

# Management of toyota introduction and history



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Toyota Motor Corporation is a Japan-based company mainly engaged in the auto industry and business financial company operates through three business segments. (Toyota, 2010) The automotive sector is engaged in the design, manufacture and sale of car products including passenger cars, vans, and trucks, as well as related parts and accessories. Involved the financial sector in the provision of financial services related to the sale of the company's products, as well as rental vehicles and equipment. And others participate in the design, manufacture and sale of residential projects, as well as information and communication business.

Toyota is the seventh largest company in the world and the second largest supplier of cars, with production facilities in 28 countries around the world (Toyota, 2010) – and the production facility is higher than any non-domestic auto industry in the United States. In general, and Japanese plants are flexible and produce multiple models, while allocated foreign plants to a single form.

Kiichiro Toyoda, founder of Toyota Motor Corporation through the work of his father, Sakichi Toyoda as a starting point in the automotive industry, has developed Kiichiro Toyoda founded what is now known as Toyota Motor Corp. more than 70 years. (Corporation, 2010)

In 1910, Sakichi known for his inventions of the automatic loom, and left on a tour of Europe and the textile factories in the United States. (Womack, 1990) While there, he saw how a lot of Americans have embraced the vehicles. He said he always believed all people have special callings in life, based on the recognition of great potential in the automotive industry, Kiichiro strongly

urged to follow this new path. Kiichiro company joined his father in 1920, and next year also visited the West. There, he saw for himself the growing popularity of cars, and the words of his father in earlier came to him: “ We must make cars.” Kiichiro returned to Japan with the dream of entering the industry.

In 1929, the transfer of patent Sakichi group of type automatic loom on the horizon for the British firm Platt Brothers & Co., and provide income Kiichiro £ 100, 000 to fund research vehicles. Through trial and error, Kiichiro and his team completed a small engine gasoline model in 1931, achieving a milestone in the history of Toyota.

In 1937, Toyota Motor Co., Ltd. and specific, and plant Koromo – Japan’s first full auto plant – completed in the following year. The historic ceremony, and Kiichiro said, “ every person to fulfill his duties to the utmost can generate great power when gathered together, and a series of such power could be generating a cycle of power.” With these words, and expressed the basic philosophy underlying the Toyota Way, including the only system in time, will be born. Now Toyota is global leader in automobiles and a top selling brand. (Corporation, 2010)

## **2 Operations Management**

Operations Management is the systematic direction and control of processes that convert inputs into manufactured goods and services. Function processes which includes a large proportion of staff and physical assets in most organizations. Operations managers are concerned with every step to provide the service or product. To determine what equipment and

manpower, tools and facilities, materials, energy and information should go to the operating system and how best can these inputs can be obtained and used to meet the requirements of the market. competitors.

## **2. 1 Process in Operations Management**

Purchasing

Coordinating and Controlled Management

Product and Service Management

Quality Management

Inventory Management

Supply Chain Management

Logistics Management

Facilities Management

Configuration Management

Distribution Channels

Enterprise Resource Planning

## **2. 2 Quality Management**

Benchmarking: is to use standard measurements in industry or service compared to other organizations in order to get perspective on organizational performance

Continuous Improvement: In terms of quality and organizational performance, and focuses on improving customer satisfaction through continuous improvement and growing operations, including by removing unnecessary activities and variations.

ISO9000: Is the standard of quality recognized internationally, and includes guidelines for achieving quality standard ISO9000. Enables organizations to gain the voluntary audit certificate ISO9000.

Lean Management: Is a process to maximize value to customers while reducing waste. Any activity or process that consumes resources, adds cost or time without creating value becomes the target of removal.

Total Quality Improvement (TQM): Is a set of management practices throughout the organization, aims to ensure the organization consistently meets or exceeds customer's requirements. TQM places strong focus on process measurement and control of the means of continuous improvement.

Six Sigma: is an initiative that takes a very data-driven, systematic approach to eliminate the defects in order to up to six standard deviations from the desired goal of quality. Six standard deviations and means 3. 4 defects per million.

## **2. 3 Approaches to Developing Products and Services**

There are five different approaches that people use to develop a product or service. The following article provides an overview of each of the methods.

At this stage, someone has an idea for a new product or service. Ideas can come from many sources, for example:

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1. Complaints from current customers
2. Requests for Proposals from large businesses, government agencies, etc.
3. Modifications to current products
4. Suggestions from employees, customers, suppliers, etc.

