

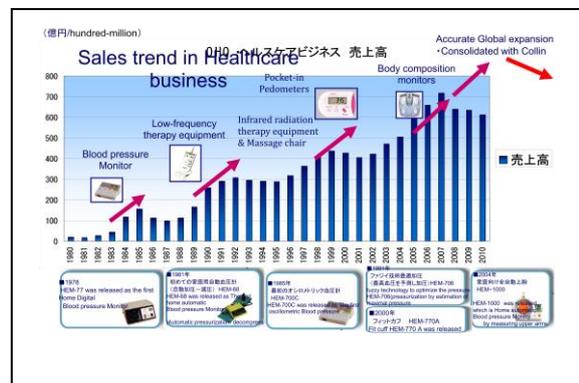
Nominator: Yuji Kishira
 Relation to Company: Consultant
 Name of Nominee: Omron Healthcare Co., Ltd.
 TOCICO TOC EXCELLENCE AWARDS NOMINATION

Company background

In more than 110 countries throughout the world, Omron Healthcare provides healthcare products that can measure virtually any indicator of lifestyle diseases. These products range from home-use devices such as blood pressure monitors, digital thermometers, and body composition monitors with scale, to professional medical equipment capable of detecting hardening of the arteries and analyzing visceral fat.

The challenges

Omron Healthcare has been growing by constantly introducing new category of products to the market. As shown in the graph, introduction of a new product brought to the new level of performance yet it decays because competitors entered their market in the red ocean which is the reason of the ladder type of growth.



In 2010, they faced the following challenges:

- making continuous growth in harsh price competition in the market
- meeting the variety of each regional demand in the global market with limited resource
- breaking through the stagnant performance improvement after years of Kaizen efforts and TPS (Toyota Production Systems) efforts.

Operation breakthrough by TOC and the result

Omron Healthcare started VV since 2010 based on consumer goods S&T template by focusing "flow" in every aspect of operation not only within the company but also all stake holders in the supply chain by diligently follow each box of the S&T tree.



The dramatic change of performance is obvious as shown in the graph in red curve

Several highlights, stated by the company, are:

- R&D productivity doubled
- Almost of all category got No.1 share without lowering price
- Lead time reduction from 13 weeks to 1 week
- Capacity up 60% within 6 days in TPS (Toyota Production System) line
- People motivation/collaboration up

Omron Healthcare is willing to make all their journey in public domain which inspires many industry leading companies to VV initiative in Japan. Hoping their journey inspires many other companies in the world to make TOC main way.

Omron implementation not only demonstrates the magnitude of results achieved by TOC; it is also a show case for:

- The ability to apply TOC logistics and business methods across cultures, geographies (Japan, China, India, Europe, US...) and different suppliers and clients organization mentalities.
- TOC production application to improve what is considered “top performance” TPS environment. The smooth and quick introduction of buffers to Omron Kanban lines and the transformation to Make To Availability was published in Nikkei magazine as the next step in operation improvement for top performing companies.
- Applying TOC thinking to continue provide exceptional value in line with the DNA of the company. Starting the work while Dr. Goldratt was still alive, OHQ executives are developing their next generation products with a clear view of the limitation the company is aiming to remove for a growing base of customers. Making health indicators accessible to all to improve lifestyle.
- A clear demonstration of the power of the 6 questions of technology (Necessary but not Sufficient). Technology can diminish a significant limitation, however clients often continue to behave as if the limitation still exist, thereby enjoying only a fraction of the possible value. Omron embarked on a big educational campaign to bring customers to utilize their products, such as the home used blood pressure device, on a regular basis, regardless if they fill ill or not.
- Above all, Omron is a demonstration of the journey to utilize TOC for quick “low hanging fruits” business gains, and as a management method that is applied over 4 years thus far to achieve next jump in performance year by year.