Chapter 1
What Is an A3?

The term "A3" refers to an international-size piece of paper, one that is approximately 11-by-17 inches. Within Toyota and other lean companies, the term means much more.

Toyota's insight many years ago was that every issue an organization faces can and should be captured on a single sheet of paper. This enables everyone touching the issue to see through the same lens. While the basic thinking for an A3 (*see pages 8–9*) follows a common logic, the precise format and wording are flexible, and most organizations tweak the design to fit their unique requirements.
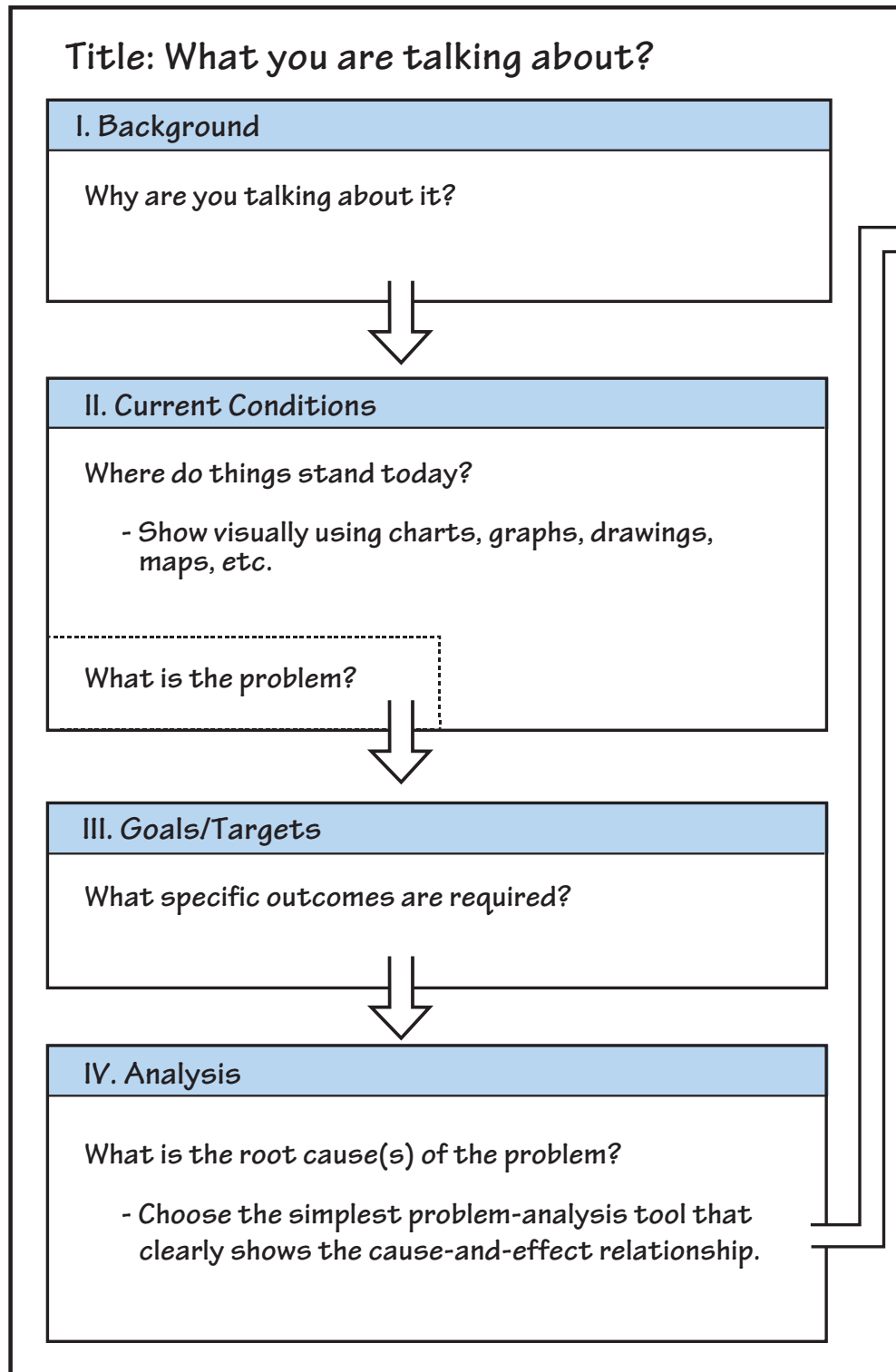
The A3 is like a résumé that can be adapted in layout, style, and emphasis according to the person seeking the job and the type of job being sought. Practitioners can adapt the format to fit the requirements of each situation.

