



Overview of Toyota Shop-Floor Leadership And Ideal Daily Operations Management



What if?

If, starting today, you could only hire your future leaders by promoting from within?

What if all future senior and executive leaders had to come only from an entry associate or supervisor?

How would that change your approach to Leader and People development?

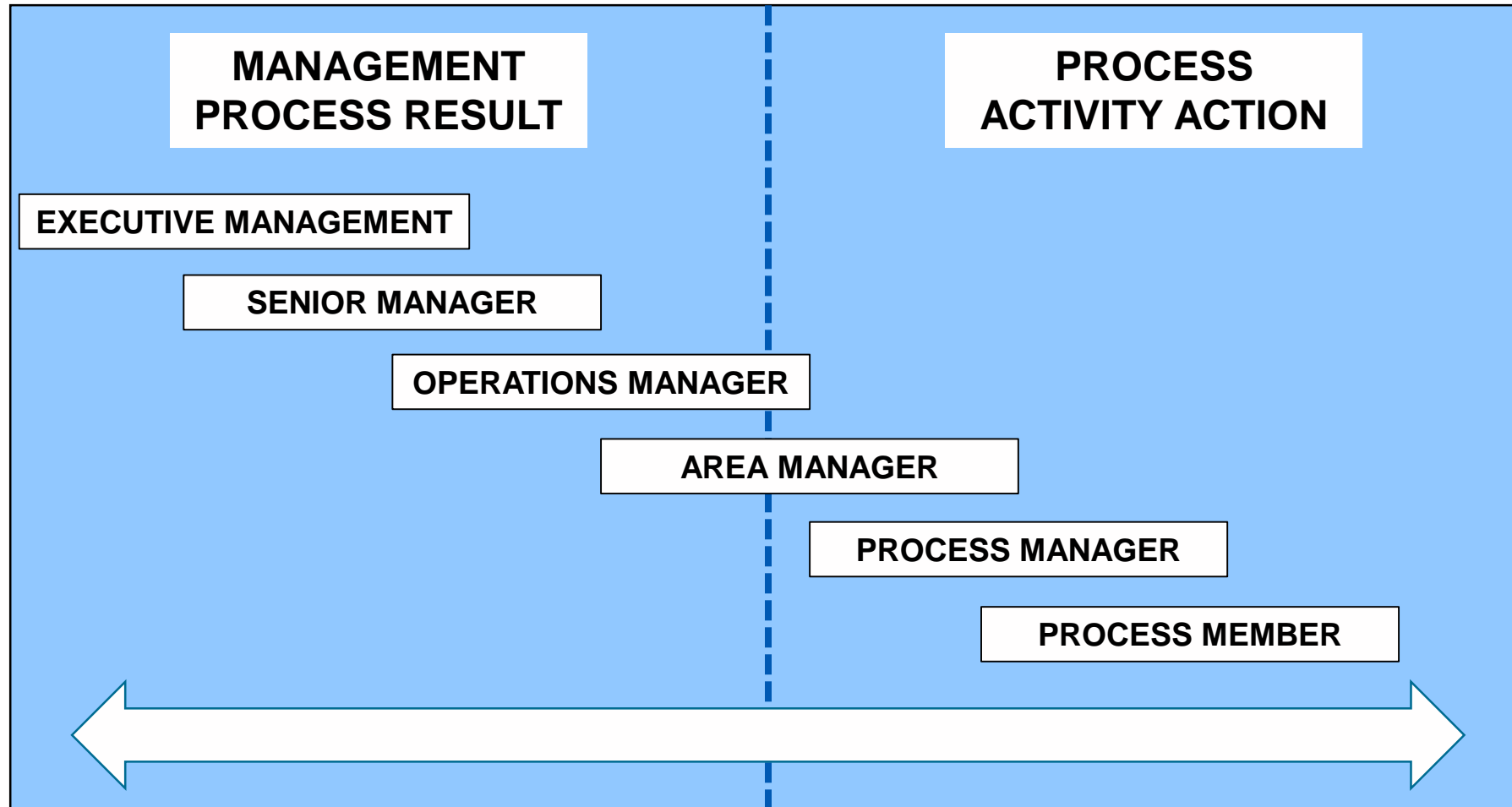
It would fundamentally change **EVERYTHING!**

Your very management system could no longer be just about the numbers...could it?



Floor Management Development System

Management Roles





Understanding FMDS – Floor Management Development System

FMDS is a Comprehensive System that aligns Floor Management and Human Resource Development activities to achieve Company Targets and Support the Succession Pipeline.

