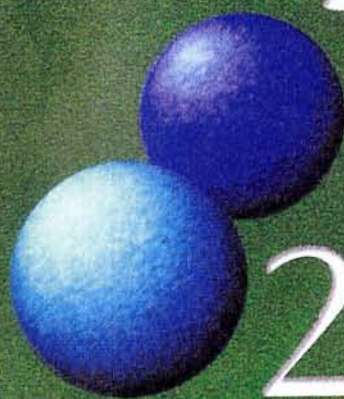


The  
Toyota  
Way  
2001





To All Toyota Team Members :

Since Toyota's founding, we have adhered to the core principle to contribute to society through the practice of manufacturing high-quality products and services. Our business practices and activities based on this core principle created values, beliefs and business methods that over the years have become a source of competitive strength.

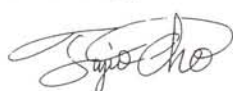
The rapid growth, diversification and globalization of Toyota in the past decade have increased the scope of our company's manufacturing and marketing presence throughout the world. Today, having invested authority and responsibility in a worldwide network of executives, we are preparing to operate as a truly global company guided by a common corporate culture.

In this booklet we have identified and defined the company's fundamental DNA, which summarizes the unique and outstanding elements of our company culture and success. These are the managerial values and business methods that are known collectively as the Toyota Way.

It is essential that our global leadership team embrace the concepts of the Toyota Way as we achieve our business goals in host countries which have a wide variety of customs, traditions and business practices. I urge every Toyota team member all over the world to take professional and personal responsibility for advancing the understanding and acceptance of the Toyota Way.

April, 2001

Sincerely,

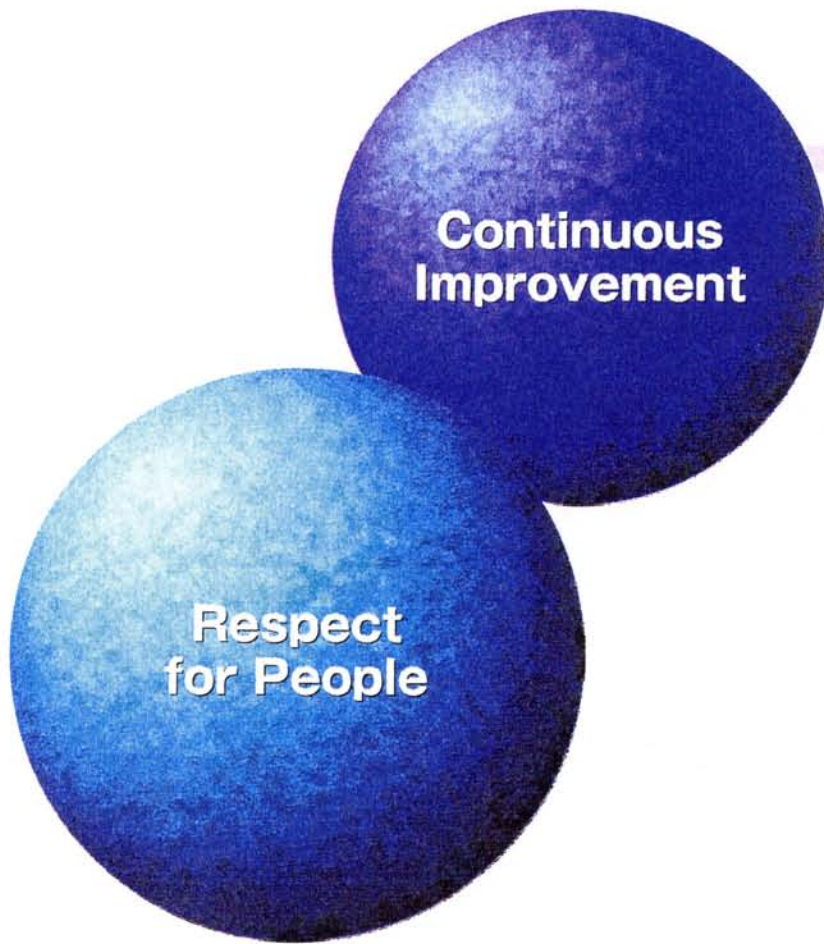


*Fujio Cho*  
*President*

TOYOTA MOTOR CORPORATION



# The Toyota Way 2001



The Toyota Way 2001 is an ideal, a standard and a guiding beacon for the people of the global Toyota organization. It expresses the beliefs and values shared by all of us.

