

Production wizard Akinori Hyodo beds in Toyota ethos

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Toyota's experience in manufacturing efficiency could help hospitals develop faster processes.

Toyota Australia is on the way out but the Toyota manufacturing and managerial ethos could well be on the way in.

The Toyota Production System – also known as lean manufacturing, lean production, just-in-time production and the Toyota Way – is as famous as it gets in the world of manufacturing and managerial theory and there's still demand among local companies to know how it works.

Bluescope Steel, Boeing, Toll, Qantas, Bell Bay Aluminium, Yancoal and Albury Wodonga Health were among the 45 companies who attended a training course last week run by veteran Toyota Production System leader Akinori Hyodo.

Speaking at the Qantas Maintenance Base at Tullamarine, Mr Hyodo, 61, was eager to share the principles that have made Toyota Japan's biggest company and the world's biggest car manufacturer.

"TPS (Toyota Production System) is currently the best available methodology for problem-solving and improving the capability of a company," said Mr Hyodo, speaking to Fairfax Media through a translator. "If you use it, things improve. If you don't use it, things don't necessarily improve."

Toyota describe TPS as a "production system which is steeped in the philosophy of 'the complete elimination of all waste' imbuing all aspects of production in pursuit of the most efficient methods".

It is based on two concepts: "The first is called "jidoka" (which can be loosely translated as "automation with a human touch") which means that when a problem occurs, the equipment stops immediately, preventing defective products from being produced.

"The second is the concept of 'just-in-time,' in which each process produces only what is needed by the next process in a continuous flow."

But in order for TPS to work in a company, said Mr Hyodo, management need to enthusiastically embrace the system.

"It's important for the company to create an environment where they can get the most out of their people. It's really important that there's will from the top of the company to have that be the case. The top has to be one that initiates the action," he said.

"In order to really strengthen Australian industry we need to look at the top of the companies. And we need them to be taking action. It's ok to delegate some things, but if you're not leading by example, people won't follow.

"Top managers need to lift their game. That's the quickest way to improve. If the top doesn't change their thinking and action, those below them won't follow."

Now on his second visit to Australia, Mr Hyodo said that local companies have "a lot of potential for further improvement". "There's capabilities here

but they're not being expressed to their full potential."

Having worked with Toyota since 1973, Mr Hyodo knows his way around a factory floor. On the tour of the Qantas maintenance facility, he frequently broke away from the main group to studiously examine empty boxes, machinery, floorspace, ceilings, walls, light fittings, workers, production lines – anywhere efficiencies might be found.

Mr Hyodo, who lives in the Japanese city of Nagoya, said that his perception of the Australian economy was one driven by resources. "More so than manufacturing, the image of Australia for the Japanese is that this is more of a place for tourism," he said. Although TPS is clearly associated with car manufacturing, Mr Hyodo said it was applicable to other manufacturing industries and companies not involved in manufacturing.

"The basic thinking can apply to a range of industries," he said. "If I'm explaining TPS in really simple terms, I'd talk about these two: don't make what you don't need and if there's a problem, stop. That, in basic terms, is what it's about."

Initially, TPS was the closely guarded intellectual property of Toyota. In the 1990s, it began sharing the Toyota Way with its parts suppliers. Now, it offers instruction in TPS to interested parties. Initially, the instruction was in Japan but now Toyota travel abroad to promote the system.

"Recently we realised it's probably not great just to be expecting them to come one way," said Mr Hyodo, whose Australian visit was paid for by the Department of Industry. "So we've also made it possible to come here and teach those who can't come to Japan."

"With myself and my colleagues in the training group, we have been developing ourselves well over 30 years and have developed a whole lot of know-how, so we've got a responsibility now to leave that behind," he said.

"And rather than that know-how being left in Japan for Japanese industry only, we're also happy to share this with organisations such as those who are here that want to learn from us."

Mr Hyodo is also visiting Perth, Brisbane and Auckland on his Australasian tour, which is his second within a year.

Toyota Australia, which was founded in 1958, announced last year it would quit manufacturing in Australia in 2017 due to the high Australian dollar, high costs of manufacturing, and low economies of scale for vehicle production and parts supplies.

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