Individual Research Report

Your Name (First M. Last)

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**Introduction**

Toyota Motor Corporation is a Japanese automobile manufacturer that was founded by Kiichiro Toyoda in 1936. Toyota is represented solely as a car company, that has a motto, "Moving Forward". The vision of the company is “To enrich society by building cars” (Zhou, et al. 2019). However, the mission of the company is, “To attract and attain customers with some high value” (Zhou, et al. 2019). Toyota is one of the largest automotive manufacturers that is producing about 10 million vehicles every year. Toyota is one of the world’s largest companies that is meant for encouraging the mass market, adoption of hybrid vehicles across the globe. Toyota is also termed as one of the market leaders in the vehicles that work by a hydrogen fuel cell (Zhou, et al. 2019). It is also termed as the fourth largest car manufacturer worldwide. It is asserted that the success of the company is primarily due to the business model that is recollecting and managing all the aspects of the company with that of the customers. (Zhou, et al. 2019)

**Business Model**

According to the Harvard Book Review, the Business Model of the company, i.e. Toyota Motors comprises four major elements. These elements are key processes, key-resources, developing new businesses and the profit formula. This model is also called CVP, where this model is designed to compete on the differentiation of next established resources and processes that are meant for the establishment of resources and processes that are required in the profit formula (Yun, 2019). Business model is more like the infrastructure of the company. Infrastructure refers to the fundamental facilities and systems that include facilities and services that are necessary for the company to function (Yun, 2019). Business model is defined as a plan that is meant for the successful operation of the business by identifying the sources of revenue and the analysis of intended customer products, and details of financing. The pictorial description of this model is as follows.



**Infrastructure**

Toyota Motors has some core values associated with the infrastructure of vehicles that are produced. It would not be wrong to say that the overall approach of activating safety developing infrastructure was meant to ensure the compatibility of the services. There is a vast history of the development of infrastructure of the company that has evolved and improved with every passing year. It initiated in 1989 when steps were taken for the deployment of PCs for shared use that was started at each division. It then proceeded to the evolution of Host Infrastructure to the use of servers for sharing information with the overseas branches (Yun, 2019). By 2011, Host Infrastructure was changed and there was a revised version in the work styles.

The approach of the infra-structure of Toyota has shifted to Advanced Infrastructure that incorporates a cooperative system using a wireless frequency that is reserved for Intelligent Transport System. Although this compatibility is offered as an option for the “Toyota Safety Sense p" that is capable of activating safety package. The infrastructure includes a driving safety support system, a public display of the intelligent transport system technologies that are sponsored by the Universal Traffic Management Society of Japan. This technology and additional efforts are supporting several long-term benefits such as noticing the red light, noticing the stop signs, timely start from the stops, noticing pedestrians who are crossing the street and avoiding rear-ending (Markets, 2019). This step helps to reduce the possibility of accidents by using infrastructure vehicle communication that helps to reach beyond the limits of the autonomous system of the vehicle such as cameras and on bard radar devices. Improvement of environmental measures is also included in this department, which aims at improving the traffic flow. Integrated Safety Management Concept is another ideology that is the part of infrastructure of Toyota motors taking into account the development of autonomous systems and devices that can promote the development of infrastructure respondent system that allows a vehicle to vehicle and vehicle to infrastructure information transfer that can be used for intelligent transport system technologies (Markets, 2019).

There are nine major elements of the business model:

1. Key Partners
2. Key Activities
3. Customer Relationships
4. Customer Segment
5. Key Resource
6. Distribution Channel
7. Cost Structure
8. Value Proposition
9. Revenue Stream

**Key Partners**

Toyota Industries encourage and open opportunities for all the potential business partners. However, the partners are evaluated in terms of technological capabilities, quality management, and technological capabilities (Nakayama, et al. 2019). Toyota asses its initiatives for environment, safety, and compliance so as to strive for some stable and timely products. Major partners of Toyota Motors are, Metal Mfg. Co, Ltd that deals with the manufacturing of pistons pins and pistons, Ahresty Corporation that deals with Diecast products, Aisin AW Co., Ltd that deals with manual transmissions and Aisin Takaoka Co, Ltd that deals in Disc, brake drums, and rotors. All these and many other companies are working in synchronization with Toyota Motors so that customers can be provided with maximum quality even in terms of the smallest parts. In a simplified form, it is highlighted that the promotion of procurement from local business partners through some consolidated subsidiaries are meant to contribute to the local community as a good corporate citizen (Yun, 2019). Moreover, Toyota is looking to initiate future trade practices that can add value across the entire supply chain. Toyota and other companies that are affiliated with Toyota are actually switched to pay in cash to the subcontracting business partners.