The Toyota Way 2001 is based on the Guiding Principles at Toyota, which define the mission of Toyota as a corporation and the values the company delivers to customers, shareholders, associates, business partners and the global community. The Toyota Way 2001 defines how the people of Toyota perform and behave in order to deliver these values. It functions as the autonomic nervous system for Toyota organizations.

The concepts that make up the Toyota Way 2001 transcend language and nationality, finding application in every land and society.

The Toyota Way 2001 is supported by two main pillars. They are "Continuous Improvement" and "Respect for People". We are never satisfied with where we are and always improve our business by putting forth our best ideas and efforts. We respect people, and believe the success of our business is created by individual efforts and good teamwork.

All Toyota team members, at every level, are expected to use these two values in their daily work and interactions.

## Challenge

We form a long-term vision, meeting challenges with courage and creativity to realize our dreams.

- Creating Value through Manufacturing and Delivery of Products and Services
- Spirit of Challenge
- Long-range Perspective
- Thorough Consideration in Decision-making

## Kaizen

We improve our business operations continuously, always driving for innovation and evolution.

- Kaizen Mind and Innovative Thinking
- Building Lean Systems and Structure
- Promoting Organizational Learning

## Genchi Genbutsu

We practice Genchi Genbutsu... go to the source to find the facts to make correct decisions, build consensus and achieve goals at our best speed.

- Genchi Genbutsu
- Effective Consensus Building
- Commitment to Achievement

## Respect

We respect others, make every effort to understand each other, take responsibility and do our best to build mutual trust.

- Respect for Stakeholders
- Mutual Trust and Mutual Responsibility
- Sincere Communication

## Teamwork

We stimulate personal and professional growth, share the opportunities of development and maximize individual and team performance.

- Commitment to Education and Development
- Respect for the Individual ; Realizing Consolidated Power as a Team

## Challenge

We form a long-term vision, meeting challenge

### Creating Value through Manufacturing and Delivery of Products and Services

We believe that our fundamental mission is to contribute to the economy and society through creating value, mainly by manufacturing high-quality products and providing related services.

We make possible improvements in global living standards by utilizing human, financial and material resources in ways that make productivity greater and add value, benefiting both our company and our host communities. The production of goods and services with high added value enhances personal growth, and the benefits to science, technology and advanced knowledge promote greater social advancement. Competition further improves our organization and its ability to add more value.

#### Historical Words

- In 1936, at the first anniversary of Toyota Motor Corporation, Kiichiro issued the following comment in Toyota News, the in-house newsletter : "In the single year since Toyota Motor Corporation took form, the company has already been able to establish a presence in the market. What it has achieved today would not have been possible if it had been only the pastime of a single engineer. It has emerged from a combination of diligent research by a vast number of people possessing exceptional expertise, our year-long efforts, and the overcoming of countless failures." (Kiichiro Toyoda)
- In 1989, a time when the social trend was increasingly toward slighting the importance of "making things" Eiji Toyoda said: "Making things creates value ; it is the starting point of civilization. Making things is closely related to the development of technology ; worded another way, technological development is possible only with the production of things. Making things is always made possible through the accumulation of a wide range of know-how as well as the talent of those who are involved in the endeavor" (Eiji Toyoda)
- "Growth of a manufacturing business backed by technology development is the key that determines the fate of Japan's future." (Eiji Toyoda)
- "Why make only software ? Software exists only because there is product manufacturing." (Eiji Toyoda)

### Spirit of Challenge

#### Spirit of Challenge ; a Drive for Progress

We accept challenges with a creative spirit and the courage to realize our own dreams without losing drive or energy. We approach our work vigorously, with optimism and a sincere belief in the value of our contribution.

