

# [Recommendations for toyota motor corporation marketing essay](https://assignbuster.com/recommendations-for-toyota-motor-corporation-marketing-essay/)

Toyota Motor Corporation is a multinational car manufacturer which was head quartered in Toyota, achi, Japan. It has employed around 300, 734 people worldwide. Toyota maintains third position in the world car production market and it is the ninth largest company in the world by revenue.

Toyota Motor Corporation was started in 1933 as a small loom factory for automobiles in Japan, under the direction of founder’s son Kiichiro Toyoda.

Toyota has a good successful background in a whole and Toyota is world’s third largest car producer and the first in Japan. Toyota cars are famous for its fuel efficiency in the world market.

Toyota’s manufacturing procedure is known as Toyota production system which is basically based up on “ just in time production” and also “ lean manufacturing”. Toyota production system is globally accepted because of its above mentioned two factors.

## a. Important developments and key milestones

1924-1936

Sakichi toyoda invents toyoda model

G automatic loom.

Kiichiro Toyoda started research on gasoline engine.

Automobile department established in Toyoda automatic loom works.

Toyota motor co ltd established.

First vehicle of Toyota the Model G1 truck was built.

First dealership of Toyota motor co ltd established.

Toyota starts Production of its first car, the Model AA.

1937-1975

Company faces financial crisis, resignation time for Kiichiro Toyoda.

Toyota motor sales co. established.

The crown became first Japanese car to be exported to United States.

“ Toyota production system” formed based on just in time production

Company’s first overseas vehicle plant started in Brazil.

Toyota started its first Asian vehicle plant outside Japan, in Thailand.

Toyotas American division started, in collaboration with General Motors’ at California

Toyota wins Deming application price for quality

Corolla is launched

Business partnership with Hino motors

1975-2012

Toyota motor co ltd & Toyota motors sales merged to Toyota motor corporation

Started production in USA, in collaboration with General Motors’ at California

Toyota’s luxury Lexus brand introduced in USA

First European car plant begins production in Britain.

Prius launched as world’s first mass produced hybrid car

Toyota takes majority shares in mini vehicle maker Daihatsu Motor.

Production in Japan reached 100 million vehicles

Toyota takes major shares of truck maker Hino Motors.

Production in china & France started

Toyota makes collaboration with Fuji heavy industries and Isuzu motors

Akio toyoda takes charge as president & Fuijio Cho as chairman

Prius sales crossed 2 million

Worldwide hybrid sale up to 3 million mark.

## Citations

www. toyotaglobal. com

www. nytimes. com

www. wikipedia. com

## TOYOTA MOTORS PROFIT, REVENUE 2003-2012

Figures in billions US dollars

Toyota motors profit has been declined for the past four years because of the financial crisis and also because of the call back of cars which happened in Toyota motors,

CITATION

www. Ycharts. com ,

www. toyotaglobal. com

2. Overview of industry, markets, products, services;

Toyota Motor Corporation is an automobile manufacturing company.

Toyota also provides financial services through Toyota financial services,

And they also produce robots.

Most of the Toyotas profit is from Toyota Motor Corporation in car manufacturing and sales. Most of Toyotas manufacturing and sales usually is happening on Japan , US and also in Asian countries. Toyota’s growth rate is 9. 8% for the past three years, so the industry is growing. Toyota financial services are also giving loan service for the whole Toyota cars all over the world.

And also Toyota robotics is getting involved in the market.

Out of the three companies Toyota Motor Corporation has shown a good growth rate. So the company is growing steadily.

Other than car manufacturing Toyota also concentrates on Aerospace, philanthropy, Higher education, Robotics, and Agricultural bio technology

Toyota Motor Corporation also produces heavy trucks which were accepted very well globally.

Toyota financial services sell financing and participate in other lines of business. Toyota brands include Scion and Lexus and the corporation is part of the Toyota group. Toyota also owns 51% of Daihatsu, and 16. 7% of Fuji Heavy Industries, which manufactures Subaru vehicles. They also acquired 5. 9% of Isuzu Motors Ltd. on November 7, 2006 and will be introducing Isuzu diesel technology into their products.

CITATION

www. wikipiedia. com

www. toyotaglobal. com

3. Major issues that have affected the organization in past 3 years

May 2009 annual loss of 4. 2 billion dollars reported.

