain the larger prevalence of activities that inform the strategies of the fundamental nature of the TPS at case two.

Table M-2 summarises limitations that may arise due to potential interrelationships between the selected organisations' competitive dimensions and the outcome of the study.

Table M-2: Summary of potential inter-relationships and its limitations

Category	Inter-relationship	Potential limitation
Competitive dimension	▪ Potential link between competitive dimensions and strategies of the TPS practiced	▪ Competitive dimensions may play significant link in selection and application of TPS level one type strategies

Table M-3 lists further research to overcome potential limitations:

Table M-3: Further research to overcome potential limitations

Category	Interrelationship	Suggested further research
Competitive dimension	▪ Potential link between competitive dimensions and strategies of the TPS practised (see Appendix M).	▪ Understand the role competitive dimensions may play in selection and application of TPS level one type strategies.