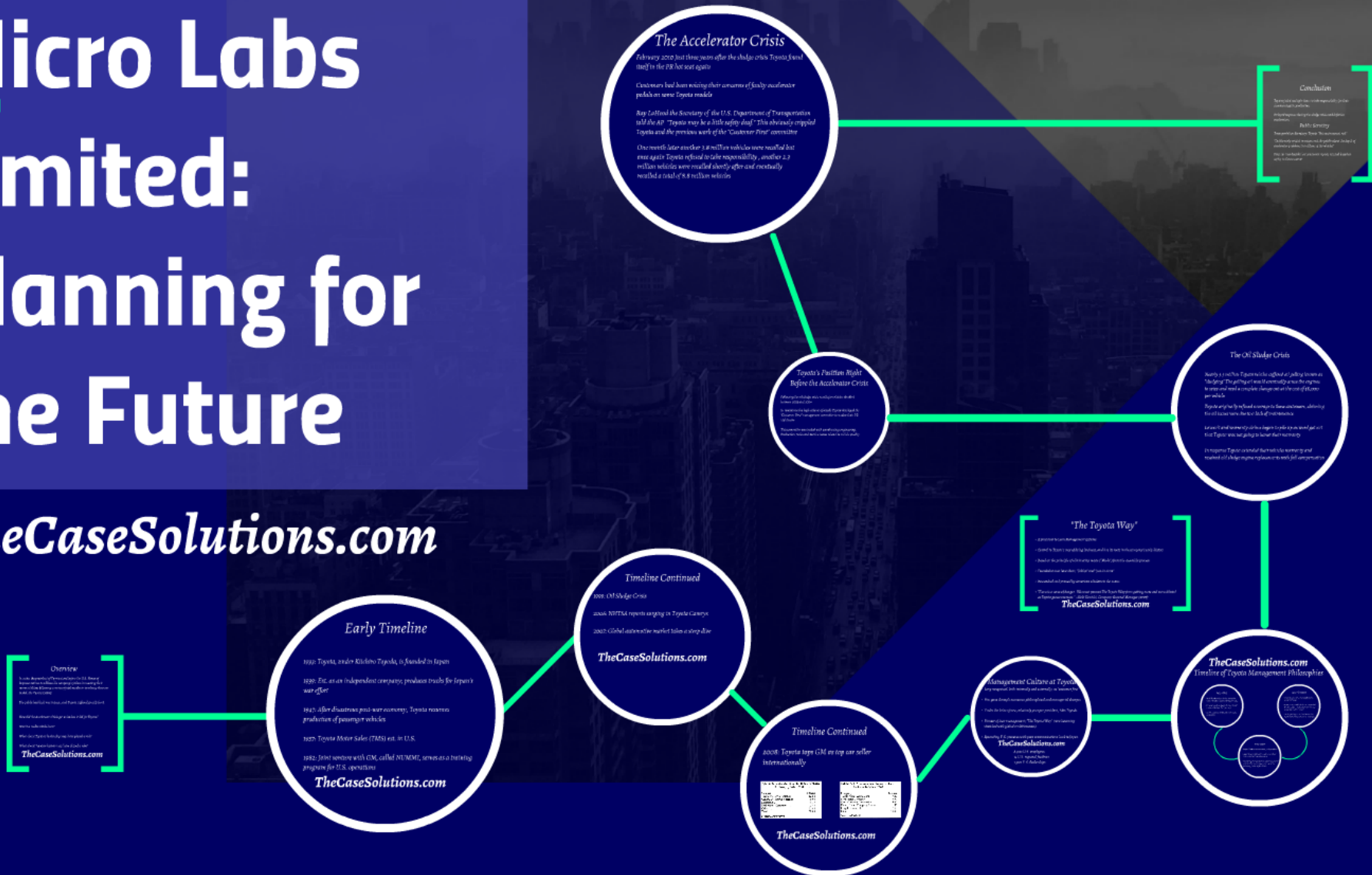


Micro Labs Limited: Planning for the Future

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Overview

Toyota Motor Corporation (TM) is a Japanese multinational automotive manufacturer. It is the world's largest automaker and a major supplier of engines and powertrains.

Toyota's success is due to its "Toyota Production System" (TPS), which emphasizes efficiency, quality, and customer satisfaction.

Micro Labs Limited is a leading provider of automotive consulting services, helping Toyota and other manufacturers optimize their operations and improve their bottom line.

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Early Timeline

- 1920: Toyota, founder Kiichiro Toyoda, is founded in Japan
- 1930: etc. as an independent company; produces models for Toyota's war effort
- 1947: After dissolution post-war recovery, Toyota restarts production of passenger vehicles
- 1955: Toyota Motor Sales (TMSA) 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 Sludge Crisis
- 2006: NHTSA reports ongoing in Toyota Camrys
- 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
2021	3,600,000	3,700,000
2022	3,800,000	3,900,000
2023	4,000,000	4,100,000
2024	4,200,000	4,300,000
2025	4,400,000	4,500,000

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Management Culture at Toyota

- Toyota's success is due to its "Toyota Production System" (TPS), which emphasizes efficiency, quality, and customer satisfaction.
- TPS is based on the principles of "Just in Time" (JIT) and "Kaizen" (continuous improvement).
- Toyota's management culture is characterized by a strong emphasis on quality and customer service.
- Toyota's success is also due to its ability to adapt to changing market conditions and to invest in research and development.

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The Accelerator Crisis

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

Customers had been excited their concerns 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 recalled 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 2.3 million vehicles were recalled shortly after and eventually recalled a total of 6.8 million vehicles.

Toyota's Patience Right Before the Accelerator Crisis

When Toyota's recall committee decided to recall 6.8 million vehicles, it was a sign that Toyota was finally taking responsibility for its actions. The company's previous recall of 6.8 million vehicles in 2009 was a sign that Toyota was finally taking responsibility for its actions.

The Old Sludge Crisis

After a another Toyota recall related to faulty seat belts, "Toyota" the public and media eventually turned its eyes to what was a complex design that at the end of the day got recalled.

Toyota argued the hybrid engine's fuel system, allowing for all to use more fuel but lack of maintenance.

As a result of the recall, Toyota's reputation for reliability and safety was hit hard. Toyota's reputation for reliability and safety was hit hard.

"The Toyota Way"

- Toyota's success is due to its "Toyota Production System" (TPS), which emphasizes efficiency, quality, and customer satisfaction.
- TPS is based on the principles of "Just in Time" (JIT) and "Kaizen" (continuous improvement).
- Toyota's management culture is characterized by a strong emphasis on quality and customer service.
- Toyota's success is also due to its ability to adapt to changing market conditions and to invest in research and development.

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Conclusion

Toyota's success is due to its "Toyota Production System" (TPS), which emphasizes efficiency, quality, and customer satisfaction. TPS is based on the principles of "Just in Time" (JIT) and "Kaizen" (continuous improvement). Toyota's management culture is characterized by a strong emphasis on quality and customer service. Toyota's success is also due to its ability to adapt to changing market conditions and to invest in research and development.

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
Total	100.00

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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