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*Podcast Transcription*

*Implementing Lean Marketing Systems*

## Introduction to Training within Industry

Guest was Jim Huntzinger

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## Implementing Lean Marketing Systems

Jim Huntzinger has over twenty years' experience developing Lean enterprises through system design and development, implementation, and guiding organizations both strategically and tactically through the transformation process.



Currently he is the president and founder of the Lean Accounting Summit, TWI Summit, and Lean and Green Summit.

He authored the book, [Lean Cost Management: Accounting for Lean by Establishing Flow](#), was a contributing author to [Lean Accounting: Best Practices for Sustainable Integration](#), and has authored many articles including the ground-breaking article, *Roots of Lean – Training Within Industry: The Origin of Kaizen*.

Jim began his career as a manufacturing engineer with Aisin Seiki (a Toyota Group company and manufacturer of automotive components) when they transplanted to North America to support Toyota. Over his twenty-year career, he has held positions in engineering, operations, and management working to implement and evolve Lean into operational and business practices. He has also worked as a consultant with organizations ranging from small privately-held to huge global corporations.

Huntzinger has also researched at length the evolution of manufacturing in the United States with an emphasis on Lean's influence and development. He has researched and worked to re-deploy TWI (Training Within Industry) within industry and uncovered its tie with the Toyota Way. He is also developing the history of Ford's Highland Park plant and its direct tie to Toyota's business model and methods of operation. Jim can be contacted at [jim@Leanfront.com](mailto:jim@Leanfront.com).

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## *Implementing Lean Marketing Systems*

**Joe Dager:** Welcome everyone. This is Joe Dager, the host of the Business901 podcast. On the show today I have Jim Huntzinger, who has over 20 years of experience guiding organizations, both strategically and tactically, through the transformation process. Jim has also researched, at length, the evolution of manufacture in the United States, with an emphasis on Lean's influence and development. Currently, he is the president and founder of the Lean Accounting Summit, TWI Summit, and the Lean and Green Summit. He has authored the book, "Lean Cost Management", and was a contributing author to "Lean Accounting", and has authored many articles.

Jim, I'd like to welcome you today. One of the things I have to compliment you on is your contributions to the Lean Edge. Could you tell me about that website?

**Jim:** The Lean Edge was started and managed by Michael Bally, one of the co-authors of the book, "The Gold Mine", and they just post particular questions. They do a really good job of posing questions that a lot of people that they know have that question. Then they have a variety of folks that have been involved in Lean for a number of years, a number of authors like Pascal Dennis, Jeff Liker, Mike Rother and other people and they just give answers to those questions based on their experience, their knowledge, their ideas.

**Joe:** You really did a lot of research on the evolution of Lean's influence and development in manufacturing in the United States. I saw an article from you back in 2002 about TWI, or Training Within Industry and you called it, "The Roots of Lean", or "The Origin of Kaizen". Could you tell me how you got involved with TWI?

## *Implementing Lean Marketing Systems*

**Jim:** I guess my nature; I'm an engineer as far as education, career wise I'm an accountant, but I guess I'll define myself as a curious engineer. When I was going through my Lean implementation early on, we were doing a lot of things that a lot of companies were doing. In the early nineties and still now, a lot of companies are going through it today, which is implementing flow manufacturing along with that you have, you want Standard Work put in place in order for those lines to function consistently. You know based on TAKT time. Well that was always a problem.

We actually would put together standard work and spend a lot of time. The engineers worked with the operational people, the operators; the supervisors and department managers to work out good standard work based on the same methodology that Toyota used. The interesting thing was we still got a lot of inconsistencies for a variety of reasons. I just always felt that there is something missing, but I didn't know what that something was, something was missing that Toyota or the group companies, were using, that made them more effective at it.

I thought; they're humans like everybody else; it's not like they're any smarter; there's just got to be something missing. When I stumbled upon the TWI, actually I read something about it, in a couple of books that just mentioned it briefly, and it was this World War II program called Training Within Industries, but I kept thinking what the heck does some World War II program have got to do with the Toyota production system?

I spend about another year or two trying to find out actually what TWI was and then when I finally did start getting some information on it. It was a report written about it by the folks, who did it during World War II. This report from 1945, I was just shocked by what I was reading. I was going, "Oh my gosh, this is the very thing that this guy had gone through, was some of the stuff that I've gone through when I worked for The Toyota Group Company.

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*Podcast Transcription*

## *Implementing Lean Marketing Systems*

I'd gone through some of the early; the original Kaizen workshops done by the Productivity group originally back in the early 90's called Five Days in a Night Workshop, and this was verbatim the same thing they're going through. What I discovered by continuing research in this that TWI was developed in the United States to help us in the war effort, to help us build up our own armaments. It was a massive success and when we deployed it to Japan during the occupation that it got institutionalized in Japan and the industry.

