Toyota Satisfaction Committee Essay, Research Paper

Toyota executives lead the customer satisfaction committee at TMS and TMC.

\* These committees help establish the link between marketing strategies and

operational realities of the organization. DEVELOPMENT OF CUSTOMER SATISFACTION

COMMITTEE \* One of Toyota’s key indicators of its performance for customer

satisfaction is "initial quality" or " the quality percieved by

the customer in the first few months of ownership. \* The J.D. Power initial

survey provides feedback on quality to automobile producers, individual

diagnostics, and comparison to competition. Toyota was not ranked number one in

customer satisfaction by J.D. Power and found out they had a lot of room for

improvemnt. \* In 1986, TMS/USA made a strong proposal to TMC/Japan stating that

Toyota should be number one. The proposal implied that TMC should improve

product quality in the plants to achieve that number one ranking. \* In 1987, TMC

began to persue the proposal. \* The initiative to improve the customer

satisfaction came to be referred to as "J1". ESTABLISHMENT OF TMC’S

CUSTOMER SATISFACTION COMMITTEE \* In 1988 TMC established a committee structure

specifically to accomplish the J1 objective for customer satisfaction. There

were three subcommittees involved to address specific customer satisfaction

issues: product quality, domestic sales and service, and overseas sale and

service. INITIAL EFFORT TO IMPROVE QUALITY AT TMC JAPAN \* TMC’S initial efforts

for the J1 initiative concentrated on the work of the product quality committee.

\* They set out targets and initiated many improvements, and were to 60 to 70

percent on their way to achieving their targets when the incongruity between

their "high" quality improvements and "lower" customer

satisfaction rating became obvious. \* TMC’s product quality committee relied

heavily on TMS’s voice-of-customer information and surveys of customers. \* Some

of TMC’s responses were "Door has scratch" or "grease on the

carpet" but their audits of the vehicles when leaving Japan had no signs of

these. The damage must be occurring after they leave Japan. THE J1 BOOMERANG \*

TMS returned messages to TMC stating product quality was improving, yet damaged

vehicles are still arriving at the dealerships. \* So TMC/Japan study team

followed some shipments to the dealerships and discovered that the damage was

indeed occurring after the vehicles left Japan, when the vehicles were the

responsibility on TMS. \* TMC reflected the proposal back to TMS that TMS itself

should make some improvements on the J1 initiative. INITIAL EFFORTS TO IMPROVE

QUALITY AT TMS \* In 1989 they established a formal program defining standards to

accessory installation processes and quality at ports of entry. \* Quarterly

audits provided feedback and encouragement. \* They allowed dealership managers

to improve goodwill warranty adjustments on their own. THE TMS CUSTOMER

SATISFACTION COMMITTEE \* The TMS customer satisfaction committee was established

to improve teamwork and communication between all departments by coordinating

the development of company-wide satisfaction activities. \* The mission of the

committee can be summarized in the following chain of events: 1. TO strengthen

the dealer network, all TMS, activities, and product quality. 2. TO become

number one in customer satisfaction, with millions of satisfied customers and

high brand image. 3. TO achieve and maintain sales and volume of 1.5 million

annually by retaining former customers and attaining new ones. THE COMMITTEE

STRUCTURE \* The committee structure is composed of the subcommittee chairmen,

Japan staff advisor, and a secretary. The structure is not permanent and the

committee maybe replaced if Toyota’s priorities change. \* The committee promotes

communication and continues to oversee the work of the subcommittees, the

cross-functional work really gets done in the subcommittees. \* The subcommittees

have became relatively powerful in this company, as far as getting work done

quickly. THE SUBCOMMITTEES \* Each major operational area at TMS is represented

in a subcommittee made up of members responsible for instituting improvements in

customer satisfaction. \* These subcommittees include sales and marketing, parts

and service, product quality, and Lexus. THE STRUCTURE OF SUBCOMMITTEES \* The

subcommittees provide a forum for cross-department communication among top-level

representatives from diverse operational departments and for coordinated actions

to improve customer satisfaction. \* Involvement of operational department is key

to success of the committee structure. \* Another key factor to success of the

committee structure is that each subcommittee is chaired by Toyota Vice

President execustives. \* Executive leaders of the subcommittees are responsible

for involving all affected departments in determining problems and developing

action plans related to customer satisfaction. Their involvement secures support

and commitment for programs that address customer satisfaction issues.

INFORMATION FLOW THROUGH SUBCOMMITTEES The subcommittees play a major role in

gathering, analyzing, reporting, and distributing actionable information that

can be passed on to the appropiate department. \* The subcommittee hears the

customer voice from a variety of sources: 1-800- calls, surveys, or externals

studies such as those of J.D. Powers. \* Customer relations department reads the

voice-of-customers and feeds the subcommittees through monthly reports,

newsletters, and other communications. \* The subcommittee reviews the

information and communicates it to the appropiate department for action. \* The

information is then feed back to executive managers for review. \* The committee

meets monthly and each subcommittee reports to the president on a quarterly

basis. SUBCOMMITTEE AUTHORITY AND RESPONSIBILITY \* Mission of each subcommittee

is narrowly defined to ensure they can function. \* The responsibility among the

departments is to achieve objectives not solely affected by an individual

department. This denies each department and workers the Luxury of being able to

send to problem on down to the next station and assume that somebody else will

fix it. \* They establish their own specific plans for improving customer

satisfaction, but they have no implementation power. There are no resources in

the committee to do anything other than evaluate voice-of-customer data, come up

with a conclusion, and then decide on a action of plan. REGIONAL/PRIVATE

DISTRIBUTOR CUSTOMER SATISFACTION COMMITTEE \* They are dedicated to solving

problems and setting standards at local levels. \* As top priority, they target

high-volume, low satisfaction dealers on a monthly basis and urge them to follow

specific customer satisfaction plan. \* Having these Regional/Private distributor

committees has helped the Region focus more on customer satisfaction issues

rather than customer relation issues.