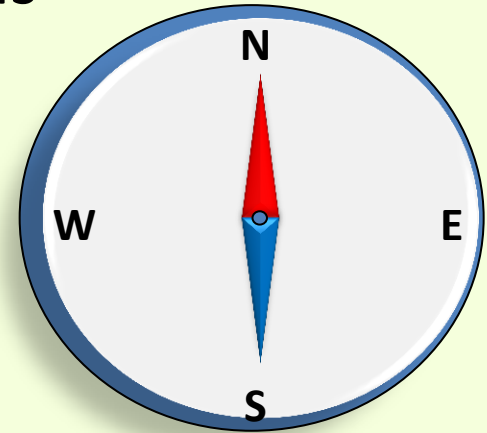


Consistency of Purpose and Direction

**TRUE NORTH**

# Set and hold a consistent long-range direction.

- A simple, concrete theme, easy to say “This is it” and “this *isn't* it.”
- Focuses the debate. Turn “why we can’t” into “problems to solve.”
- Default (Toyota)- Production that is:
  - Safe, defect-free delivery.
  - One-by-one production, continuously adding value.
  - With no waste of resources.
- Anything that moves us in this direction is an *improvement*.
- *Anything that impedes movement in this direction is a problem.*



# Why “One-By-One” Flow?

- It is the way customers naturally want things.
- The market and technology have been consistently moving in that direction throughout history.
- When people say “it doesn’t work” they really mean “it is too hard to do efficiently.”

Let’s take a look at that.

# Flow: A Short History

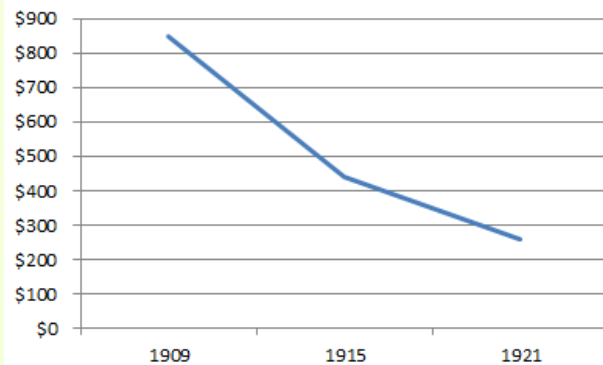
## Flow is most efficient.

- What slows or stops production is a problem to be solved.
- Keep things running for greatest efficiency.



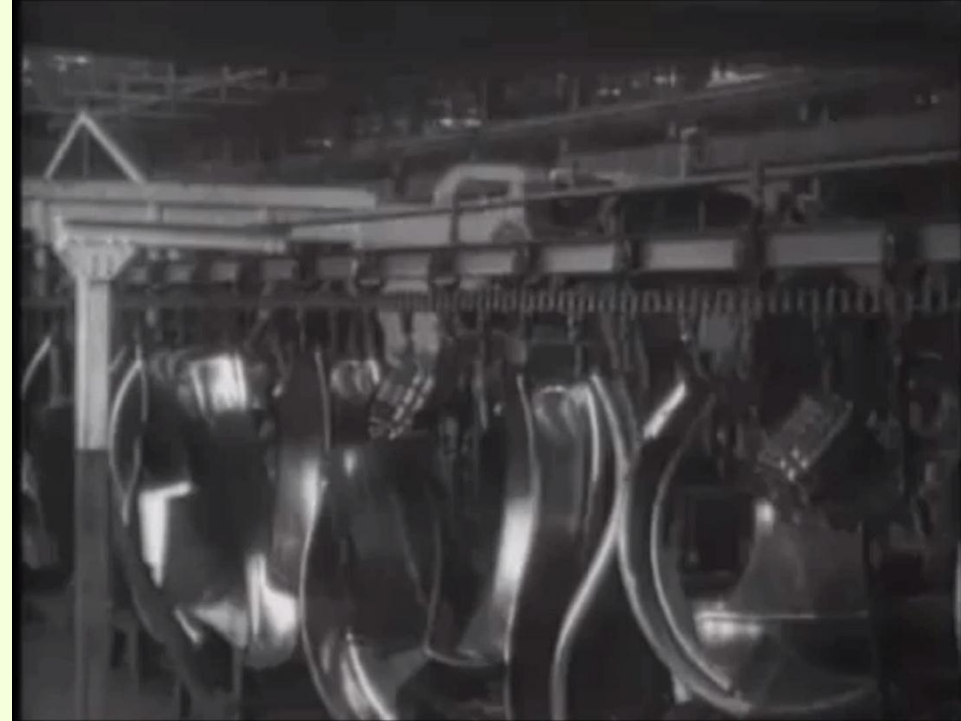
Problem solution:  
**High product and  
process  
standardization to  
enable flow.**

