

The main purpose of this case study is to talk about how Toyota overcame their production problems in their Georgetown, Kentucky Plant. Toyota has always strived for “better cars for more people”. Therefore when their company started having trouble with the run ratio and seat defects of their cars it was very intense. In early 1992, the concern about product proliferation began to arise. The old model Camry consisted of seats that had five styles and only three seat colors. In March, TMM launched the Camry wagons and it became the source of these cars for Toyota worldwide. During this time Toyota developed a seat problem that caused for immediate action to take place. The manager, Doug Friesen, was the person in charge of making sure this error was corrected. In order to keep production rate up they needed to continue to produce quality cars. Using the Toyota Production System (TPS) the company was able to reduce cost by eliminating waste. The company uses Just-In-Time production, Jidoka, and Kaizen as ways to reduce production problems and make sustainable cars.

The plant had been hectic and with the production of the station wagon they had to make the employees work overtime just to correct the problems. In addition to the problems, numerous cars were sitting off the line with no seats at all. It is hard to believe that a company as big as Toyota would have this type of problem but things of this nature happen within various businesses. Later on he met with his manager Mike DePrile and Rodger Lewis and they discussed the issues and did a walkthrough of the parking area. It was up to Doug Friesen to find out how to solve the problem and he did so by communicating with employees and going through the assembly lines for himself. In the end, Friesen took on full responsibility for allowing the seat problem to go on so long and was beginning to think of ways to make others aware of the problems as well as solve them.

1. If I were Doug Friesen, to address the problem with the current seat problem I would take the issue with my staff. There is obviously a problem with the way the cars are being produced. I would continue to have the current workers work but I would have to communicate with my quality control department, assembly team, and my production control department. Quality control already knew that the seats were going to be a safety issue because the “feel” of the surface had no precise standards. Purchasing the seat is the most expensive part of the vehicle; therefore it should be carefully assembled and installed correctly. Within the case it states that Frieson did not really find out what happened till he returned home from his trip to Japan. That’s when he found out the seats were poorly put together and the run ratio was down to 85% from the 95% it was early in the month. In my opinion he should have known before it got to the point where they had to stop production of numerous cars.

I would have kept in touch with my plant or had someone doing a walk through to let me know if there was anything out the normal happening, especially since we were developing new types of seats. Once I meet with my employees I would give feedback about the work that they have done. I would let them know that since the company was not producing the cars on time that mean reduced the sales. I do agree with having the team work overtime to correct the problem because my main focus would be to get as many cars on the road as possible. After I handle my employees I would address the general manager, Mike DaPhile because being in a higher position I know he would want to know every situation whether it is good or bad within the company. I would discuss my efforts in trying to correct the problem and state how it would never happen again. The best thing to do to correct something like this is to find the root of the problem. I would start with the assembly line and find out why the production plan was ignored.

Once this happens I would be able start producing seats again, which would be more money, but that would be the cost I would have to pay for safer vehicles.

2. Some options to eliminate the problems would be talking to the team members about different incidents that have occurred. There were many times where there had been seat defects in the past and the employees would not speak up about it because they felt as though it was fine. This means that there could have been plenty of cars sent out with defects and maybe some customers could have been hurt by this. Another option would be to increase the quality control standards. With good quality control it leads to preventing problems before they happen. It is known that you find out a majority of the problems on the final assembly line. While inspecting the product you know where each defect is taking place and it makes things easier. Hopefully the employees who are assembling the car thoroughly checks to make sure that everything is correct in the beginning stages so there will be no need for reassembly. I would recommend that the company continues to enforce the Toyota Production System (TPS). With this system I feel that it helps Toyota make good decisions dealing with their operations. The case states “TPS isolates problems from people and thereby enables people to focus on solving problems.” If Toyota is able to get their employees to take it serious and implement the production principles it would make the company unstoppable.

3. There were certain routines for handling the defective seats that deviated from the principles of TPS. The TPS principles have two assumptions about production environments that interfere with their structure. The first assumption is that true needs would deviate from a production plan unpredictably. The second would be that problems would crop up on the shop floor. TMM handles their defects by first getting a member to pull the andon cord to report the problem, having a team leader then pull the andon to signal okay, and then tag the car to alert QC

inspectors of the seat problem. After this routine and inspection the car could risk shutting down the line. With that being said this deviates from the Toyota Production System because it interferes with the Just-In-Time production.

4. The real problem that Doug Friesen is facing starts with his employees. Being that they did not think anything was wrong with the way they were producing seats should let him know that he should reevaluate some people. He felt like the company was deviating from TPS, which is what their company stands for. He states “We swear by building in quality on the line,” yet they were producing vehicles that were not up to par with company standards. I feel that Friesen knew that Toyota was wrong and that’s why he took full responsibility for the cars. I think it was a good idea that he took it upon himself to get to the reason why things went out of line. He went down the aisle between Final 1 and Final 2 just to determine what the problem was firsthand. I also like that Friesen realized the problem was within the plant and the seat supplier. This let him know that he needed to get things in order to increase production and keep the line utilization intact.

My Statement

This was a very effective case for me to read. I have heard a lot about Toyota vehicles in the news and it got to the point where I told myself I would not personally own one of their cars. This case gave me insight into their company and it let me know more information about what I had assumed but did not know for a fact. I liked that I got a chance to know about their manufacturing, suppliers, quality control and their Toyota Production System. I found it interesting that they were so big on their TPS and quality yet they made a simple mistake with their seats. When the case stated “Being used to seat defects, they looked increasingly surprised when Friesen kept asking about seat problems,” that let me know that maybe the employees were not on the same page as management. I think this is a reason that company’s should use cross training or training in general to make sure that everyone has the concept of what the company stands for. Some of my friends own cars made by Toyota and they have so problems with them so I guess it depends on which plant the car was made at that determines the number of defects.

I can apply what I have learned from reading this to my future car purchase. Now I have an idea of what to research and what to look for when I’m looking for a vehicle. Right now I own a Saturn and to me it is a pretty good car. About 7 months ago I found out that Saturn’s have been discontinued and I have no idea why. This case makes me want to research my current car just to make sure whatever happened will not affect me. Overall this was a good case and I learned things and terms that I did not know before reading it.