#### Historical Words

- "My father was not educated. The only strength he had was to believe in one thing all the way : that 'the Japanese have latent capabilities.' The automatic loom was the product of this conviction." (Kiichiro Toyoda)
- "Creativity, Challenge and Courage - Three Cs" (Shoichiro Toyoda)

#### A Sense of Self-respect and Self-reliance, and the Acceptance of Responsibility

We strive to decide our own fate. We act with self-reliance, trusting in our own abilities. We accept responsibility for our conduct and for maintaining and improving the skills that enable us to produce added value.

#### Historical Words

- In the face of a foreign capital bolstering offensive prior to the 1969 capital liberalization : "The action Toyota must take is mass production. We will counter capital liberalization with our own strength." (Eiji Toyoda)
- In the face of growing momentum for trade liberalization and rising apprehension among Japanese businesses, former president Taizo Ishida once described his principles of management as follows : "My tenets as an industrialist can be summed up in the old adage : 'Defend your own castle yourself.' You merely accept complete responsibility yourself for all matters relating to your company. You defend your company without reliance on others." (Taizo Ishida)

#### The Acceptance of Competition

We welcome competition, knowing that we will learn from the challenge and become stronger because of it. We demonstrate respect for our competitors and fairness in the competitive contest, even as we maintain our fighting spirit and our will to win.

#### Historical Words

- "We at Toyota welcome Detroit's resurgence and this fierce competition. First, because it proves that auto makers can learn from one another. Second, because competition drives the continuous improvement that is the best guarantee of corporate survival. Third, because competition is the only way we can assure a strong growing economy. And finally, because competition benefits all of our customers by providing the improved products they have a right to expect." (Yale Gieszl, Former EVP, TMS)

es with courage and creativity to realize our dreams.

## Long-range Perspective

### Foresight and Long-range Projection

Current trends are assessed in light of a longer-range vision of as much as ten years.

#### Historical Words

- ① "From the standpoint of business management, 'reading the times' is important." (Eiji Toyoda)
- ② "At Toyota, we will continue to focus on the horizon. Call us patiently aggressive in our pursuit of steady, long term growth. We will continue to listen to our dealers and customers and commit to resources to serving both. We'll also keep a wary eye on our competition-hopefully in the rear view mirror." (Yale Gieszl, Former EVP,TMS)

### Long-term Planning Based on Facts and a Realistic View

Long-range plans are built from facts and actual events, and provide for flexibility to accommodate changing situations.

#### Historical Words

- ① In May 1994, Shoichiro Toyoda spoke at his inauguration as chairman of the Federation of Economic Organizations (Keidanren) : "In order to build a dynamic economy and a vibrant society in the 21st century, it is important to welcome change and creativity in all areas. The direction of such change has been set by deregulation and the transition towards an economy oriented to domestic demand. What we need now is action. My basic rule for my own activities as chairman is 'bold ideas and careful action' I intend to work with 'change, creativity, and trust' in mind at all times." (Shoichiro Toyoda)
- ② "...the most important factors for success are patience, a focus on long rather than short term results, reinvestment in people, product and plant and an unforgiving commitment to quality." (Robert B. McCurry, Former EVP, TMS)

## Thorough Consideration in Decision-making

### Focus on Concrete Proof / Exhaustive Due Diligence

Actions are undertaken only after thorough study and testing to determine what must be done.

#### Historical Words

- ① In 1905, Kanebo, Ltd. Conducted tests at its Hyogo Plant to compare the performance of several Japanese and imported power-driven looms. Sakichi's automatic loom was tested alongside the latest models from the United Kingdom and the United States. The test results, however, were not so favorable to Sakichi's loom, perhaps because Sakichi had entrusted the building and pre-testing to others. He reflected deeply on this experience and called it a valuable lesson. "A product should never be sold unless it has been carefully manufactured and has been tested thoroughly and satisfactorily." (Sakichi Toyoda)

### Risk Taking

Decisions are made within an awareness of risks, contingencies and available hedging methods.

#### Historical Words

- ① "Unlike exporting, opening overseas plants involves serious risks. However, I do not like to take half-hearted action once a decision has been made." (Eiji Toyoda, at the startup of a US plant in 1990)

### Prioritization

Priorities are established and resources concentrated for the greatest possible outcomes.

