

# IAMSDA

SDA BOCCONI MASTER ALUMNI ASSOCIATION MAGAZINE

Designed by Mirco Tangherlini

## GET HUNTED

How to get in the sights of top headhunters?  
Answers from Italian Country Executives from Egon Zehnder, Spencer Stuart, Eric Salmon & Partners, Korn Ferry and Heidrick & Struggles.



SPECIAL INSERT: 2007 GRADUATES



# STUDY TOUR IN JAPAN

## Learning and experiencing Lean Thinking at the source

by Francesco Gallmann

**M**ilan, May 17th 2007, SDA Bocconi, MBA PT Operations Management Class. Professor Alberto Grando and his friend and colleague Fabrizio Bianchi, invited as guest speaker, are capturing students' interest by talking about Lean Thinking, the well-known Japanese managerial philosophy that has been the driver for worldwide leadership and company success starting with Toyota. "Professor Grando, how can these fascinating philosophies and managerial practices have had such tremendous economic and financial impacts? I doubt they can be applied to European companies. What about meeting with the founders of lean in Japan?" Asks a student. In response to the interest of the MBA class and the needs of an open market, the School decided to organize a study tour in Japan, visiting companies whose success and world-wide leadership largely depends on the adoption and application of the Lean Thinking philosophy. They represented a global reference model which has been successfully exported and implemented in western countries. Based on these premises, we selected companies belonging to the automotive and domestic appliances sectors,

recognized as being the most advanced in the application of lean management principles: Toyota, which represents the reference model through its Toyota Production System (TPS), Denso, one of the most well-known global first-tier supplier in the automotive industry, and Honda and Daikin, world leaders in the air conditioning business. Each visit was organized as follows: first, a presentation of the company in relation to its application of lean production principles, second a tour of the plant, and finally a Q&A discussion session with

the management. Among our 20 participants we had managers from different sectors (even the service sector) interested in assessing the extent to which lean principles could be applied in their businesses with substantial benefits. **Sunday December 2nd 2007: 5 p.m., Osaka.** Conference room in a Hotel "Yes, lean production is not just a simple basket of nice tools and techniques that you can pick and choose from. Lean production is above all a management philosophy! All of you know the general managerial pillars: customer

orientation, kaizen method, bottom-up approach, waste reduction, simplicity, collaboration, etc. Most of you also know the techniques of lean production: modularization and standardization for R&D, "U" shaped layout, SMED technique, continuous flow, T.P.M. for production processes, JIT, kanban, 'One piece flow', heijunka, mix model, takt time for production planning and management, visual management, Jidoka, Poka-Yoke for quality, multi-skilled training, job rotation, empowerment, involvement, organizational issues, proximity, partnerships, reliability, frequent and small size deliveries for suppliers ... All very valuable, but why do some Japanese companies believe they are the only ones capable of achieving remarkable results being perfectly lean? In theory, everything seems to be so easy and simple to copy with no complicated systems and no radical innovations. So let's talk to them to get a better understanding..." was decided at the end of the speech.

**Thursday December 6th, 2007 5 p.m., Kyoto, Debriefing session.**

"So what have we learnt from our visits to these companies, Toyota, Denso, Honda and Daikin? What are the peculiarities of being Lean the 'Japanese way' - that can-



### STUDY TOUR IN JAPAN

#### An innovate and successful initiative!

**This initiative has been particularly successful thanks to its innovative format characterized by international and qualified participants, the presence of several alumni, and an international faculty with strong managerial and consulting experience in Lean Thinking. A study tour designed to complement the specialized teachings provided in the classroom and aimed at finding the right balance between theory and in-field practice.**



Pictures taken during the Study Tour in Japan organized by SDA Bocconi School of Management from December 2nd to December 8th, 2007.

not be found in books? Asks Francesco Gallmann, SDA Bocconi Professor and coordinator of the initiative. *“Zero Turnover!”* Setting a strategy means setting medium/long-term goals. Implementing a strategy means joining efforts in the medium/long term to reach them. This is clear to everyone. But what happens when decision makers stay for a short period of time? They are the ones who often want to reshape the organization according to their management style which often means starting from scratch... In lean Japanese companies changes in goal setting are not that frequent. Why? Is this somehow related to the turnover rate?” asks a participant during the Q&A session. “Turnover? What do you mean? We have zero turnover!” says Mr. Takeshi Sano, project manager at Denso. Having both factory workers and managers joining a company forever or at least in the long-term is definitely an asset for

the adoption of the lean philosophy that requires cultural and behavioral changes. *Slow and fast!* Are Japanese managers slow or fast? During our first Q&A session with Mr. Daigo Umeki at Toyota, we covered three questions in 40 minutes, half of those planned. But when we visited the plant, we could not believe what we were observing: speed, speed and speed... at zero defects! It is fascinating to note that the process of decision making takes a long time with meetings, doubts, questions, etc but when a decision is taken and a strategy is set, operations run very fast in order to achieve this goal. No comparison to us. The Japanese attitude of being very quiet, not talking to each other, and strictly following basic rules helps them in achieving such results. But this may be not the only reason... there might be more to it. *Empowered and ‘standardized’ workers!* Are workers in the factory involved, empowered, trained, responsible

and accountable? Yes, but you need to observe how they work and the rules they follow. They are dressed in different colors in relation to their role and type of contract, full-time vs. part-time. Current skills and the future required training are precisely mapped out with colors and grids for all workers on a board, clearly visible to everybody. The above mentioned practices are just a few of those that may also be present in European plants. But they seem to go further and also apply visual management to identify workers’ level of expertise. We were all incredulous when we saw workers wearing rings of different colors whose purpose was to identify their degree of specialization. So, it does seem difficult to combine both empowerment and standardization. *Proud of long relationships!* “Relationships lasting 30 years or more with some suppliers... this is one of our strengths and we are proud of it”, said Mr. Toshiyuki Iida

at Daikin. In our debriefing session, we discussed many points: is our attitude that of a real partnership? Are we proud of our long-term relationship with suppliers? Are we sure we have selected the best suppliers? It is easy to say when all goes well, but difficult when something goes wrong. We are just interested in results and delivery” observed a participant. *Poka-Yoke!* It seems that one Japanese assumption is that nothing, even the most simple tasks, are obvious and taken for granted! Most activities, especially in production lines are repetitive and the probability of getting distracted and making mistakes is high, hence the idea to use colors, lines, and tools to reduce errors. *Religion!* “Even in the best companies I visited, I never saw a lean company in Europe as we have it in mind. The reason for this is that lean thinking is not just a philosophy, it is a religion!” concluded Mr. Daigo Umeki from Toyota.