They're still using it today and in particular, specific to Toyota. It was actually the very thing that Toyota had grabbed onto to help drive the methods they were trying to drive. They had actually spent nearly seven years trying to make changes in the machine shop to change it from a batch to a flow environment, and they actually struggled, like all the rest of us for quite a few years.

TWI became the; I kind of called it the vehicle that they used to really leverage and drive these changes through the machine shop, through Toyota and originally out in their supply base, and it evolved into what we call today, Standard Work and Kaizen. They evolved it at Toyota because they've using it for about 50 years. But the job instruction, which is how you train people, is still based very much in the same format as when it was deployed back during the occupation.

This was this thing I've been looking for that really makes Standard Work much more successful, much more powerful in an organization. It also becomes just a building block on developing, you know Toyota's big on developing people, this is also one of their foundational building blocks they used to develop people.

**Joe:** I find it interesting; you go back to the Charles Allen and just his description of how similar it is to Deming, PDCA and the whole process of continuous improvement. It seems that it has

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*Podcast Transcription*

## *Implementing Lean Marketing Systems*

just evolved; Toyota, Lean, is an evolution of these principles, that Charles Allen developed back in 1910?

**Jim:** They are very much so and actually I've even traced it back... I've been working on it in the last few years writing all this up. You can trace the 4-Step Method that Charles Allen talks about back around 1910 and 1920, traced that back 200 years, to actually a fellow by the name of Johann Herbert, who was a German philosopher and educationalist and he developed, originally a 5-Step Method to educate children with. That over time, developed and evolved into the 4-Step Method that Charles Allen utilized and wrote about extensively and actually became TWI. Three of the four guys that led up the TWI program during World War II, one of them actually worked for Charles Allen directly back then, and two of them had actually been trained by him back late 1910's.

They went back to that during the war, and picked up that Four Step methodology that they used and incorporated in all four of the J Programs, Job instructions, Job methods, and Job Relations into the four-step methodology used in those. The other interesting thing with TWI is after the War, the work continued--even during the war--continued developing and evolving it, so a lot of this stuff--some of it's used in the United States--a lot of it continued its development in Japan during the occupation because a number of these guys who worked on it during the war actually got contracts to go over to Japan to work with them and incorporate it into the Japanese industry.

So they continued to evolve it further. They did a lot of work on problem solving, and actually colleagues of mine have been digging this out of the National Archives. So a lot of this stuff we thought came from Japan on problem solving actually, they were developing through the guys that did TWI during the occupation. A lot of things we look at coaching and mentoring evolve directly out of TWI that they continue to work on even to this day.

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## *Implementing Lean Marketing Systems*

So, it's relating to Deming and all that, so the Plan-Do-Check-Act--fundamentally that's what TWI is--Plan-Do-Check-Act--, and they just continue that work even after the war for quite a few years, and developed some very robust problem solving methodologies that we can use today.

**Joe:** I think of TWI, and if it's developed during the War, it had to be something that could be implemented very quickly. I always kind of look at things a little different than everybody else sometimes, but TWI had to be implemented right now because we didn't have a lot of time? Time was of essence during the war. That kind of constraint puts urgency to things. Do you think that TWI can be implemented quickly?

**Jim:** Yes, it can. It definitely takes a concerted effort, a concerted effort and supported effort to do it. They even ran into that problem originally at the beginning of the War when they put together the TWI organization. They got these men directly from industry-that's why it's called "Training Within Industry." They got these four gentlemen directly from industry, and they actually spent about the first year working on some stuff, but actually struggled, and basically their conclusion was-because basically they were using the consulting model. They concluded that there's no way in a rapid time we're going to be able to hit all the industries, companies that we need to hit to help them ramp up by using the consulting model. That's what drove them back to Charles Allen's four-step methodology, to use that and then what they took that four-step methodology and basically scripted it out exactly.

The training manuals that were used are completely scripted with different fonts, with different meanings, timing along the side of the book, and a 100 percent of what's delivered in those programs was scripted. And the reason why was; they used what's called the "multiplier effect." They knew they were going to have to have a multitude of people-in order to deploy this

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## *Implementing Lean Marketing Systems*

quickly--that have no training in training to a lot of training in training, so they had to come up with something that was simply bulletproof that would deploy the method regardless of who was delivering it.

So they did put that together, and they went through a lot of iterations, and actually again, continued making changes even after the war, and got it down to where the methodology could be successfully deployed if people followed the format regardless of whom the person was delivering it.

Now, you can help that out, that's part of the mentoring processes, the coaching processes they had and developed as well, but you're right--you're exactly right--you had to do it quickly, and they had to do it robust enough, so that the methods would be picked up and be utilized and be successful. And that's very true of what they did with that program.

