

Questions?

Agenda

- SWOT
- Problem
- Toyota Production System (TPS)
- Alternative 1-4
 - Pros and Cons
- Recommendation
- Implementation
- Toyota Today

Problem

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Recommendations

Alternative 1

Creating 1000 quality control units monthly
to ensure quality control of the car body
before it is sent to the final assembly
line. This will help in identifying
any defects before they reach the
final assembly line.

Alternative 3

Implement a system that manufactures
the car body in a way that it can be
used for multiple models. This will help
in reducing the cost of production.

Alternative 2

Reduce the number of safety
checks for each production unit.
This will help in reducing the cost of
production.

Alternative 4

Reduce the number of part
variations offered.

Implementation

Short term
Long term
Medium term

Toyota Today

- TMK was designated as a "zero landfill facility" in 2005
- Toyota announced that TMK would begin production of the Lexus ES sedan beginning in 2015, adding 50,000 vehicles annually and 750 jobs to the facility
- Toyota is the 11th largest company in the world by revenue, and 3rd largest automobile manufacturer after GM and Volkswagen
- In July 2012, the company reported it had manufactured its 200-millionth vehicle, they employ over 326 thousand people worldwide
- From November 2009 to 2010, Toyota recalled more than 9 million cars and trucks worldwide
- In Oct. 2012, they had to make a recall of just under 7.5 million vehicles worldwide due to problems with the power window switches.
- Toyota is still an industry leader in manufacturing and production, and still focuses their strategies on Lean Manufacturing and Just In Time.

SWOT

Strengths	Weaknesses
Opportunities	Threats

Toyota Production System (TPS)

- Just in time
- Kanban system
- Poka-yoke
- Heijunka
- Jidoka
- Andon
- Mura
- Muri
- Muda
- Jishu Kaizen
- 5S
- Standardized work
- Visual management
- Total productive maintenance
- Continuous improvement
- Kaizen
- Toyota Way
- Toyota Production System

Conclusion

Cons

High cost of production

Toyota, solve the problem of cars being assembled with defective or problematic seats without hurting TPS line utilization?

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Involve TMM
Framed Seats
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facility.

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SWOT

Strengths

- Strong market position and brand recognition
- Strong focus on R&D
- Extensive production and distribution systems
- Strong global network
- Diversified product portfolio

Weaknesses

- Product recalls can affect brand image
- Toyota largely dependent on few specific customers for a majority of its revenues

Opportunities

- Growing global automotive industry
- Strong outlook for car market
- Strengthen business acquisitions or joint ventures
- Global expansion

Threats

- Intense competition
- Environmental regulations
- Rising material prices

Problem

How can Doug Friesen, the manager of assembly at Toyota, solve the problem of cars being assembled with defective or problematic seats without hurting TPS line utilization?



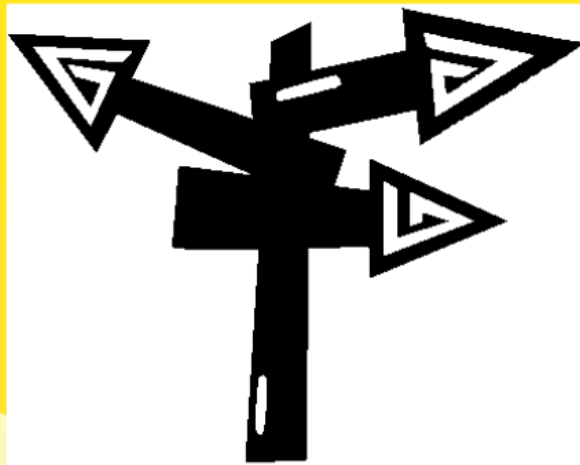
Toyota Production System (TPS)

"Good thinking, good products."

- **Reduce costs**
- **Eliminate waste and overproduction**
 - 1) **Just-In-Time (JIT)**
 - **What? How much? When?**
 - 2) **Jidoka**
 - **Production problems**

Alternative 1

- Involve TMM quality control with Kentucky Framed Seats (KFS) by going to KFS to identify the source of the problem and correct it on site. As well as positioning quality control member(s) at the seat arrival station before seats enter the facility.



Pros

- Follows Toyota's philosophy
- Stops problems before entering facility
- Prevents problem from leaving KFS
- Eliminates cost to fix and return
- Involves Toyota more with manufacturer
- KFS is geographically close to TMM ensuring effective pull system
- Eliminates stopping the line
- Keeps work flow steady
- Majority of seat problems come from the manufacturer
- Not necessarily long-term commitment

