WHO SAID SO?

The Questions Revolutionary Businesses Ask That Make Them Successful

MICHAEL E. PARKER
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I became part of the Toyota manufacturing family after 18 years in the U.S. automotive industry and was excited to be exposed to an entirely different way of thinking that would change my career forever. I personally was involved in helping lead the implementation of the Toyota Production System at NUMMI—the joint venture between Toyota and General Motors—where I witnessed a new way of thinking enter and re-shape an industry because of its power and business truth. In this book, Mr. Michael E. Parker explains a management approach that simplifies the treasures of the Toyota Production System and management philosophy, while at the same time provides a fresh look at what true business is all about: the customer.

In *Who Said So?* Mr. Parker introduces readers to a management approach—Value-Centered Management—that succeeds in translating the successes of the Toyota Production System and management philosophy in a way that can be incorporated into any industry or business environment. It is a delightful book filled with great leadership insights and universal management practices that can be quickly and easily understood.

The uniqueness of Mr. Parker’s work is that the lessons, tools, and methods are expressed simply and concisely through an enjoyable story of the relationship...
between a son and his father. The son is formally educated but struggling with real-life management and leadership issues that are difficult to learn from management books alone. His father is a street-smart man who, through long experience and hard knocks, has developed a keen sense of management practices that really work. Seeing how their shaky past relationship improves and strengthens is very heartwarming, as the father displays a rare ability to pass the value of his experiences on to his son.

As background, Michael and I were colleagues at NUMMI, located in the Bay Area of northern California. He was one of the brightest and hardest-working young leaders we hired into the Production Control organization. Michael quickly gained a firm understanding of the Toyota Production System through the many challenging assignments he was handed.

Michael has loaded *Who Said So?* with Toyota’s leadership philosophies, management practices, tools, and universally applicable ideas. But he’s kept it a quick and easy read. In fact, I challenge you not to get caught up in the story or be fascinated with the important messages delivered throughout the book. And I encourage you to highlight or underline the many useful management practices you’ll find.

As an established executive, I have read many books that claim to unleash great secrets of business management and business success; however, this book truly delivers. As you’ll see, this will not be another management book gathering dust on the shelf but, instead, a quick and ready reference to scan and refresh your thinking on a regular basis. I’m sure you will enjoy it.

GARY CONVIS
Executive Vice President
Toyota Engineering and Manufacturing
Managing Officer, Toyota Motor Corporation
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Arriving at the end of this book is an overwhelming experience, but even more overwhelming is my appreciation for the people and experiences that prepared me to complete this project.

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I would like to thank those team members who despite all odds, opposition, and great challenges, stood with me in the more difficult times of my career. My respect for you cannot be measured, and I realize that we would not be where we are today if it was not for you. I will never forget your labor of love and the show of unity that you continue to display to assist me in building something for a higher purpose. You share my belief that it is not just about being successful, but about getting there the right way and for the right reasons. I appreciate you all.

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And we know that all things work together for good to them that love God, to them who are the called according to his purpose. (Romans 8:28)
INTRODUCTION

At Toyota in the 1990s, I was fascinated with what made operations work. The thought of several processes and groups of people all working together to accomplish a goal sparked my attention and curiosity, but not for the first time.

I had grown up in the rough neighborhoods of Richmond, California, trying to avoid the evils of the inner city. Since I was often alone, I had plenty of time to think, and plenty of time to learn about human nature. Thankfully, I focused a lot of my teenage energy on studying people and dreaming of how they could work together.

Eventually I found my way to Cal State University Hayward, where I studied purchasing and operations and then earned an MBA. Finally, I was ready to tackle the corporate world. A post with Toyota was my first journey toward understanding lean management. It opened my mind to this brilliant approach to production efficiency. While working there, I ended up in Japan on special assignment at the same time as Akio Toyoda, the grandson of the auto giant’s founder. He and other leaders noticed me in a presentation and selected me to be on a team that would implement lean
manufacturing principles throughout North America. I was on a fast track and had a chance to work with many brilliant executives and team members.

Even with the amazing opportunity in arguably the world’s strongest manufacturing environment, I wasn’t satisfied. Along the way I had developed a love of the service industry, and I had a feeling that what I was learning about lean manufacturing could be applied there. From what I could see, few service organizations were working anywhere nearly as efficiently or with as much consistent customer focus as they could. And so, during my years at Toyota, I spent lunches and breaks grilling lean experts from Japan on how these principles might be applied outside of manufacturing. They admitted the concepts could work, but had never thought of implementing them that way. I brainstormed about using lean in a kitchen, in consulting work, in processing mortgage loans, and in a dozen other applications. At night, I began to think about starting an organization that could use these principles in a manufacturing and service industry setting.

Years ago, Kirchiro Toyoda, Taichi Ohno and those who developed lean manufacturing had come to America to study business processes. Legends claim they visited giant grocery stores, manufacturing plants, warehouses, and anyplace where processes could be found. Everywhere they went, they learned. And they took back what they found to Japan where they worked with it, molded it, and eventually created a philosophy that would change the way most of the world builds products. For me, the experience at Toyota was a similar beginning.

