

Without a Paddle

Toyota and General Motors decided to have a canoe race on the Missouri River. Both teams trained long and hard to reach their peak performance before the race. On the big day, the Toyota team won by a mile.

General Motors, very discouraged and depressed, decided to investigate the reason for the crushing defeat. A management team made up of senior management was formed to investigate and recommend appropriate action. Their conclusion was that Toyota had 8 people rowing and 1 person steering, while the General Motors team had 8 people steering and 1 person rowing.

Feeling a deeper study was in order, General Motors management hired a consulting company and paid them a large amount of money for a second opinion. They advised, of course, that too many people were steering the boat, while not enough people were rowing. Not sure of how to utilize that information, but wanting to prevent another loss to Toyota, the rowing team's management structure was totally reorganized to 4 steering supervisors, 3 area steering superintendents and 1 assistant superintendent steering manager.

They also implemented a new performance system that would give the 1 person rowing the boat greater incentive to work harder. It was called the "Rowing Team Quality First Program", with meetings, dinners and free pens for the rower. There was discussion of getting new paddles, canoes and other equipment, bonuses and extra vacation days for practices. The next year Toyota won by two miles.

Humiliated, General Motors management laid off the rower for poor performance, halted development of a new canoe, sold the paddles, and canceled all capital investments for new equipment. The money saved was distributed to the Senior Executives as bonuses and the next year's racing team was out-sourced to India.

Sadly, The End.

Here's something else to think about: Ford has spent the last 30 years moving its factories out of the US, claiming they can't make money paying American wages. TOYOTA has spent the last 30 years building more than a dozen plants inside the US. The last quarter's results: TOYOTA makes \$4 billion in profits while Ford racked up \$9 billion in losses. Ford folks are still scratching their heads. TOYOTA makes most of their parts in the US. General Motors makes most of their parts in Mexico.