### Total Optimization

Decision-making is oriented toward improvement and optimization as a whole company, with barriers between functions and organizations removed. When issues arise among divisions, decision-making is facilitated by cross-divisional project teams or upper level management.

## **Kaizen** We improve our business operations continuously

### **Kaizen Mind and Innovative Thinking**

#### **Relentless Efforts for Continuous Improvement**

We are relentless in our pursuit of improvement, never easily satisfied, constantly making improvement efforts and steadily encouraging innovation.

##### **Historical Words**

- "We are working on making better products by making improvements every day." (Kiichiro Toyoda)
- "Don't think mechanically. Even a dry towel can produce water when ideas are conceived." (Eiji Toyoda)
- "Kaizen activities are the incubator of innovation. This is because Kaizen activities create an atmosphere of accepting 'change'." (Akira Takahashi)
- "Continuous Improvement" is built into the way they work every day. It's an inherent part of the Toyota Production System - which depends on its people." (Alex Warren, Former SVP, TMMK)

#### **Souji Kufu (Individual Creativity and Innovation)/Benchmarking**

We search for outstanding ideas inside the company and in the larger business community, regardless of their authorship, and investigate them thoroughly. Benchmarking is used to measure Toyota's accomplishments against those of other leading companies.

##### **Historical Words**

- "Engage in creative thinking actively." (Sakichi Toyoda)
- "Be ahead of the times through endless creativity, inquisitiveness and pursuit of improvement." (The Toyota Precepts)
- Sakichi Toyoda, who devoted his life to inventing, often told those around him: "Be an innovative and creative thinker." This traditional spirit left by Sakichi is still alive in Toyota's motto, "Good Thinking, Good Products." In 1951, based on this spirit, Eiji Toyoda inaugurated a system of creative suggestions by employees.

#### **Search for Breakthroughs / Elimination of Taboos**

We continue to search for breakthroughs, refusing to be restrained by precedent or taboo.

##### **Historical Words**

- "I think we have arrived at where we are through engaging in new things with daring." (Eiji Toyoda)
- Speaking in December 1995, after being appointed president in the summer of the same year, Hiroshi Okuda spoke on Toyota's determination to implement restructuring at all levels of the organization - from development to sales. "Toyota now stands at the threshold of unprecedented transition in the race for survival in the 21st century. In my inaugural address, I have said that you should regard doing nothing and changing nothing as the worst thing to be done in the new century. This means that Toyota will be left behind the times and will have no future at all, unless each and every one of you builds up the courage and determination to break through the barriers of convention - and your own personal barriers - in facing the tumultuous changes that lie ahead. We must be careful not to become complacent through our past achievements, but unite and take on the challenges of the new world." (Hiroshi Okuda)
- "Change is our constant partner. It frustrates and challenges. It brings out the best in all of us. Change also presents new opportunities... and chance for new success... as we meet the challenge of change, we will ensure that its vigor and vitality will continue into the 21st century." (Yale Gieszl, Former EVP, TMS)

### **Building Lean Systems and Structure**

#### **Pursuit of Profit Based on Cost Reduction**

Toyota organizations are structured to yield the top quality and efficiency that achieves the highest profit at market prices. Cost controls and cost-reduction efforts are never-ending.

##### **Historical Words**

- "...the price for the dealer is to be 2400 yen regardless of cost." (Kiichiro Toyoda in 1937, who set the price of Toyota trucks to dealers based on market prices and regardless of cost and argued that cost should be reduced to produce profits from this dealer price)
- "Profit, not only for Toyota but for any manufacturing business, is gained by reducing cost. Cost-based thinking by setting price with profit added on to cost is totally alien to a carmaker of today." (Taiichi Ohno)



## y, always driving for innovation and evolution.

### Elimination of Muda, Mura, Muri, (Beyond Capability, No Value Added, Unevenness)

Eliminate all kinds of waste and every activity that does not produce added value.

#### Historical Words

- "A chain is made of its individual links ; a careless mistake by one person can set back the efforts of everyone in the plant. The workings of a pin affect the workings of the entire nation. Each worker should do his job with utmost care." (Kiichiro Toyoda )
- "Wasteful action is not work." (Taiichi Ohno)

### Regard for Next Processes / Just-in-time

We regard the next processes as our customers and provide them with the required amount and quality of goods and services on a timely basis.

