

**Your potential is much bigger than you think  
-true continuous improvement with Toyota Kata**

*Jesper Boeg*



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*WHO AM I?*

# 6 years with Toyota Kata

- From a single team in 2012 to a strategic organization wide initiative in 2017-2018



# Improvement is not invited to the party

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# *We are setup for “Business as usual”*

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## *“Projects and workshops ≠ continuous improvement”*

▶ Mike Rother, Toyota Kata 2009



# “What you see is all there is” – Kahneman

- ▶ The “Daily Whirlwind” of defects and features quickly consume close to 100% of our capacity

KA2 KaMP ERM  
Sprint 15 (02.01 - 18.01)  
Design klar for håndtering af MX-id i LIF og på Øen (Fist-of-five: 4)

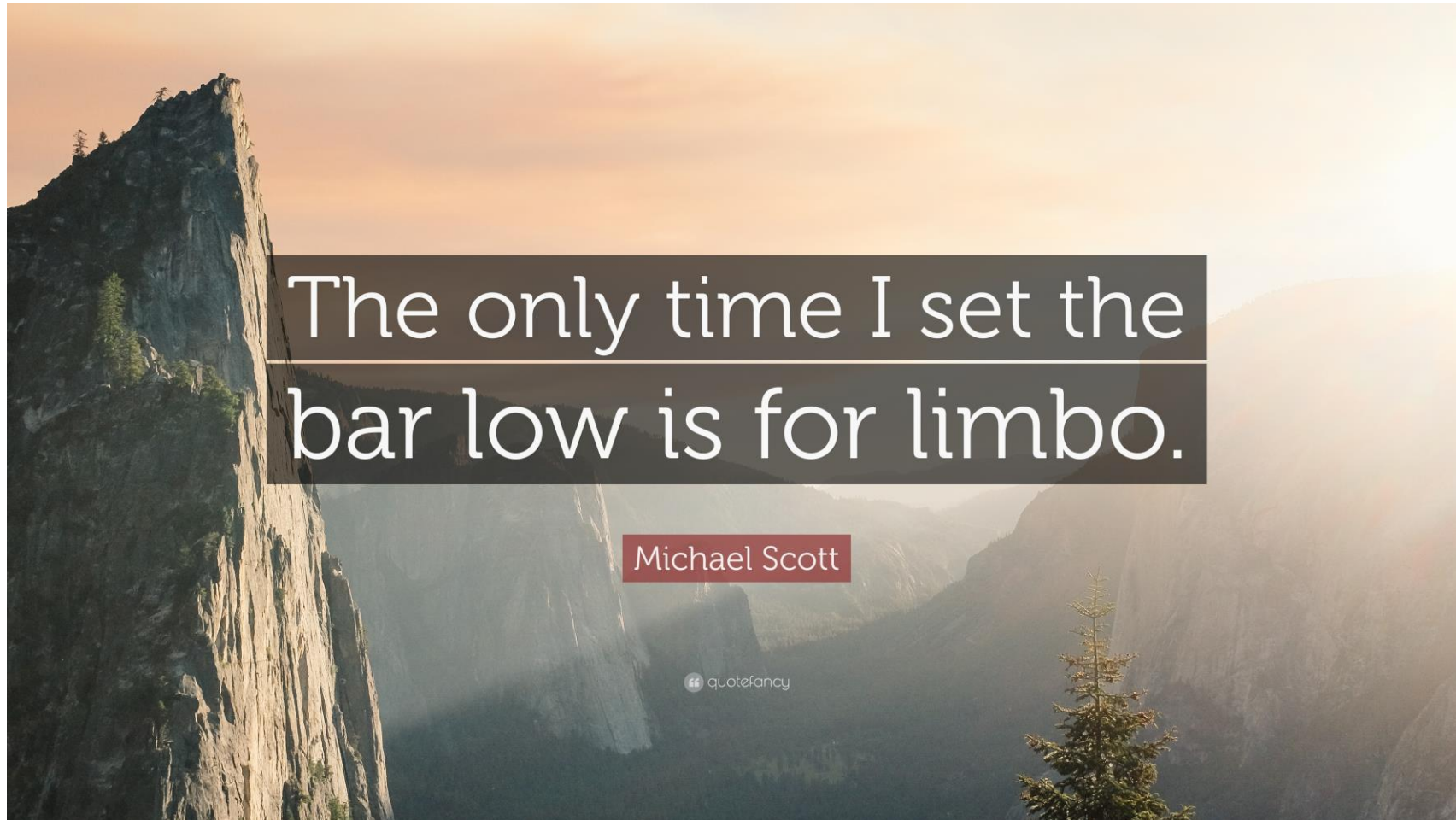
QUICK FILTERS: Agreement Migration LIF JB Island PO Only My Issues Recently Updated

8 days remaining Complete Sprint Test View Agile Cards Board

22 To Do	10 In Progress	0 For review	4 Done
<p>▼ KKE-1001 TO DO 4 sub-tasks FLAGGED Migration changes 'sprint15</p> <p>KKE-973 Dummy task None</p>	<p>KKE-984 Spread/Indtjeningsmarginal None</p> <p>KKE-999 BIC code None</p>		<p>KKE-1009 Udtæk på handler Specialudtæk via SQL til Karin Staghøj</p>
<p>▼ KKE-876 TO DO 3 sub-tasks FLAGGED Overfør data til filplacering i Sydbank</p> <p>KKE-918 overfør data fra placering None</p>	<p>KKE-746 Overfør data til placering None</p>		<p>KKE-947 Kontakt SIK og få adgang til SB filplacering None</p>
<p>▼ KKE-737 TO DO 6 sub-tasks FLAGGED BD-LIF realtime integration market values development</p> <p>KKE-960 Hent fil None</p>			

# Ambition level?

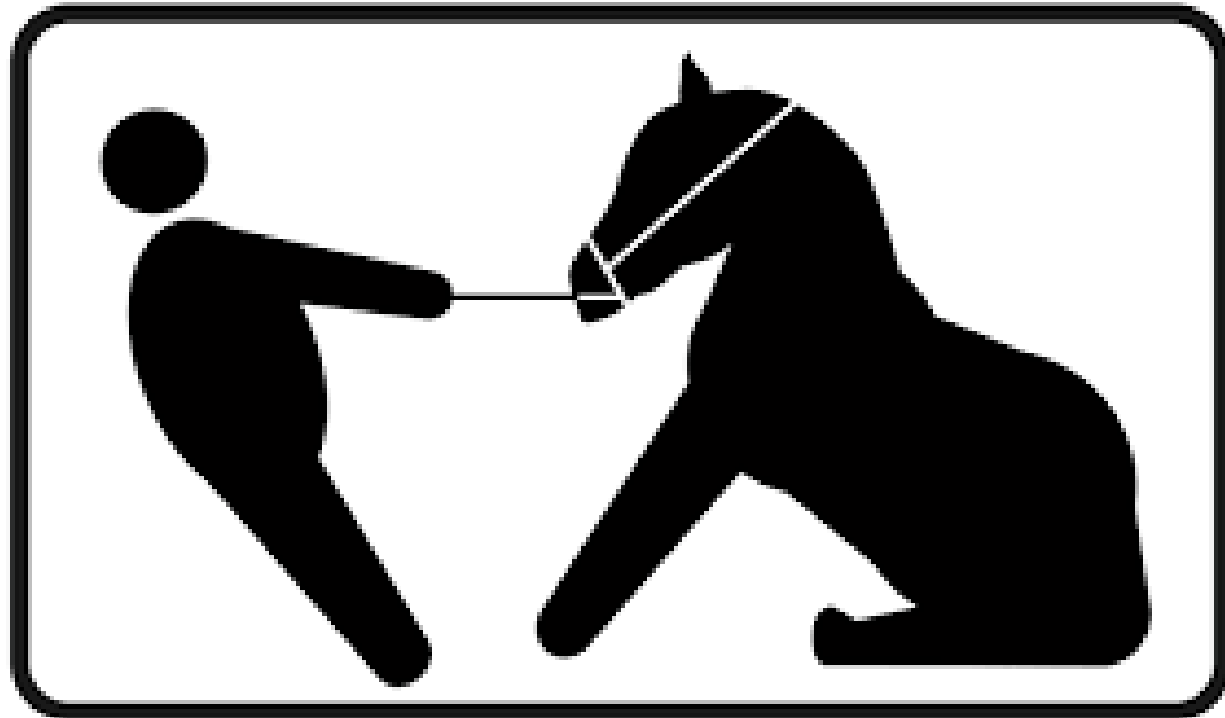
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# Let us be honest

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- ▶ Daily improvement is not a natural state for most managers and teams.





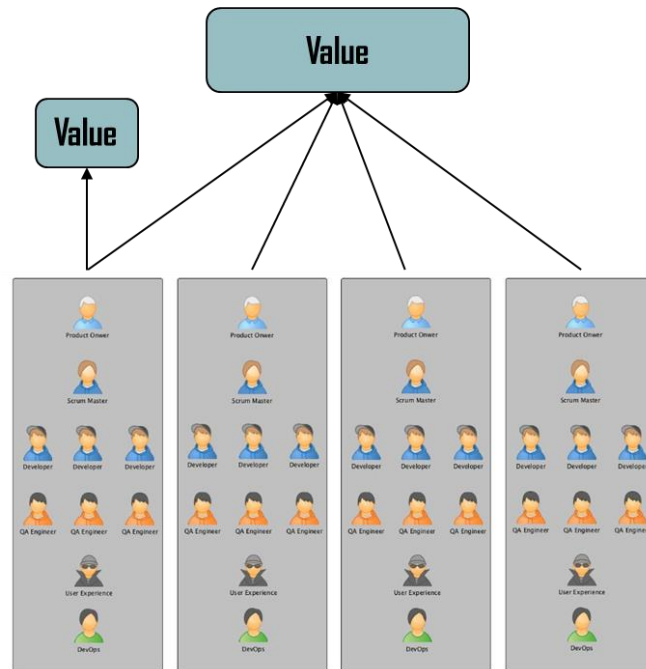
# And the improvements we do make...

