

To Be Trustworthy and Responsible

Trust is an intangible asset that accrues over the long term through our interaction with others. It is the foundation for our company, for our business, and for our households and our livelihoods. Just as water flows downward and gathers in pools, people's trust gathers where conditions engender peace of mind and confidence. To betray that trust is to lose people's confidence, to lose business momentum, and to lose the vital underpinning of our livelihoods. We become as the lake that runs dry after its water escapes through seismic fissures.

Silent yet frighteningly powerful, trust is as intangible as air. Trust goes unnoticed when things are going well, yet it begins to dissipate the moment we take it for granted. That propensity underlines our shared responsibility for maintaining the trust that our company has earned.

The Toyota organization has derived immense vitality from the trust that it has earned in Japan and internationally. We bear witness to the effort exercised by our predecessors in a shared commitment to fulfilling the trust they bore. Our company owes its foundation to that hard-won trust and is just now beginning to earn trust on its own right.

Japan succumbed in the postwar years to a period of instability, and the waxing of nihilistic thought spawned a wave of irresponsible behavior. That very behavior reawakened the Japanese to their inherent character, and we see today an ongoing return to normalcy. Yet an insensitivity persists in regard to the virtue of trust and to the sanctity of material to be managed in a framework of trust. Japan lacks grievously in raw materials, and we rightly lament any wastage attributable to insensitivity in usage. That understanding casts a light on our duty to employ assets responsibly.

To Cherish Modesty, Sincerity, and Cooperation

People of Oriental cultures share a deeply ingrained propensity for subordinating personal interests to the greater good of others. In contrast, people of Western cultures exhibit a straightforward belief in advancing personal gain through all activity. We should be wary of glibly assessing either approach as superior to the other. Something that we can recognize, however, is a trait common among Japanese: the tendency to devote an inordinate amount of effort to shaping appearances.

Japanese go to great lengths to put on a show, putting aside their true feelings. That is frequently an effort to avoid being thought of poorly or of becoming the subject of gossip or ostracism. It includes striving to earn goodwill through careful attention to the rituals of weddings, funerals, seasonal gift giving, and pecuniary expressions of gratitude on special occasions. Those practices have regrettably become increasingly lavish as Japan has become more affluent in the postwar era.

Far more important than empty gestures is a sincere effort to come to terms honestly with our counterparts. Where genuine feelings of mutual gratitude exist, we should exercise that those feelings through lasting business relationships and through lasting friendships. Heart-to-heart interaction and cooperation are the best basis for lasting relationships between manufacturers and users, between government agencies and corporations. They are the best basis, too, for our relationships with relatives, with coworkers, with superiors, and with subordinates. All of us need to fortify that foundation through a commitment to addressing all facets of our relationships with empathy and sincerity.

To Be Pioneering, Innovative, and Creative

This is in keeping with the highest Toyota tradition of patriotism, social responsibility, and corporate integrity. To make products with our own hands that are superior to competing products, we need to dedicate ourselves continuously to conducting research and to incorporating our findings in our products. That is the right way to prevail fairly in competition, to earn the satisfaction of users, to achieve growth in our business, and to secure gains in living standards for everyone at our company. Research, meanwhile, is something that we need to conduct in regard to administration, as well as in regard to technology. We need to keep finding ways to raise productivity throughout our operations.

Raising productivity is, in short, a matter of increasing the benefit that accrues from the same amount of effort. It is fundamental to traditional Toyota management. Sakichi Toyoda, the founder of the Toyota Group, developed world-class automatic looms and then developed methods and service to enable his customers to use the looms optimally and thereby secure maximal benefits from the products.

We need to strive continuously for industry leadership in product quality and performance. With that goal in mind, we need to refine our products through continuing research and innovation. Our technology licensing arrangement with Robert Bosch GmbH needs to be more than a matter of copying Bosh technology. We need to incorporate the essence of superior Bosh technology in our products and then use original technology to perfect the products. We also need to learn Bosh's approach to providing superior service and use what we learn to refine our service.

We tend to think of research as a job for laboratory and design personnel. Research is, of course, central to their work, but it is also central to work for all of us, whether we are engaged in inspection, processing, warehousing, logistics, office work, or whatever. All of us need to analyze our work with a critical eye and find ways to do things better.

I am especially concerned about the pressing need for us to achieve sweeping improvements in our administrative operations. And we face equally pressing needs for improvements in our work processes in human resources management, in quality control, and in parts management.

To Provide Quality Products and Service

For our customers to purchase and use products in the expectation of securing benefits; for them to enjoy benefits that match or exceed their expectations; and for the customers to achieve through using our products business growth and, thus, advances in the quality of life for their employees: That is to have provided products and service of the highest quality.

Providing products and service that fulfill the above criteria is extremely difficult. The goods that we provide need to fulfill the most demanding conditions that our customers encounter. And they need to be easy to use, even by individuals who lack specialized expertise. Only when the goods we provide impart benefits to customers in those ways can those goods be regarded as “products.”

None of us can afford in this era to assume that whatever we make will sell. Yet we are not as alert as we need to be to matters of user benefits and customer satisfaction. We need to devote ourselves more rigorously in providing products to fulfilling customer expectations and imparting genuine benefits.

After-sales service is also crucially important. We mustn't forget our customers after we have sold and shipped products. Complaints inevitably arise about problems with the products that defy our imagination. To resolve those problems, we need to investigate carefully how the products have been used by the customers, to ascertain the causes of any malfunctioning, and to teach the customers how to use the products properly and thus avoid the recurrence of problems. That kind of follow-up service is essential in earning customer satisfaction. Conscientious after-sales service is an essential expression of our love for our business.

Japanese in general tend to focus on the immediate and disregard long-term ramifications. That is all too evident in the failure of the national government and of local governments to investigate and disclose how their budgetary expenditures have been used and what benefits have been generated. Divergent interests compete aggressively for budget allocations, but rarely do we hear anything afterwards in the way of comparative analysis of plans and results.

Monitoring progress in our business depends on carefully analyzing our results in the light of our original plans. We therefore need to be rigorous in scrutinizing our operational performance. Similarly, we need to position our goods as true and trusted products through follow-up service and support.

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