Toyota's lean business system is the machine that changed the world

by Bend_Weekly_News_Sources

The key to Toyota's rise from a Japanese maker of textile looms to possibly the world's best corporation, as described in a recent cover story in The New York Times Magazine, is its ground-breaking lean business system, said James Womack, founder and chairman of the Lean Enterprise Institute (LEI).

Womack, who was featured in the Feb. 18 story "From 0 to 60 to World Domination," co-authored the book that brought Toyota's revolutionary lean business system to widespread public attention in 1990. Simon & Schuster will re-issue The Machine That Changed the World in paperback next month with a new Foreword, "Why Toyota Won: A Tale of Two Business Systems" and a new Afterword, "What We Have Learned about Lean Production Since 1990."

"The book remains relevant today because it clearly describes two fundamentally different business systems, two ways of thinking about how humans work together to create value for customers," Womack said. General Motors pioneered the mass production business system in the 1920s as it became the world's largest industrial enterprise. Toyota pioneered the lean production system after World War II and is within reach of overtaking GM as the world's largest automaker.

Machine describes how Toyota operates the five elements of its lean business system: product design, supply chain coordination, customer relations, production, and enterprise management. The "machine" that is changing the world is this complete lean business system.

After nearly two decades in the market, Machine has become a management classic, taking its place as the third book in a historical sequence beginning with Peter Drucker's Concept of the Corporation (1946), which first summarized the mass production business model, and continuing with Alfred Sloan's My Years with General Motors (1965) in which the chief architect of this system explained it in very precise detail.