**Model-T Sales Price**



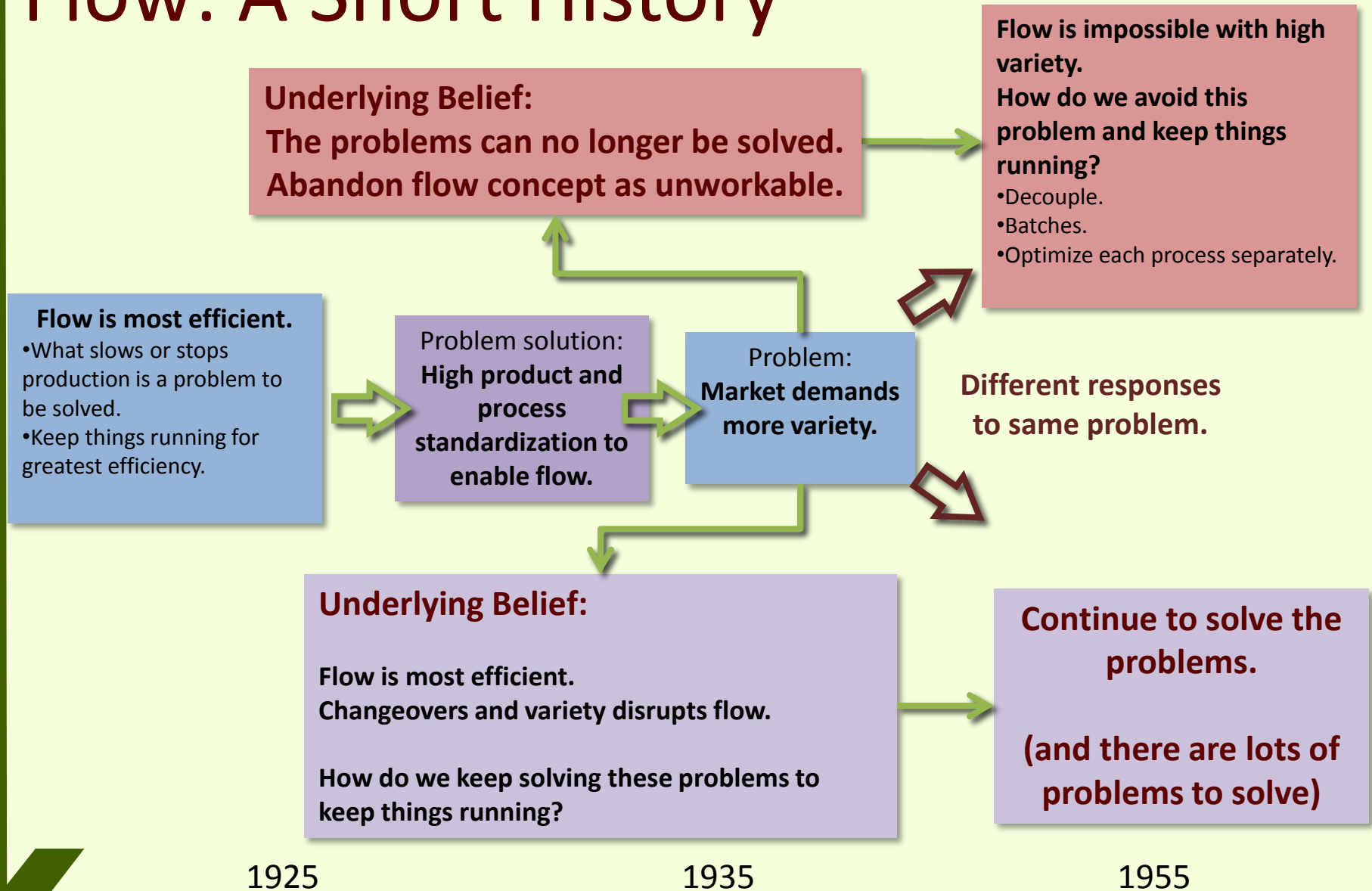
1915

1925



Flow was so efficient that customers were willing to give up variety for low cost and fast delivery.

# Flow: A Short History



# Flow: Continuing to the Present

Flow is impossible with high variety.