- FMDS ensures foundations skills are in place for Ideal Daily Work, and
- Aligns Daily Shop-Floor Activities with Hoshin goals and objectives.
- FMDS Visualizes Shop-Floor Management and Leader Development through:
 - Visualization of Gap to Standard
 - Promote Two-way Communication
 - Defines and Develops Roles and Responsibilities for all members
 - Supports Toyota's On-the-Job Development for all members

FMDS is ingrains the Toyota Way Culture into the Managing Structures of FMDS



FMDS as a People and Leader Platform



Managers and Assistant Managers:

- Quickly see how the groups are performing
- Coach Group and Team Leaders in the Business Leadership through Hoshin
- Support Group Leader activity with necessary resources
- Strengthen the groups' commitment and pride as they strive to achieve shared goals



Group Leaders and Supervisors:

- Focus their management efforts and problem solving activities
- Play a key role in developing Team Leaders and Team Members
- Less reactive and more proactive
- Visually show the need for Support



FMDS as a People and Leader Platform



Team Leaders

- Help their teams improve skill by working with team members to solve team problems
- Develop their own skills as a coach and leader while they manage daily activities through the team leader process and 3 Pillar Management



Team Members:

- Can see Group/Area/Shift performance
- Understand how important their job is to the Company's success
- Have access to information to help solve problems
- Improve team member knowledge and skill level
- Can see how their job impacts Company Success



Leadership, Hoshin, FMDS and Three Pillar Management

Quote:

“From a Leadership perspective, we use our FMDS and Three Pillar Boards and I try to be a leader from that perspective - of always challenging our Group Leaders and Assistant Managers to think of the next level.

How do we get to the next level? How do we achieve the things that we do? The way I do that, I try to provide the vision for them and let them create the road map.

Jeff Hurst, Manager, Powertrain, TMMK



Overview of Toyota Hoshin Management Connection to Floor Management Development System



FMDS - A Leadership Development and Management Tool

- FMDS Uses Hoshin to Set Direction linked to the Company Hoshin
- Drives Activity through Problem Solving (Toyota Business Practice) and Kaizen
- Engages all Levels of the team through Roll Specific Actions