2009 November Call back of Toyota cars, because of problems on accelerator pedals.

Akio toyoda was fined US$16. 375mllion by US government for the late

Response on the call back of Toyota cars.

In 2009 Toyota motor corporation asked loans from a state backed lender and also from Japan bank.

In 2011 Toyota had fallen its first place in production to third place because of financial crisis.

Workers strike for more pay in France plant in 2011.

4. Organization’s culture, value, history and development influenced, leadership management and OB analysis

Toyota Motor Corporation’s history has a strong impact on the company’s strategy. And has been reflected in terms of “ just in time production” and “ lean manufacturing” .

Toyotas production system is collectively termed on the world famous Toyota production system. Which emphasis mainly on quality of cars they produce.

Toyotas managerial and business strategy are collectively known as “ Toyota way”.

The Toyota way describes how Toyota employees should behave in the organization from the bottom level to the top level, and is based on two captions

Respect for individuals and continuous improvement.

B. COMPANY LEADERSIP, MANAGEMENT AND OB ANALYSIS

## 1. Leadership

Akio toyoda is the present President and CEO of Toyota motor corporation. Akio toyoda grandson of company’s founder joined the company Toyota motor family in 1984 after the completion of his MBA from Babson College. Akio toyoda joined the company’s board of directors, became executive VP, and then eventually in 2009 promoted to Toyota motor’s CEO & President. After joined as CEO Akio toyoda dealt with Toyota’s recall incident, global recession, and Tsunami very well.

And shown his good crisis management skill.

As a part of recall incident Akio toyoda spoke with the congress in 2010 and reputed his apologies for the problems that happened with the vehicles since the recall incident.

With this Toyota motors has regained the trust of their customers.

a. Type

His leader ship type is Democratic, with a self determination and equal participation in the decision making process.

b. values and attitudes

Akio toyoda’s main value is simplicity, he acted as a man of the people. And he’s very open minded and worked with good integrity.

c. Personality

Akio toyoda’s personality can be defined as a self determined personality , which he exhibits in all his decision making process.

d. Style and behavioral characteristics

Akio’s style is demonstrated by equal participation of all his team in the decision making process. By giving public address in the time of crisis toyoda regained his company’s trust among people

e. Key skills

His main skill is excellent communication skill in English, this helped the company a lot during its crisis, as Toyota’s main target is US market. Despite of all other Japanese CEO’s Akio has good English speaking proficiency, which he acquired during his studies

f. Practices

Akio toyoda’s main practice is he used to be in an informal meeting with his top five advisors every Tuesday morning to review companies operation.

He is Toyotas One of the certified test drivers, he test runs almost all the cars which are produced by Toyota, this helps him to get good knowledge & performance of the cars which his company sells.

g. Evaluate how leadership skills have developed over his career

As the company is Akio toyoda’s family firm, he knows all the past history of that, how it is developed etc…He also has an M B A from Babson college , USA. This academic career helped a lot in his leadership quality. And also in his communication skill, not like other Japanese managers, he started to think more globally.

h. Major reasons for success

The main reasons for the success of Akio toyoda is very fast and very flexible. The other reasons can be he always work very closely with his advisors , He doesn’t follow typical Japanese style of mgmt. Akio always rotated his top executives to leverage their experience this helped them to perform well . And he always pushed Toyota to make better cars.

i. Major potential weaknesses that could lead to failure

Akio toyoda is basically self determined person; this self determination will sometimes becomes his weakness. During the time of crisis despite of recalling cars in Europe he shipped more cars for sale. This is considered as one of his major weakness in leadership. So these weaknesses can lead to failure.

Citations

www. fortuneglobal. com , article on February 27, 2012 issue of Fortune.

## 2. Describe and analyze the organization and management using the following attributes

A. Vision, Values and mission

Toyotas global vision is that, it will lead the way to the future mobility, enriching lives around the world with the safest and most responsible ways of moving people

Through the commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

And will meet the challenging goals by engaging the talent and passion of people, who believes there is always a better way.

Company Values can be described in five points, Challenge, Improvement, Go and See, Respect, Team work.

Toyota’s mission is to produce more eco friendly cars.

