## The Toyota Way

## 14 Management Principles from the World's Greatest Manufacturer

Jeffrey K. Liker

## **McGraw-Hill**

New York Chicago San Francisco Lisbon London Madrid Mexico City Milan New Delhi San Juan Seoul Singapore Sydney Toronto

## **Contents**

Foreword by Gary Convis	XI
Preface	xiii
Acknowledgments	xix
Part One. The World-Class Power of the Toyota Way	
<b>Chapter 1.</b> The Toyota Way: Using Operational Excellence as a Strategic Weapon	
Chapter 2. How Toyota Became the World's Best Manufacturer: The Story of the Toyoda Family and the Toyota Production System	15
<b>Chapter 3.</b> The Heart of the Toyota Production System: Eliminating Waste	27
<b>Chapter</b> 4. The 14 Principles of the Toyota Way: An Executive Summary of the Culture Behind TPS	35
Chapter 5. The Toyota Way in Action: The "No Compromises" Development of Lexus	42
<b>Chapter 6.</b> The Toyota Way in Action: New Century, New Fuel, New Design Process—Prius	51
Part Two. The Business Principles of the Toyota Way	67
Section I. Long-Term Philosophy	69
Chapter 7. Principle 1: Base Your Management Decisions	
on a Long-Term Philosophy, Even at the Expense	=-
of Short-Term Financial Goals	71

vi Contents

Section II. The Right Process Will Produce the Right Results	85
Chapter 8. Principle 2: Create Continuous Process Flow	
to Bring Problems to the Surface	87
Chapter 9. Principle 3: Use "Pull" Systems to	
Avoid Overproduction	104
Chapter 10. Principle 4: Level Out the Workload (Heijunka)	113
<b>Chapter</b> 11. Principle 5: Build a Culture of Stopping to Fix Problems, to Get Quality Right the First Time	128
<b>Chapter 12.</b> Principle 6: Standardized Tasks Are the Foundation for Continuous Improvement and Employee	
Empowerment	140
Chapter 13. Principle 7: Use Visual Control So	
No Problems Are Hidden	149
<b>Chapter 14.</b> Principle 8: Use Only Reliable, Thoroughly Tested Technology That Serves Your People and Processes	<b>1</b> 59
Section III. Add Value to the Organization by Developing Your People and Partners	169
Chapter 15. Principle 9: Grow Leaders Who Thoroughly	107
Understand the Work, Live the Philosophy, and Teach It to Others	171
Chapter 16. Principle 10: Develop Exceptional People and	
Teams Who Follow Your Company's Philosophy	184
<b>Chapter</b> 17. Principle 11: Respect Your Extended Network of Partners and Suppliers by Challenging Them and	
Helping Them Improve	199
Section IV. Continuously Solving Root Problems Drives	
Organizational Learning	221
<b>Chapter 18.</b> Principle 12: Go and See for Yourself to Thoroughly Understand the Situation <i>{Genchi Genbutsu}</i>	223
<b>Chapter</b> 19. Principle 13: Make Decisions Slowly by Consensus, Thoroughly Considering All Options;	
Implement Decisions Rapidly	237
<b>Chapter</b> 20. Principle 14: Become a Learning Organization Through Relentless Reflection ( <i>Hanset</i> ) and	
Continuous Improvement (Kaizen)	250

VII

<b>Part</b> Three. Applying the Toyota Way in Your Organization	267
<b>Chapter 21.</b> Using the Toyota Way to Transform Technical and Service Organizations	269
<b>Chapter 22.</b> Build Your Own Lean Learning Enterprise, Borrowing from the Toyota Way	289
Bibliography/Chapter References	311
Recommended for Further Reading	317
Index	319