

## **Toyota on Lean Production**

### **Introduction**

The objectives of this paper are to thoroughly analyze Toyota's lean production system on the company's effectiveness in the global car manufacturing industry as well as assessing the company's solutions to the present problems and issues impacting its activities in the car manufacturing industry. The aim is to produce a quality report that will highlight the ways through which Toyota could use its lean production system for much improved global competitiveness.

### **Toyota's lean production system**

The lean production system of Toyota pertains to an initiative that takes into account the costs of assets for every objective aside from the establishment of quality products and services for their clients. The lean production system of Toyota is always geared towards understanding the point of view of the client that purchases and uses their vehicles. Essentially, this production system of the company is focused on maintaining quality with minimal tasks. The lean production system is highly regarded for its concentration on minimizing wastes to enhance total productivity. However, there are different methods to accomplish this (Berengueres, 2007). The consistent progress of Toyota from a simple organization to the globe's biggest car manufacturer has definitely proven that its lean production system is definitely working wonders for them. The improved quality and efficiency of operations of the organization has become more and more visible as years go by as a result of using an extremely systematic and reliable production system that the founders of Toyota themselves formulated and has been often copied by other companies aspiring for progress but to no avail.

The lean production system of Toyota is composed of the essential aspects of just-in-time approach and automated activities. Advocates of this system will mention that the effective establishment of quality attains the rest of essential enhancements. If the manufacturing process goes smoothly then stocks are minimized and controlled; if the demands of the clients are prioritized more, then the production process becomes a lot more fundamental and initiative is focused on the requirements of the client.

The automation aspect of the lean production system of Toyota is attained in consideration of the potential roles of the workers. The equipments are established to help the workers in concentrating on their strengths (Monden, 2005). This strives to provide the equipment with sufficient understanding and information to realize the periods when they are experiencing problems and inform the employees of Toyota about them. Therefore, the employees need not check ordinary manufacturing and simply concentrate on problematic circumstances.

With that being said, the lean production system of Toyota is thus concentrated on putting the proper equipments to the proper locations to attain excellent flow of operations, and also reducing waste and gaining the capability to cope up with the latest developments (Womack, 2007). These ideas of versatility and development are mainly needed to enable the balancing of the manufacturing process while utilizing different methods and techniques. The versatility and capacity to evolve are always controlled effectively, and thus frequently very affordable essential factors. The most significant aspect though is that these entire set of ideas are always acknowledged, recognized, and welcomed by the Toyota workers who manufactures the

vehicles and thus control the activities that provide the quality. The control elements of the lean production system of Toyota are perhaps more valuable than the procedures and techniques of manufacturing.

### **Implications for international competitiveness**

There is no doubt that the lean production system of Toyota has absolutely contributed a lot towards its excellence in global competitiveness. Toyota over the last couple of years has been able to significantly minimize its operational periods and expenses by utilizing the system, and the quality of their products has also enhanced tremendously. This has allowed Toyota to frequently be included in the globe's most productive organizations every year. At present, the organization remains the one to beat in the automobile industry and has already evolved as the biggest automobile producer. Because of the effectiveness of the lean production system of Toyota, other organizations have attempted to criticize and find faults on it but without significant progress.

The basic premise for Toyota's improved global competitiveness absolutely depends on its lean production system as integrated within the organizational goals and regulations that control the utilization of its assets. The company has been able to effectively enter world segments and industries and create a dominating existence because of its effective operations. Toyota's lean production system perceives product management and allocation as truly beneficial and comfortable for clients as well as geared towards being successful overseas (Fujimoto, 2001). Aside from this, the lean production system allows the employees of the company to become the focal point to harness their brilliant ideas for consistent development through consistent motivation. Realizing that global competitiveness is also connected to having an

excellent work environment, Toyota has ensured to address this along with monitoring the needed improvements of their lean production system.

One obvious advantage of the lean production system of Toyota is its capacity to consistently generate creative and reliable products to the global market quickly which has tremendously enhanced the reputation of the company in the global setting. It is a known fact that in the car manufacturing sector, restricted product development periods as well as improved value and reliability have remained as the key success factors, and they have all been addressed by the lean production system of Toyota. The creative and attractive Toyota vehicles and their features that emerge every year have been the center of its sustained global competitiveness, and this can be attributed to its world class lean production system. The management of Toyota themselves have acknowledged that consistent global competitiveness in the car manufacturing industry is dependent on their capacity to establish attractive cars and features that will entice the global consumers (The Economist, 2010).

Because of the lean production system of Toyota, the global competitiveness of the company became dependent on high quality vehicle design and production phases. As the company maintains its global competitiveness in the auto industry every year, Toyota has already widened the gap amongst its competitors that are desperately trying to discover the key success factors of an effective production system.