**Joe:** Now the four-step process--we really haven't mentioned it from Allen--and it's Preparation, Presentation, Application, and Testing. In reading your article, the thing that I noticed the most, and I thought was a great description of it is that Step one: the Preparation--you've got to be in the right frame of mind. Then, the Presentation, but really what it gets down to is the Application. Unless someone can actually do it and do it correctly, the learning has absolutely no value, and we forget about that sometimes.

**Jim:** That's why the mantra that they used--and actually it's interesting because you hear this out of Toyota today--their mantra was "Learn by Doing." That's what they did. It was hands on; you had to get out there and do it. So you're right. Step one: Prepare the Worker. Step two: Present the Operations. Three: Try out the Performance. And then Four: Follow up. Repeat it until they get it, and you're comfortable that they've gotten whatever your training them to, and to be successful. Again that parallels

## *Implementing Lean Marketing Systems*

plan- Do, Check, Act, Plan, you know, prepare the worker, Do, present the operation, Check, you know try out the performance and Act, you know kind of the follow up. You know it's a complete parallel with Plan, Do, Check, Act are basically the scientific methodology.

The other thing they would say would be, "The worker hasn't learned, the worker hasn't learned, the instructor hasn't taught." They could put the onus on the instructor in order for it to be successful, not just, "This guy doesn't get it." No, the guy will get it only when the instructor has been successful. So they put the onus on that instructor. That was an important key to making it successful too.

**Joe:** Why do you think TWI is kind of, do people still look at it as a backward way, something from World War Two and why hasn't it been more popular, let's say than what it is? I know it's somewhat popular in the Lean manufacturing culture, but why isn't TWI out in the forefront, let's say like Lean more? If it's a Plan, Do, Check, Act, why aren't people sitting there talking about, you know PPAT?

**Jim:** Well, I guess it is, I guess I think it has become more popular in the last few years. I mean that's one of the purposes of the TWI Summit is ideally we want to get it back in industry and by industry again, I don't just mean manufacturing but it's every bit applicable in the service industry, as well. Anywhere where you're teaching people procedure, it's applicable. I think it just, I think it came down to this; we believe, you know post-war, post-World War Two, if you look at the United States situation, the global situation, is we had won the war. We had won the war by building our manufacturing infrastructure, and it isn't the only thing, the only reason, but overwhelmed our opponents with a superior output of products. Obviously war products, we had overwhelmed them.

## *Implementing Lean Marketing Systems*

So after the war, one, we had developed ourselves to a superior manufacturing country as well as with the two other parts of the world that would have been our top competitors, Asia and Europe, both those were devastated. They were done. They were shot after the War for a number of years. We built ourselves up to the top and then had no competitors. Obviously the response to that becomes a lot of complacency.

A lot of complacency was in place after the War because we just, we didn't have the urgency anymore because of the War; we didn't have the urgency there because of the competition.

Another thing to combine with that we think might have contributed to this was you know, since all the boys came back from the War, and they had not been trained in these methods. And they came back and came back into their positions, into the jobs, into the companies without being trained in this. We believe at a high level we think that's probably maybe the reasons why it diminished fairly rapidly overall.

And with anything that's a change and all that, just like we've seen with Lean, even though we know it's been more successful, it's still been very hard and very difficult to get people to change to it and not only change, but then sustain it over the long term. I think the same thing applies here with TWI specifically.

From a Lean perspective, I mean, as important, as foundational as I think TWI is; there's still a lot of dynamics that obviously go into Lean. If you're even looking at the history of Toyota, a lot of other things that played a very significant, a predominant role in making it grow into a successful organization.

**Joe:** Tell me a little bit about the TWI Summit then, it takes Training Within Industry to really a new level 'cause it, 'cause there wasn't one before, was there?

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*Podcast Transcription*

## *Implementing Lean Marketing Systems*

**Jim:** I think this was our fourth year for the TWI Summit; it was in May for the TWI Summit, so it's grown substantially each year in the number of people that come to it. Even like the Lean Accounting Summit was in its first year, a lot of people TWI, Lean Accounting showed up, and they were like, "Well, what is this TWI thing? I want to learn a little bit more about what it is." Both of them have matured enough although we still obviously, have people that are learning about it, matured enough where you have a lot more. Particularly, some of the companies that have been doing things with Lean that know about it and even have done it, so they're coming with the attitude of, "We know about it or we're in the process of doing it, and we want to learn more, we want to become more effective at it.

You know we've had some success with it", and usually you have some backward steps too. "What can we do to be more effective? What can we do to be better at sustaining what we've already accomplished?"

We're also introducing some of these things we've actually been finding in the archives with problem solving. The things that aren't specific TWI in the sense that the J programs are very important to make them more robust and more sustainable, which is a lot of the mentoring and coaching aspects that were developed, and also the problem solving methods and tools that were developed.

