A3 Thinking
At the end of this module, you should be able to:

• Recognize that A3 is a way of thinking and not just a tool

• Use the A3 chart as a standard tool for implementing lean projects
A3 Enables PDSA

- Both a **way of thinking** and a **tool**
- A management process evolved at Toyota
- Named for the A3 sheet of paper (similar to 11” x 17” US Ledger paper)
Title: What you are talking about.

Background
Why you are talking about it.
What is the business context?

Current Situation
Where do we stand?
Where we need to be?
Where we want to be?

Analysis
-What is the root cause(s) of the problem?
-What requirements, constraints and alternatives need to be considered?

Goal
What is the specific change you want to accomplish now?

Recommendations
What is your proposed countermeasure(s)?

Plan
What activities will be required for implementation and who will be responsible for what and when?

Follow - up
How we will know if the actions have the impact needed? What remaining issues can be anticipated?
The thought process used is paramount to the tool (A3 Report)

It is a **collaborative** problem-solving method

It promotes:

- Logical, objective (data-driven) thinking
- Results and process
- Synthesis, distillation, and visualization
- Alignment
- Coherence within and consistency across
- Systems perspective

Current Situation

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Analysis
- What is the root cause of the problem?
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Goal
What is the specific change you want to accomplish now?

Diagrams
- Efficient means for communication

Useful questions*:
- Are activities clearly specified with regard to content, order, and intended outcome?
- Are the connections between entities clear & explicit?

* Spear, S and Bowen, K, “Decoding the DNA of the Toyota Production System
Countermeasures

**Recommendations**
- Directly address the root cause
- Should move the process from the current toward the ideal state

**Plan**
- Define steps to correct each cause
- Identify responsibilities, dates, details
- Use GANTT Charts, tables

**Follow-up**
- How we will know if the actions have the impact needed? What remaining issues can be anticipated?

**Recommendations**
- What are your proposed countermeasures?

**Plan**
- What activities will be required for implementation and who will be responsible for what and when?
Follow-Up

• Link back to goals/criteria

• Time-based charts can show changes

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Recommendations

What are your proposed countermeasures?

Plan

What activities will be required for implementation and who will be responsible for what and when?

Follow-up

How we will know if the actions have the impact needed? What remaining issues can be anticipated?
Acme Stamping Steering Bracket Value Stream Improvement

**Background**
- Product: stamped-steel steering brackets (left- and right-hand drive).
- 18,400 brackets/month; daily shipments in pallets of 10 trays of 20 brackets.
- **Customer State Street Assembly is requesting price cuts and tightening delivery requirements.**

**Current Situation**
- Production Lead time: 23.6 days
- Processing time: only 188 seconds.
- Large inventories of material between each process.
- Long changeover times; downtime in welding.

**Countermesures:**
- Create continuous flow in through Weld and Assembly
- Establish Takt Time: Base the pace of work through Weld and Assembly on customer demand
- Set new Weld-assembly cell as pacemaker for entire value stream
- Establish EPEX build schedule for stamping based on actual use of pacemaker cell and pull steel coils from supplier based on actual usage by Stamping.
- Reduce Changeover time in Stamping and Weld
- Improve uptime in Weld
- Establish material handling routes for frequent withdrawal and delivery
- Establish new production instruction system with Leveling Box

**Future State Map**
- Supplier
- Production Control
- Daily Order
- Pacemaker Cell
- Customer

**Current State Map**
- Supplier
- Production Control
- Weekly Schedule
- Daily Order
- Customer

**Analysis**
- Each process operates as isolated islands, disconnected from customer.
- Push system; material builds up between each process.
- Each process builds according to its own operating constraints (changeover, downtime, etc.)
- Plans based on 90 and 30-day forecasts from customer. Weekly schedule for each department. System is frequently overidden to make delivery.

**Goals:**
- Improve profitability while meeting tougher customer demands:
  - Reduce lead time – 23.6 days to ≤5 days
  - Reduce inventories: Stamping – ≤2 days
  - Welding – Eliminate
  - Shipping – ≤2 days

**Follow-up**
- Confirm reviews and involvement of related departments:
  - Production Control and Material Handling, Purchasing, Maintenance, Human Resources, Finance.

Source: Verble/Shook 12/6/01

Courtesy of John Shook. Used with permission.
“Problem Solving Thinking Form”

5 Whys

Root Cause Analysis

1. Why is the bad quality on the RF design?
   The RF is fading after running

2. Why is the RF fading?
   The 2ABacker is not big enough to cover design

3. Why is the 2ABacker not big enough?
   The Die given to vs15 is not correct

4. Why is the Die not correct?
   The PE did not change the Backer after the RF changed from a 4A to a 2A pattern

5. Why did the PE change the pattern?
   The PE could not grade the shoe using 4A as a base

A3 In The Gemba

“Training should be used as a Problem Solving Tool”

Photos by Earll Murman
Background
• Switched to PFR system in 1993
• 80% of suppliers on PFR
• Problem is processing remaining invoices

Current Situation
• 6.4 wks avg cycle time for invoices & growing
• 12% past due payments and growing.
• Mailroom does not catch all PFR invoices
• 16 AP staff each have own groups of suppliers

Recommendations:
• Add XXXXX to PFR invoices
• Use document imaging for invoices received
• Establish queued call center using Lotus Note
• Train purchasing, receiving, AP personnel

Current State Value Stream Map

Analysis
• AP staff workload is 95.8%
• 42.7% analyst time spent on PFR related tasks
• Activity Time/Total Flow Time = 0.0014

Goal: Process invoices in 10 days or less
• No staff increase, no new software systems
• Establish training & communication plans

Courtesy of Phil Jones, Sylvia and Clement T. Hanson Professor of Manufacturing Productivity, Tippie School of Management, The University of Iowa. Used with permission.
A3 Exercise

Join your AP Case Study team

Develop an A3 plan to respond to Question 8

• “Suppose you are the RPI team leader and have to report back to Joanie. What will you recommend?”

Spend 20 minutes preparing your A3 plan

• Recall the management constraints (next slide)
• Consider what RC groups would participate in RPI team
• Verify that the provided information is correct
• Complete the additional information blocks
  • Use postit notes on large A3 for draft plan elements
  • Record final recommendations on large A3 sheet

Be ready for class review of your A3 plan
Management Constraints

Recall the constraints given by management

• **Main objective is reduction of cycle time**
  - Invoice resolution less than 10 days, shorter is even better

• **Establish a training program for everyone effected by the change**

• **Formalize communication requirements for invoice payment with suppliers**

• **Changes must be accomplished within current SAP system**

• **Use already available in house software or IT technology**

• **Action items to be completed within 30 days**

• **No additional staff can be authorized**
Wrap Up

• A3 is both a way of thinking and a tool.
  • A3 process can be used to initiate a discussion around problems & possible solutions
  • A3 thinking can anchor a continuous improvement – and a continuously learning – culture

• A3 represents a standard problem solving process that can be used by all workers to become problem solvers all the time.

Shook, John, *Managing to Learn: Using the A3 management process to solve problems, gain agreement, mentor, and lead*, Lean Enterprise Institute, Cambridge, MA 2008

Acknowledgements

Contributors

• Jackie Candido – MIT EdNet
• Earll Murman – MIT
• Steve Shade – Purdue University
16.660J / ESD.62J / 16.853 Introduction to Lean Six Sigma Methods
IAP 2012

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