**Key activities**

There are several activities that are carried out by Toyota in order to keep its market up to date and deal with the concerns faced by the customers in a highly systemic and productive way. One of the major activities is “Global Business Development” which refers to the handling of equipment and other logistic fields that can assist customers by efficiencies in logistics structure tailored to meet the company's specific needs. This activity adheres to the "Toyota Material Handling Group” that utilizes the sales and development strengths of each brand (Nakayama, et al. 2019).

Toyota Motor Credit Corporation is another major action that is done by the Toyota motors to address and accumulate expertise in sales and finance for the handling of material along with excellent handling of the operational system and the structure that covers the residual values and risks in the long run (Nakayama, et al. 2019).

Maintaining top Market share is another action that is performed by Toyota by adhering to activities such as Truck Lift Material. The proactive launch of new products is one of the key activities that are performed by the company. It includes 8- Series Stand Up Rider that delivers improved performance with reliability and ergonomics that has very fewer service intervals. Raymond is another product that is introduced to add the essence of up to date activities that can attract more markets and more customers (Nakayama, et al. 2019).

Earning recognitions is also counted as one of the activities that are of priority to Toyota because Toyota aims at maintaining rank in the companies that are more concerned with the customer safety. One of the steps to this approach is the “Toyota Production System” that has carried out a lot of improvements in terms of a proactive approach. Other activities include initiatives for the growing market. It is one of the actions that keep Toyota up to date with the global pace that can set a new trend for the market and expand the latest functions (Markets, 2019).

**Customer Relationship**

Customer Relationship Management is one of the strongest and the most effective approach that is used for maintaining and creating relationships with the customers that can not only empower the company but also help to address the needs of the customs successfully. There are a lot of initiatives that are taken by Toyota to retain and maintain customer relationship such as Lean CRM. In the same way, Toyota is taking efforts that can help to improve the proficiency of services and empower the framework of products. It is asserted that Driving Safety Support System is designed to focus on the conveyance of general information regarding pedestrians, vehicles, and motorcycles that might be hard for drivers to see as well as traffic control information from the transport infrastructure to vehicles. It helps to ensure safe driving operations on the system that was started in 2011. Since then, Toyota began the sales of HDD Navigation System features that are supportive at the same time. All these natives were taken to empower customer relationships. It is asserted that Toyota also incorporates the lean approach in coordination with CRM and its working. In such a case, the concept of Lean CRM is meant to standardize the process of decision making with CRM and analyses how it would work. In this case, CR management supports customers by providing them with a single-window that can help to address all problems on the same platform (Nakayama, et al. 2019).

Simple Die changing technique is one of the strategies that are being used by the Company to maintain the supply chain management. It is observed that Ohno the introducer of the idea used rollers for moving dies in and out and the position along with a simple mechanism adjustment. One of the strategies is the reduction of the time that is required to change dies in just three minutes, along with the simple adjustment mechanism. This technique is also called Single Minute Die Change that is less costly and reduces the mistakes that may occur during driving such as patching (Markets, 2019).

**Jidoka**

 Jidoka refers to the automation, that is called automation with Human Intelligence. It is one of the major strategies that are used by the company for stopping the manual line or other manual processes when there is something wrong. This process is one of the steps and techniques that are used by the company not only to retain the employees but also synchronize the productivity with set goals (Friedrich, 2019). Ohno viewed the manual production process to be rampant in nature, i.e. waste that encompasses the elements of the products that increase the cost by adding value. Under this strategy, a cord is placed in every work situation that is meant for the reduction of a facility and ultimately it encourages workers to stop the whole process if there is a problem. In this procedure, once the assembly is lined with the technique, the entire procedure is stopped and the problem is addressed.

**Customer Segment**

Toyota is addressing all its customers on the same platform and approach. It is highlighted that now, Toyota has released “Mommy Like” commercials. While other commercials of the company deal with the brand realization and safety which is also connected with the societal factors. Targeting women is one of the smartest strategy that is used by Toyota to influence about 80% of the decisions that are associated with vehicle purchase (Friedrich, 2019). The prices of the vehicles are now decreasing that is also an approach that is used by Toyota for attracting customers. It would not be wrong to say that the company comprises and addresses all the classes ranges from very basic ones to the luxury market, i.e. customers from the lower middle class to the upper-middle class (Friedrich, 2019).

**Key Resources**

There are some prime and major key resources that are used by Toyota Motors. The major classes of these resources are financial, physical, intellectual, technological and human. All of these resources are termed as either tangible or intangible assets of an organization such as reputation, building and the people. It is found that the key resources are the major drivers behind the compartmentalized approach to the market (Markets, 2019). By using these resources in a highly compatible way, Toyota has ultimately created competence in lean manufacturing, inventory management, and efficient supply chain management along with best inventory management that has enabled reliable production on a global scale along with a flexible approach to the work environment. Financial resources are also one of the categories where Toyota is trying its best to invest in the automobile market not only as a progressive approach to the future but also as an impressive approach to current markets. The essence of technology, human resource, and capital resources is already evident in terms of the number of employees, advancement and technology over time and the maintenance of assets (Yun, 2019).