Citations

www. toyotaglobal. com

B. Goals, Objectives and overall strategy

Toyota’s ultimate goal will be making a vehicle that is safe for everybody which prevents and minimize the damage of an accident in any situation.

Company’s strategy can be reflected in terms of “ lean manufacturing” and “ just in time production” which is collectively known as Toyota way.

C. competitive strategy and advantage

Toyotas main competitive strategy is the production of hybrid cars and technological advancement, they where the first to commercially mass produce hybrid vehicles and sell to market. They label those vehicles as “ hybrid synergy drive and hybrid electric vehicle”.

Citation

www. toyotaglobal. com

D. Structure

Toyota Motor Corporation’s corporate structure is aimed basically on Toyota production system to strengthen production for better car with perfect quality control measures. The Toyota structure can be diagrammatized like this,

http://www. emeraldinsight. com/content\_images/fig/0240270602001. png

Citation

Figure 1ABC’s organizational structure

www. emaraldinsight. com

E. Style

Toyota style of management can be defined as the Toyota way, in which they care about respect for people and continuous improvement. The Toyota way can be described under the following principles.

Principle 1: Base management decisions on a long-term philosophy, even at the expense of short-term financial goals . The Right Process Will Produce the Right Results

Principle 2: Create continuous process flow to bring problems to the surface.

Principle 3: Use “ pulls” systems to avoid overproduction.

Principle 4: Level out the workload (heijunka)-work like the tortoise, not the hare.

Principle 5: Build a culture of stopping to fix problems, to get quality right the first time.

Principle 6: Standardized tasks are the foundation for continuous improvement and employee empowerment.

Principle 7: Use visual control so no problems are hidden.

Principle 8: Use only reliable, thoroughly tested technology that serves your people and processes.

Add Value to the Organization by Developing Your People and Partners

Principle 9: Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others.

Principle 10: Develop exceptional people and teams who follow the company’s philosophy.

Principle 11: Respect your extended network of partners and suppliers by challenging them and helping them improve.

Continuously Solving Root Problems Drives Organizational Learning

Principle 12: Go and see for yourself to thoroughly understand the situation (genchi genbutsu).

Principle 13: Make decisions slowly by consensus, thoroughly considering all options: implement decisions rapidly (nemawashi).

Principle 14: Become a learning organization through relentless reflection (hansei) and continuous improvement (kaizen).

Citation

www. BusinessBookReview. com, volume 21, the Toyota way 14 principles

F. Systems

Toyotas production system is based on the philosophy of “ the complete elimination of all waste”. They concentrate on Lean manufacturing system / just in time system. Toyota production system was based on two concepts

a) Automation with human touch

b) Just in time

Citation

www. wikepiedia. com , Toyota systems

www. toyotaglobal. com

G. Skills

Toyota is the first company to produce hybrid gasoline electric vehicle. Their skills also can be reflected on the introduction of automatic parking system, and also in introduction of four speeds electronically controlled automatic with buttons for power and economy shifting and in eight speed automatic transmission.

H. Staff

Toyota employees represent a wide cross-section of talents, experiences and backgrounds. Toyota has more than three hundred thousand employees working across different countries. This is considered as one of Toyotas success factor, In this employees include highly skilled technical department also. Toyota is a marriage of the two pillars of the Toyota Way: continuous improvement and respect for people.

## 3. OTHER ISSUES

A. Organization’s international strategy. How they manage cross cultural issues .

Akio toyoda presented global vision mission statement, which focus more on the international market, including globalization of organizational structure by including non Japanese on the Board.

Akio made the company internationally more acceptable by convincing its customers that the Toyota is more concentrated on their safety. As a CEO during the presentation of global vision stated that will take care of reliable quality, product line up and also respect for planet by developing production system of minimize waste.

Toyota manages cross culture diversity in recruiting and promoting capable individuals from different regions

B. How power is used in the organization and how it is shared; describe the internal politics. How are conflicts resolved.

Toyota Motor Corporation’s headquarter is in Toyota city, Japan. This is the place were all decision were made and problems were resolved. Akio toyoda discuss with the board before taking any critical decision.

As Toyota is a Japanese company they used to resolve the conflicts in their head quarters itself, and the other sub divisions are managed by the regional president with the reference from corporate head quarters.

Example: Akio toyoda made his decision from the head quarters for the recall of vehicles during the crisis in America.