## **2. 4 Performance Management**

Performance management focuses on the overall performance of the organization, including operations and critical sub-systems (departments, programs and projects, etc.) and staff. Most of us have some basic impression of the performance management of staff, including the role of performance reviews. (Durand, 1999) Performance reviews provide an opportunity for supervisors and employees to communicate regularly about goals, and how it should be good to meet those goals, the achievement of objectives are being met and must be done to continue to fulfill (or change) those goals. Rewarded in the form of the employee to meet performance standards, or proceed with the development plan with superior in order to improve performance.

## **2. 5 Quality Control and Operations Management**

Has received the concept of quality control a great deal of attention over the past twenty years. Many people recognize phrases such as “ Do it right the first time” zero defects “,” Total Quality Management “, etc. on a very large scale, quality includes determining the level of performance (in many cases, measurement, or compare the level of well-accepted ), monitoring and measuring results, and compares the results on the level and then make

adjust as necessary. Recently, it has expanded the concept of quality management to include software on the scope of the organization, such as TQM, ISO9000, Balanced Scorecard, and to the management processes and activities include public participation in the development, production and distribution of products and services.

### **3 Organizational performance management**

**Balanced Scorecard:** Focuses on four indicators, including the perspective of customers and internal operations of the business, learning and growth, and financial, to monitor progress towards achieving the Organization's strategic goals

**Benchmarking:** Measurements using the standard in the industry or service compared to other organizations in order to get perspective on organizational performance. For example, there are emerging standards for hospitals, universities, etc., in itself, this is not a comprehensive comprehensive content to improve performance, but can use the results of comparisons in the standard processes more generally. Often seen as an initiative measure generosity

**Business Process Reengineering:** Designed to increase performance by radically redesigning the organization's structures and processes, including the start again from the ground up.

**Continuous Improvement:** Focuses on improving customer satisfaction through continuous improvements and increasing number of operations, including by removing unnecessary activities and variations. Often seen continuous improvement of quality initiative

**Cultural Change:** Cultural change is a form of organizational transformation, that is, the form of a radical and fundamental change. Cultural change involves changing the basic values, norms, beliefs, etc., between members of the organization

**ISO9000:** Is the standard of quality recognized internationally, and includes guidelines for achieving the standard ISO9000. Enables organizations to gain the voluntary audit certificate ISO9000. Another key quality standards is an award Baldrige. ISO9000 is a quality initiative.

**Knowledge Management:** Focuses on the collection and management of knowledge in a critical situation of the Organization to increase its ability to achieve results. Knowledge management often includes extensive use of computer technology.

**Learning Organization:** Focuses on strengthening the organizations systems (including people) to increase the Organization's capacity for performance. Include the widespread use of the principles of systems theory. In itself, this is not a comprehensive process to improve the content of a comprehensive performance. Effectiveness towards reaching results for the year of the organization depends on the extent of the application the ability to enhance learning in the organization.

**Management by Objectives (MBO):** Aims to reconcile the goals and objectives of secondary schools in all parts of the organization. Ideally, employees get strong input to determine the objectives and time lines for completion, and includes ongoing tracking and feedback in the process to



reach the goals. Often seen in the MBO as a form of planning. (Lindberg, 1998)

**Outcome-Based Evaluation:** Increasingly used on the basis of evaluation results, especially by non-profit organizations, to assess the impact of its services and products to targeted communities. The process includes identifying preferred outcomes to accomplish with a certain target market, and indicators is Associate measures for each of those results and then implement measures to assess the results have been reached.

**Program Evaluation:** Program uses the assessment to a wide range of applications, for example, to increase the efficiency of program operations and thereby reduce costs, to assess whether a program's objectives or not, the quality of programs for adoption, etc

**Strategic Planning:** Organization-wide process to determine strategic direction, including vision, mission, values and objectives. Trend is to seek the implementation of associated action plans, including the objectives of multiple levels and targets, timeframes and responsibilities. Strategic planning is, of course, a form of planning

**Total Quality Management (TQM):** A set of management practices throughout the organization to ensure the organization consistently meets or exceeds customer requirements. A strong focus on process measurement and control of the means of continuous improvement. TQM is a quality initiative.

## **4 Financial Controls and Risk Management**

Financial controls in place to help ensure that financial transactions are recorded and accurately maintained, and that individuals do not accidentally (or intentionally) corrupt the financial management system. Controls range from very basic.