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*“Often our improvements are based on reactive problem solving - effectively anchoring us in our current process. Removing what you don’t want does not give you what you do want”*

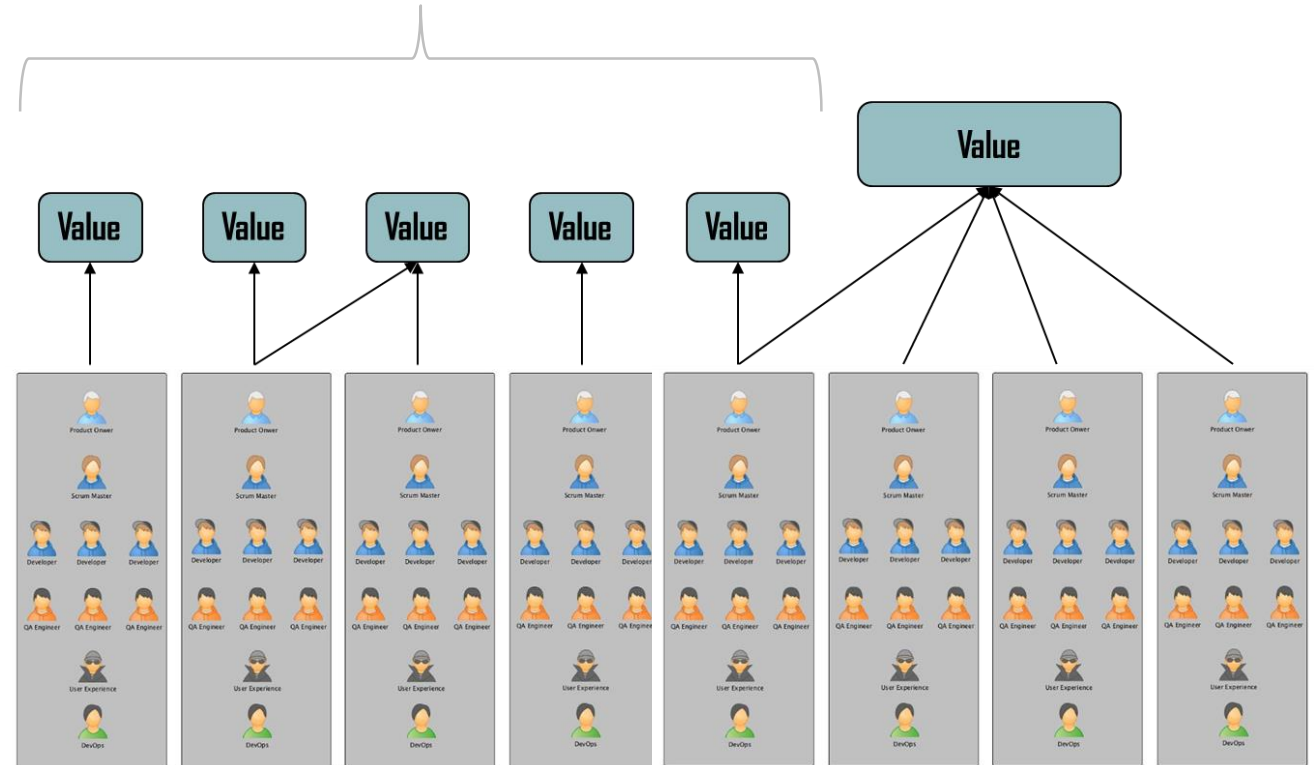
— Me, 2018

# Remember!!



Scaled Agile

What we are striving for



Enterprise Agile

# Don't take my word for it...

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"THE SECRET OF  
CHANGE IS TO FOCUS  
ALL OF YOUR ENERGY,  
NOT ON FIGHTING THE  
OLD, BUT ON BUILDING  
THE NEW."

— SOCRATES

# Mandatory cute animal slide

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# WHAT IS TOYOTA KATA AND HOW IS IT DIFFERENT



# Competitive advantage

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# Toyota and Kata



# A “Starter Kata” for Agile organizations

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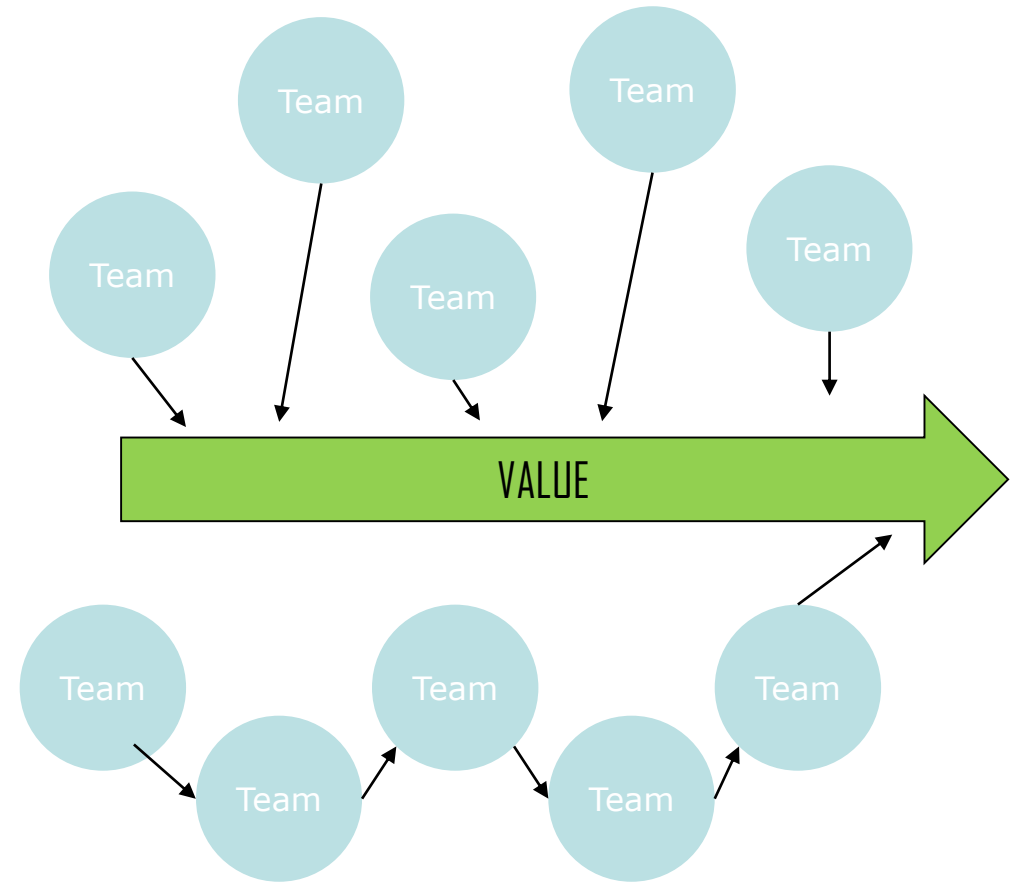
*All models are wrong  
but some are useful*



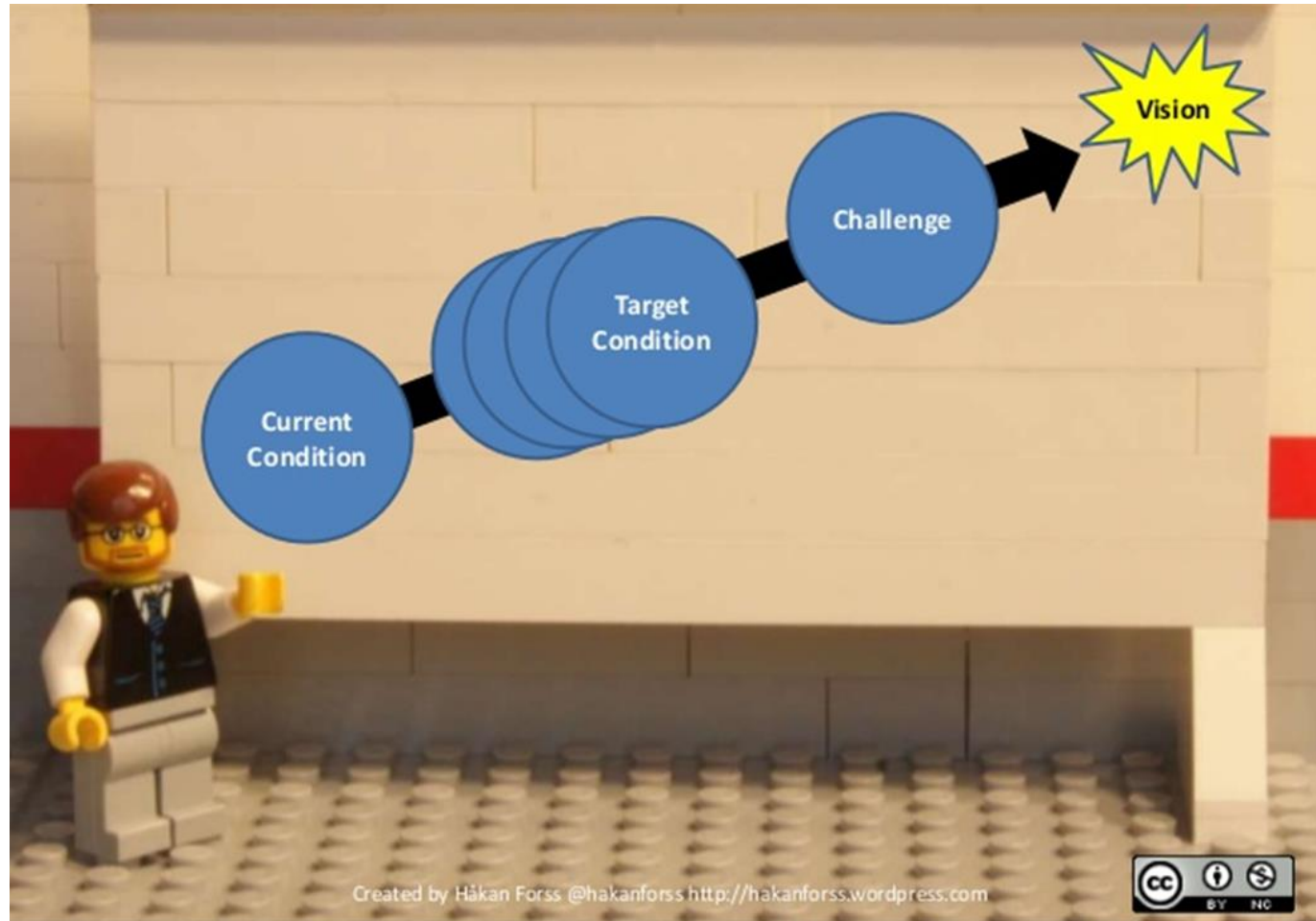
George E.P. Box

# Adapting Toyota Kata to another context

	Manufacturing	Knowledge-work
Cycle- time:	Sec./Min.	Days/weeks
Variability:	low	high
Accuracy:	high	low