Lean management principles taught me to get rid of waste and improve processes. And yet I wanted to make the principles my own, as well as add the compo-
nent of a stringent focus on value and a value-centered culture. So in 2001, I went out on my own to show what the concepts might do outside of manufacturing. Founding Stellar Enterprise, I began to employ my own approach to business that I call Value-Centered Management. It is a philosophy that looks at every part of a business, helping managers and team members understand how to truly serve the customer—from the founding philosophies and approach to business, to determining the tangible structure, process and approach that will get the best results.

Together with an outstanding leadership team, we have created seven subsidiaries that employ a host of vibrant team members—many of whom were touched by one of my favorite companies—lifeskills 411™. The lifeskills program has affected the lives of youth and adults throughout the nation, most especially in Northern California and is near and dear to my heart (but is a story for another day). I’m honored to say that our companies are now thriving and have been growing at an annual average rate of 25 percent per year over those six years. In addition, at 90-plus percent ratings, our customer satisfaction levels are near the top of each of their respective industries.

With our small successes we have begun taking our message to others. Today, our Value-Centered Management Institute teaches businesses and people to build stronger organizations that serve real customer needs and unleash team members to achieve all they can. In short, we help create lean organizations centered around what the customer values. And when you think about it, that’s what all business should be about. For too long we have accepted traditional wisdom taught in business schools and by many leaders of our organizations. We have followed because their wisdom produced acceptable results. But who said acceptable is good
enough? Who says we can’t achieve more? Successful businesses are not run on tradition anymore. Their leaders are tuning into the spoken and unspoken desires of their customers and are building organizations and team members that focus on value in every aspect of their delivery.

And we have found that anyone can learn how to take these principles and apply them in their work lives—whether they run a consulting firm or manage a team in a multinational company. We have applied Value-Centered Management in retail, service, financial, manufacturing, technical, and other industries, and the results are consistent and remarkable.

After all, if you know what your customers want and deliver it day by day, how can you fail?

Michael E. Parker
Sitting at his kitchen table, surrounded by the management books that had always made him feel safe, John felt the hair rise on the back of his neck.

Until now, he hadn’t paid much attention to the B-grade horror flick playing on late-night television on the counter. It was on for background noise, to keep him company as he read. Now, with all his senses on
red alert, John was acutely aware of how the actor’s hands shook as he pushed open the door of the deserted house and took a tentative step inside.

There was something frighteningly familiar about the scene, John realized. But he couldn’t put his finger on it. Suddenly, behind the actor, something moved in the darkness, and John’s stomach lurched: That guy on the screen, he thought, that’s me.

Annoyed with himself, John snapped off the set and tossed his takeout box into the trash. But, sitting alone in the quiet, he couldn’t stop the thoughts filling his mind. That’s me. Going in where everyone else has failed, thinking I can save the day.

John rubbed his eyes. He hadn’t been sleeping well lately, with his mind all wrapped up in his job, and he was tired.

“Time to call it a night,” he said out loud to no one. He flipped off the kitchen light and crossed the adjoining living room, pausing for a moment to admire the painting that dwarfed the small room: an enormous abstract artwork consisting of overlapping shades of blue. He’d bought it with his AXD Solutions signing bonus. It was much too big for his apartment; John had known that from the beginning. However, there was something about the undulating current of the piece that reminded him of a fast-flowing river. It radiated the energy that he had felt that day. Sometimes, when he studied it, he still felt enveloped, surrounded by millions of droplets of water flowing rapidly toward the same destination. But not tonight. Tonight, it just made him feel like he was drowning.

The thing was, his job—the one that he had dreamed of, the one that was the envy of all his college friends—was driving him insane. Of course, it hadn’t always been this way. His enthusiasm and success in
graduate school had attracted attention early on. He hadn’t even completed his MBA program when AXD Solutions, an eight-hundred-pound gorilla in the IT industry, came looking for him. Suddenly, he’d found himself on the fast track without even putting together a resume. His immediate and phenomenal success with Trenneth, his first client, had confirmed his status as the heir apparent within AXD.

During John’s heady first six months with AXD, his dad, Tim, had been the only person with any reservations about the certainty of a very bright future for John. Tim had been a midlevel executive with a major airline for more than 20 years. Although he was proud of John’s quick success, his experiences in the corporate world made him concerned. Tim had worked his way up through his company without the benefit of a degree, and the long hours and stress of his career had been hard on his psyche.

Once, when John was still a teenager at home, he had run in from a pickup game of basketball to find his dad fingering a new line on the wall where his parents marked their children’s heights in permanent marker. The line was just about his dad’s height. “Just checking to see how I’m measuring up, you know, if I’ve shrunk any,” his father had joked. It wasn’t until just recently that John had realized he might have been talking about his own fading career ambitions.

Looking back now, there were many signs through the years that his dad was discouraged by his job. Still, John had chosen to follow his father’s footsteps into the corporate world.

I walked into the situation with my eyes wide open, John thought to himself. Or did I?

His phenomenal success with Trenneth had been followed by several projects where John had turned in solid but decidedly less-impressive performances. It