#### Historical Words

- In 1938, Kiichiro spoke of the "Just-in-time" approach in an article entitled "On the Completion of the Toyota Koromo Plant" in the industry magazine. Motor : "I plan to cut down on the slack time within work processes and in the shipping of parts and materials as much as is possible. As the basic principle in realizing this plan, I will uphold the 'just-in-time' approach. The guiding rule is not to have goods shipped too early or too late." (Kiichiro Toyoda)

### Revealing Problems / Jidoka

Problems are revealed promptly and honestly in order to facilitate swift solutions and the placement of correct countermeasures. Authority for the identification and correction of problems is placed in the activities closest to the work and to the customer.

#### Historical Words

- "If a problem is left neglected where the supervisor does not know, improvement is not made and cost does not fall. Stopping the machines in the event of a problem that has arisen leads to identifying the problem. When the problem is clarified, improvement progresses." (Taiichi Ohno)
- "We train our team members to expose the problems, so that they can be solved." (Alex Warren, Former SVP, TMMK)

## Promoting Organizational Learning

### Shared Understanding of Conditions

We share a common understanding of actual conditions by using visual control tools.

#### Historical Words

- "People are used to being criticized for pointing out problems. They are afraid they'll be blamed for the problem. But after a while, they see that everybody's exposing problems, and that Team Leaders and Group Leaders want to see those problems." (Alex Warren, Former SVP, TMMK)

### Learning from Mistakes

We view errors as opportunities for learning. Rather than blaming individuals, the organization takes corrective actions and distributes knowledge about each experience broadly. Learning is a continuous company-wide process as superiors motivate and train subordinates ; as predecessors do the same for successors ; and as team members at all levels share knowledge with one another.

#### Historical Words

- "I have experienced many twists and turns in my life ; many battles hard fought and skirmishes half won. For the most part, I have seen more failures than successes." (Sakichi Toyoda)

### Standardization, Yokoten (Leveraged Transfer), and Establishment of Success

Successful practices are adopted as standard and then transferred, spread and entrenched in the organization to leverage their effect.

#### Historical Words

- "We expect rigid conformance to this 'standardized work', because it is the optimum known way to complete the job. The thinking is, if it is the 'optimum' way, then, everyone should do it in this manner. If a better way is found, the standardized work is changed and everyone does it the new way." (Alex Warren, Former SVP,TMMK)



# Genchi Genbutsu

We practice Genchi Genbutsu... go to the source to

## Genchi Genbutsu

### Grasp Problems and Analyze Root Causes

Problems arising from variances between goals and current situations are explored until their root causes are found by means of first-hand investigation.

#### Historical Words

- "Observe the production floor without preconceptions and with a blank mind. Repeat 'why' five times to every matter." (Taiichi Ohno)
- "'Root cause' rather than 'source'; root cause lies hidden beyond the source." (Taiichi Ohno)

### Thorough Confirmation of Facts

We recognize that a full understanding of situations and problems requires extensive study and the gathering of all relevant quantitative and qualitative facts with Genchi-Genbutsu : go to the first-line and see for ourselves.

#### Historical Words

- "Never try to design something without first gaining at least three years hands-on experience." (Sakichi Toyoda)
- One day Kiichiro Toyoda was walking through the vast plant when he came upon a worker scratching his head and muttering that his grinding machine would not run. Kiichiro took one look at the man, then rolled up his own sleeves and plunged his hands into the oil pan. He came up with two handfuls of sludge. Throwing the sludge on the floor, he said : "How can you expect to do your job without getting your hands dirty !" (Kiichiro Toyoda)
- "'Data' is of course important in manufacturing, but I place greatest emphasis on 'facts.' " (Taiichi Ohno)

### Early Study

Studies are commenced early ; the widest range of options is considered in designing countermeasures.