# Towards desirable “capabilities”





# Imagine an organization...

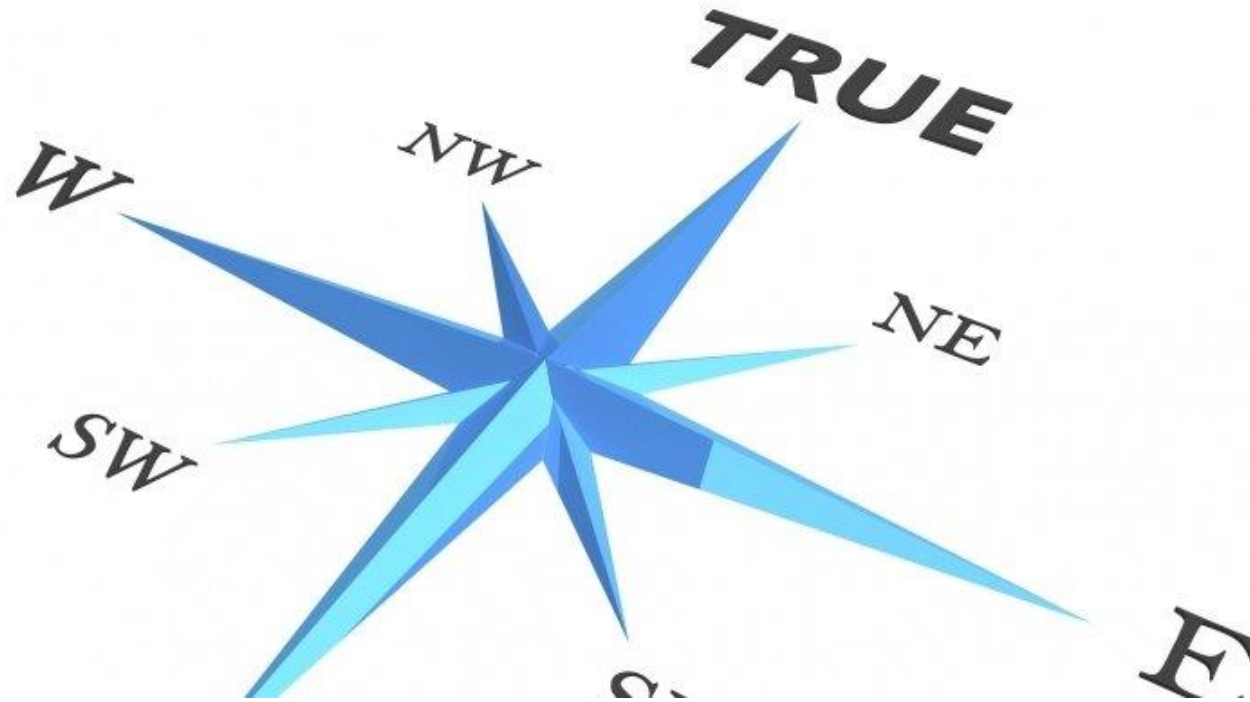
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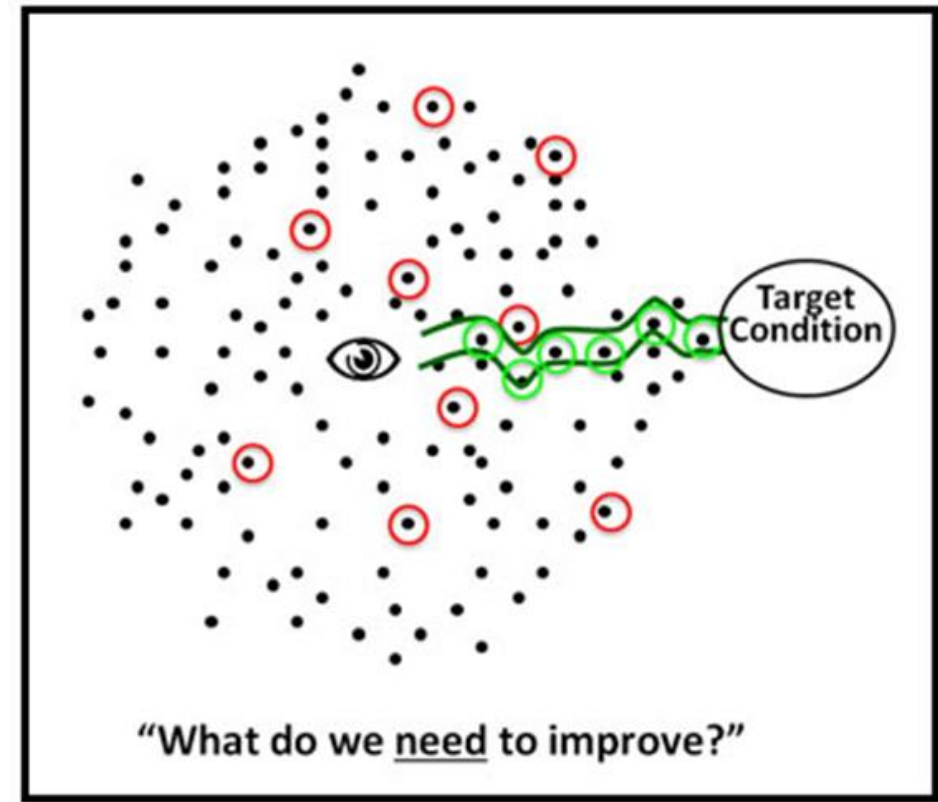
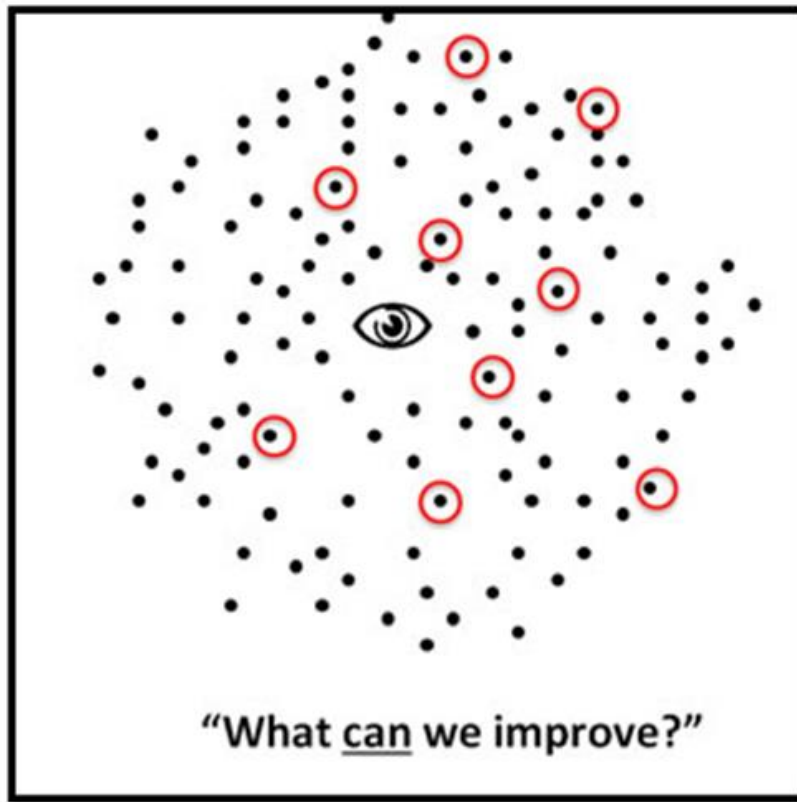
- ▶ Where you could ask the following 5 “process improvement” questions, to all managers and teams and get a clear response:
  - ▶ What are you trying to achieve?
  - ▶ Where are you now?
  - ▶ What obstacle is in your way?
  - ▶ What is your next step and what do you expect?
  - ▶ When can you go and see what you have learned from taking that step?

