

# NXTP Labs: An Innovative Accelerator Model

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**Overview**

1. Introduction to NXTP Labs and its role in the automotive industry.

2. The accelerator model and its benefits for startups and established companies.

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**Early Timeline**

- 1920: Toyota, a main Japanese company, is founded in Japan
- 1930: etc. as an independent company; produces models for Toyota's war effort
- 1947: After a disastrous post-war recovery, Toyota restarts production of passenger vehicles
- 1957: Toyota Motor Sales (TMS) est. in U.S.
- 1980: Joint venture with GM, called NUMMI, serves as a training program for U.S. operations

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**Timeline Continued**

- 1999: GM Sledge Crisis
- 2006: NUMMI reports earnings in Toyota Canada
- 2007: GM's automotive market takes a very dip

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**Timeline Continued**

2008: Toyota tops GM as top car seller internationally

Year	GM Sales	Toyota Sales
2008	1,000,000	1,100,000
2009	1,200,000	1,300,000
2010	1,400,000	1,500,000
2011	1,600,000	1,700,000
2012	1,800,000	1,900,000
2013	2,000,000	2,100,000
2014	2,200,000	2,300,000
2015	2,400,000	2,500,000
2016	2,600,000	2,700,000
2017	2,800,000	2,900,000
2018	3,000,000	3,100,000
2019	3,200,000	3,300,000
2020	3,400,000	3,500,000

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**Management Culture at Toyota**

- 1. Toyota's management style is based on the concept of "Kaizen" (continuous improvement).
- 2. Toyota's management style is based on the concept of "Jishu Kaizen" (self-improvement).
- 3. Toyota's management style is based on the concept of "Genchi Genbutsu" (go and see).
- 4. Toyota's management style is based on the concept of "Andon" (stop the line).
- 5. Toyota's management style is based on the concept of "Muda" (waste).

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**The Accelerator Crisis**

February 2009 just three weeks after the Sledge crisis Toyota found itself in the PM hot seat again.

Customers had been exiting their cars because of faulty accelerator pedals on some Toyota models.

Ray Latham the Secretary of the U.S. Department of Transportation told the AP "Toyota may be a little softy about" this obviously copied Toyota and the previous work of the "Customer First" committee.

One month later another 2 million vehicles were recalled but once again Toyota refused to take responsibility, another 2.2 million vehicles were recalled shortly after and eventually recalled a total of 6.8 million vehicles.

**Toyota's Payment Right Before the Accelerator Crisis**

1. Toyota's payment right before the accelerator crisis was based on the concept of "Kaizen" (continuous improvement).

2. Toyota's payment right before the accelerator crisis was based on the concept of "Jishu Kaizen" (self-improvement).

3. Toyota's payment right before the accelerator crisis was based on the concept of "Genchi Genbutsu" (go and see).

4. Toyota's payment right before the accelerator crisis was based on the concept of "Andon" (stop the line).

5. Toyota's payment right before the accelerator crisis was based on the concept of "Muda" (waste).

**The Old Sledge Crisis**

During a another Toyota crisis related to faulty seat belts, "Toyota" the company is not completely aware of the problem to solve and need a complete change in the way of the way of the way.

Toyota's approach to the crisis was based on the concept of "Kaizen" (continuous improvement).

Toyota's approach to the crisis was based on the concept of "Jishu Kaizen" (self-improvement).

Toyota's approach to the crisis was based on the concept of "Genchi Genbutsu" (go and see).

Toyota's approach to the crisis was based on the concept of "Andon" (stop the line).

Toyota's approach to the crisis was based on the concept of "Muda" (waste).

**Conclusion**

1. The Case Solutions.com is a leading provider of automotive case solutions.

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# Overview

*In 2010, the president of Toyota stood before the U.S. House of Representatives to address his company's failure in meeting their responsibilities following a series of fatal accidents involving their car model, the Toyota Camry*

*The public backlash was intense, and Toyota suffered greatly for it*

*How did the Accelerator Crisis get as bad as it did for Toyota?*

*Was it a media witch hunt?*

*What about Toyota's leadership may have played a role?*

*What about Toyota's history may have played a role?*

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## *Early Timeline*

*1933: Toyota, under Kiichiro Toyoda, is founded in Japan*

*1939: Est. as an independent company; produces trucks for Japan's war effort*

*1947: After disastrous post-war economy, Toyota resumes production of passenger vehicles*

*1957: Toyota Motor Sales (TMS) est. in U.S.*

*1982: Joint venture with GM, called NUMMI, serves as a training program for U.S. operations*

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## *Timeline Continued*

*1999: Oil Sludge Crisis*

*2006: NHTSA reports surging in Toyota Camrys*

*2007: Global automotive market takes a steep dive*

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## Timeline Continued

2008: Toyota tops GM as top car seller internationally

Exhibit 2. Global Automobiles Industry Share:  
% Share, by Value, 2008

<u>Company</u>	<u>% Share</u>
Toyota Motor Corporation	12.80
General Motors Corporation	8.90
Daimler AG	8.10
Ford Motor Company	7.80
Other	62.40
<b>Total</b>	<b>100.00</b>

Source: *Datamonitor.*

Exhibit 3. U.S. Automobiles Industry Share:  
% Share, by Value, 2009

<u>Company</u>	<u>% Share</u>
Toyota Motor Corporation	17.80
Ford Motor Company	17.50
General Motors Corporation	14.50
Honda Motor Company, Limited	11.80
Chrysler Group LLC	7.50
Other	30.90

Source: *IBISWorld.*

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# *Management Culture at Toyota*

- *Long recognized, both internally and externally, as "customer first"*
- *Has gone through numerous philosophical and managerial changes*
- *Under the helm of new, relatively younger president, Akio Toyoda*
- *Pioneer of lean management; "The Toyota Way" (now becoming stretched with global ambitiousness)*
- *Sprawling U.S. presence with poor communications back to Japan*

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*8,900 U.S. employees*

*14 U.S. regional facilities*

*1,500 U.S. dealerships*

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## Timeline of Toyota Management Philosophies

1933-1995

- Led by Toyoda family patriarchs; starting with Kiichiro Toyoda and ending with Tatsuro Toyoda.
- Company moves from Japan to the international market, and develops "The Toyota Way"
- By 1995 company is ailing health and in need of new direction

2009-Present

- Amidst safety concerns, Akio Toyoda becomes president of Toyota
- Toyota, disappointed by the direction Toyota had been led in, states: "I will go back to the basics of the foundation of the company"
- Breaking with Japanese cultural norms, Akio Toyoda lies the blame with previous leadership

1995-2009

- Toyota is headed by a series of non-family presidents
- Aggressive policies designed to accelerate growth are implemented, with resounding success
- Cost-cutting, and inability to transplant Toyota culture overseas at the same rate of expansion, results in weakening of customer-first attitude



# *"The Toyota Way"*

- *A precursor to Lean Management systems*
- *Central to Toyota's way of doing business, and has its roots in the company's early history*
- *Based on the principle of eliminating waste ("Muda") from the assembly process*
- *Founded on two base ideas; "Jidoka" and "just-in-time"*
- *Researched and praised by American scholars in the 1980s*
- *"There is a sense of danger. We must prevent The Toyota Way from getting more and more diluted as Toyota grows overseas." --Koki Konishi, Company General Manager (2007)*

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