Financial Planning

Budget Management

Managing Cash Flow

Budget Deviation Analysis

Financial Statements

Balance Sheets

## **5 Case of Toyota**

All the companies should meet the requirements of the customers to provide quick and reliable at reasonable products and their prices, as well as helping to improve the suppliers of services. There are five key performance targets and applied to all types of process.

1 quality

2 speed

3 reliability

4 Flexibility

## 5 cost

this analysis of these goals is the performance of operations here, according to TMC.

1) Do the right things through the provision of goods and services free of errors, which satisfy the customer, is known as the ' quality'. According to the study, Toyota ranked consistently near the top in customer satisfaction surveys to a third party. Voting in several market research, surveys and the car of the year for several years, this shows that Toyota has a successful record in all parts of the world. Because of good quality has kept the success of Toyota is happening, where in 1995, Toyota was the best car in the Middle East. Also, TMC produces cars with good quality and which resigned do not emit unpleasant fumes, such as emission control systems for more than 40 and dozens of techniques that have improved the safety of car drivers.

2) The other objective is to speed performance, and this means by doing things fast, to reduce the time between the system and availability of the product or service that you give the speed advantage of the mail client.

The focus techniques TMC and reducing the complexity of the processes that use simple machines and small, which is a powerful and flexible. By re-arranging and planning to enhance the flow simplicity improves the speed of production. On the courses, and statistics show that in the late 1980s, and the output per worker up to and including two or three times the factories in the United States or Europe.

3) The third objective is to rely on performance and this means doing things in time for customers to get their goods or services when promised.

TMC includes a 'just in time' (Corporation, 2010) production system with multi-skilled workers that the 'control kanban' work as a team, with and allowed them to deliver products as promised. Improve the efficiency and quality is a concern not only of managers and technical experts but also for all staff. So, when you do this, TMC gives the advantage of reliability to its customers.

4) a clear result to respond to a dynamic environment is to change the organization of their products and services and change the way that deal. This is known as the target performance 'flexibility' as. (Lindberg, 1998) says that we must learn to love change and development organizations flexible and responsive to deal with the dynamic business environment.

TMC in the factory, which means the capacity to adopt manufacturing resources so that they can launch new models. Analysis courses that Toyota was able to achieve a high level of flexibility, and produce relatively small batches of different models with little or no loss of productivity or quality. TMC in the past provided a set of options that customers can choose.

5) One of the objectives of major operations, where it competes with private companies is the price of 'cost'. Lower the world price is an attractive target for clients, which can be achieved through the production of goods at a lower cost. In order to 'do things cheaply', TMC seeks to influence the cost of goods and services, and to follow up the trade in the future and planned to

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convert their production of Multi Purpose Vehicles and vans in various countries around the world (such as Argentina and South Africa). Also, internally, and helped the performance cost of the good performance in the performance objectives TMC other was able to produce high quality vehicles at reasonable prices.

### Toyota Production System

Synonymous with lean manufacturing and lean production, Toyota Production System is a manufacturing methodology developed over a period of 20 years ago by Toyota in Japan. In the most simplistic definition of a system of trade preferences and divided all manufacturing activities in the creation of value-added or waste. The objective of TPS is to maximize value through the elimination of waste.

TPS is a system that was developed initially for the expense of the specific issues faced by one company. Leading revolutionary ideas and concepts in the Toyota used in many other organizations and industries all over the world. Value is really the focus of the system of trade preferences. By identifying and understanding the value, has evolved a system of trade preferences to help companies achieve maximum value. In this system classifies all activities related to the process of industrialization and value-added or waste.

The objective of companies that use the system of trade preferences is to provide the exact amount, with the quality of flour, exactly when the customer wants it. The tools used to identify and reduce non-value added activities are the Planetary Society. However, the system of trade

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preferences is not a fixed system, but also allows for change and continuous improvement.