#### Historical Words

- "There is no fixed mold for making decisions. The key is to study the problem thoroughly and to decide on what is believed best." (Eiji Toyoda)
- "We don't put the product out until it is right." (Alex Warren, Former SVP, TMMK)

## Effective Consensus Building

### Emphasis on Consensus

We seek full consensus with members of our own groups and with those from other Toyota organizations . This is in preparation for practical, effective and smooth implementation of solutions without obstacles or conflict.

#### Historical Words

- "Whenever you decide to start something new or something necessary, coordination among many divisions and departments always becomes necessary. I want you to think for the entire Company rather than yourself alone, coordinate with other divisions, and lead on, no matter what, to concrete results." (Eiji Toyoda)

### Sharing of Goals / Quantitative Objectives

Goals and quantitative objectives are shared, and any variances between goals and performance are explained thoroughly to avoid misunderstandings.

### Emphasis on Process

As goals are established through consensus building, the processes to be adopted to reach them are defined as well through Hoshin Kanri process.

find the facts to make correct decisions, build consensus and achieve goals at our best speed.

## Commitment to Achievement

### Commitment to Action / Straightforwardness

We take action decisively in order to produce results. We neither gamble impetuously nor waste time on the endless discussion of possibilities. We seek a measured, steady pace toward decision making that results in timely action without the needless risk of hasty choices.

#### Historical Words

- "Before you say you can't do something, try it!" (Sakichi Toyoda)
- "An engineer who has power to criticize but not take action is not able to make cars." (Kiichiro Toyoda)

### Achievement in Single Thrust

Once a decision is made, concerted efforts are made for intensive action to meet deadlines.

#### Historical Words

- "Once business is started up, it is economical to do it all the way." (Kiichiro Toyoda)
- "If you've got a project that is supposed to be fully implemented in a year, it seems to me that the typical American company will spend about three months on planning, then they'll begin to implement. But they'll encounter all sorts of problems after implementation, and they'll spend the rest of the year correcting them. However, given the same year long project, Toyota will spend nine to ten months planning, then implement in a small way - such as with pilot production - and be fully implemented at the end of the year, with virtually no remaining problems." (Alex Warren, Former SVP, TMMK)

### Pursuit of Complete Achievement / Constant Problem-solving

To achieve a goal, we follow up progress with the PDCA method and work persistently to eliminate obstacles.



# Respect

We respect others, make every effort to understand

## Respect for Stakeholders

Our Company owes its existence to the support and satisfaction of customers, stockholders, employees, business partners and host societies who derive benefits from the added value Toyota provides. Our continued success depends on providing ever-greater satisfaction of customers by placing their interests ahead of all others.

### Historical Words

- "Be contributive to the development and welfare of the country by working together, regardless of position, in faithfully fulfilling your duties." (The Toyoda Precepts)
- Countless problems had to be resolved in searching for land at Koromo, now Toyota City, to construct the plant. At the conclusion of the agreement on the project in 1934, Kiichiro spoke with a passion that touched the hearts of his listeners: "I have made every effort to see that there are no flaws in my plans - and I have complete confidence. What I am planning to build here is a plant equipped for full-scale mass production, which itself may pose dangers. Should Toyota fail in this venture, however, there will be other entrepreneurs to take advantage of the plant and the facilities that we are going to build. Our endeavor is certain to benefit Koromo - we will never turn against its interests." (Kiichiro Toyoda)
- "Any big business will face the threat of non-growth and even collapse without the positive support of society." (Eiji Toyoda)
- In 1984, Toyota announced a joint venture with General Motors. At the joint press conference with GM Chairman Roger B. Smith, Eiji Toyoda stated: "Competition and cooperation is the underlying principle of the growth of the world economy. Our joint venture is founded on this approach. We hope to make this project a success as a model of economic cooperation between Japan and the United States --- one that contributes to the American economy." (Eiji Toyoda)
- Shotaro Kamiya spoke on the "Customer-first" approach. "The priority in receiving benefits from automobile sales should be in the order of the customer, then the dealer, and, lastly, the manufacturer. This attitude is the best approach in winning the trust of customers and dealers and ultimately brings growth to the manufacturer." (Shotaro Kamiya)
- At the opening ceremony of the Kentucky plant of Toyota Motor Manufacturing, USA., Inc. (TMMK) "Here at the start of this new venture, I am confident that TMM will certainly live up to your expectations. We are aware of what being a good corporate citizen means, and are determined to press forward toward a bright future, hand in hand, with the people of America." (Shoichiro Toyoda)
- "We wish to make Toyota not only strong but a universally admired company, winning the trust and respect of the world. We must be a company that is accepted wholeheartedly by the people around the world, who would think it natural if Toyota became No.1 in size, since we provide attractive products that excel in environmental protection and in safety and thus contribute immensely to local communities. That is the goal of "Harmonious Growth" and what I regard as corporate virtue." (Hiroshi Okuda)
- "I believe that people buy Toyota because they find high quality in every aspect of the company. Of course it's expected in the product. But beyond that, it trickles down to every level of design, engineering, production, management and dealerships." (Robert B. McCurry, Former EVP, TMS)