Another important advantage of the lean production system of Toyota that has helped it maintain its global competitiveness is its flexibility. The activities being done on different productions remain unchanged and are always flexible enough to integrate the latest techniques and potential enhancements. Along this process, the flexibility of the lean production system of

Toyota ensures that no time is wasted as it integrates new methods and procedures to improve the current production process. It is not that hard to handle, customize and consistently enhance the lean production system of the company because the workers always have a comprehensive knowledge of the features of the system that can truly improve it. Therefore, by focusing on the fundamental aspects of the production system and being flexible enough to incorporate changes, the lean production system of Toyota has successfully established a winning formula for sustainable global competitiveness.

In short, the lean production system of Toyota is a strong and distinct provider of essential benefits for the company all over the world. The global competitiveness of Toyota is clearly evidenced by the growing number of people all over the world that have become fanatics of the various cars and automobile services that are being produced by the company every year. Surely, global competitiveness would never be attained without the support of the customers that believe in the products and services being provided by companies (Iyer, 2009). As a direct consequence of its sustained global competitiveness, customers now perceive Toyota as the benchmark of car innovations in terms of quality, cost-effectiveness, reliability and safety. So extensive is its global dominance that Toyota has become a household name even in foreign countries that have been usually dominated by other car manufacturers. As the current biggest car manufacturer of the world, Toyota remains keen in having a firm grip in the top position within the car manufacturing industry even as new competitors are slowly emerging that can pose threats to the global competitiveness of the company.

## **Recommendations**

In order for Toyota to effectively respond to the present issues impacting its share of the world's car manufacturing industry, the company must ensure to follow the following recommendations:

**1) Implement a more comprehensive perspective to lean production system**

Toyota needs to ensure that the fundamental aspects of the lean production system like the workers, methods, and equipment are completely merged, synchronized and created to be in harmony. It is important for the company to remember that competent and creative individuals are the center of the lean production system. Activities are created to reduce waste and improve the skills of the workers that utilize them. The machines and equipment for production need to be the appropriate ones, concentrated on providing remedies and chosen to improve the outputs of the workers as well as the procedure. Once these basic attributes become synchronized into the lean production process, they could unite to establish a more holistic and dynamic impact for Toyota's benefit.

**2) Focusing more on the clients' needs**

Completely understanding this ideology will serve as the connection that will establish a smooth merging of the operations and basic lean production factors of Toyota. Focusing more on the clients' needs will lead in a thorough comprehension of client perceived value that is the initial stage in production. The workers of Toyota need to realize the importance of this philosophy right at the beginning (Morgan, 2006). The lean production system needs to produce vehicles and features that will satisfy the client demands and is prepared for rigorous production loads for it to be able to gain the confidence of the clients even better.

### **3) Aspire for consistent development**

It is important for Toyota to remember that its lean production system may be truly advantageous, but it has its own weaknesses too, especially if it is not handled effectively. This is the reason why consistent development is an essential part of each task undertaken. The company can attain this through establishing more intensive performance objectives for each program or activity. This way, the workers of Toyota will be able to clearly determine the areas of production that are lagging behind or underperforming. Consistent development must also be integrated in the procedure of discovering remedies that would establish various probable answers.

### **4) Address production issues immediately.**

The true benefits of the lean production system of Toyota can only be attained once every activity is able to make full use of the reliable data generated from the past production activities. This implies that the production groups of the company have to make improvements or necessary changes with the design information that have experienced issues and problems in the previous production sequences. If not, the same issues and problem will emerge over and over and would lead to significant waste of time, effort and resources. Every procedure needs to be established with the perspective of continued progression while relying on dependable information as they emerge.

### **5) Consistency in production is the key to sustainable competitiveness.**

This philosophy needs to always be at the center of Toyota's lean production system to be able to produce more relevant results as necessary (Liker, 2003). Consistency must entail ideas and techniques that all converge into fundamental procedures. This will be important in

eliminating waste within the lean production system. This is because fundamental capabilities and procedures will enable for a wider range of accountability and also more versatile production capabilities to mention a few.

## **Conclusion**

The significant contributions of the lean production system of Toyota towards its global competitiveness are undeniable. The procedures have all become faster once wastes were removed and quality of their cars and services also surged up. Evidently, the lean production system of Toyota has truly been advantageous for their clients all over the world, which is precisely the reason why it is quite easy for them to maintain their global competitiveness. And as Toyota continues to reign supreme in the car manufacturing industry, their revenues have also piled up every year.

The most important advantage that the lean production system of Toyota brings to the company is an improved approach to production. That is, gathering the proper resources of production to the proper site in appropriate numbers. The lean production system enables the company to attain excellent flow of activities and at the same time reducing waste and having the capability to adjust to unexpected developments.

Perhaps the best way to be able to respond to the present issues being confronted by Toyota is for its management to have a more proactive role. This will be an important factor especially because applying lean production pertains to a comprehensive organizational development, not simply an emphasis on procedures and machineries. The recommendations discussed above are also critical towards addressing the common issues and problems that could potentially hinder the effectiveness of its lean production system. It is important for the company



to stick to its strengths and simply eliminate the simple mistakes that are being done within the production system to be able to maintain its global competitiveness.

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