FMDS and the Five Mission of Shop-Floor Management

**The Management Activities
Of the Shop-Floor Group**

**THE FIVE MAIN MISSIONS OF
FMDS SHOP-FLOOR LEADERSHIP**

Safety

Quality

Productivity

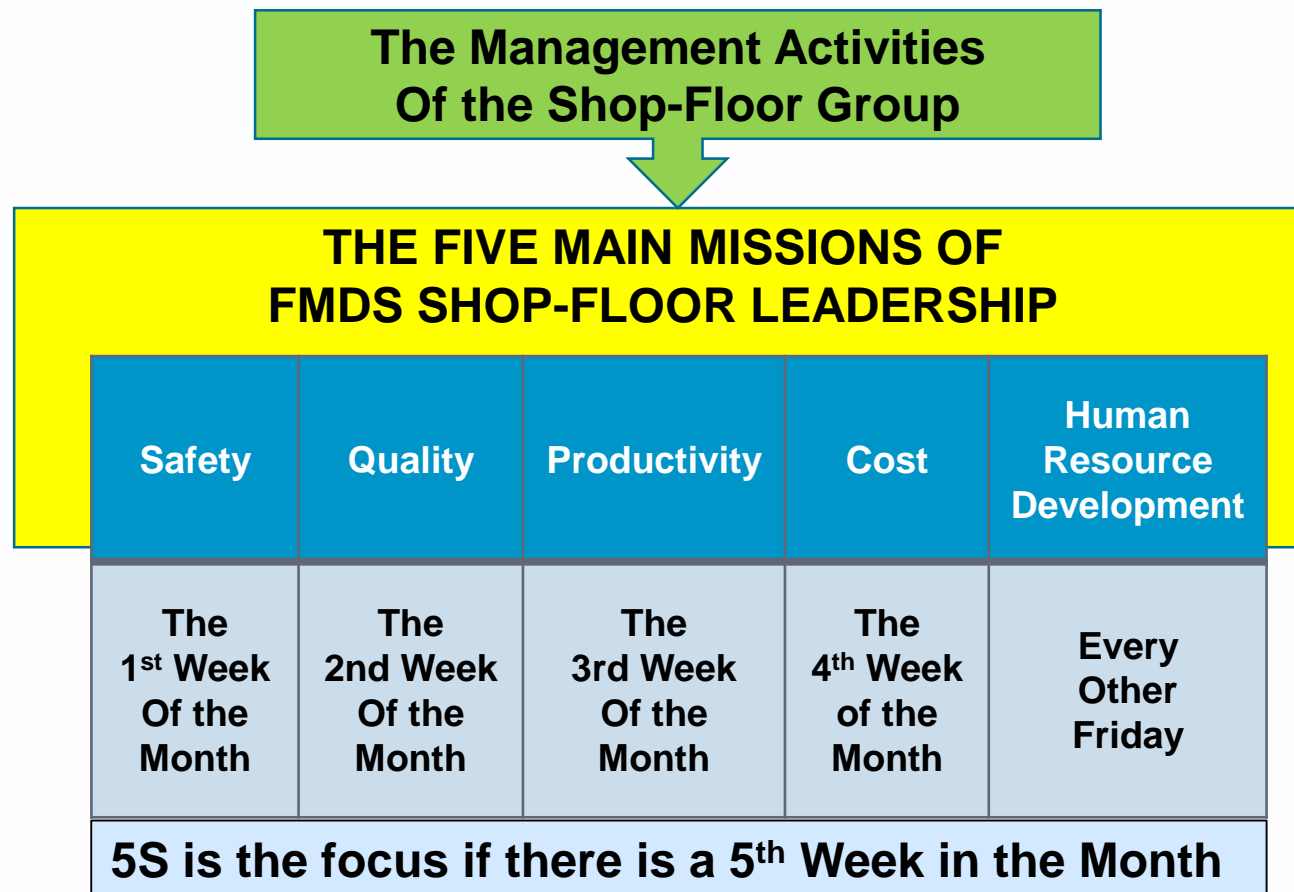
Cost

**Human
Resource
Development**

Actions of the Shop-floor Leadership Group are responsible for the safety of members and ensuring the quality, volume, cost, and delivery of the product created as well as the development of all members



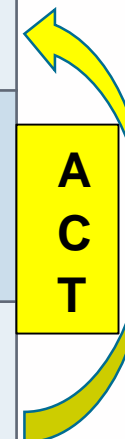
FMDS Management Review Cadence





FMDS Board Layout Standards

	Hoshin And the Five Missions	Safety Hoshin	Quality Hoshin	Productivity Hoshin	Cost Hoshin	Human Resource Development Hoshin	PLAN
FMDS REVIEW	Main KPI	<ul style="list-style-type: none"> Main KPI are derived from Sub-KPI's one Management Level Up Main KPI's Directly linked to the Annual Hoshin Visualize Monthly and Historical Trend Clear Target is Specified and Visual Color Coded/Symbol judgement of Current Status 					PLAN
	Sub-KPI's & Process Sub-KPI's	<ul style="list-style-type: none"> Breakdown of Main KPI to Pro-active and Reactive Sub-KPI's Clear Visual Targets and Visual Management Spikes annotated using handwritten "call-out bubbles" Measures daily activity sub-KPI's to the Process level to support Sub-KPIs 					PLAN
	Process Activities	<ul style="list-style-type: none"> Evidence of GTS-PDCA Process and Thinking Breakdown of Gaps (Issues) that effect Sub-KPI Trends Handwritten Concrete Actions to tackle Gaps Timetable and Status of Progress Ownership and Teamwork 					DO
	Results Tracking	<ul style="list-style-type: none"> Shows Results tracking from Activities Handwritten using QC Tools/Charts Logical Connection to Sub-KPI's Did we achieve the target? What was the Result? 					CHECK
	History Binders	<ul style="list-style-type: none"> Toyota Business Practice (Problem Solving Process) supporting documents History of Process activities and Results (greater than 90 Days) A3, A3, Kaizen Sheet, etc. Used to share lessons learned and reflection as part of Yokoten 					