## Mutual Trust and Mutual Responsibility

We must trust our team members, provide opportunities for personal growth, foster the realization of their abilities, and compensate fairly all individual contributions. Team members must exercise their abilities and take responsibility for improving the Company and contributing to its results and growth.

Toyota produces steady improvements in working conditions and opportunities for growth, personal development and job satisfaction. Individuals share responsibility for helping to produce results, determining their job and career paths, and improving their abilities. Individual efforts are evaluated fairly, with compensation based on the Company's business performance and the contribution of the associate.

### Historical Words

- "Both the Company and the Labor Union pledge to cooperate and work to achieve glory for Toyota as a world business." (Declaration between TMC and Toyota Motor Workers' Union, 1962)
- "It's up to us, in management, to create an environment in which every team member on the line takes control of quality, and works to streamline production without ever worrying about his own job security."
- "Our Kentucky team has been very successful. I don't want to brag too much, but I need to tell you about some of the awards our team members have won so you'll understand what I'm going to say about management's responsibility to create an environment that nurtures team members and rewards their performance." (Alex Warren, Former SVP, TMMK)

and each other, take responsibility and do our best to build mutual trust.

## Sincere Communication

### Openness and Acceptance of Differences

We honor the laws, traditions, ceremonies, symbols and observances of all the world's cultures. As global citizens, we demonstrate respect for other cultures and welcome the contributions of people of all races, faiths and beliefs. Diversity, one of Toyota's main strengths, draws on the varied talents of people with diverse customs, education, training and work habits.

#### Historical Words

- ① Sakichi Toyoda met many difficulties in life, but overcame them by the force of his indomitable spirit. He was fond of saying: "Open the window. It's a big world out there!" (Sakichi Toyoda)
- ② "Toyota is marketed in 140 countries worldwide. And we do consistently well everywhere... With a fine record of customer satisfaction. Whatever the culture. Apparently 'executing fundamentals' is an idea that travels well." (Robert B McCurry, Former EVP, TMS)

### Fairness and Willingness to Listen

We treat all others fairly. We listen attentively to all rational opinions, including those that differ with our own.

#### Historical Words

- ① "Employees should not be deceived." (Eiji Toyoda)
- ② "Achievement of business performance by the parent Company through bullying suppliers is totally alien to the spirit of TPS." (Taiichi Ohno)

### Self-expression, Self-confidence, and Individual Initiative

We express our convictions and encourage the involvement of others through sincere persuasion. We undertake initiative and demonstrate confidence in our judgment and abilities.

### Accountability

We accept responsibility for working independently, putting forth honest effort to the best of our abilities and always honoring our performance promises.

#### Historical Words

- ① On November 3, 1938, an opening ceremony for the Koromo Plant was held quietly by the officers and employees of the company. As the people dressed in their new uniforms looked on, Kiichiro faced the shrine and pledged his commitment to building a great automobile industry. "We must all fulfill our responsibilities. We must discard our narrow self-interests and endeavor to serve the greater good. Neglect your duties and you'll bring ruin upon yourselves; fulfill your responsibilities and you'll find yourselves enhanced. If each person makes the most sincere effort in his assigned position, the entire company can achieve great things." (Kiichiro Toyoda)
- ② "Do whatever you please. Just take responsibility." (Kiichiro Toyoda)
- ③ "It wasn't that everyone else had the same thought and Kiichiro was a genius. The difference is the extent to which you take action based upon what you think." (Eiji Toyoda)



# Teamwork

We stimulate personal and professional growth, share

## Commitment to Education and Development

### Team Member Development

Learning is a continuous, company-wide process as superiors motivate and train subordinates ; predecessors do the same for successors ; and team members at all levels share knowledge with one another. Every team member should be motivated to learn for his or her own development.

