



Andy & Me

Crisis and Transformation
on the Lean Journey

Second Edition

Pascal Dennis



CRC Press

Taylor & Francis Group

A PRODUCTIVITY PRESS BOOK

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Preface

I initially wrote a bogus preface that I thought would impress you. When I read it to my better half, Pamela, she rolled her eyes. I decided to pare it down.

Why a novel about the Toyota Production System, or *Lean production*?

Well, people seem to like war stories and I make my living teaching the “thinking way.” So I wrote one to illustrate it and to show that the West need not become a second- or third-rate industrial power. The “end of Detroit” is not inevitable.

Our banks, hospitals, insurance companies, universities, laboratories, and public institutions can also benefit from this profound system of knowledge. Ultimately, however, the story simply wanted to be told. The characters took on a life of their own. I just got out of the way.

Preface to the Second Edition

How does one acquire virtue? By repetition...

Aristotle

I am humbled and gratified by the response to *Andy & Me* these past five years. The characters of Tom Papas and Andy Saito seem to have struck a chord, so I thought I'd give the story a buff and shine. In particular, I've added study questions after each chapter to support your learning and help you tell some of your own stories.

I still make my living teaching the Lean business system, but now I mainly work *outside* the automotive industry—in the process and consumer goods industries; in health care and financial services. I also spend a good deal of my time *outside* the factory—upstream in sales, marketing, and design; and downstream in distribution, customer service, and account management. The system developed by Taiichi Ohno, Shigeo Shingo, W. Edwards Deming, and others has taken root in all these areas—a testimony to the scale of their achievement.

Making stuff is fun and good for the soul, but to make *good* stuff we have to practice the fundamentals. Hopefully, the second edition of *Andy & Me* can help in some small way.

Have fun.

Acknowledgments

Thanks to the editorial staff at Productivity Press and in particular to Michael Sinocchi, Senior Editor, for believing in this project. Thanks to my friend Allen Sutterfield, who taught me how to write, and to Ruth Mills and Janet Rosenstock for their incisive feedback.

Special thanks to my *senseis*—you know who you are—with whom it has been my privilege to work. I hope you will overlook the many shortcomings of this book.

I am grateful to Toyota Motor Corporation which, despite its current difficulties, has been a beacon to organizations around the world, and whose generosity and openness has helped to make a better world.

This book is dedicated to my family—Pamela, Eleanor, Katie, and Matthew—and to my parents, Frank and Helen.

The Author

Pascal Dennis is a professional engineer, author, and educator with 25 years of experience in manufacturing, public service, and consulting engineering. Pascal developed his Lean thinking skills on the shop floor of Toyota Motor Manufacturing Canada (TMMC) and by working with Lean masters in Japan and North America. Over the past decade Pascal has supported Lean transformation in the consumer goods and process industries, health care, financial services, construction, and universities. He has worked upstream in marketing, design, and engineering and downstream in distribution, sales, and customer service.

For more information please visit www.leanpathwaysinc.com.

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“We’ll Have to Close Some Plants.”

I was 37 years old and freshly divorced. I had two little girls whom I adored and a crazy ex-wife who hated me. She was a child of privilege, who was now a society columnist for a major paper. I had once found her beautiful, but now when I looked at her, all I saw was meanness.

My parents had warned me, “Tommy, we don’t like this one.”

Would I listen? I had always aspired to the mansion on the hill. I didn’t know the damned thing was haunted.

Tom Papas is my name. Our family name is Papachristodoulou. I shortened it to fit the back of my football jersey. I grew up on the streets of Astoria, Queens—Greek town. Across the East River we could see Manhattan’s glittering skyline, another world.

My parents, Nick and Noula, ran the Humpty Dumpty Bar & Grill, a joint at the corner of 31st Street and Ditmars Blvd. There was a neon sign outside—Humpty taking a header, which seemed an apt metaphor for my life.

If you looked up *Greek restaurateur* in the dictionary you’d see my dad’s photo. He had a voice like a trumpet and nose like

a rocket ship. “Hello, nice looking! Boy if I wasn’t married ...”
“Hey chief, you hear the one about Speedy Gonzalez?”

Mama was round and cheerful and made Astoria’s best spanakopita, a traditional spinach and feta cheese pie that melted in your mouth. She was also a promotional wizard. There was a neon sign in the window: GOOD FOOD. When it lost some letters, Mama had a brainwave.