C. Main communication process

1. Toyota Motor Corporation inhibits wide range of communication styles in organization. The formal style of communication by Akio toyoda CEO of the company used to meet with the board of advisors every Tuesday. They usually discuss about product design, marketing strategy, product line up etc. The decisions which came out through the meeting were put in the companies intra web, and will be discussed among the other executives in the upcoming meetings.

The informal style of communication among the company is through company magazines and the web portal named as message from president, in companies official web site.

This web site also uploads the recent interviews of CEO, and videos of Akio presenting Toyotas global vision.

2. Managing information in Toyota is most important because it has gone through various crisis during the past three years. And also introducing many programs for its new goal achievements.

3. Toyota ensures its global communication by appearing its CEO in different interviews and by giving articles on magazines.

D. Importance of being a learning organization . How is this demonstrated .

Toyota gives outmost importance for learning as giving education is also one of its values. The company uses its expertise to handle programs that promote the advancement of science and technology and support the development of future leaders worldwide.

In 1981 Sakichi toyoda established Toyota Technological institute, Toyota also established a university. They also established Toyota technological institute , Chicago in 2003. Toyota also funded lot of scholarships.

Toyota also conducts lot of technical training courses in Japan and in other part of world also. They train students in their plant which help students to get good technical knowledge.

E. Policy in handling ethical issues

Toyota Motor Corporation exhibits good ethical guidelines. The company shows its ethical value basically in corporate governance. To monitor its management Toyota has adopted an auditor system, to increase transparency of corporate activities Toyota hired its corporate auditors from outside.

Citations

www. fortuneglobal. com

www. toyotaglobal. com

## 4. MAJOR STRENGTH AND WEAKNESSES OF THE COMPANY LEADERSHIP, MANAGEMENT AND OB

STRENGTH

Toyotas leadership can be defined as “ no show leadership”. The CEO Akio Toyoda has strongly held views about the importance of quality and reliability. Because of the sincerity and conviction Toyota leaders had win points on public during the public addresses they made at the time of recalls.

Akio’s leadership has made the typical Japanese company more global. Toyota’s leadership solves the problems in typical way in which it has to be inspected first at the place where it has occurred.

WEAKNESS

The main weakness in leadership of Toyota motor corporation can be considered as the corporate leadership team of Toyota did not recognize the importance of addressing the customer safety with the sticking accelerator and not to mention the huge public relations, blunder that came with it

Toyotas growth in the industry is considered to be very fast , this rapid growth reflected a failure in leadership by the means of quality in production, during the growth leader only considered about the number of cars produced not he people who buy it (Harvard business review)

MANAGEMENT AND OB

Toyotas OB basically develop on the caption “ the Toyota way”

The company’s basic thought is to empower employees and develop their people.

If the employees has not learned a specific task means the leader has not done his job perfectly.

Toyota implements the method of PDCA which means plan, do, check, action

This method engages employees to question products and process and implement corrected action

Toyotas OB empowers employees in decision making process

Top level senior leaders are also regularly makes visit to the plant floors to engage with people and help with process.

Toyotas OB reflects that leaders has much to do with behaviors within organization

Citations

www. oppapers. com, swot analysis

www. cnnmoney-Fortune

## 5. SIGNIFICANT RECOMMENDATION FOR IMPROVEMENT

The main recommendations for Toyota Motor Corporation is that

Stick to the globally accepted TPS Toyota production system in which quality of the car which is produced has more importance.

Training the staff for quality assurance

Increasing skilled labor level

As the market is getting greater consider the customers not the number of cars sold

Production of more hybrid cars , will give the company more boost than the present condition as because of the oil price is getting higher day by day

As Toyota is an Asian giant in car manufacturing and sales they can get more influence in the Asian market.

Potentiality of the Asian market can be utilized by introducing more fuel efficient cars

Advancement in technology can also be recommended as the world is growing smarter

Production of more eco friendly cars

Hiring fresh ideas to the production system

More customer centric production and services

Increasing production capacity in worldwide plants as it is competing in global market

Developing the technology in case of hybrid cell.

More globally accepted strategy , by including more non Japanese in the top management level

Updated customer feedback about the performance of the car, will reduce customer dissatisfaction.

Starting more plants in Asian countries will reduce the labor coast in production and also the coast of raw materials can be reduced.