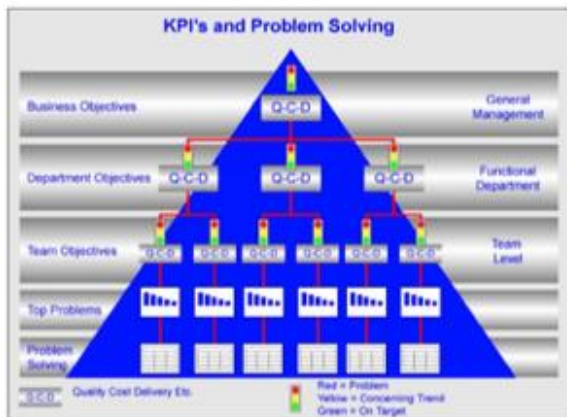




Hoshin Kanri Connected to the Genba with FMDS



Toyota Hoshin Management By Shift through Floor Management & Development System

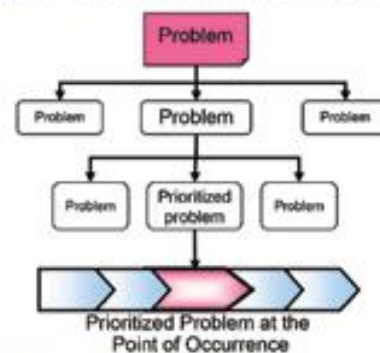


	SAFETY	QUALITY	PRODUCTIVITY	ORGANIZATION
PLAN				
DO				
CHECK				
ACT				

Step 1. Clarify the Problem



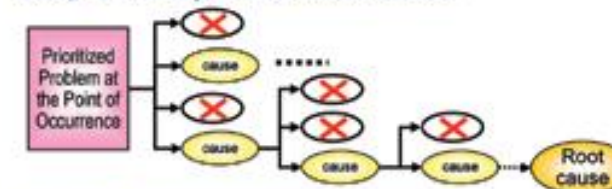
Step 2. Break Down the Problem



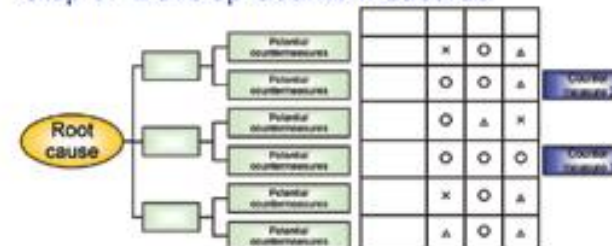
Step 3. Set a Target

[Target]
 - How much
 - By when

Step 4. Analyze the Root Cause



Step 5. Develop Countermeasures



Countermeasure	Tasks	IPC	Due	Schedule
Countermeasure 1				
Countermeasure 2				

Step 6. See Countermeasures Through

Step 7. Evaluate Both Results and Processes

[Results]
 [Processes]

Step 8. Standardize Successful Processes



Who Attends the FMDS Five Mission Review?



All Support Groups attend the FMDS Review, Including:

- Section or Department Manager*
- Assistant Manager
- All Plant Group Leaders/Supervisors
- Mission Leader (e.g. Safety Team Leader on Safety Review)
- Process Engineering
- Quality Engineering
- Occupational Safety
- Human Resource Representative for Group



FMDS, Toyota Business Practice and Leader Development

Toyota Business Practice (TBP – 8 Step Problem Solving A3 Process) and Quality Circle Leadership and Participation are activity drivers for Leader and People Development

Quality Circle Leadership is the Original Leader development platform of Toyota

Production Team Leaders must Lead at least one TBP or Quality Circle Activity per year

The Group FMDS Board is the Source for TBP, Safety Circle, Quality Circle or Kaizen Circle Activity for Team Leaders to Lead

Some Focus activities may be the focus of a Manager Led or Cross Functional Problem Solving Activity (aka Jishuken)



FMDS, Three Pillar Toyota Business Practice and Leadership Development

“When I think of FMDS and Three Pillar, it’s REALY TBP (Toyota Business Practice). It’s all about how you get from a large, vague problem to pinpoint the exact issue that you can work on.

When my Team Leaders are looking for a TBP to work on, I say ‘Let’s Go to the FMDS Board.’”

