From Homemaker to CEO

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Uniflow Co.

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UTAH OPS & GOLDRATT CONSULTING

PRESENT: BUILDING ON SUCCESS 2017

BREAKTHROUGH RESULTS FOR GOVERNMENT AND BUSINESS

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Agenda

- About the Company
- About Myself
- Before TOC
- How I met TOC
- UDEs and DEs
- What we did
- Now and Then
- Looking Forward to Another Monday

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About the Company

UNIFLOW Company

- Established in 1965 by Takashi Uno
- Ice cube machine
- Hinges for Freezer and Refrigerator
- Glass Door
- Night cover for Showcases
- Swing Door
- Sliding Door
- High-speed Shutter
- Pet Door
- Headquarter in Tokyo
- Manufacture in Saitama
- 8 regional offices in Japan
- Singapore, China
- 180 employees

About myself

My story

I was a homemaker, raising 2 daughters.

Suddenly became a CEO in 2007.

No work experience

The company was in bad shape!

Before I met TOC

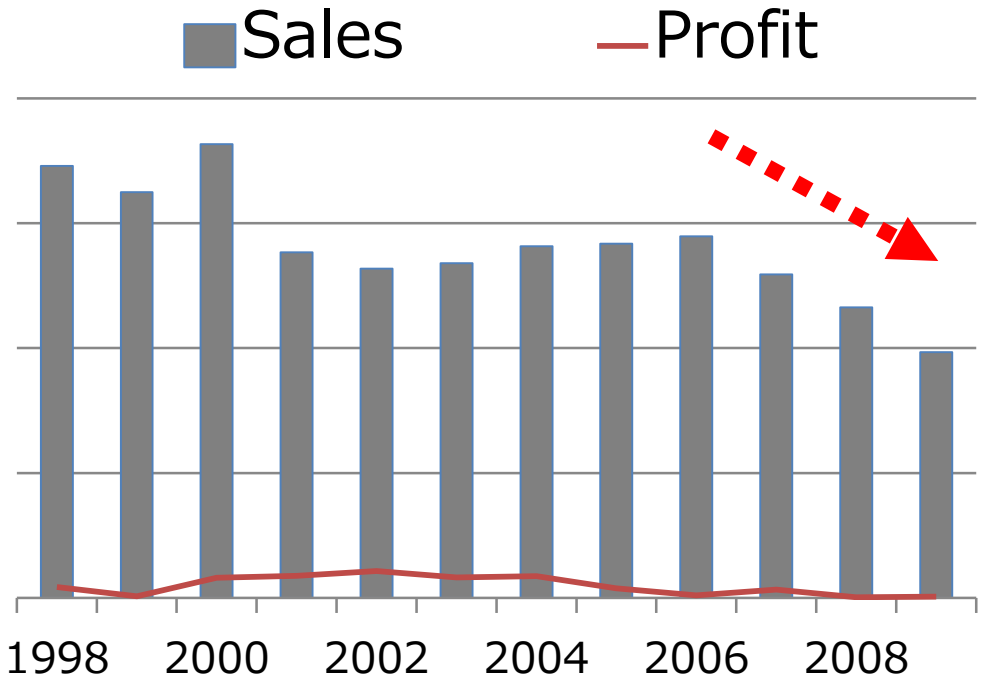
- Management, Accounting, Production, Sales, etc..
  So much to learn!
- So much to improve….

But…

Where to start?
Conflict here and there…
My worries kept on piling up….

Before I met TOC

The company's financial situation was very poor…



Before I met TOC

No motivation

No star Product

Cheap salary

Crazy order from boss!

Employees are Leaving

Sales and profit are decreasing

Conflict between departments

Employees blame each other

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How I met TOC

Then, I met TOC

How I met TOC

My Encounter with Dr. Goldratt in 2009

How I met TOC

Impressive!
But he is talking about line production.
My production is MTO
(MTO:produce based on customer orders)

How I met TOC

Dr. Goldratt！ I have a question.

Does this work for my company?
Can you help me?

After I met TOC…
With Dr. Goldratt

Total of 10 days of discussion with Dr. Goldratt in February and May 2010

TOC Seminar at Goldratt House in Israel

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After I met TOC…
UDEs and DEs

After Israel, we conducted a workshop with employees

HOMEWORK!!