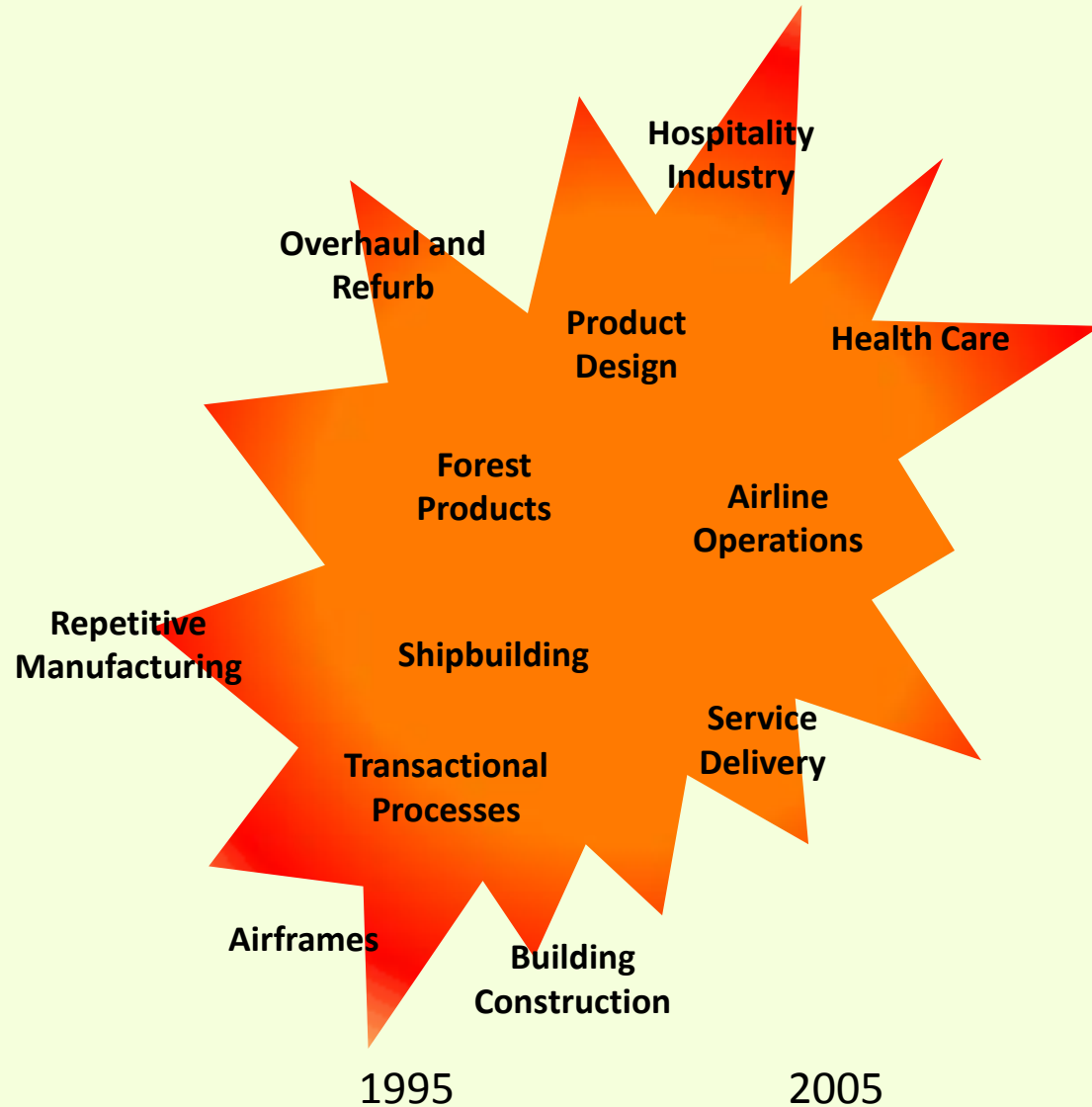
How do we avoid this problem and keep things running?

- Decouple.
- Batches.
- Optimize each process separately.

Automobile Industry

Flow is most efficient.  
Changeovers and variety disrupts flow.

How do we keep solving these problems to keep things running?



1975

1985

1995

2005

**“Flow” has *always* been regarded as superior.  
The argument has been “it won’t work here because...”**

**“It won’t work here because...” *No longer applies.***

**There are only different problems to solve.**

**Sooner or later, *somebody* will solve them.**

**It is up to you to find application in your context, not up to someone else to tell how it works.**

**Whoever figures it out first, wins.**

# What is *your* “True North?”

- What is your idea of an “ideal process” that you are striving toward?
- Describe how it would look to an observer. What would be “on the video?”
- What problem(s) are you working on *now* to move you in that direction?
- Given two concepts with equal ROI “on paper,” how do you determine which moves you closer to that vision?



# Holding the long-term vision.

Leadership has a crucial role

- Setting the ratchet, keep things moving in the right direction – Challenge proposals that backslide.
- Focus the energy on *solving the problem* and *clearing the obstacle*.