– Jeremiah Duncan, V6 Assembly Group Leader, TMMK Powertrain

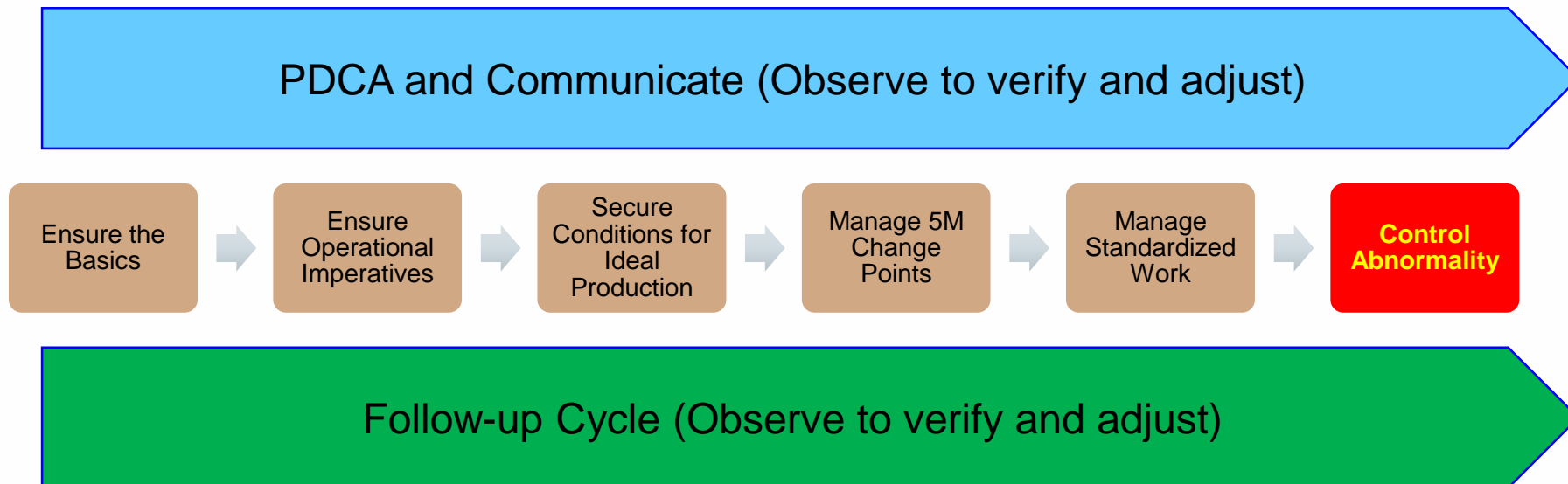


The Role of the Production Group Leader And Floor Management Development System



Supervisor Ideal Daily Management Process

- The Group Leader Role is supported by The Group Leader Management Process (GLMP).
- The GLMP Process is made up of supporting management, Leadership and People Development Routines is Cycled before during and after the Work Shift.





Understanding Visual Management Boards

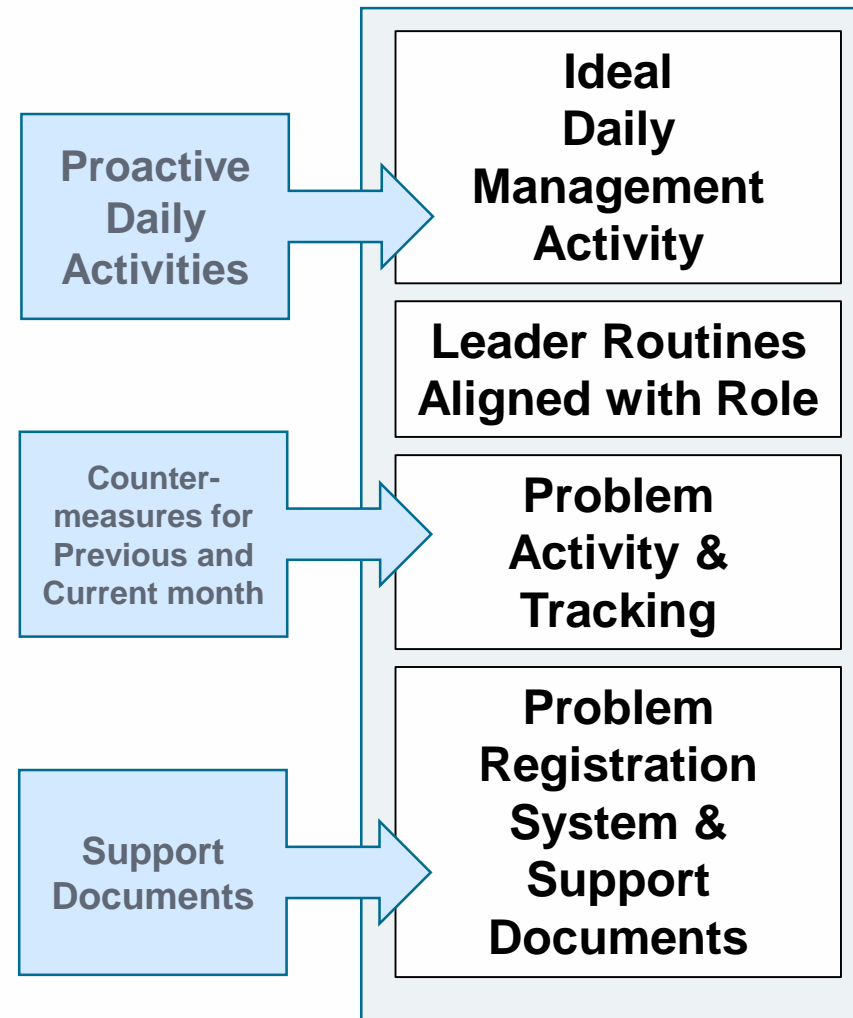
Top portion is daily routines and checks aligned with shop-floor leadership roles.