**Channel**

The distribution channel of Toyota Motors comprises of Supply Chain Management. It is an element of the operational strategy of Toyota that is based on the Toyota Production System. It is asserted that the success of the company is based on "Lean Manufacturing”, followed by the interest of other companies in TPS. According to researchers, lean philosophy aims at the elimination of all the wastes by adhering to superior customer care. It is asserted that leans are based on the pull system that prefers the achievement of primary achievements so that secondary achievements can be marked (Markets, 2019). Toyota Suppliers Partnering Hierarchy follows the mutual relationship between trust and understanding, control system, information sharing, interlocking structures, joint improvement activities, and learning. It is observed that the system named, "JIT" organizes the resources and the information that flows and ultimately rules the decision and enables a firm to address the benefits of JIT principles.

The elements of Just in Time are one of the sources of bringing a pro-active approach in exposing problems and pull the production of the products by managing the quality, eliminating the waste, continuous improvement, improving the machinery and a prime focus on the cooperation. Moreover, Toyota is also observed in capacity planning that is also a major aspect of supply chain management. Toyota is trying to eliminate its inventory under the impact of its capacity planning. However, the underlying objective of the company is to bring continuous improvement (Friedrich, 2019).

Within the supply chain model, there are different aspects to consider such as removing the non-value adding wastes in the manufacturing and maintenance of the business. These wastes are named as writing, overproduction, conveyance, defected and unused employee activity, unnecessary movement, and the excessive inventory. From the Business Review, it is highlighted that in today’s work of the competitive market, there are a lot of companies that are forced to seek opportunities so as to create a competitive edge and broaden the share of the market, which can help it to survive in the long run (Markets, 2019). In a nutshell, the principles such as Lean manufacturing, and Just In time are one of those competitive edges that are helping the company to address the supply chain management and empower the channels of the company because if there would be an increased and better product development which will increase demands and then it will bring upheaval to the complete market (Friedrich, 2019).

**Cost Structure**

The cost structure of Toyota refers to control on budgeting and manufacturing that are compulsory for the achievement of Total Quality Control. The overall budgeting system is based on cost control and targets costing along with kaizen. Under this structure, the senior management is responsible for making the profit and administering the budget because there are no or very rare profit centers. Toyota has no profit centers, so there is no need of tracer pricing that can eliminate the biased performance evaluation, the financial goals are set in terms of kaizen with an ultimate goal to motivate employees because kaizen is easily understood by everyone (Felin, 2019). Moreover, the same scenarios of standards, such as “High Standards” are required for the cost processes that are regardless of performance and the localities. Moreover, in the context of the cost structure, there is more emphasis on variable costs, the budget goals in terms of variable costs that are to be reduced with the help of continuous improvement. Moreover, in the cost structure, there are a lot of cost centers and the indirect costs are not allocated to the product. However, the budgeting system is also found to be supporting the matrix organization (Felin, 2019).

**Value Propositions**

Value Proposition refers to the value of a company that promises that the customers will be provided by the best of products. It is asserted that Toyota’s framework is based on the innovative design that is successful in setting the standard quality of automobiles. With every emerging threat, Toyota has succeeded in developing a positive approach to customers such as hybrid cars, automated cars, and low cost (Yun, 2019).

**Revenue Stream**

It is highlighted that the revenue stream of Toyota motors has three major dimensions and sources. One of the revenue sources is "Automotive Business:" that is associated with the production of about 10 million vehicles that are solo throughout history. This adds to the revenue of 300,000 per year to Toyota (Felin, 2019). Another source of Revenue Stream is Financial Services that highlight Toyota's effort to increase its revenues by financial services. It is found that the automotive activities are accounted for about 90% of the worldwide revenue in the last year, however, the financial services are barely generated up to 6%. Another addition to the revenue stream is made by other businesses. Technical and mechanical operations are other businesses and investments that holds smallest stake in the automotive company (Friedrich, 2019).

**Conclusion**

Taking into account an exegetical analysis of the Harvard Business Review, “thriving Emerging Markets”, it is asserted that Toyota is one of the companies that is trying hard to address the needs of the employees and customers along with the sustenance approach that can keep Toyota Motors in synchronization with the current market trends. An analysis of the business model highlights that that are four major elements of the business model, which when segregated from nine components of the business model. All these components are meant to analyze the growth of the company in coordination with the threats, competing for market and the strategies that are currently applied to address the needs of the customers. In a nutshell, Toyota Motors is one of those markets that has a dire need to keep on working on its strategies so that the code of conduct can be retained in market along with a preplanned approach that could be satisfactory for the global competition and the requirement of the market that are getting advanced over the passage of time.

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