UDEs(Undesirable effects)

① Need “star product”

② Need to control purchasing/outsourcing

③ Enforce R&D

④ Takes too much time and effort to make an order

⑤ It takes too long to get support from other department

⑥ Making the order to supplier is complicated.

⑦ Selling price is going down.

⑧ Salespeople needs higher knowledge of our products.

⑨ Has too many middle man between the end users.

DEs (Desirable effects)

- Good relationship, help each other
- Sales and profit keeps on improving
- Employee motivations are high
- Employees are growing
- There is hope for the future
- Employee's salary goes up

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After I met TOC…
What we did

Make decisions based on,

"Throughput"

Throughput = Total Sales – Total Variable Cost (material cost)

Net Profit = Throughput – Operational Expenses

After I met TOC…

What we did #1: Business decision-making via Throughput Accounting:

Internalize

Capacity = Excess Capacity
Operational Cost = Stay Same

Through Put ↑

! $50/door×4000 doors
→$100,000 profit increase

$ Throughput up!

What we did #2: Business decision-making via Throughput Accounting:

【Cost Rate】

High cost rate is a bad order?

$1000(CR 70%) = $300
$10000(CR 80%)=$2000TP

$ Throughput up!

What we did #3: Business decision-making via Throughput Accounting:

Let's Increase the amount of Profit! Control the discount.

Don't round off the numbers

Sales $70,116

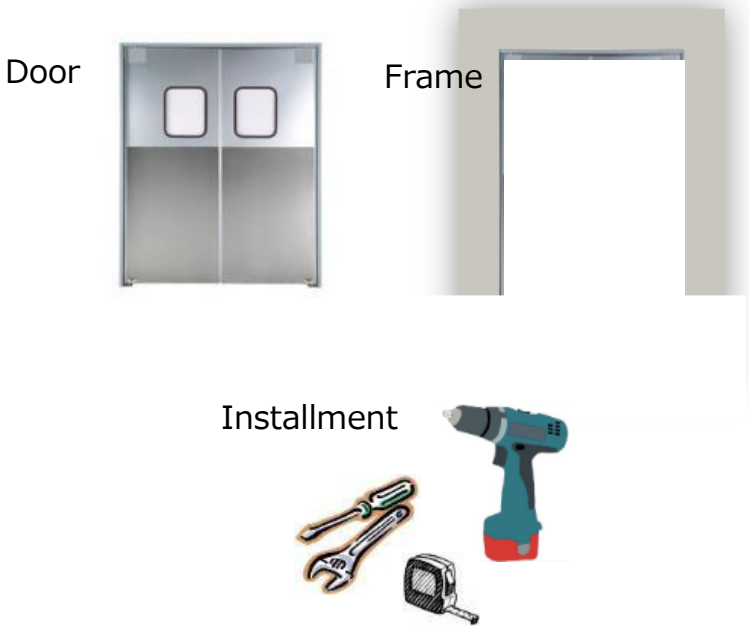
3%Discount

Total $68,012 This $12 is TP!!

$ Throughput up!

What we did #4: Business decision-making via Throughput Accounting:

【Selling The Frame and Installment as a Package】

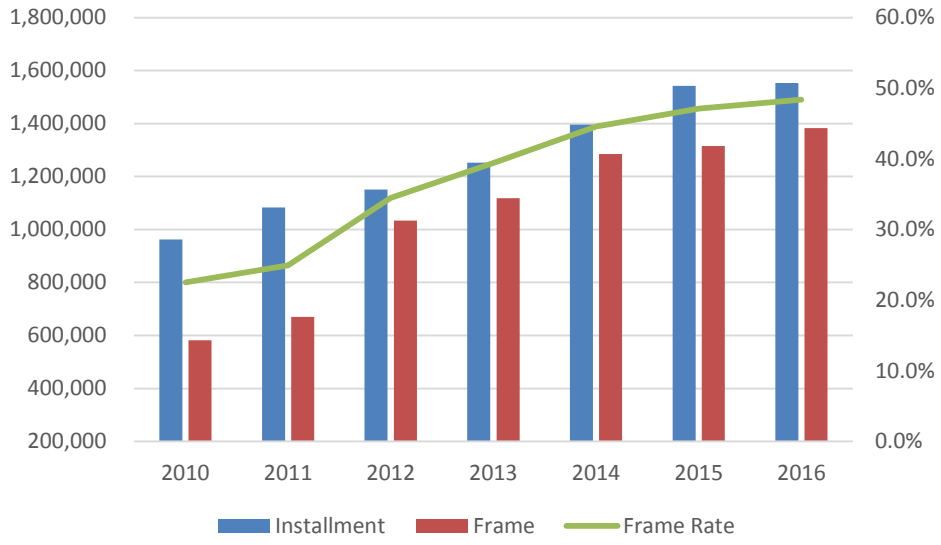


WIN WIN!!

$ Throughput up!

After I met TOC…
The Road to Excellent Company

What we did #4: Business decision-making via Throughput Accounting:
【Selling The Frame and Installment as a Package】



In 7years, $1.4Million sales increase in total

15% of the sales →50%

with minimum risk!!

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After I met TOC…

What we did #6: Critical Chain Project Management (CCPM) Implementation:

Start early →Finish early→Better result

Wait till we have a full kit.
Don't start . Not until everybody agree

$ Throughput up!

$ Sales up!

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What we did #7: Limit the information

【Decided on Providing just 3 items 】

1. Drawing Figure Request Form
2. Architectural Drawing
3. Quotation

Re-works decreased and work flow got smoother!

More information is better
Too much information create UDEs

$ Throughput up!

$ Capacity up!

What we did #8: Utilizing the WIP Board:

【Shared the Status of Drawing and Installment】

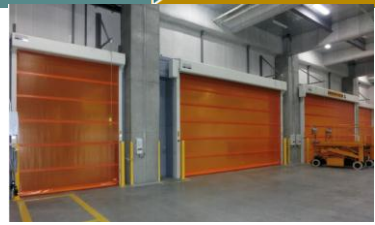
Installment

Drawing

Control the workload and Progress of work (Visualization)

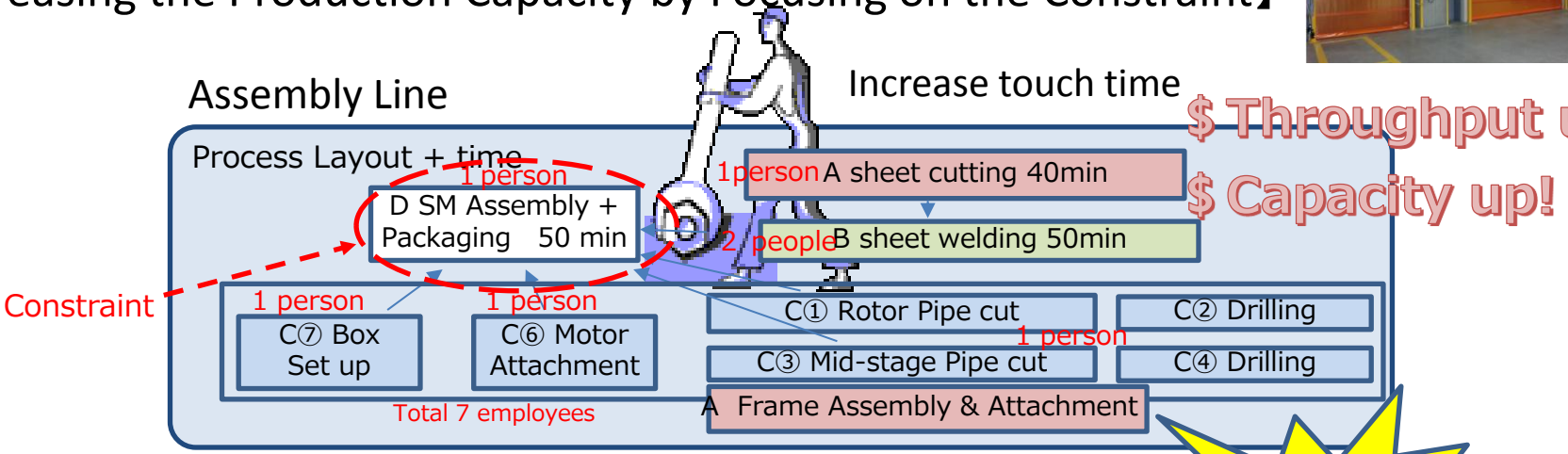
$ Throughput up! $ Flow up!

