

## ***Toyota's Lean Production System***

Toyota is an automotive company that created the Toyota Production System. This lean production system effectively minimizes waste and allocates resources during production manufacturing. Toyota's lean strategy focuses on doing more with fewer resources. The lean production system focuses resources where there is need and uses multi-skilled workers cross-functionally. "Lean is a concept, a process and a set of tools, techniques and methodologies that leave behind them a trail of successes in bringing about effective resource allocation." (Atkinson, 2004).

Toyota has 10 rules of lean production that includes waste elimination and meeting the demands of customers. "Engineer Ohno who is credited with developing the principles of lean production, discovered in addition to eliminating waste, his method led to improved product flow." (SearchCIO). Toyota lean strategy also focuses on changing the mindset of all their employees. The company feels that management interest should be aligned with frontline employees. This will help create an organizational culture of lean thinking. Toyota feels that it is important to communicate to their employees the importance of efficiency, effectiveness and low cost. Management is encouraged to go where frontline employees work and communicate and listen. "Better though to make them feel part of the team: set up structure that shows how each small individual action is part of the bigger project and to have evidence things really are changing." (Pullin, 2004).

Companies can learn from this example and use multi-skilled workers in areas of need, focus available resources where they are needed, flatten the hierarchal structure of their management. These are the principles of the lean strategy approach for allocating resources. Many a time's companies need to change the mindset and behavior of their employees to have collective lean thinking in the company. The importance of effectiveness, efficiency, and low cost must be instilled into the mindset of their employees.

### **CITE THIS AS:**

YouSigma. (2008). "Toyota's Lean Production System." From <http://www.yousigma.com>.