Once waste has been identified, could then be eliminated. Tools to eliminate waste and evolved in different parts of the most common areas of waste, or “Moda” and called the Planetary Society. Toyota production system for the waste to know more about the activities that consume time and resources and / or space but do not add value. Are identified seven categories of Moda as follows:

- too much – producing more than, or faster than the fastest of what is required
- Waiting – idle time that can be used productively
- Transfer – the transfer of parts of the unnecessary or materials
- Inappropriate treatment – processes which do not add any value from the viewpoint of the client
- unnecessary inventory – more than one-piece flow
- Unnecessary / excess motion – any movement by people or equipment that do not add value
- Defects – reshaping and repair or waste in its simplest form

Using and improving the quality, speed, reliability, flexibility and cost performance of operations, and saw the TMC and global growth and high customer satisfaction. Due to the success of this process performance

targets on the Japanese way (Toyotatism) to manufacture products and developments have come to study and be followed in all parts of the world . TMC is the world leader in the field of supply chain management, and to maintain production at high quality and maximum speed, on-time delivery, flexibility, and cost-TMC is working with its suppliers to ensure that they are also the best suppliers in the industry. Transform its operations in different countries looking for cheap inputs makes it easier to produce at lower cost and good quality. Also serves continental feature gives reliability to its customers by making it easy to deliver output in the market. Using this process performance objectives TMC managed to keep its customers happy and to compete successfully with other companies in the global market. Analysis of these properties is correct to say that TMC is a company with a global level.

## **5. 1 Toyota Motor Corporation's strategy process**

1. A number of strategic decisions and actions used by the organization to achieve its objectives in the long term. Specific decisions that are taken to achieve specific objectives is known as a strategic content and the procedure used in the work of the drafting work is known as a strategy process. Companies worldwide use of the content and processes. The company's goals and successes do not depend on the selection process of the correct strategy. This strategic task assesses TMC by describing the production system. And analyzes the success of TMC and critics by different authors, and ends with a positive view.

2. According to a study case Toyota was one of the few car manufactures in the world which have been consistently profitable in the wake of the oil crisis

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of 1974. This made the competition to visit the Toyota manufactures to discover the key to success for this company in a bad market. What they discovered ' collective action was used Japanese Principles of Scientific Management (Buchanan, 1985).

3. Japanese teamwork is not the same teamwork that has emerged in most of the companies of Europe and America during the 1960s and 1970s.

Toyotaism is another name used ' collective action Japanese to refer to a particular form of organization of work confirms the' lean production. Lean production is an approach that combines the ' just in time' (JIT) production, and standardization of work, there is still a gradual process improvement, problem solving teams and a strong first-line supervision (Buchanan, 1985)

JIT (Just in time) production system tries to meet the demand on the spot with the quality of the governor and not waste. It differs from traditional operations practices, because it confirms the elimination of waste and passed quickly, and both contribute to the decline in stocks. Planning and control techniques Jet with many directly related to the withdrawal schedule and equivalent to scheduling, and scheduling mixed-model synchronization and flow .

4. Toyota has played a major role in transforming Japan into one of the capitals of the world of cars. Productivity as well, and Western companies that have adopted the Toyota production system has improved efficiency and a good example, he mentions in the courses, is a joint venture (NUMMI).



5. Despite his success in all parts of the world, there have been many critics of the methods of TMC pessimistic. United for new cars and manufacturing Interparated (NUMMI) critical of collective action, Japanese, describing it as part of a comprehensive management, which is named ' management by stress – (Lindberg, 1998) who studied the station in conjunction with Toyota and General Motors in California'. In their view, it seems to participate in fact a new form of exploitation.

6. Despite these critics, the strategy of TMC in the process of the phenomenon throughout the world and there are credible reports from a number of companies from large cost savings and efficiency gains (Hill, 1993)

TMC uses the operational strategy ' from bottom to top, a process that emerges from practical experience day after day. The system allowed the production of TMC Gate of high reputation of being highly efficient and produce high quality cars and tracks.

## **6 Conclusions and Recommendation**

Operations management focuses on carefully managing the processes to produce and distribute products and services. Usually, small businesses don't talk about " operations management", but they carry out the activities that management schools typically associate with the phrase " operations management." Major, overall activities often include product creation, development, production and distribution. These activities are also associated with product and service management. However product management is usually in regard to one or more closely related product —

that is, a product line. Operations management is in regard to all operations within the organization. Related activities include managing purchases, inventory control, quality control, storage, logistics and evaluations. A great deal of focus is on efficiency and effectiveness of processes. Therefore, operations management often includes substantial measurement and analysis of internal processes. Ultimately, the nature of how operations management is carried out in an organization depends very much on the nature of products or services in the organization, for example, retail, manufacturing, wholesale, etc. Toyota is good example which with its efforts and innovation made remarkable progress and successfully developed a leading world business in automobiles. Toyota with its strategic and management efficiency always solved the performance, quality, management and standards issues on time to keep its higher levels of business performance.