

After the Great Buddha and hopefully before 6:00 p.m., take a taxi or bus to Kamakura Station (the next stop after Kita-Kamakura) and proceed one stop to Zushi, a seaside suburban town. At Zushi Station board a taxi for Hayama (a five-minute ride) and treat yourself to a dinner at the best French restaurant in Japan (in my opinion), La Marée de Chaya (0468-75-6683). La Marée is in a French Riviera style building on a pier overlooking the bay at Zushi, with terrace dining available in warmer months. On clear days the sunset highlights a silhouette of Mt. Fuji looming over the coast. After dinner take the train back to Tokyo.

Izu

The Izu Peninsula juts into the Pacific southwest of Tokyo. The mountains and cliffs of its southern and western coasts are as spectacular as the Big Sur and Carmel areas of California and the water is a lot warmer.

There are three possibilities which I recommend for Izu.

The first is an overnight stay on Saturday night at Osawa Onsen Hotel (05584-3-0121), which, despite the name, is a quaint Japanese hot springs inn near Matsuzaki. Parts of the inn date from the 17th century. To get to Osawa take the Kodama bullet train from Tokyo Station, get off at Mishima and take a taxi or bus to the hydrofoil pier at Numazu. Take the hydrofoil to Matsuzaki and a taxi or bus from Matsuzaki to Osawa.

The second possibility is an overnight stay at the Kawana Hotel, an improbable but beautiful hotel at the top of the Izu cliffs near the town of Ito. Externally, the Kawana is reminiscent of the Biltmore at Santa Barbara. Internally, it resembles a German hunting lodge. It is impeccably managed by the Okura chain and features golf on one of the best courses in Japan, walks along the cliffs, tennis and a swimming pool.

To get to the Kawana Hotel, take the Kodama bullet train from Tokyo to Atami and switch to the local Izu line, getting off at the Kawana Station.

A third possibility is a stay at Shimoda, the principal town of Izu, where Commodore Perry first landed in 1853. The Prince Hotel is on a good beach near Shimoda and, though bizarre in architecture, is a comfortable place to stay. Shimoda is a good walking town with many opportunities to view Japanese life in a town setting.

To get to Shimoda, take the Kodama bullet train from Tokyo to Atami and switch to the local Izu line, getting off at Shimoda, the last stop.

From any of the above hotels you are within reach by bus or taxi of Southern Izu, where the seacoast is most spectacular. Go by bus to Iihama, Ochii or Iruma and walk along the sea. In summer the snorkeling is spectacular (you can buy a mask, snorkel, fins, and bathing suit at the sports department at Daimaru Department Store above Tokyo Station). The walking

is good at all times, except the dead of winter when winds are annoyingly strong.

Weekend people watching

Tokyo is a very good city for people watching, especially on Sundays. Go to Omotesando near Harajuku Station to see the young and bizarre. In warm weather stop at the Key West Club about halfway down Omotesando and eat lunch outside on their terrace overlooking the sidewalk. The salads are acceptable, the wines are drinkable, and a mellow Sunday can be well spent watching the crowds pass.

Outdoor weekend dining

For good cuisine outdoors on Saturday or Sunday try the garden of Queen Alice Restaurant (405-9039), reviewed in the Jan/Feb issue of this magazine, or the terrace of A Tantôt, the French restaurant in the futuristic Axis Building in Roppongi, where there is a collection of shops interesting enough to have merited a several page rave review in the *New York Times*.

For a Saturday or Sunday picnic in the city, go to Olympia Supermarket near Harajuku Station on Omotesando, buy wine, cheese, fruit and other food, and proceed into the Meiji shrine. Near the back of the shrine's park, there are attractive meadows where you can picnic happily in quiet nature, framed at a great distance by the skyscrapers of Shinjuku. The effect is something like the Sheep Meadow in New York's Central Park.

Traditional Tokyo

Finally, for those who want to sense the character of traditional Tokyo, spend several weekend hours on the walks described in Sumiko Embutsu's *Discover Shitamachi*, also available in your hotel bookstore (¥1,500). One of my favorite areas is Tsukudajima, a neighborhood across the Sumida River which escaped destruction in the Great Earthquake of 1923 and in the firebombings of World War II because it was an island. Tsukudajima retains the atmosphere of old Tokyo. Another favorite area is Kanda and its bookstores, an excellent place to buy old Japanese prints, rare Japanese or foreign books, and antiques. Follow Embutsu's advice on walking routes.