Problem activity is connect to Group Leader FMDS Board

All problems that are found through:

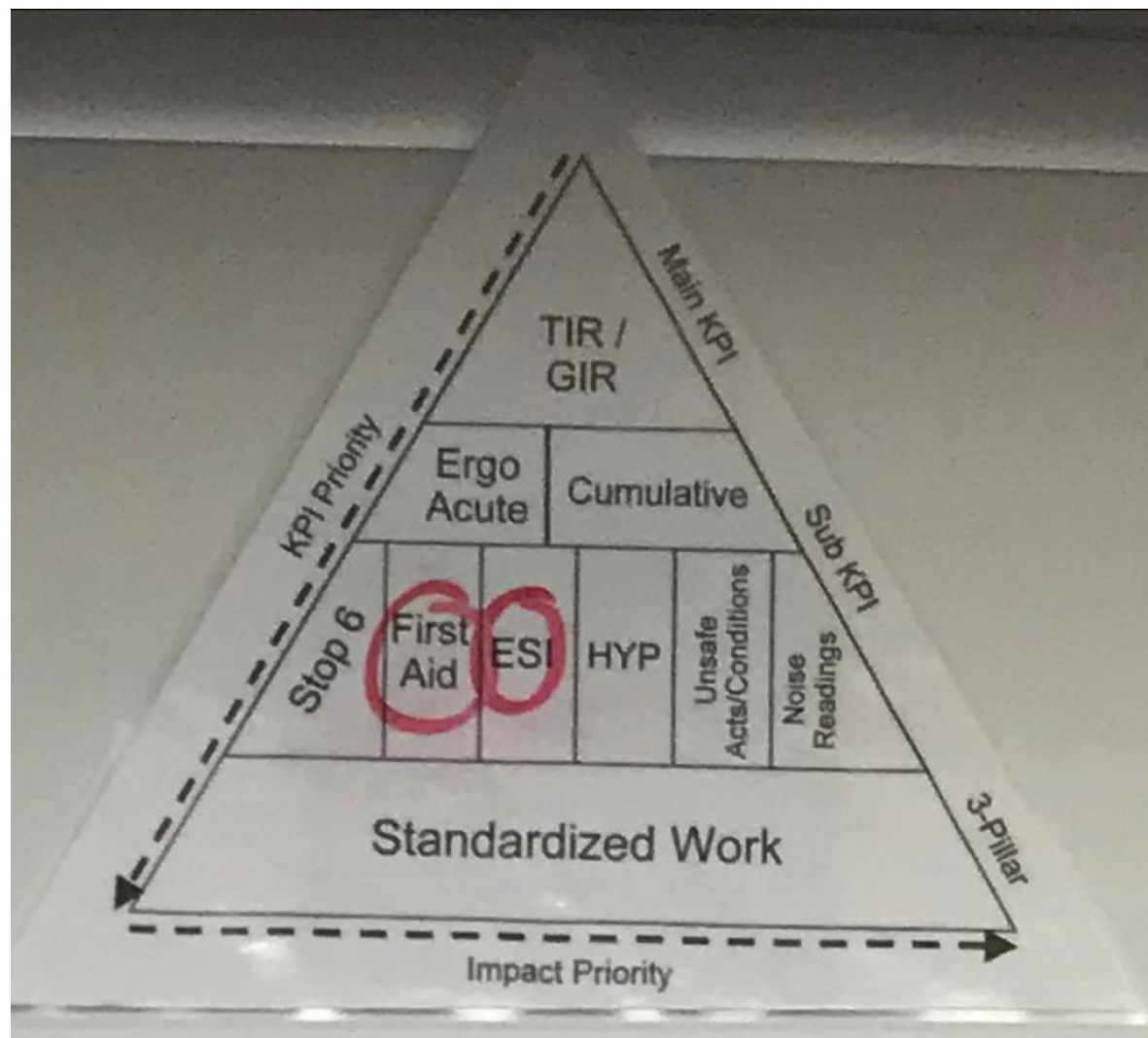
- Weak Point Management
- audits
- operator suggestion,
- scrap or rework events,
- premature tool failure

Are logged on one set of sheets divided up by the 4Ms – called “Problem Registration System”





Toyota's KPI Pyramid – Visualizing Leading Indicators





Hoshin Main KPI's



Start with the Hoshin Statement – Quantitative and Qualitative High Level Vision of the Dept or Section.

Main KPI's for the FMDS Board are High Level Indicators deemed critical and Targets are derived from the Department or Section Hoshin

FMDS Safety Hoshin Example: Respect our community and create a family-like environment through ensuring mental, emotional, physical and environmental Safety.