**Joe:** Where's Jim Huntzinger going to? Where are you headed? What are you doing with your company?

**Jim:** Well I guess what we're doing, and I guess we kind of evolved into this niche where we try to find, I guess these niche topics. I guess what we do with our summits and things we deal with are trying to find these niche topics under the umbrella of Lean that are there but maybe not widely known or widely accepted or widely understood and then through the Summit, in

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## *Implementing Lean Marketing Systems*

particular, and we do webinars and some other things, try to in a sense, get the word out. Let people know what these things are. Let them know, not only how they integrated work in a Lean organization, but just an organization overall.

We actually this year launched another summit called, "Lean Logistics Summit." Again, something that's involved in the industry, particularly from the Lean perspective and there's some examples out there but we're trying to build a community where again, this stuff becomes commonplace.

Like I said if you looked at Lean Accounting six years ago, it was a few people kind of vaguely heard about it. Well now we have a lot more companies that are practicing. We have; there're even a few companies now that are really out there on the cutting edge developing things involved in finance in their organization where they really don't have any place to go because nobody's developed this stuff yet.

That's why we'd like to get more people out there on the edge developing new techniques, new ideas and new methods that just help themselves and help other organizations be much more effective. You know to some degree I look at it as a consumer, a selfish consumer standpoint. If I can help organizations get better that means, I should be able to get better products and services out of you know companies, and that I purchase from or use.

**Joe Dager:** If I want to get involved with Lean Accounting and to understand Lean accounting, what would you recommend as my first step?

**Jim:** Well, I'd say, come to Lean Accounting Summit, could be one, of course, but no, actually you could go to the Lean Accounting Summit website or even the TWI website. We have a resource page on each of those. There are a lot of good books, especially with Lean Accounting that have been out for a number

## *Implementing Lean Marketing Systems*

of years. There is good information out there to go learn about what it is. There are some other groups, blogs and other sources to get and to learn information about this whether it's reading, whether it's through blogging like you mentioned, the Lean Edge, other things like that out there that you can go get information and begin learning about it.

I recommend two basic things. First is do it. Like we talked about before, with TWI, learn by doing. Go do it. Go get your hands dirty, try it out. The other one is, is supplementing that. Supplementing that with articles, with you know books and readings. Going to some of these blogs and just learning from other people. Learning what other people are experiencing.

Learning what other people are thinking and doing from you know thought leaders in the area to practitioners. Both those are valid and good places to go. Supplement your own knowledge and your own experience of what you're going through.

**Joe:** Is there anything that you'd like to add that maybe I left out of this conversation about Lean Accounting or TWI?

**Jim:** We'd love to have listeners come to any of our summits. Like I said, we, they're great learning environments and a combination of case studies, so that people that are actual practitioners doing it, as well as with thought leaders and thought leaders, some of the thought leaders are former CFO's in the case of Lean Accounting or actually practitioners of TWI in that case, as well as with academics. So we try to bring everybody, you know all the different gamut of knowledge under these. The other big thing is just do it, just really start practicing and learning about how to do that and tapping into resources, like I said colleagues you may have or organizations. I know a variety of different states and around areas have a lot of network groups.

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*Podcast Transcription*

## *Implementing Lean Marketing Systems*

Actually, I'm located in central Indiana, and there's one in central Indiana, a Lean manufacturing group that meets once a month. So just go find, one of those, or at, get involved with them, get involved, learn, with what you're doing yourself, and learn you know from others, as well. And if you do that I think generally you'll catch the fever, and you'll learn a lot and you'll have a lot of fun in doing it. And be successful too.

**Joe:** I'd like to thank you very much, Jim. The podcast will be available, not only on the Business901 podcast site, but also on iTunes. Again, thanks Jim, very informative, I appreciate it very much.

**Jim:** I thank you. I enjoyed this well.

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Podcast Transcription

Implementing Lean Marketing Systems



Joseph T. Dager

**Lean Six Sigma Black Belt**

Ph: 260-438-0411 Fax: 260-818-2022

Email: [jtdager@business901.com](mailto:jtdager@business901.com)

Web/Blog: <http://www.business901.com>

Twitter: [@business901](https://twitter.com/business901)

**What others say:** *In the past 20 years, Joe and I have collaborated on many difficult issues. Joe's ability to combine his expertise with "out of the box" thinking is unsurpassed. He has always delivered quickly, cost effectively and with ingenuity. A brilliant mind that is always a pleasure to work with." James R.*

Joe Dager is President of Business901, a progressive company providing direction in areas **such as Lean Marketing, Product Marketing, Product Launches and Re-Launches. As a Lean Six Sigma Black Belt**, Business901 provides and implements marketing, project and performance planning methodologies in small businesses. The simplicity of a single flexible model will create clarity for your staff and as a result better execution. My goal is to allow you spend your time on the **need versus the plan.**

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