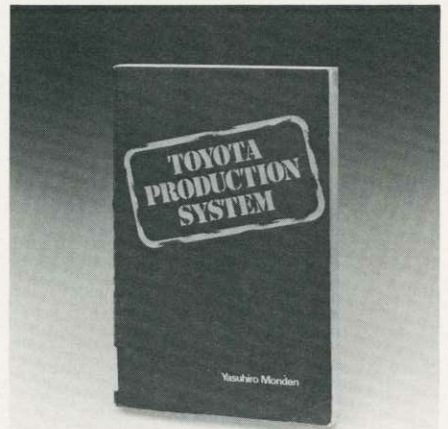
A weekend in Tokyo can be a great deal of fun. If you discover any other interesting things to do, please describe them in a letter to my friend, Mr. Yoshimichi Hori, Editor-in-Chief of this magazine, so that they can form the subject of later articles in this column.

Charles Stevens, senior partner of
the East Asian Group of
Coudert Brothers

Bookshelf

Toyota Production System: Practical Approach to Production Management

By Yasuhiro Monden
Published by Industrial Engineering and
Management Press
1983, Atlanta, Georgia
246 pages; \$31.00



As the title indicates, the focus of this book is Toyota's production management system which has gained such wide-spread fame and been adopted by so many Japanese manufacturing firms that it is now almost synonymous with Japanese production management itself. Last November, University of Tsukuba Professor Monden's book was awarded the "Nikkei Prize for Excellent Books in Economic Science," sponsored jointly by Nihon Keizai Shimbun Inc. and the Japan Economic Research Center.

For operations managers who have hopes of imitating Japanese success stories, and teachers of production operations management who want to integrate Japanese management concepts into their curricula, Professor Monden's book provides a timely and comprehensive coverage of the subject.

Monden first gives us an overview of the goals of Toyota's production management system and then explains in detail the goals. Considerable time is devoted to a discussion of *kanban*, which has been given such big media play in the West. Various types of *kanban* used by Toyota, the basic "pull" operation of a *kanban* system, and several rules to follow are set forth. It becomes clear from the discussion that the *kanban* system actually represents a clever implementation of the traditional reorder point system. However, it differs from the reorder point system by its

much smaller lot size, much lower reorder point, and highly visible communication.

The extension of the *kanban* system to the vendor is the topic of a chapter entitled "Supplier *Kanban* and the Sequence Schedule for Use by Suppliers." Also included here is a section on "Problems and Countermeasures in Applying the *Kanban* System to the Subcontractors." The approach that Toyota took to cope with the criticism from the Japanese Communist Party is illustrated in detail, and may offer a valuable lesson to companies in other countries confronting similar criticism.

Chapters 4 through 8 examine the essential elements which create a suitable manufacturing environment for JIT (Just-in-Time) production. As indicated by the title, "Smoothed Production Helps Toyota Adapt to Demand Changes and Reduce Inventory," Chapter 4 explains the importance of smoothed production, and various planning, scheduling, and dispatching subsystems. In addition, a short comparison between *kanban* and MRP (material requirement program) is also included in this chapter. In spite of their obvious differences, *kanban* and MRP are actually compatible. Yamaha's "Synchro MRP" which employs MRP as the basic planning/scheduling tool and *kanban* as the dispatching tool is used as an example to prove this compatibility. During Monden's analysis of Toyota's approach to the reduction of production lead time, it becomes clear, though it is not deliberately pointed out, that the basic concept of group technology has been applied effectively in Toyota to reduce manufacturing lead time.

Of all the methods Toyota has used to improve production efficiency, their setup time reduction programs have been proved empirically to be the easiest to apply in the American industrial environment. As proof of this, we can see that Harley-Davidson, GM, and many other American firms have already successfully and significantly reduced their setup times through application of these methods. Chapter 6 discusses in detail the elements of setup time and concepts of setup time reduction. Also provided in this chapter are several interesting illustrative examples about setup time reduction. The focus of Chapters 7 and 8 is on the elimination of production inefficiencies by operation routine standardization, line balancing (*Yo-i-don* system), one-shot setup, U-shape machine layout, and job rotation schedules for multi-function workers. There is also a brief comparison between the Japanese and American business climate for employing multi-function workers.

Monden next discusses various improvement activities such as the refinement of manual operations to eliminate wasted motion, machinery upgrading, and the reduction of wasted materials and supplies; QC circles have been the most effective means to achieve these improvements. And Monden extends the discussion to the structure, the basic operation, and achievements of QC circles.

Chapter 10 discusses statistical quality control and the autonomation (*jidoka*) system

which allows the entire production line to be stopped at the workers' discretion or by automatic devices when abnormal operations or defects are detected. Robotics and its applications at Toyota are also briefly discussed here.

