

Toyota motor manufacturing case

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The sudden increase of the production complexity, in seat volumes and variations, made some evident flaws in the production capabilities of Toyota's Georgetown production plant. The root problem TMM facing is lack of coordination and planning within the companies' departments as well with its supplier KFS. For the supplier KFS, TMM didn't assess their practical production capacity before launching new models. As a result, the sudden change of production volume due to new modifications caused a series of problems in supply quality and timing.

The frequent change of demand from TMM made KFS hard to respond and fulfill the orders. As the quality issue of seats occurred, it indicated that KFS was not ready to produce the new model seats with a high volume and to meet demand of variations. The JIT production strategy doesn't allow supply issues, but in practice, TMM left the vehicles with problematic seats instead of shutting down the production line to avoid high cost, which against traditional TPS. As a result, a greater negative impact on the production line was created, such as more vehicles without seats stuck at overflow area.

Additional to the supply issues, the workers in the Georgetown plant were not well trained for assembling new models as well. When they found defective parts, TMM failed to follow up the solutions of such problems; delay in response also made the same problems to occur frequently. On the other hand, overtime became another issue due to low quality work. In the long run, our recommendation to TMM is to setup a cross functional team in order to manage the projects related to the production of new vehicle models.

Doing so will lead TMM to a better communication along the different departments and with its suppliers as well. Sharing forecasts and design of future parts in advance with suppliers will improve the production efficiency. Cooperation in design with the supplier will decrease the defective rate in parts production such as the car seats. It is also highly recommended to build up an in-house training program to coach workers to assemble new models appropriately. Workers will be more capable to solve the problem by themselves after training.

TMM needs to go back to the TPS and try to solve problems on the line instead of leaving them away. In the short run, TMM should give more time to KFS to fulfill the order, and when the problem occurred, it is better for them to solve together. Reviewing and tracing the problematic parts are necessary; the new team should focus on the complaints from bottom workers, and then give the information back to suppliers (KFS) as soon as possible. In this way, it is much easier to ensure the quality of new arrival parts and in case of the same problem occur again.