# Toyota Kata is directed improvement

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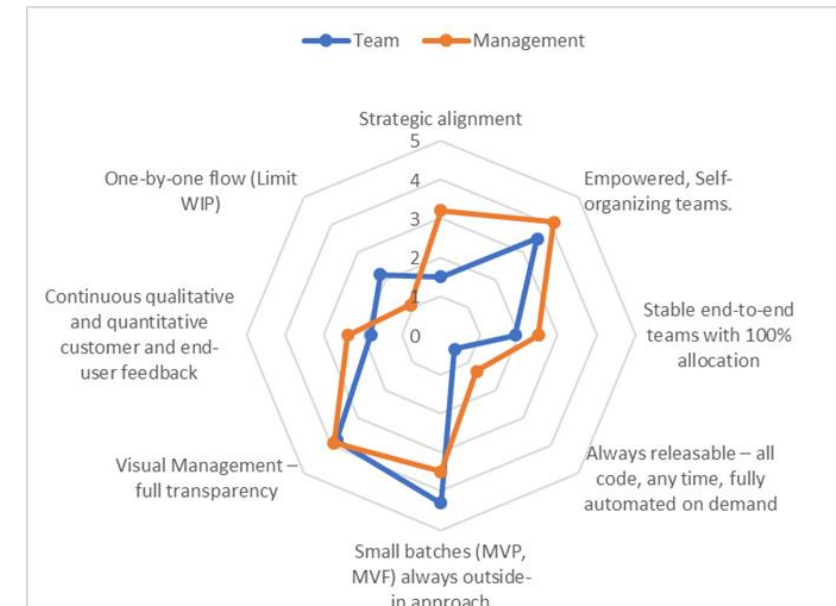
- ▶ Focusing on establishing core capabilities





# My Agile “True North” headlines

- ▶ Strategic alignment
- ▶ Empowered, self-organizing teams.
- ▶ Stable end-to-end teams with 100% allocation
- ▶ Always releasable – all code, any time, fully automated on demand
- ▶ Small batches (MVP, MVF) always outside-in approach
- ▶ Visual Management – full transparency
- ▶ Continuous qualitative and quantitative customer and end-user feedback
- ▶ One-by-one flow (Limit WIP)



## TOOLBOX

(CONTEXT SPECIFIC SUPPORT)

- Lean Start-Up
- Scrum
- Proto Kanban
- Lean UX
- Lean Analytics
- Agile Product Owner
- Scaling Agile (SAFe, Less, Nexus..)
- Story Mapping
- Extreme Programming

## CORE LEAN/AGILE CAPABILITIES

(MAIN FOCUS)

- Strategic alignment
- Empowered, Self-organizing teams.
- Stable end-to-end teams with 100% allocation
- Always releasable – all code, any time, fully automated on demand
- Small batches (MVP, MVF) always outside-in approach
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## TOYOTA KATA

(DRIVING US FORWARD)

- Improvement Boards
- Process Metrics
- Outcome Metrics
- Daily Experiments
- Directed Improvement
- Focus, focus and focus

## BUSINESS GOALS

(END RESULTS)

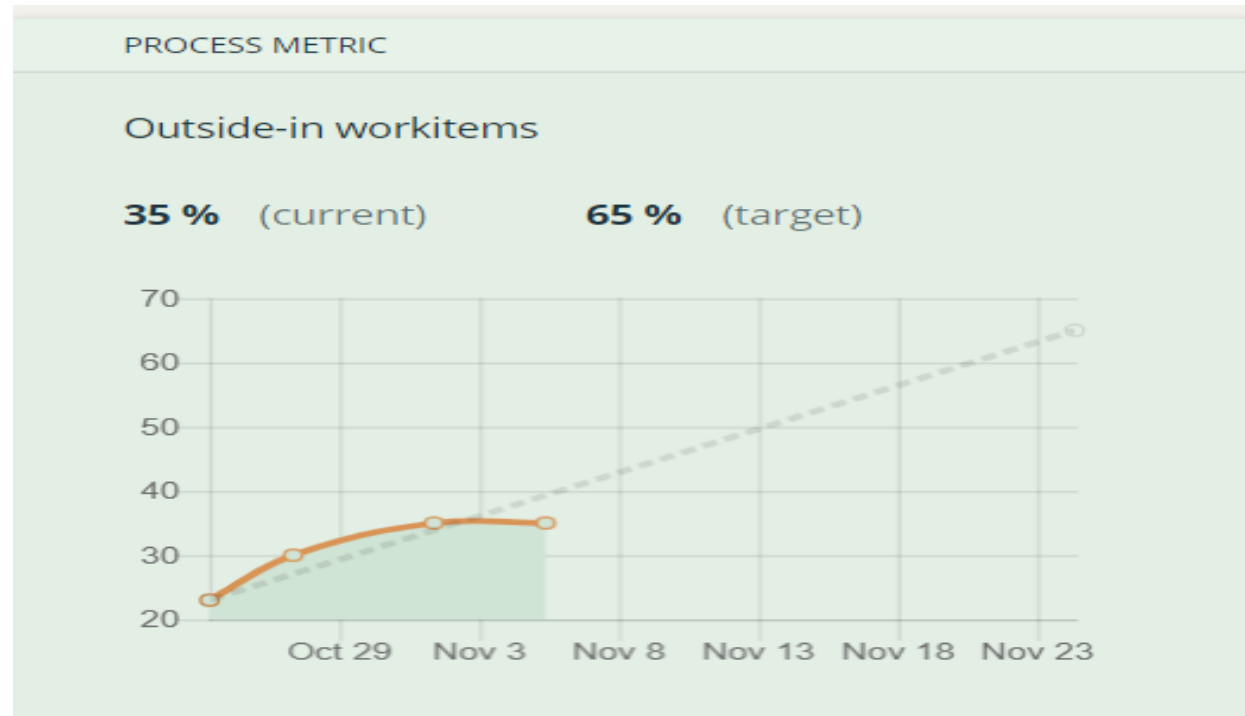
- Increased value/innovation
- Shorter lead times
- Better quality
- Higher throughput/lower price
- Increased predictability
- ...





# Toyota Kata is measurable improvement

- ▶ Time-bound and a clear Target
- ▶ The foundation for scientific thinking



# Examples - Targets

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- ▶ From 10 to 1 expedites per week
- ▶ From 1 to 6 periods of 3 hours of uninterrupted work per day per team (without unscheduled work, meetings or external interruptions)
- ▶ From 15 to 2 times WIP limits are broken per week (without increasing the limit)
- ▶ From 50% to 20% of work-items getting blocked for more than 3 hours

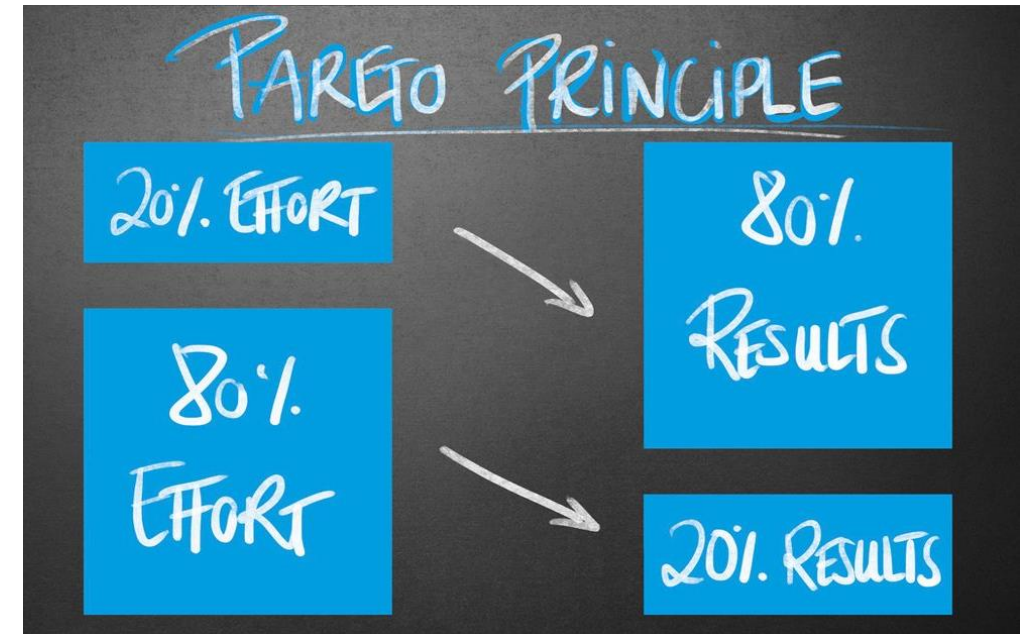
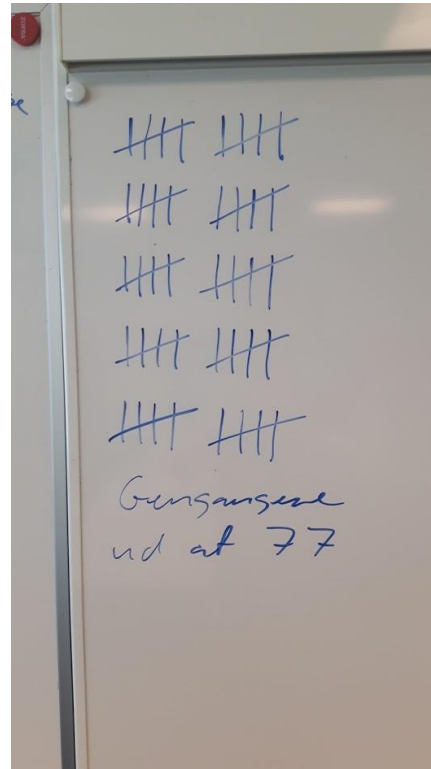
# Collecting and visualizing metrics requires effort!