In conclusion, Monden examines the broader issues of management organization and business policy. Functional management has been established to provide communication links among various departments. The discussion in this chapter includes the structure of functional management, its relationship to business policy, the rules to follow, and the advantages of functional management.

Appendices 1 and 2 provide guidelines on the determination of the number of *kanbans* required under different withdrawal systems, and the sequence schedule for the mixed-model assembly line. Appendix 3 presents the electronic data processing system which supports the Toyota production system. Appendices 4 and 5 are reprints of two articles on JIT production and the *kanban* system published in the *International Journal of Production Research*.

Following the MRP crusade of the 1970s, APICS (American Production and Inventory Control Society) has recently initiated yet another crusade on zero inventory of JIT for the 1980s. Although bits and pieces of information on JIT can be found in numerous publications and presentations, workshops, or seminars given at various professional meetings, this book provides a detailed discussion of not only the basic concepts and methods of JIT production but also the essential subsystems and environment which support JIT production. Overall, Professor Monden's book presents a sharply focused picture of how the Japanese are using various methods to achieve the goal of "perfection," a goal common to all of us in production sciences.

Dr. Philip Y. Huang

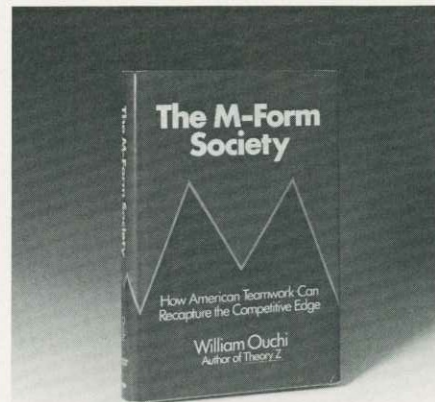
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The M-Form Society: How American Teamwork Can Recapture the Competitive Edge

By William G. Ouchi
Published by Addison-Wesley Publishing Co.
1984, Massachusetts
315 pages; \$19.95

William Ouchi became an instant media star in 1979 with the publication of *Theory Z*. One of the best-known professors in the University of California at Los Angeles's Graduate School of Management, Ouchi is back on the best-seller lists with *The M-Form Society*.

Theory Z was intended to revitalize America's industrial competitiveness by introducing far-sighted human management and promot-



ing teamwork and full-participation management. It was named *Theory Z* to indicate that it went beyond both theory X and theory Y as developed by Alfred P. Sloan School of Industrial Administration professor Douglas McGregor. In contrast to the theory that people are fundamentally lazy, irresponsible, and need constantly to be watched (theory X), McGregor argued in theory Y that people are fundamentally hard-working, responsible, and need only to be supported and encouraged—and that it is theory-X management which stifles initiative and makes labor relations unproductively adversarial.

Ouchi's *Theory Z* took its cues from Japanese management. With their practice of life-long employment, Japanese companies are able to train workers for the long haul. Even if a person is not an instant success in a position, he is not immediately fired. Instead, he is shifted around as the company tries to find a slot where he will fit in and can use his abilities to their fullest potential.

Theory Z was, along with Ezra Vogel's *Japan As No.1* and Pascale and Athos's *The Art of Japanese Management*, one of the books sparking the American boom in Japanese management studies. *The M-Form Society* spotlights Japanese-style behavioral patterns to show, as the subtitle says, how American teamwork can recapture the competitive edge.

Ouchi begins by classifying the traditional organizational forms as U-Form and H-Form. The "U" in U-Form stands for unified, and this is the typical functional organization. All of the various departments (e.g., research and development, engineering, manufacturing, and sales) are under the direct control of the chief executive officer. The U-Form company is highly centralized, but tends to be a poor performer as it gets bigger. None of the organization's subunits can stand alone. Research and development has no products to sell, manufacturing alone has no designs to work from, and sales alone has nothing to sell. No subunit has its own bottom line, and none can be treated as an independent profit center. Lacking any clear measure of departmental profitability, the CEO cannot simply direct each to maximize profits. Thus, the U-Form organization can only perform well when it is small. The

nearest thing to a U-Form society is a centrally planned economy of the Soviet type.

The "H" in H-Form is for holding. In the pure H-Form, the corporate staff is very small and keeps only financial controls over the operating units. The strength of the H-Form organization is its ability to put money to best use. Thus the H-Form is very nearly what a market economy aspires to. In the idealized "perfect competition," each company acts on its own in attempting to maximize profits. There is only minimal control from government. However, this presupposes that there are no common assets or social endowments on which each industry depends. The true conglomerate very nearly approaches the H-Form prototype, since its units do not share personnel, research facilities, or any other assets. This may work for the conglomerate, but not in a national economy. The machine-tool and robot industries cannot compete in world markets unless the semiconductor industry is successful. None of these can succeed unless the education system is sound and the university-based research system well-supported. The economy succeeds only with a great number of social endowments, and no industry or company can stand on its own. We must, Ouchi argues, have a more balanced form than completely decentralized decision-making.