FY 2018 Targets: Main KPI's

Lost Time Accidents: 0%

Recordables: 0%

T/M Safety Dojo Training: 100%

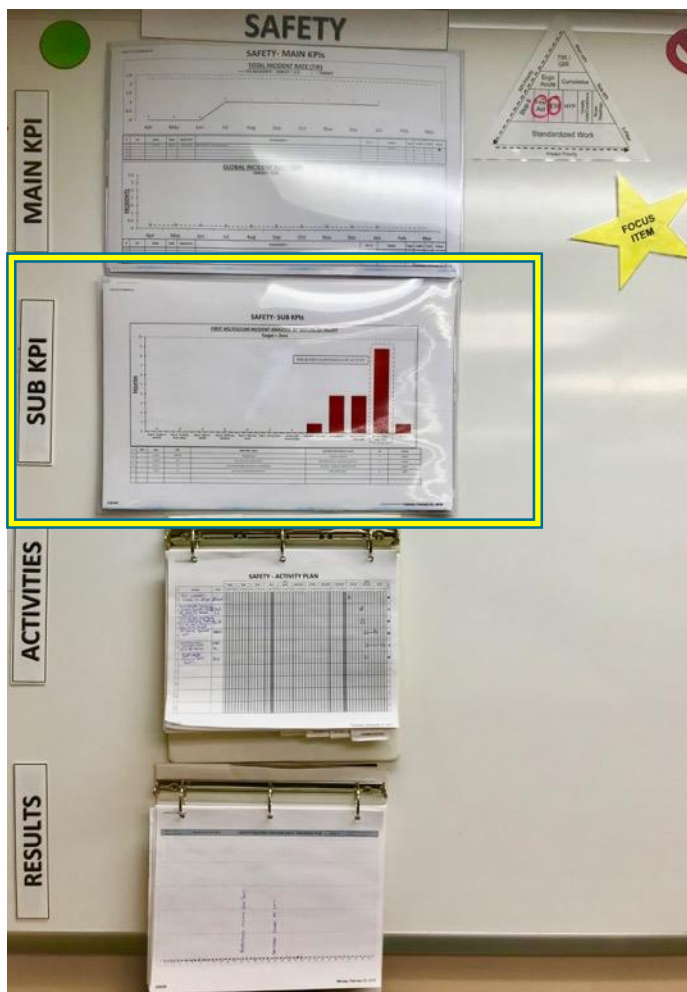
100% T/M Completion of Find and Fix Safety Kaizen: 1 per month

Stimulate Team-member (T/M) involvement to support eyes for safety and problem solving:

1. Safety Culture: Create a culture for Safety and Health Through Leadership, Management and T/M engagement
2. Safety System: Enhance safety performance through implementation of Safety Best Practices
3. Environmental Management: Reduce non-Safe waste through process kaizen and segregation



Sub-KPI's and Process Sub-KPI's



FMSD Sub-KPI's are Proactive and Reactive Measures that can be measured to show potential improvement to achieve Main KPI.

Sub-KPI's are indicators that will support the overall achievement of the Main KPI and are Fact Driven

Sub-KPI's may change quarterly and may be Direct (reactive) or Indirect (proactive)

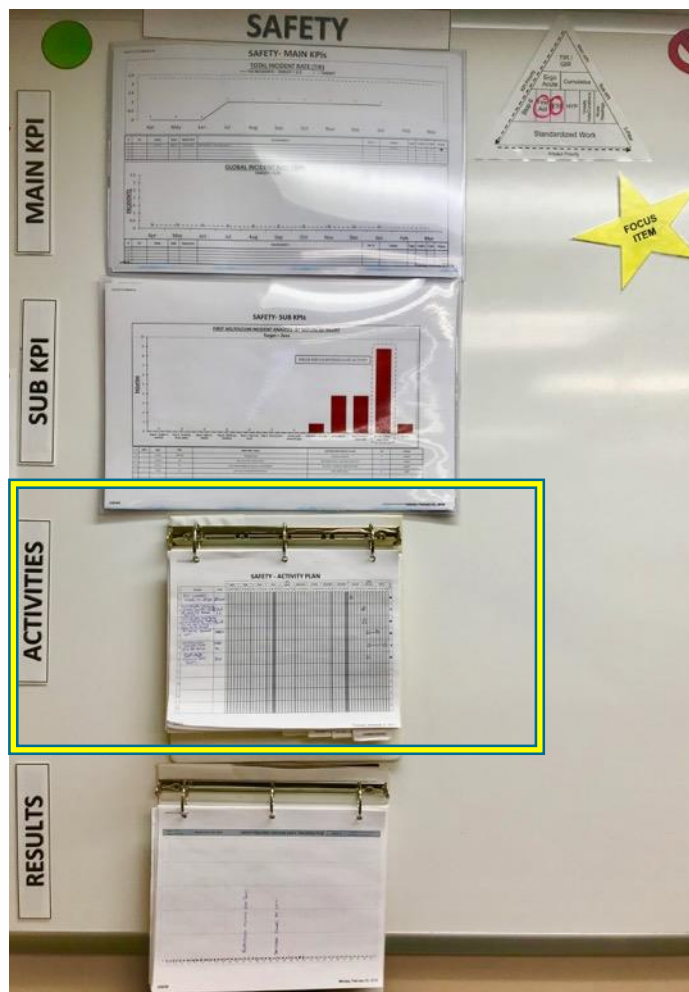
Process Sub-KPI's breakdown to process level

Sub-KPI's are tracked by area by shift.