- ▶ But without keeping score there is no game



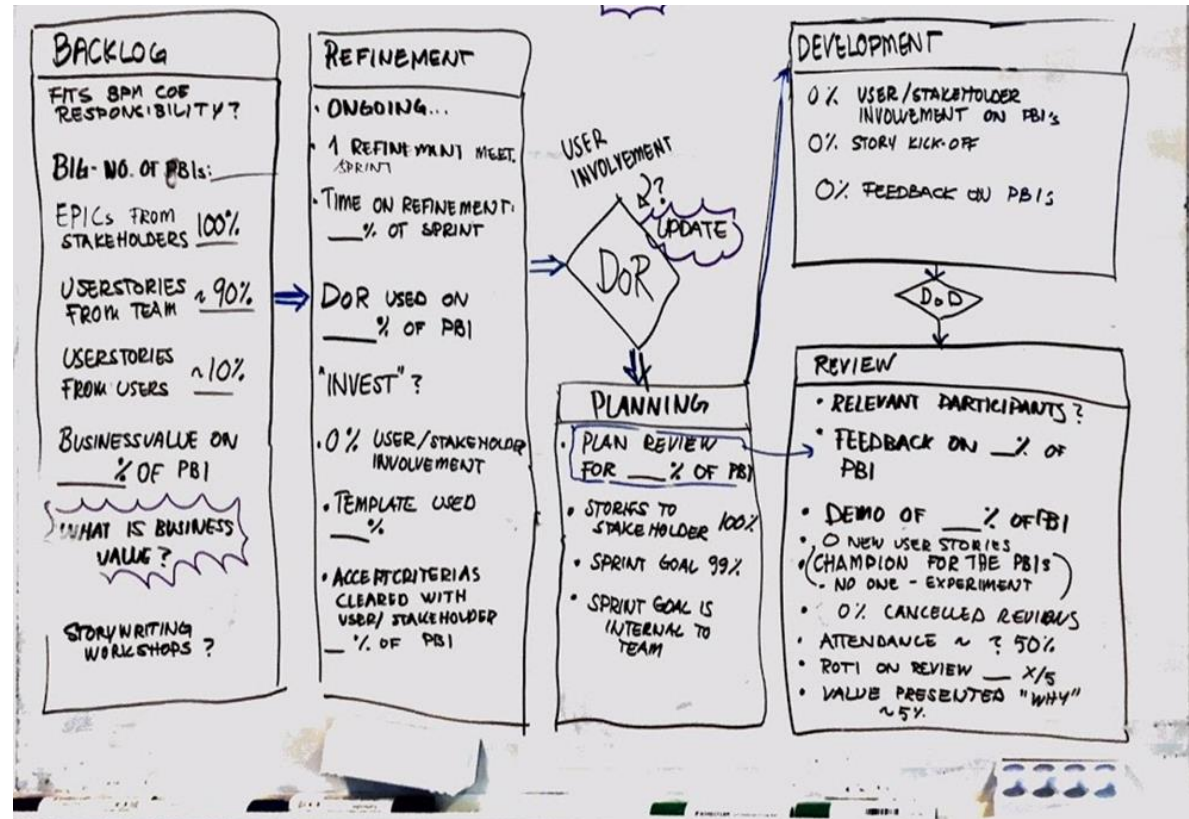
# Current Condition data 1/2

## ► Historic data and the 80/20 rule



# Current Condition data 2/2

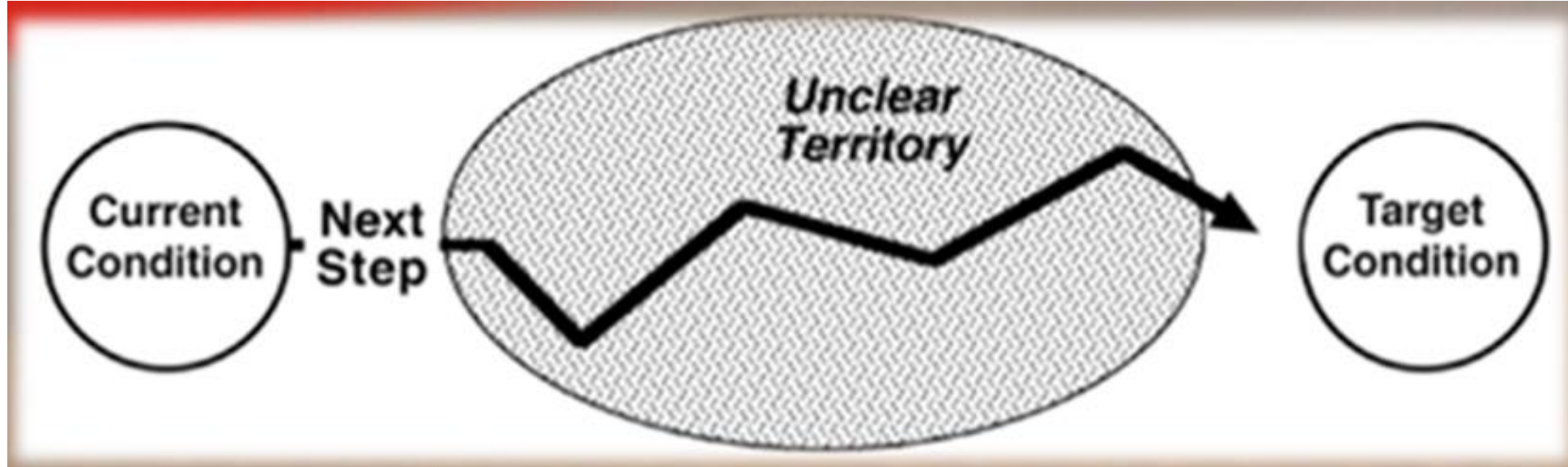
## ► Mapping “knowledge discovery activities” and their related data





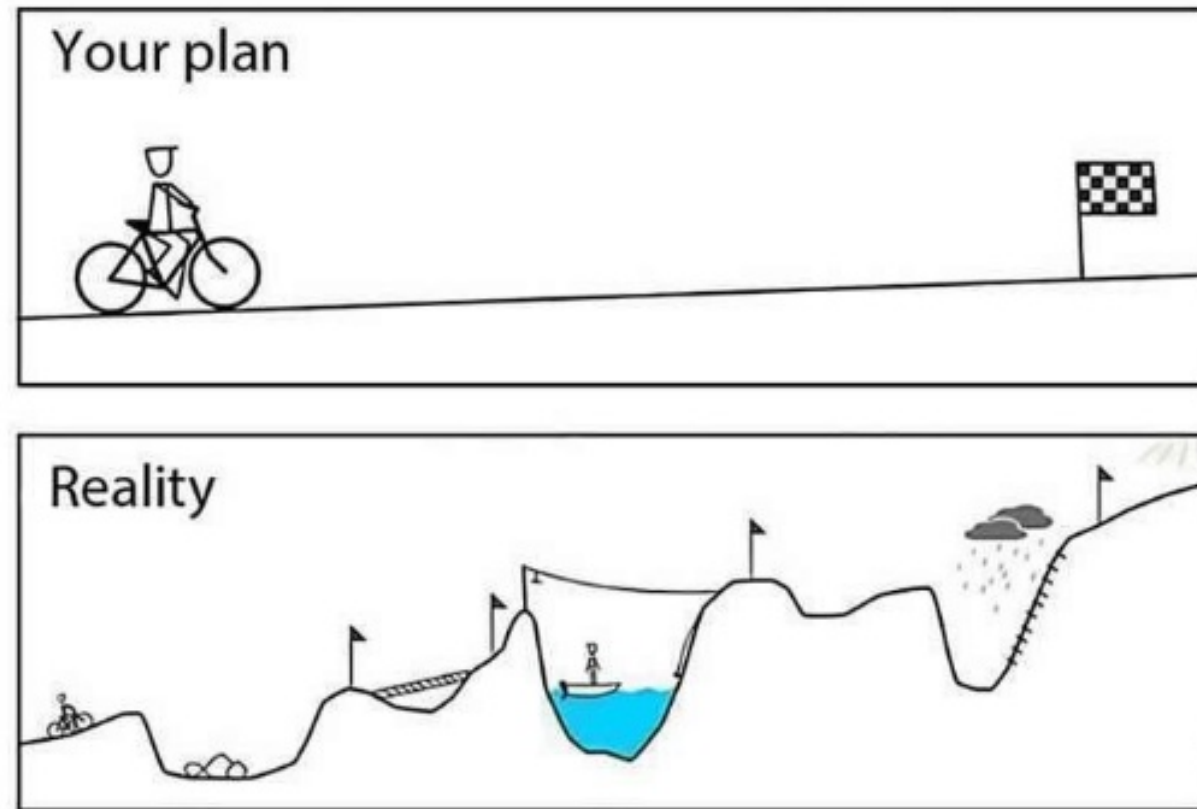
# Toyota Kata is iterative

- ▶ Navigating through unclear territory



# It is not a straight road

- ▶ Changing habits, processes and technical setup is not an easy task



# Examples

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- ▶ They declined the meeting
- ▶ John got sick
- ▶ Tool did not work with our platform
- ▶ No early adopters signed up
- ▶ We got even more blockers
- ▶ No valuable feedback was received
- ▶ We did not do it...

# Toyota Kata is a culture of daily improvement

- ▶ Which means taking very small steps and teaching our brain to cope with “stress”
- ▶ What will you do, what do you expect (and when), what happened, what did we learn?

EXPERIMENT RECORDS				
Obstacle				
What do you want?	What do you expect?	What happened?	What did you learn?	Status
What do you want?	What do you expect?	What happened?	What did you learn?	
What do you want?	What do you expect?	What happened?	What did you learn?	
What do you want?	What do you expect?	What happened?	What did you learn?	

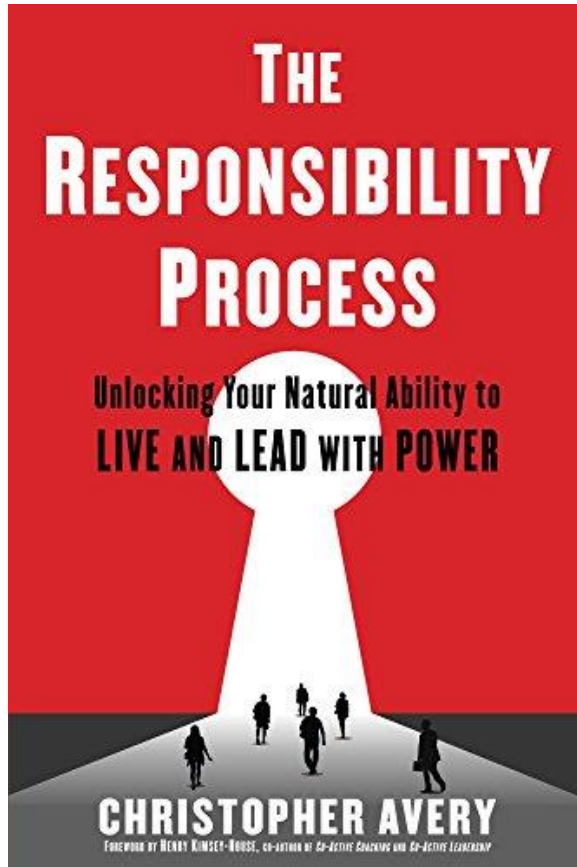
# Examples

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- ▶ Carl won't be here tomorrow, can Henrik do it instead?
- ▶ If we need a session with all 5 people it will not be until 10 days from now. Could we learn anything from just doing it with 3 people in two days?
- ▶ What is keeping us all from trying out Pair Programming for 2 hours tomorrow morning. Would we learn anything from that?
- ▶ Can we call them now and ask instead of writing an email later?
- ▶ Do we need to install the tool to reach the first learning point or could we simply check if somebody has ever used it on our legacy platform?

