

# [Mgt499 mod 4 ca](https://assignbuster.com/mgt499-mod-4-ca/)

The paper " SWOT and Strategic Analysis of Toyota" is a forceful example of a case study on business. Overcoming weaknesses through internal strengths and capitalizing over the opportunities while avoiding threats are the two major goals for any organizational setup, particularly if the organization is a global leader in its domain. Toyota, being the leading automobile manufacturer in the world today has to meet this challenge in a dynamic manner. Reaching up to the top of industry standards from the humble start of a prototype A1 passenger car in 1935, the world largest automobile manufacturer has covered a lot of ground and faced numerous challenges. (Toyota-global).
An analysis of organizational Strengths, Weakness, Opportunities, and Threats (SWOT) may prove quite handy in identifying and addressing problems areas within the beyond organizational setups to ensure sustainable march towards ultimate corporate objectives. The greatest challenges that an organizational setup has to face are those of initial internal challenges which require a lot of determinism, vision, and valor for apt and befitting response. Toyoda, the founder of the company has to sell out patent rights of automatic loom invented by him to a Britain firm in order to generate funds for his future plans. This early strategic move in 1929, six years later in 1935, paved the way for Toyoda to introduce the first prototype passenger car of Toyota, the industry giant today. (Toyota-global, n. d.). The company then has to face the early external threat of the Second World War and during the period of 1936-1943, it could only produce less than two thousand cars.  (Toyland. n. d.).
In the post-war scenario, Toyota fulfills the local military requirement and post-war rehabilitation through a focus on trucks manufacturing. The demand for these trucks was on rising in this period and Toyota has not only seized the opportunities thereby generated but has also gained public and political appreciations. The government extended great support to Toyota through strict legislation on imported automobiles, which provided the Toyota with the room to expand its operations and completed the 100000 unit by the end of 1947. This growth is then translated into an expansion of company operations through Toyota Tsusho Corporation, Toyoda Gosei Co., Ltd., and DENSO Corporation. Adoption of Total quality Control mechanism and Labor-management joint declaration in 1961 and 1962 respectively had further strengthened internal stability and by the end of 1969 Toyota had crossed the landmarks of 1 million units’ domestic sales and 1 million units’ cumulative exports. (Toyota-global, n. d.).
Throughout the history of Toyota, we can trace the application of Porter’s four generic strategies. In the early two and half decades, Toyota ensured the cost leadership strategy. It kept the prices lower than its competitors while increasing the total number of units produced and sold.  Summarizing this strategy Kreitner states, “ In manufacturing firms, the preoccupation with minimizing costs flows beyond productions into virtually all areas: purchasing, wages, overheads, R&D, advertising and selling. A relatively higher market share is required to accommodate this high volume low-profit-margin strategy.” (Kreitner, 194). Although Porter’s differentiation strategy which argues for the provision of unique services, was not quite visible in the early years of Toyota later it became the hallmark of the firm. Toyota with its 12 R&D centers around the globe today is a highly innovative car maker that ensures the provision of unique features and services while maintaining high standards of after-sale services. Similarly, the cost focus strategy is the core value at Toyota. The strategy seeks to keep prices low through strict internal controls and procedures for efficient performance. Later in 1970 and beyond Toyota has gained a considerable chunk of market share through quality-conscious and price-sensitive segments of customers by adopting cost focus and focus differentiation strategies.

The success of the Toyota business strategy lies in finding the best fit among the internal and external challenges and strategic measures. Being a global leader in carmaker industry Toyota has to address the issues of fluctuating business variables and mix like regional laws concerning automobiles energy consumptions, environmental factors, exchange rates, natural disasters, changing economic conditions and customer trends.  Similarly, among the internal factor that may contributes towards the success or failure of a company is employees’ satisfaction, procedures, management, operating environment, adoption and efficient use of technology, adoption of team strategies instead of authoritative rule over the employees, intrinsically motivated employees instead of short live motivation of incentives and rewards.
Toyota has proved the difference of its strategic superiority over rest of it competitor when it turned around a complete failure of General Motors manufacturing plant into an enviable success with the same types of equipment, building and 85%  same employees through only a team of its proficient managers.  It was only possible because of the strategies that Toyota had learned through a history of seventy years of corporate-culture.