- Safety Sub-KPI Example:
- Acute Injuries Incidents
- Ergonomic Incidents
- Behavior-based
- Near Misses
- Process Related
- Workplace Organization and Layout Related
- Eyes for Safety Dojo Training Completion



Process Activity Schedule



FMDS Process Activities are activities at the Process Level intended to Improve the Sub-KPI's through Countermeasure implementation as a result of Toyota Business Practice 8 Step Problem Solving Process.

There are 2 Measures of daily process activity:

1. Completion
2. Outcome

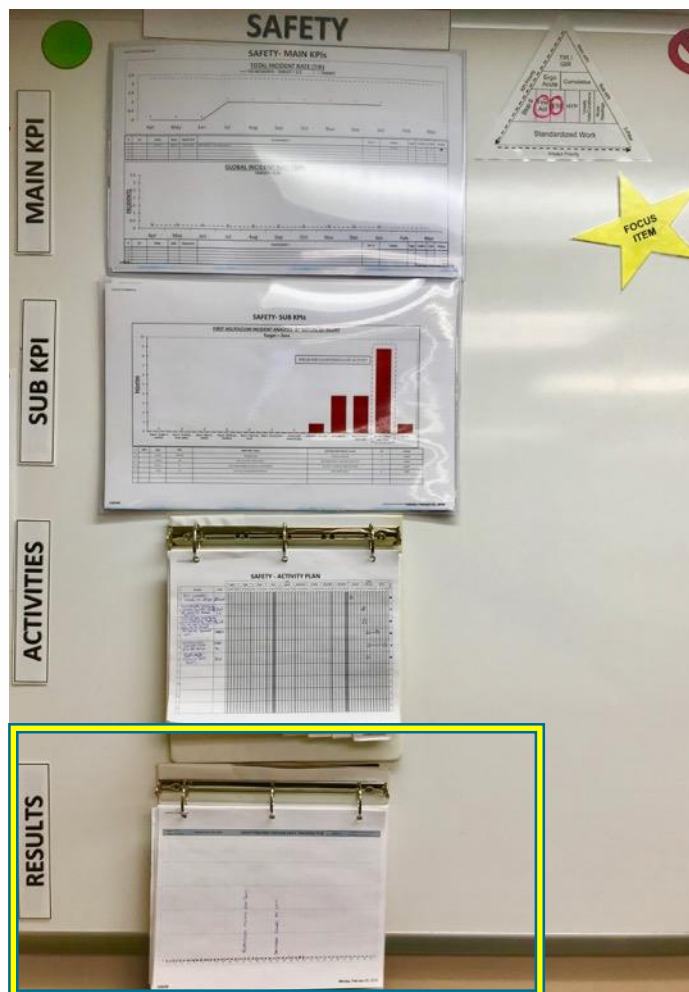
Process Activity is measured by completion status and is typically displayed on the activity board.

Just as there are 2 measurements of Activities there are also 2 types of Activities:

1. **Direct:** Results from problem solving a Gap to a standard, defined cause and effect, quantifiable results, and easily linked to Sub and Main KPI's
2. **Indirect Activity:** Results from a broad Problem Solving activity with no specific Gap; generally Kaizen or effort to improve overall environment or culture



Process Results Tracking



FMDS Process KPI's are the Quantifiable results indicators of the process level activity intended to improve the Sub-KPI's

The Process KPI is the measure of Outcome compared to the target set for the Activity

Process Results KPI answers the question:

- **How will you Check?**
- **How often will you Check?**
- **How long will you Check? (e.g. 90 days)**
- **Did you achieve the desired outcome**
- **Do you understand both success and failure**
- **What did you learn?**



**Now, It's Your
Turn**





FMDS Dojo Audit



- Dojo is used to train and refresher – in a “hands-on” way the leadership and management concepts of The Toyota Way, TPS, FMDS, Point Control, and 3 Pillar Management to all Leaders
- Once per Quarter, the FMDS Dojo team will audit FMDS Boards and Management Boards for Gaps.
- This Gaps are shared with Groups for Improvements
- Groups can earn Bronze, Silver, or Gold Status as they mature their FMDS and 3 Pillar Management Boards and Process