# Being response-able

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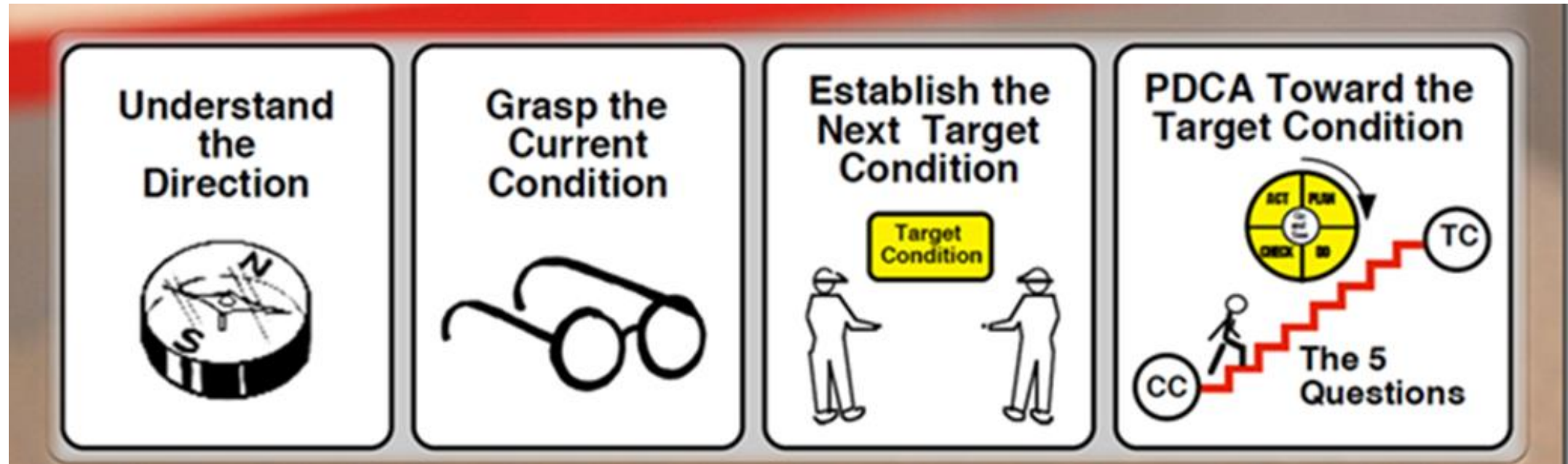
Don't escalate – facilitate!  
- Me, 2016



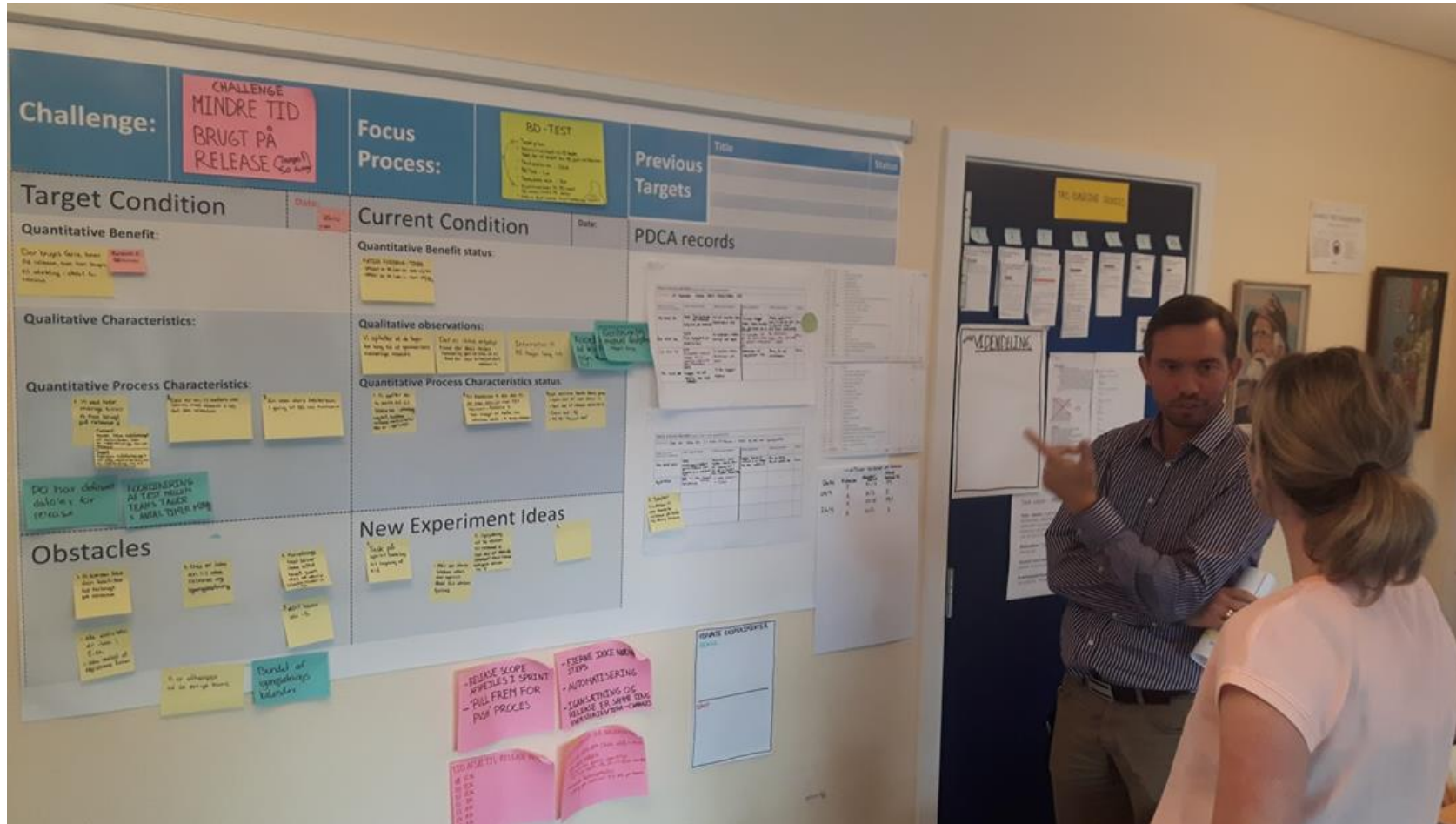
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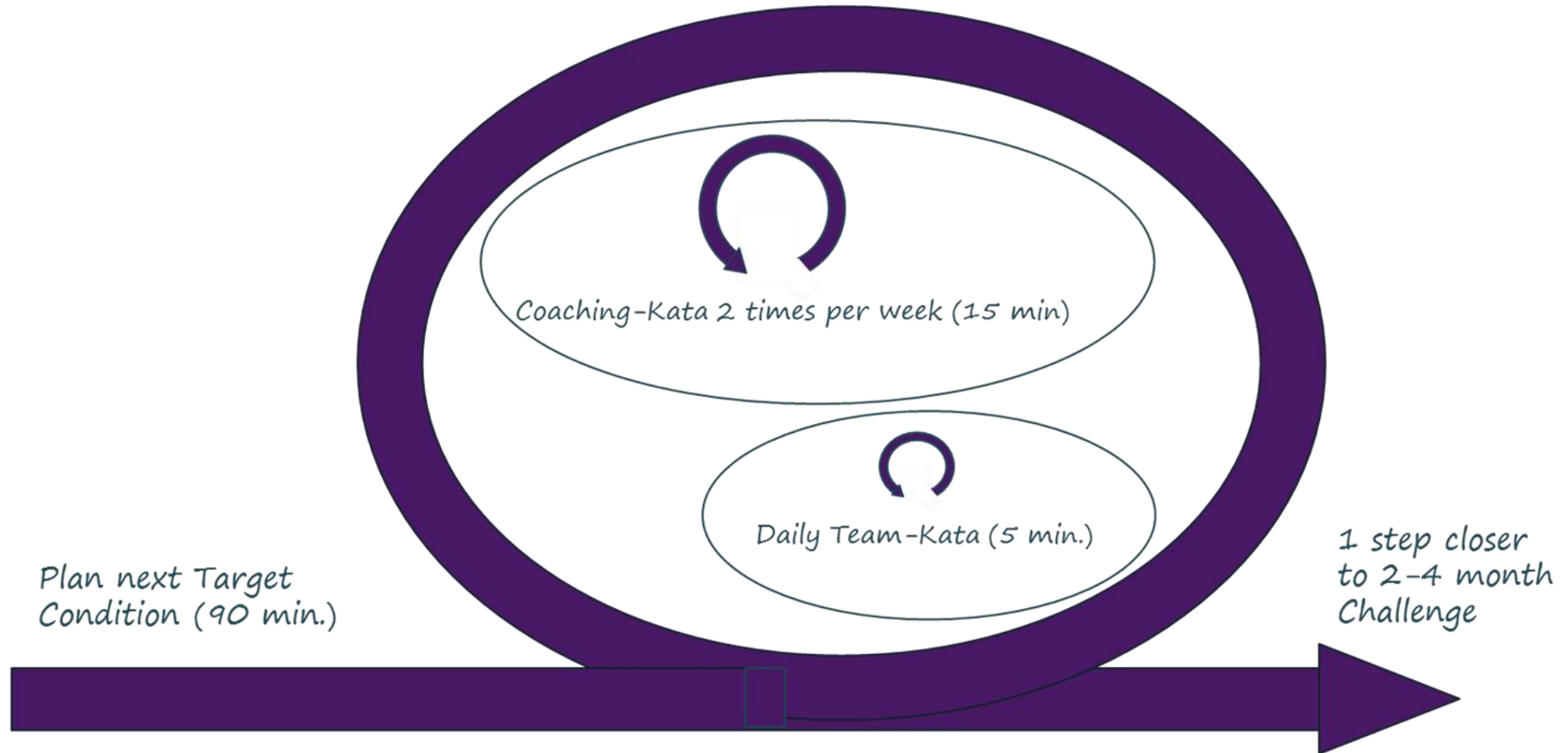
TOYOTA KATA INCLUDES TWO KATAS