“Nicky, come stand beneath the sign. I’m going to take your picture.”

“Now give me a big smile.”

The GOO F photo made Dad “King of Astoria” and the Humpty Dumpty a local landmark. Soon the walls were covered with celebrity photographs. Dad mixing it up with Muhammad Ali. Mama shaking her finger at Marv Albert.

My brother Harry and I helped out as kids. We took customer orders, delivered sandwiches, and worked the cash register. It was fun, but our folks wanted a better life for us. Education was sacred.

So I became an engineer, and Harry went into pharmaceuticals. I envy my brother: He gets big bonuses and fat expense accounts—because the industry charges eighty bucks for a little pill. He also has a nice wife, whereas my personal life is a train wreck.

I’m manager of a failing auto plant, which is part of Taylor Motors. The company as a whole is also struggling. Our founder, Alfred Taylor, was an acolyte of Henry Ford and helped invent the auto industry. I love going to our head office in Motown and seeing our logo on building after building. I love the Product Design Center and the test track. I love the Automotive Hall of Fame and the old Taylor farm, now turned into a museum.

The 20th century was our century, we used to say. Would we say the same thing about the 21st century?

We had gone through bad times before, especially in the 1930s and the 1980s when it looked like we might go under. But we always bounced back. There was just too much car-making know-how.

But now we keep losing market share—mainly in the car market, and mainly to the Japanese. Trucks are our bread and butter; we’re number two behind Ford. Even here, Toyota, Honda, and Nissan are making inroads. Each is aggressively expanding truck production and taking direct aim at us.

Their quality has always been better. Their unit costs are a thousand bucks lower. How the hell do they produce better quality at lower cost?

Our plant, New Jersey Motor Manufacturing, is just outside of Union City. We make the Desperado, a muscle car with a 3.8 liter V8 engine and great styling. The public loves it. In fact, they want us to make 940 units a day. Last year, we missed delivery on over 4000 units—about 20 every day. Because we’re the only Taylor plant making the Desperado, each was a lost sale. Things have been better this year, but only because I’ve been running as much overtime as I can wrangle out of the union. This has blown my labor budget. Last year, I got hammered on delivery; this year, it will be cost.

Why do we lose production? Machine breakdowns, poor quality, part shortages, people not showing up for work; you name it.

Machine availability is poor, especially in our welding department. Our maintenance people run from breakdown to breakdown barking into their radios. Some freak out. “I can’t handle this anymore,” a young maintenance engineer told me at his exit interview. He said he was going into real estate.

Preventative maintenance seems an impossible dream. Last week a pipe burst and flooded our Assembly shop. We lost a whole shift. Guess who had to work on Saturday?

We have quality problems in all our major departments—Stamping, Body, Paint, and Assembly. There is a big “repair hospital” at the end of our final line—and it’s always full. Every morning at 8:00 am, we have a customer audit where we look at Desperados that have come back with defects. We keep getting the same electrical problems, water leaks, wrong and missing parts, and the like. Yet we have good people who work long hours. So why can’t we do what we’re trying to do?

Maybe it’s my fault. Used to be I could deliver results through sheer willpower. I was the Boy Wonder, the wizard who had saved the Desperado plant. I drove my team hard, and they never failed me. But I can’t seem to generate the same intensity. I feel lousy much of the time. What is wrong with me?

It’s a bone-chilling January morning. We’ve just finished our 6:30 am start-up meeting. I’m walking back through the welding shop, which is dark as a cave. Spark showers pierce the gloom, the noise is deafening, and I can smell hot metal. Forklift trucks lumber past me carrying racks full of doors, hoods, and fenders. Dirt and grease are everywhere.

I’m wearing safety glasses, ear plugs, and my ratty old Desperado jacket. I can’t bring myself to throw it out. We all got one when the Desperado won the gold medal for quality. It seems a lifetime ago.

I walk out a side door and into the cold, gray light. Snow crunches under my feet as I walk past the scrap yard. It’s full of twisted car bodies—yesterday’s casualties. We’ll sell them off as scrap metal.

When I get to the front office, I see Bill Barrett’s Desperado Mach III out front. As I walk past reception, I give Anne, my intrepid assistant, the Vulcan salute. “Where is the old goat?”

“He’s in your office,” she says, “with his feet on your desk.”

Bill Barrett is my boss, a big Liverpoolian with silver hair, a scarlet nose, and a love of early rock and roll. He is the director