To meet this need, Ouchi proposes the M-Form organization as combining the best of the U-Form's specialization, functionality, and centralization and the H-Form's profit centers, delegation of authority, and decentralization.

The "M" in M-Form is for multidivisional, and this organization's degree of centralization is intermediate between the U and H forms. Although the M-Form companies such as Hewlett-Packard are giant organizations, they are all able to act flexibly. The reason the M-Form organization succeeds is its balance between individual initiative and teamwork. The M-Form organization includes a great many semi-autonomous operating units, each making slightly different products. While the M-Form manager is expected to seek to maximize the unit's profits and to compete as an autonomous unit in the market, the M-Form manager is also expected to collaborate as part of the larger team. If all of the managers attempt to maximize their own units' profits, they will overuse the corporate social endowment and wake up one day to find a competitor has overtaken the company by investing more in the future.

The M-Form Society is not simply a management primer. Raising his sights beyond corporate management, Ouchi brings his insights to bear on the management of American industrial society at large and local government. It is his conclusion that the essence of the M-Form society lies in social integration and the balance between the dual needs of government regulation and *laissez-faire* freedom.

One of the dominant themes throughout this book is the stress on teamwork and the advantages of collaboration. The basic philosophy underlying *The M-Form Society* is that

American companies should seek to enhance their technological development capabilities by avoiding bloody competition and cooperating when cooperation is in order. In demonstration of this principle, the Ministry of International Trade and Industry (MITI)'s industrial policy role is examined at great length.

Ouchi is not alone in believing that MITI's industrial policies have been outstandingly successful. Given the global competitiveness of Japanese industry, one is tempted to lay the praise—or the criticism—for this success at MITI's door. Yet it has been rightly pointed out that Japan's success depends not so much on MITI's industrial policy but rather on the independent efforts of the individual industries. Nor may it be ignored that it was not collaboration but competition—very often excessive competition—that gave birth to today's prosperity.

Ouchi's analysis has much to recommend it, and his call for American teamwork is right on target. Yet for Japan, the prescription should perhaps be greater deregulation and a greater reliance on market competition. Collaboration is fine, but an overemphasis on collaboration can too easily blind us to the advantages of competition. Japanese readers should not forget that *The M-Form Society's* call for greater teamwork is a call for greater American teamwork.

Susumu Ohara

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The Japan Economic Journal

Taste of Tokyo

Restaurant "La Promenade"

One of the prerequisites of a good restaurant is a superior environment and atmosphere. On this score, La Promenade cannot be faulted. Located on the first floor of the Sanshin Building, it is strategically situated between Hibiya Park and the Yurakucho theater district. The high ceiling is a blessing of the pre-World War II building, and the interior is art nouveau, from the chandeliers to the carpet and curtains. This, together with the stone-masonry exterior, gives one the momentary illusion that one is on a street in Paris.

Above all, what brings the atmosphere to perfection are the magnificent works by Marc Chagall, Marie Laurencin, Cassignoul and Takanori Oguiss. It is truly elegant and enjoyable. One can sense that the owner must not only be a connoisseur of good food, but a highly cultured person as well.

Mr. S. Nozaki, the restaurant's chef since its establishment, is a veteran who started his apprenticeship when he was 15. He underwent

training in Paris and Provence for four years. And as for the dining, Mr. Kiyoshi Takahashi, managing director of Showa Shell and the greatest Francophile of my acquaintance vouches for it whole heartedly.

The food served here is not the currently popular cuisine which relies on visual appeal. It is the real thing. Ever since it opened six years ago, it has won the unwavering support of Westerners working in the Marunouchi business area. The chef's philosophy is, "Since this is a small shop, instead of offering a large selection we concentrate on carefully preparing a few good dishes."

The prices are slightly lower than other French restaurants in Tokyo. This too is

happy indication of the conscientiousness of La Promenade.

- Chef Nozaki's recommendations are:
- Salade gourmande ¥2,800
 - Escargots "La Promenade" ¥1,200
 - Grenouilles sautées aux fines herbes ¥2,100
 - Matelote de sole à la vanille. ¥3,200
 - Blanc de turbot aux raisans ¥3,200
 - Ragout de rognon de veau au ris d'agneau ¥3,100
 - Wines: Beaujolais red ¥3,900
 - Muscadet white ¥3,900

(Yoshimichi Hori, editor-in-chief)