After I met TOC…
The Road to Excellent Company



What we did #9: Utilizing the 5 Focusing Steps:

【Increasing the Production Capacity by Focusing on the Constraint】



Started December 2011

1.39/person・8h

As of September 2016

2.09/person・8h

150% Increase

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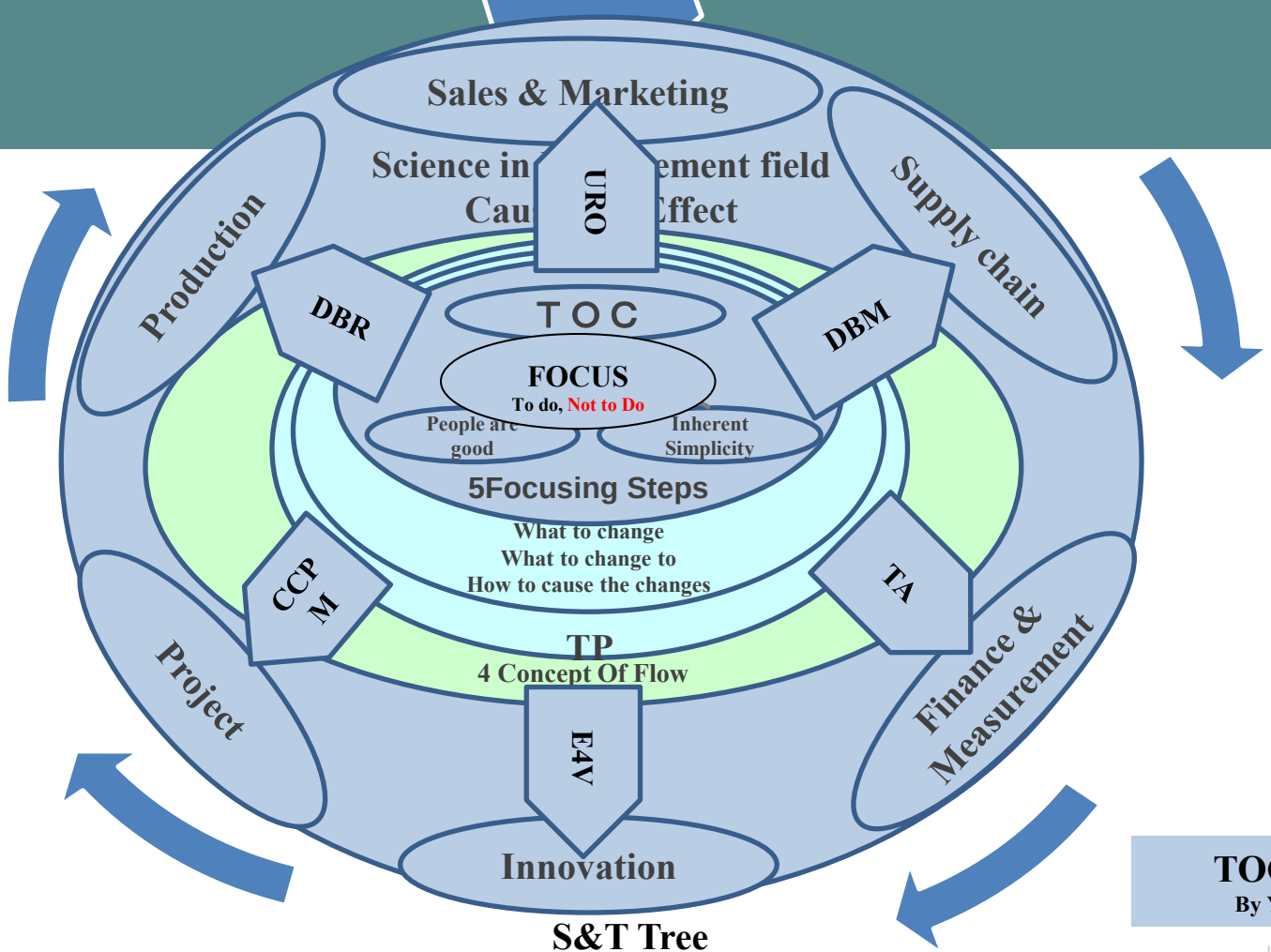