#### Historical Words

- "People are the most important asset of Toyota and the determinant of the rise and fall of Toyota." (Eiji Toyoda)
- "Because people make our automobiles, nothing gets started until we train and educate our people." (Eiji Toyoda)
- "I think I was influenced not only by my superiors but by my subordinates as well." (Eiji Toyoda)
- "Work is a contest of wits and wisdom with subordinates." (Taiichi Ohno)

### Thoughtful Leadership

Leaders have the ability to energize and invigorate others, willingly giving realistic challenges and development opportunities and fostering a sense of accomplishment in subordinates. Thoughtful leaders monitor individual and team performance, holding people accountable for their actions and taking responsibility for their activities.

#### Historical Words

- "Senior management is simply a flag-bearer when a business decision is made. It is of no use unless others follow the flag." (Eiji Toyoda)

### Development through Delegation

We trust our team members and have confidence in their ability to originate ideas, create opportunities and find solutions. We value the savings in time and effort made possible by investing authority, responsibility and accountability in other individuals.

#### Historical Words

- "The second concept of TPS is a concept we call 'Jidoka' - or automatic stopping of the process when a problem occurs. In the case of machines, we build devices into them which detect abnormalities and automatically stop the machine upon such occurrence. In the case of humans, we give them the power to push buttons or pull cords - called 'andon cords' - which can bring our entire assemble line to a halt. Every team member has the responsibility to stop the line every time they see something that is out of standard. That's how we put the responsibility for quality in the hands of our team members. They feel the responsibility - they feel the power. They know they count." (Alex Warren, Former SVP, TMMK)

the opportunities of development and maximize individual and team performance.

## Respect for the Individual ; Realizing Consolidated Power as a Team

### Respect for Humanity and Creativity

We believe each individual has the creative power for the independent achievement of his or her personal goals. We respect the values, abilities, way of thinking and motivation of all team members.

#### Historical Words

- "A person's life is an accumulation of time - just one hour is equivalent to a person's life. Employees provide their precious hours of life to the company, so we have to use it effectively, otherwise, we are wasting their life." (Eiji Toyoda)
- "Through each worker gaining skills in a wide range of technology, each person is able to participate in developing the total system on the production floor and to play an important role. This is how work leads to a sense of self-fulfillment." (Taiichi Ohno)

### Mutual Contributions with Emphasis on Individual Creativity and Teamwork

We bring all team members together to share values in a team whose results exceed the total achievements of the individuals. Through coordination and collaboration, the contribution of the team is greater than the sum of its members.

#### Historical Words

- "Be contributive to the development and welfare of the country by working together, regardless of position, in faithfully your duties." (The Toyoda Precepts)
- "Be kind and generous ; strive to create a warm, home like atmosphere." (The Toyoda Precepts)
- "Each person fulfilling his or her duties thoroughly generates great power through gathering together ; and the chain of such power leads to a ring of power." (Kiichiro Toyoda)
- "An 'Orchestra' and 'Sales' have the same key factor for success : that is collaboration of people. Make a passionate group." (Yukiyasu Togo)
- "Until senior management gets their egos out of the way and goes to the whole team... goes to all of them and leads them all together... then senior management will continue to miss out on the brain power and extraordinary capabilities of all their employees. (Alex Warren, Former SVP, TMMK)
- "As you can see, the contrasts are not high-tech or exotic in any way. At Toyota, we simply place the highest value on our team members, and do the best we can listen to them and incorporate their ideas into our planning process." (Alex Warren, Former SVP, TMMK)

## The Toyota Way 2001

First published April 2001  
Second edition January 2002  
Published by TOYOTA MOTOR CORPORATION

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