

Terms	Toyota Model
Cultural roots	
Paradox of the system	Activities, connections and production flows in a Toyota factory are rigidly scripted, yet at the same time Toyota's operations are enormously flexible and adaptable. P 97
Learning organization	What distinguishes Toyota from all the other companies studied... "A system that stimulates workers and managers to engage in experimentation." p 98
Rules of design	How Toyota sets up all its operations as experiments
Rule of improvement	How Toyota teaches the scientific method to workers at every level of the organization p 98
Socratic Fashion	Interactive questioning and problem solving. This method is successful when managers are willing to engage in a similar process of questioning to facilitate learning by doing. P. 99
Scientific Method	Detailed assessment of the current state of affairs and a plan for improvement with an experimental test of the proposed changes – pg 98
Pragmatic	"Every connection must be standardized and direct, unambiguously specifying the people involved, the form and quality of the goods and services to be provided..." - pg 100
Realism	It is critical that the works and their supervisors realize that how they make changes was as important as what changes are made" – page 104
Toyota Production System	A community of scientist performing continual experiments for improvement - page 106
Production Principle	"Activities, connections, and flow paths have built-in tests to signal problems automatically This continual response to problems makes the seemingly rigid system flexible and adaptable." Pg 98
Rule #1	"The understanding that all work shall be highly specified as to content, sequence, timing, and outcome." Pg 98
Rule #2	"Every customer-supplier connection must be direct." Pg 98
Rule #3	"The pathway for every product and service must be simple and direct" pg 98
Rule #4	"Any improvement must be made in accordance with the scientific method, under the guidance of a teacher, at the lowest possible level in the organization." Pg 98

Terms	Toyota Model	Traditional Organizations
<b>Cultural roots</b>	Activities, connections and production flows in a Toyota factory are rigidly scripted, yet at the same time Toyota's operations are enormously flexible and adaptable. P 97	The bottom line to a traditional organization's definition is its goal or outcome.
<b>Paradox of the system</b>	What distinguishes Toyota from all the other companies studied... "A system that stimulates workers and managers to engage in experimentation." p 98	Traditional organizations usually employ specialization, such as departments. This specialization is what makes the organization a hierarchy. For example, a group of people work together under one manager to accomplish a goal.
<b>Learning organization</b>	How Toyota sets up all its operations as experiments	You talk to your manager, who talks to their manager, who talks to their manager, until, if needed; it reaches the CEO or president. Information travels down the ladder in reverse fashion.
<b>Rules of design</b>	How Toyota teaches the scientific method to workers at every level of the organization p 98	
<b>Rule of improvement</b>	Interactive questioning and problem solving. This method is successful when managers are willing to engage in a similar process of questioning to facilitate learning by doing. P. 99	In a traditional organization, profit is the bottom line.
<b>Socratic Fashion</b>	Detailed assessment of the current state of affairs and a plan for improvement with an experimental test of the proposed changes – pg 98	
<b>Scientific Method</b>	"Every connection must be standardized and direct, unambiguously specifying the people involved, the form and quality of the goods and services to be provided..." - pg 100	Traditional organizations are based upon a hierarchy. In business, the chief executive officer (CEO) or president is at the top with other senior executives underneath, then managers and workers.
<b>Pragmatic</b>	It is critical that the works and their supervisors realize that how they make changes was as important as what changes are made" – page 104	That manager is grouped with the managers of other departments under another manager. In non-traditional organizations, departments may not exist. Instead, workers help out where needed and manage as necessary.
<b>Realism</b>	A community of scientist performing continual experiments for improvement - page 106	The bottom line to a traditional organization's definition is its goal. In a traditional organization, profit is the bottom line. In non-traditional organizations, the bottom line might be helping people, such as in nonprofit organizations.
<b>Toyota Production System</b>	"Activities, connections, and flow paths have built-in tests to signal problems automatically This continual response	Traditionally the idea is that there are fewer positions at the top than the bottom. Communication runs up and

	to problems makes the seemingly rigid system flexible and adaptable.” Pg 98	down the hierarchy ladder
<b>Production Principle</b>	“The understanding that all work shall be highly specified as to content, sequence, timing, and outcome.” Pg 98	Traditionally the idea is that there are fewer positions at the top than the bottom. Communication runs up and down the hierarchy ladder
<b>Rule #1</b>	“Every customer-supplier connection must be direct.” Pg 98	Variation – The means by which workers do the same job differently, as in the seat bolt example” pg99
<b>Rule #2</b>	“The pathway for every product and service must be simple and direct” pg 98	“In most plants, request for materials or assistance often take a convoluted route from the line workers to the supplier via an intermediary.” Pg 101.
<b>Rule #3</b>	“Any improvement must be made in accordance with the scientific method, under the guidance of a teacher, at the lowest possible level in the organization.” Pg 98	“According to received wisdom, as a product or service is passed down the line, it should go to the next machine or person available to process it further “ pg 102
<b>Rule #4</b>	“Any improvement must be made in accordance with the scientific method, under the guidance of a teacher, at the lowest possible level in the organization.” Pg 98	Traditional organizations rarely allow low-level employees decision-making authority pg 105

## Statement about Toyota Leadership

The sum of every leader's actions is the "environment" or "culture" he or she is creating within his or her area of influence. Whatever you do as a leader, is always communicating something to your followers – verbally AND non-verbally. Actions will always speak louder than words.

In traditional non-knowledge-based companies, the title of "Manager" often implies that a person is either responsible for a lot of people or earns a high salary, or both. Nowadays, there are a lot of managers that have neither formal power over people nor earn higher salaries. Instead they are responsible for a specific situation. They are assigned to be advocates for a specific intention, area or goal. Within this goal, their responsibility is to understand what makes this intention as successful as possible. A project manager is someone who is responsible for making an intellectual journey into the unknown, taking a specific context from one starting position to a much brighter and more valuable future.

Toyota's leaders are described as leaders who are clear about the purpose and direction; at the same time they remain close to the business and have a deep understanding of the work. A manager needs to have a deep understanding of the Value to the customer. The value consists of "the right thing" for the customer and that the work is done "the right way" for the customer. The inherent understanding for all workers is that the scientific method effectively fosters and sustains persistent improvement. The method makes the Toyota Corporation a learning organization.

	<b>General Management Expertise</b>	<b>In-Depth Understanding of Work</b>	
<b>Bottom-Up (Development)</b>	Group Facilitator "You're Empowered!"	Building of Learning Organizations "Here is our purpose and direction – I will guide and coach"	<b>Toyota Leadership</b>
<b>Top-Down (Directive)</b>	Bureaucratic Manager "Follow the Rules!"	Task Manager "Here is what to do and how to do it!"	