S&T Tree

Integrated knowledge to transform organization to have Decisive Competitive Edge

TOC sphere

By Yuji Kishira

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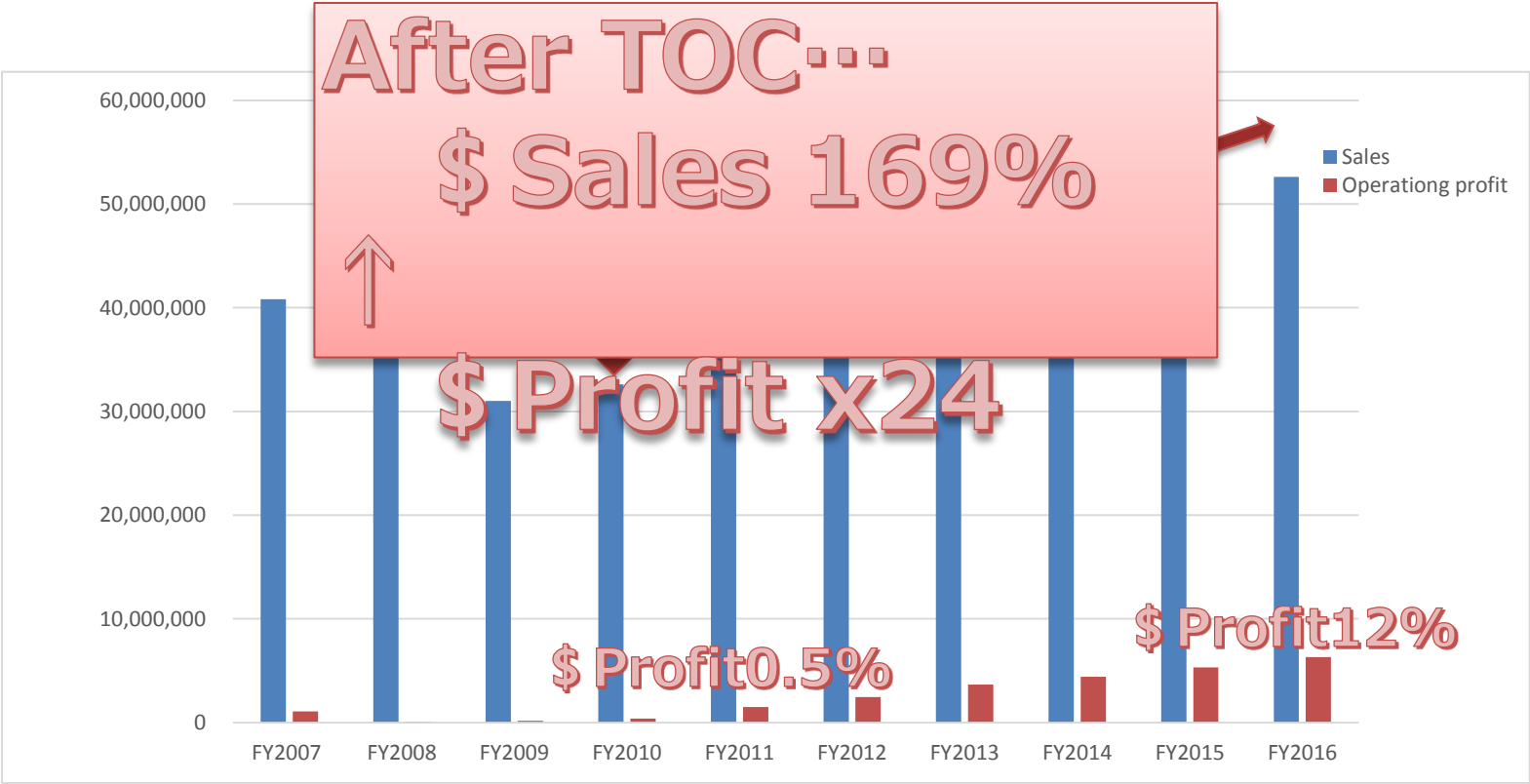
After I applied TOC…What I learned

