

**Toyota's 15 year advantage**  
(extract from "Conquest Management - a guide to the top". Whitepaper available from [www.davidparmenter.com](http://www.davidparmenter.com))

**By David Parmenter**

In this article I will support my belief that to replicate Toyota's success is a fifteen to twenty year time frame, and although a daunting period it is a worthwhile journey.

To succeed there needs to be all three layers of management in place who have lived the change process. The checklist below sets out the journey you will need to undertake.

The *culture change process* will take at least fifteen to twenty years as all your executive team will need to give way to the new breed of senior managers who can cope with the new culture. The 'old guard' will never be able to cope with the culture they have worked with for over 20/30 years. The existing senior management's role is to enjoy the last of the summer wine while preparing the young guns in the new environment. A case of 'do as I preach, rather do as I do'. This recognition is important.

All new senior managers will come from existing ranks. There will be no place for outsiders, unless they themselves come from exceptional organisations e.g. ex Toyota.

The *recruiting and training* change will take the longest. You will only have arrived when ever manager in the organisation has worked their entire career in the new way. In other words the senior management team were trained in the new ways when they joined at the lowest management level. If you senior management team are in their fifties, their working life is thirty years.

The move to a truly *innovative organisation* will take around ten years to perfect. We need at least two layers of management who were 'born' into the new way. That innovation is part of the daily life cycle.

The change to *strategies* will also take thirty years as senior management and the stock market need to fully understand that that the organisation will never be a prisoner to short term thinking. Longevity of trading results are required before the organisation can free itself from the stock market shackles.

Changes to the *processes* can be relatively quick, ten years! The change in culture will be achieved when two layers of management have been feed this 'solid' all their life.

The *customer loyalty* change can be locked in within the ten year period. New products will need about seven years to prove that they are market leaders in all key characteristics.

The approach to *new markets* is achievable within the ten year time frame. This allows enough time to unwind existing approaches that will not work in this new environment.

The checklist blow analyses the steps you will need to have covered. It was designed from the content of "how Toyota became #1 – Leadership lessons from the world's greatest car Company" by David Magee

	Is it covered?
<b>Culture change (10 year horizon)</b>	
1. Removal of all executive perks that separate the SMT from the workforce executive car parks , excessive offices	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. A removal of all performance related pay schemes that can be influenced by market conditions rather than actual efforts	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. A management style that 'manages like you have no power'	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Daily connect between the SMT and the workforce?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Executive pay linked by a relationship to the workers pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Humility being a major driver?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Honesty about performance	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Immediate sharing of problems and mistakes	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. See for yourself	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Recruitment and training (30 year horizon)</b>	
10. Recruited based on attitude and fit rather than achievements to date	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. One year induction programme	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Mentoring programme for all	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Team player rather than individual	<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Integrity and honesty evidenced	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Innovation (10 year horizon)</b>	
15. Systematic thinking (Kaizen)	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Non blaming (kaizen)	<input type="checkbox"/> Yes <input type="checkbox"/> No
17. Innovation adopted every day	<input type="checkbox"/> Yes <input type="checkbox"/> No
18. barriers to change removed	<input type="checkbox"/> Yes <input type="checkbox"/> No
19. Constantly looking for improvement( never business as usual)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Strategy (30 year horizon)</b>	
20. long term view always over short term view	<input type="checkbox"/> Yes <input type="checkbox"/> No
21. Vigorously challenge plans	<input type="checkbox"/> Yes <input type="checkbox"/> No
22. Implementation carried out quickly	<input type="checkbox"/> Yes <input type="checkbox"/> No
23. All implementations checked and amended	<input type="checkbox"/> Yes <input type="checkbox"/> No
24. Profits made in most trading conditions	<input type="checkbox"/> Yes <input type="checkbox"/> No
25. Isolate yourself from short term stock market forces	<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>Processes (10 year horizon)</b>	
26.Never static	<input type="checkbox"/> Yes <input type="checkbox"/> No
27.Plan Do Check Act philosophy	<input type="checkbox"/> Yes <input type="checkbox"/> No
28.Build new products, ground up, rather than acquire products	<input type="checkbox"/> Yes <input type="checkbox"/> No
29.Work processes are a controlled scientific experiment	<input type="checkbox"/> Yes <input type="checkbox"/> No
30.Just in Time	<input type="checkbox"/> Yes <input type="checkbox"/> No
31.Stop production lines delegated to staff on the shop floor (Jidoka)	<input type="checkbox"/> Yes <input type="checkbox"/> No
32.Cost reduction through design	<input type="checkbox"/> Yes <input type="checkbox"/> No
33.Cost reduction through working closely with key suppliers	<input type="checkbox"/> Yes <input type="checkbox"/> No
34.Zero landfill waste - Recycling all packaging with suppliers	<input type="checkbox"/> Yes <input type="checkbox"/> No
35.Zero clutter in all operations	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Customer Loyalty (10 year horizon)</b>	
36.Live like your customers to fully understand them	<input type="checkbox"/> Yes <input type="checkbox"/> No
37.Understand who your customers really are	<input type="checkbox"/> Yes <input type="checkbox"/> No
38.Over deliver, under promise	<input type="checkbox"/> Yes <input type="checkbox"/> No
39.Quality for price to be market leader	<input type="checkbox"/> Yes <input type="checkbox"/> No
40.Let brand loyalty be your marketing edge	<input type="checkbox"/> Yes <input type="checkbox"/> No
41.Commitment to the long term changes in consumer demand rather than the current flavour	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>New markets (10 year horizon)</b>	
42.Pilot manufacture in new country to test work force and culture	<input type="checkbox"/> Yes <input type="checkbox"/> No
43.Understand local community	<input type="checkbox"/> Yes <input type="checkbox"/> No
44.Total commitment to being local	<input type="checkbox"/> Yes <input type="checkbox"/> No
45.Local products for local market	<input type="checkbox"/> Yes <input type="checkbox"/> No
46.Total commitment to being local	<input type="checkbox"/> Yes <input type="checkbox"/> No