# Improvement Kata



# Coaching Kata





# You can't tell people to "trust"

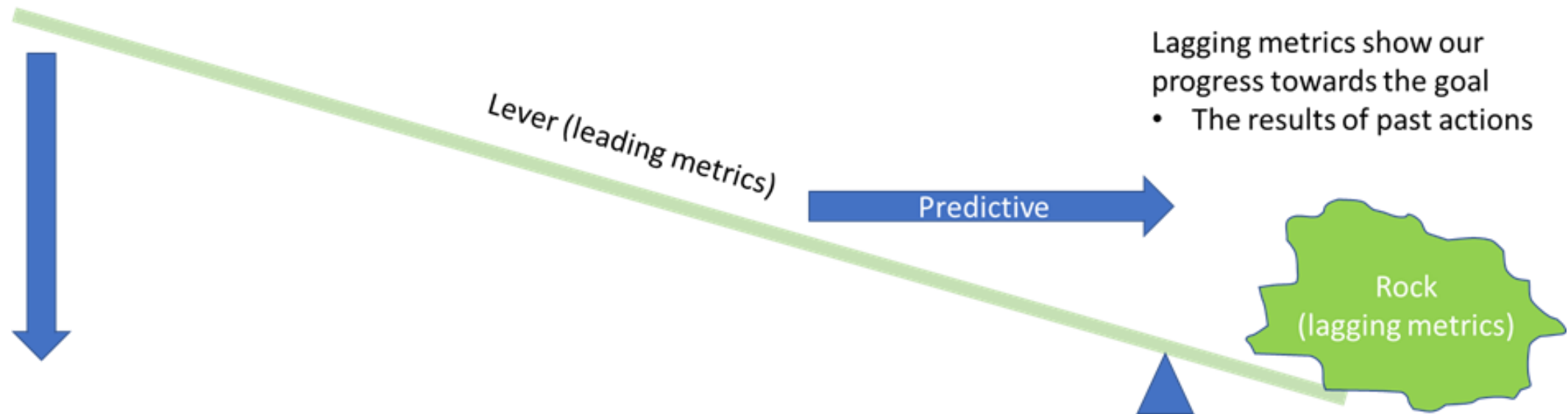
- Ownership, shared responsibility, experimentation, trust and leadership have much greater chances of success if you deliver on the core capabilities



# Leading vs. Lagging indicators

Leading measures tell us if we are likely to achieve the goal

- Predictive and influences future results



Lagging metrics show our progress towards the goal

- The results of past actions



# *It is not that we do not like Outcome*

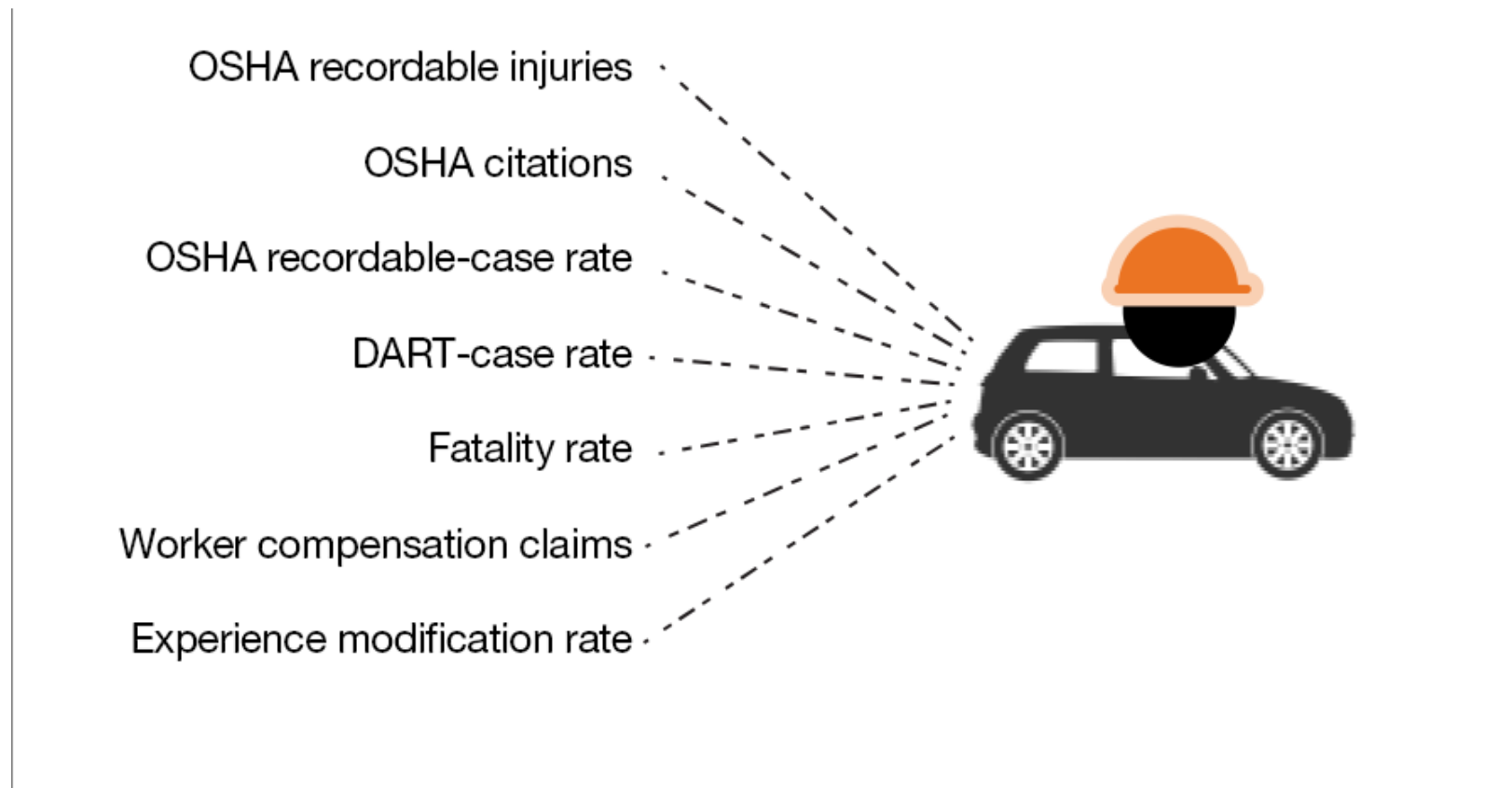
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What makes customers happy:

- ▶ Throughput – they get more or cheaper
- ▶ Cycle/Lead time – they get it faster
- ▶ Quality/Defect rate – they get it in better quality
- ▶ Predictability – they get a more predictable service
- ▶ Value delivered (can be difficult to measure) – they get something better suited to their needs
- ▶ Mean time to recovery – they get a more stable service

# Outcome metrics are important

▶ But they are not useful to drive daily continuous improvement



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## *A SIMPLE BUT POWERFUL STORY*