TOC's theory is effective bringing success to Company Management
The impact of the result is huge
if we flow as a whole

After I applied TOC…Now and Then



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After I applied TOC…Now and Then

I want to protect the company that my father started

After I applied TOC…Now and Then

Changes in the Assumption

Before TOC	After TOC
There is no on-going growth if we do not have “star products”	Sales/Profit will increase if we utilize the current “star products” and think of a way to increase its Throughput
	By combining with a service that meets the true needs of the customer, product may become a “star product”
Do not take orders that have high cost rate (If we take orders with high cost rate, there won’t be much profit)	Even if the cost rate is high, if the order is large, the cash that comes into the company will increase. Even if the sales gain for each order is small, the sales gain for all order will be huge.
Lowering price is a must	The harder we try not to lower the price, that effort will directly contribute to size of profit. Even if we try gaining just $10 more, that will lead to sales increase
It is unavoidable for the sales to decrease when the market is shrinking	Even if the market is shrinking, there are opportunities for a business if we increase the segment of our genre.

After I applied TOC…Now and Then

that we set with all of us employees are starting to become reality…The dream GOAL

- Good relationship, help each other
- Sales and profit keeps on improving
- Employee motivations are high
- Employees are growing
- There is hope for the future
- Employee's salary goes up

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Celebrating 50th Company Anniversary and Achieving 5billion JPY Annual Sales

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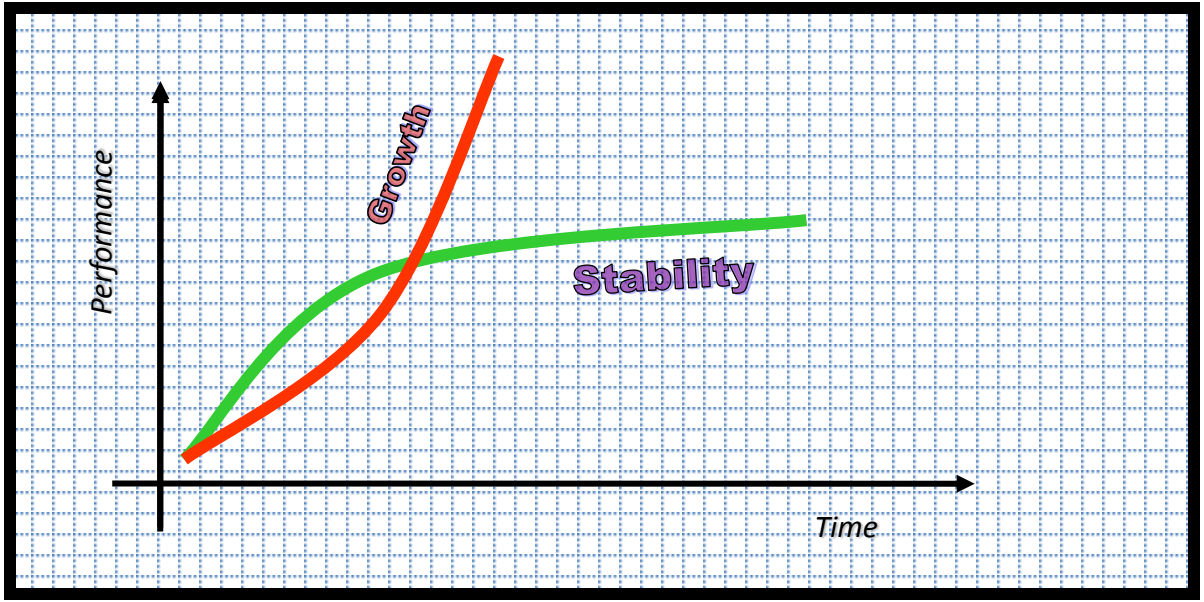
After I applied TOC…
Looking forward for another Monday

Aiming for Decisive Competitiveness



In order for us to speed up this growth, we need to establish stability and prepare for a bigger jump!

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Thank you

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