On a single page, an A3 typically includes the following elements:

- *Title*—Names the problem, theme, or issue.
- *Owner/Date*—Identifies who "owns" the problem or issue and the date of the latest revision.
- *Background*—Establishes the business context and importance of the issue.
- *Current Conditions*—Describes what is currently known about the problem or issue.
- *Goals/Targets*—Identifies the desired outcome.
- *Analysis*—Analyzes the situation and the underlying causes that have created the gap between the current situation and the desired outcome.
- *Proposed Countermeasures*—Proposes some corrective actions or counter-measures to address the problem, close the gap, or reach a goal.
- *Plan*—Prescribes an action plan of who will do what when in order to reach the goal.
- *Followup*—Creates a followup review/learning process and anticipates remaining issues.

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A3 Template

Title: What you are talking about?

I. Background

Why are you talking about it?

II. Current Conditions

Where do things stand today?

- Show visually using charts, graphs, drawings, maps, etc.

What is the problem?

III. Goals/Targets

What specific outcomes are required?

IV. Analysis

What is the root cause(s) of the problem?

- Choose the simplest problem-analysis tool that clearly shows the cause-and-effect relationship.

Source: John Shook and David Verble

Owner/Date

V. Proposed Countermeasures

What is your proposal to reach the future state, the target condition?

How will your recommended countermeasures affect the root cause to achieve the target?

VI. Plan

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

What are the indicators of performance or progress?

- Incorporate a Gantt chart or similar diagram that shows actions/outcomes, timeline, and responsibilities. May include details on specific means of implementation.

VII. Followup

What issues can be anticipated?
- Ensure ongoing PDCA.
- Capture and share learning.

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These A3 elements follow one another in a natural and logical sequence. The links among the problem, its root causes, the goal, the actions proposed to achieve the goal, and the means of judging success are clear and easy to understand.

The format and the goals of the A3 are guided by the following set of questions:

1. What is the problem or issue?
2. Who owns the problem?
3. What are the root causes of the problem?
4. What are some possible countermeasures?
5. How will you decide which countermeasures to propose?
6. How will you get agreement from everyone concerned?
7. What is your implementation plan—who, what, when, where, how?
8. How will you know if your countermeasures work?
9. What followup issues can you anticipate? What problems may occur during implementation?
10. How will you capture and share the learning?

It can't be stressed enough that there's no one fixed, correct template for an A3. To illustrate this point, the back pocket of this book contains several A3 examples illustrating some of the problems, proposals, decisions, projects, plans, and issues they can address. The author decides what to emphasize depending on the specific situation and context. It is not the format of the report that matters, but the underlying thinking that leads the participants through a cycle of PDCA (plan, do, check, act).

As you will read in the coming pages, completing and then discussing the material in an A3 forces individuals to observe reality, present facts, propose working countermeasures designed to achieve the stated goal, gain agreement, and follow up with a process of checking and adjusting for actual results. As a result, the A3 represents a *powerful tool* for problem-solving, making improvements, and getting things done.

But more than that, the A3 is a visual manifestation of a problem-solving thought process involving continual dialogue between the owner of an issue and others in an organization. It is a foundational *management process* that enables and encourages learning through the scientific method. A3 reports should become a standardized form of currency for problem-solving, dialogue, and decision-making in your organization—creating an organization of scientists who continually improve operations and results through constant learning from the work at hand.

To help make that happen, the nuances of A3 as a problem-solving or improvement tool *and* a management process will be explored in the coming chapters. Together we will move through the sequence of the A3 process. In doing so, we'll see that significant work can lead to significant organizational reward.

Learning to Converse—How to Read the Following Chapters

The following five chapters have an unusual structure. Just as real dialogue in the real world is a dynamic exchange between (at least) two individuals, you will find two conversants represented in two parallel columns. On the left in black text is the main storyline and dialogue as experienced through the perspective of Desi Porter, a young manager struggling with a new assignment. On the right side in blue text, you will find running commentary that reflects the thinking of Porter's boss, Ken Sanderson, as he endeavors to mentor his young charge through the A3 learning journey.

The perspectives of Porter and Sanderson are shared side-by-side to illustrate the natural tension that characterizes any work relationship and situation. Through Porter and Sanderson's ongoing dialogue, you will see how the A3 is an emerging reflection of the conversation that it both creates and is created by.

You may choose to read the left column first and follow it through to the end of each subchapter, and then go back and read the right column. Conversely, you may read them almost at the same time, switching back and forth, dynamically—like a real conversation. Try both ways—choose whichever fits you best. Eventually you will find a rhythm that brings the dialogue of Porter and Sanderson and their learnings to life.