# Meet the team

► They are great, but stressed



ELLY



ALAN



JEN



JERRY



JO



MIKE



RACHEL



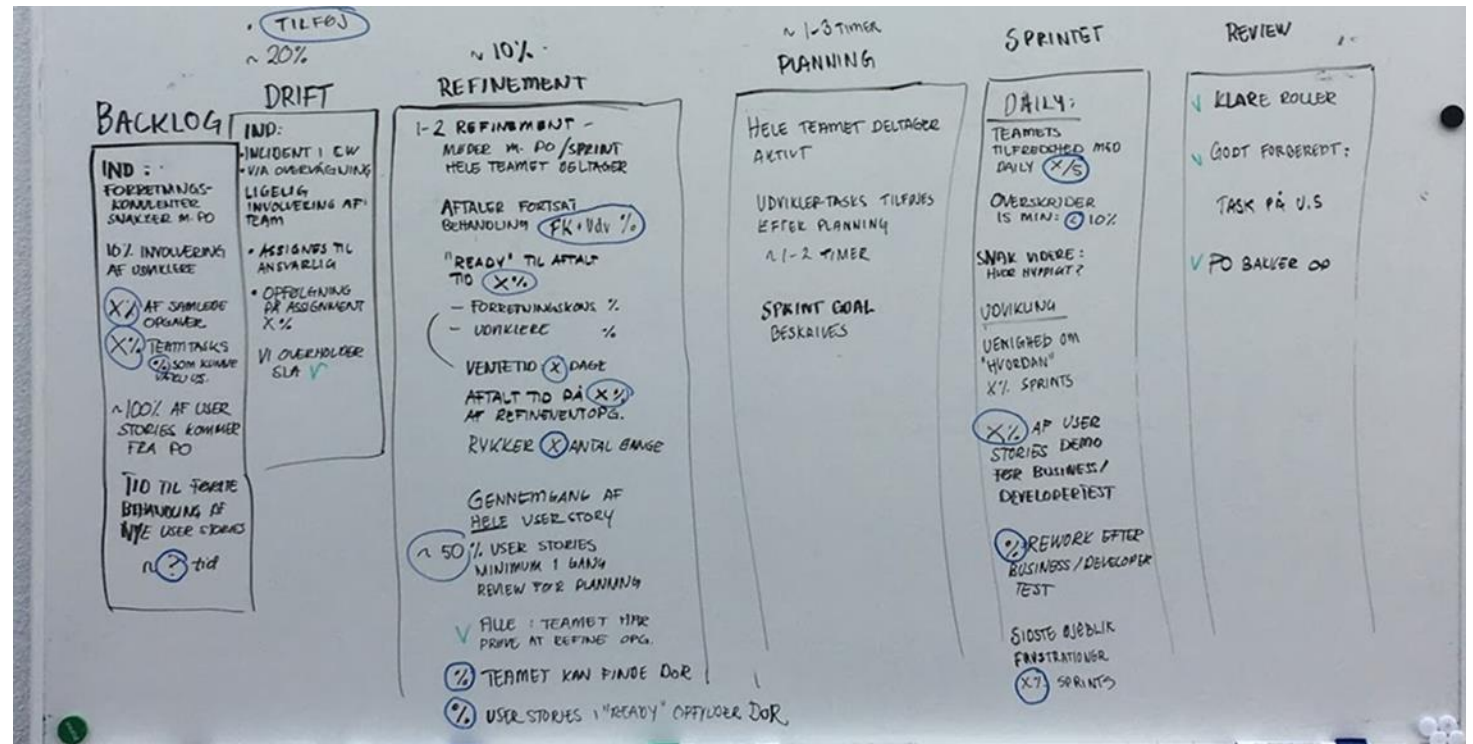
SVEN



WALTER

# The desirable future state

- ▶ 1 place to see priorities
- ▶ 1 place to see WIP
- ▶ Pull system



# Current Condition

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- ▶ Places to look for highest priority work item = 7
  - ▶ Walk-in, individual mail, team mailbox, Cherwell, Scrum-board, Department Manager and Kanban Board
- ▶ Places to track ongoing work in-progress work = 5
  - ▶ Cherwell, Scrum-board, Kanban-board, Personal lists.
- ▶ Results:
  - ▶ From 7 to 1 place to identify priorities
  - ▶ From 5 to 1 place to track work
  - ▶ From 32 to 9 average WIP
  - ▶ Velocity 6->11



# Improvement Board

**CHALLENGE**  
Describe the challenge

**Focus of index**  
Stadium 1/6-2018 starting  
ETB/ETB building up velocity

**Process**  
• ETB 12h till 24h delivery  
• ETB 12h till 24h delivery  
• ETB 12h till 24h delivery  
• ETB 12h till 24h delivery

**Target condition focus**  
Punkt 1000  
Standard focus

**REMINDERS**  
List previous targets or experiments

**Target condition** 1/6

**Current condition** 1/6

**Outcome metrics**  
kvalitet  
Velocity

**Qualitative outcome characteristics**  
• Fokus på OPAVER  
• Fokus på OPAVER  
• Fokus på OPAVER

**Process metrics**  
20%

**Obstacles**  
List obstacles that are preventing you from achieving your target condition

**IDEAS FOR EXPERIMENTS**  
List potential experiments to overcome obstacles

**Experiment Records**  
List previous targets or experiments

**Obstacle**  
Date, step and metric: What do you expect? What happened? What did you learn? Status

**Obstacle**  
Date, step and metric: What do you expect? What happened? What did you learn? Status

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“At Toyota, improving and managing are one and the same.

Non-Toyota companies tend to see managing as a unique and separate activity.  
Improvement is something extra, added on to managing”

*Toyota Kata (2010), Mike Rother*

# Imagine your organization when all managers

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- ▶ Play an active role in improvement goals like:
  - ▶ Delegating responsibility to the team-level
  - ▶ Increasing the number of end-to-end teams
  - ▶ Ensuring strategic alignment
  - ▶ Reducing cross-team platform dependencies
  - ▶ Establishing Outcome focus (product and feature level)
  - ▶ Minimizing changes of priorities on started work
  - ▶ Reducing interruptions
  - ▶ Establishing Agile funding processes
  - ▶ .....

# *So was finding an “Agile” Starter Kata easy? – NO*

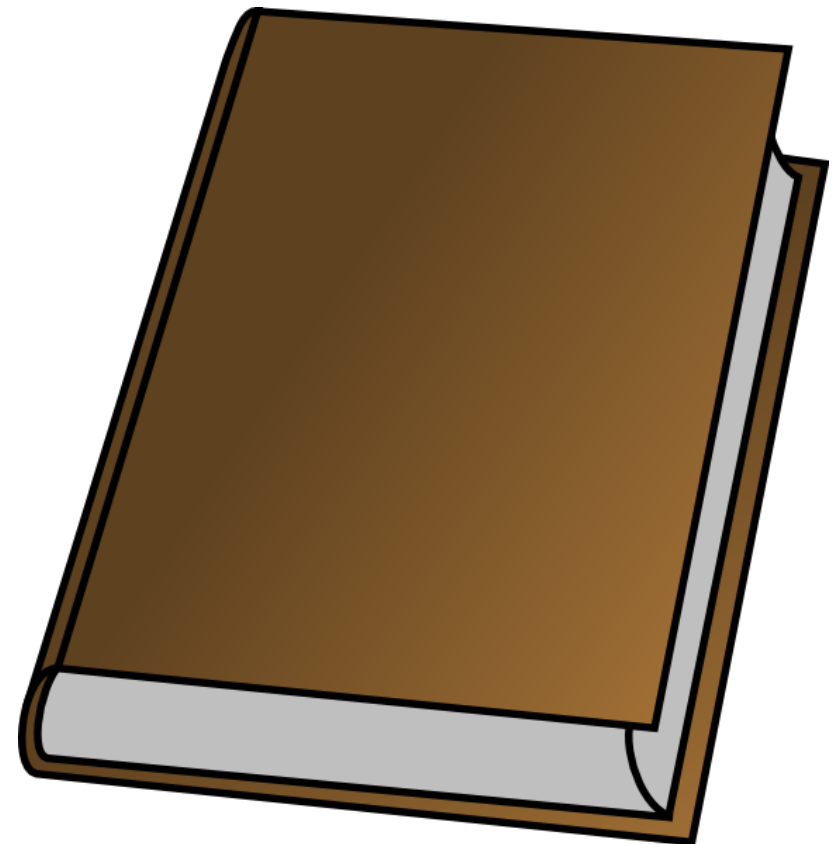
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- ▶ Leading vs. lagging metrics
- ▶ Scaling too quickly
- ▶ Change readiness
- ▶ Coaching capacity
- ▶ Too much team-level focus
- ▶ Agile value streams
- ▶ Problematic top-down challenges
- ▶ Missing Starter-kit
- ▶ Wrong training/workshop sequence
- ▶ Missing “True North”
- ▶ Resistance

# Book will be out soon

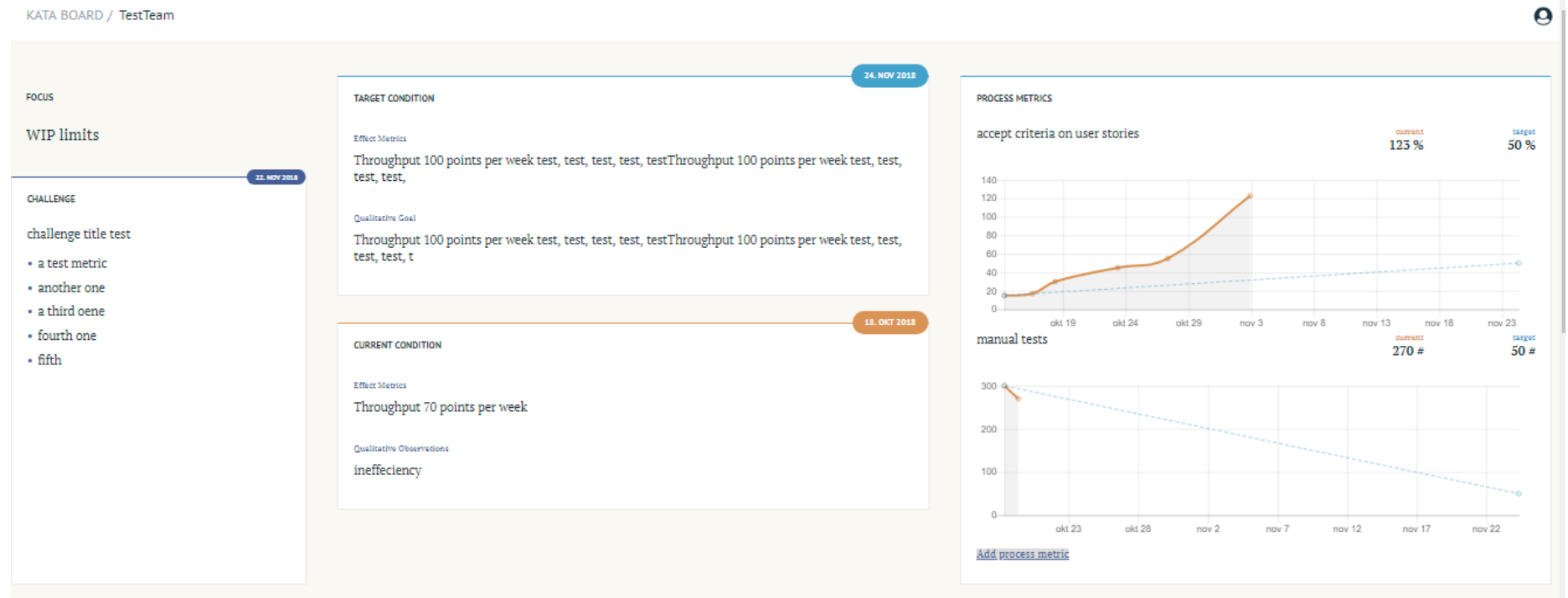
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- ▶ Email me if you are interested in being notified
- ▶ [AgileUpgrade@gmail.com](mailto:AgileUpgrade@gmail.com)



# Teeka.io supports Toyota Kata

- ▶ For mature or distributed teams
- ▶ Will open for early adopters soon





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*THANKS!*



## ► Jesper Boeg

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- Travelsite/blog: [www.4globetrotters.world](http://www.4globetrotters.world)



*Please*

**Remember to  
rate this session**

*Thank you!*

