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Inside Toyota's 'Cult': Car-Maker's Quality VP Tells Device-Makers How They Can Adopt 4-Pronged Quality Strategy

by [Shawn M. Schmitt](#)

Toyota Motor North America's Kristen Tabar told a roomful of medical device quality and regulatory professionals at a Case for Quality forum that they can infuse quality concepts into every nook and cranny of their firms by adopting the car-maker's quality strategy of reflection, education, celebration and planning. "I don't want to make it sound like it's sort of cult-y, but it's kind of cult-y," Tabar quipped.

Discovering product problems tickles Kristen Tabar pink.

"We love to find problems. Love it. We celebrate finding problems. We recognize and reward people for ... raising a problem up," she said.

But the sometimes troublesome products Tabar referred to aren't medical devices – they're automobiles. And the "we" she described is the company where Tabar serves as corporate quality VP, Toyota Motor North America.

For Toyota, finding a problem with one of its vehicles "is a thousand times – or infinitely – better than the customer finding it," she said. The car-maker is engaged in "year-round thinking about quality. We don't want quality to be something that we talk about or think about just once a year or twice a year."

Tabar's comments came at a June 27 US FDA/Medical Device Innovation Consortium (MDIC) [Case for Quality](#) open forum, during which she told members of the device industry how Toyota bounced back from a devastating recall situation nine years ago, and how it now prides itself on infusing quality concepts into every nook and cranny of its organization.

The Toyota Way is the springboard for the car-maker's quality strategy of reflection, education, celebration and planning.

At Toyota, "compliance is [the] bare minimum. We think about it, obviously, but it's not something that's the primary thinking," Tabar said. "If we had products going out, us or our competitors, that were noncompliant, the industry would just kind of crumble apart. So, the compliance kind of sets up that basic customer confidence that they're going to go buy any car anywhere, and it's not going to blow up or stop running or whatever. But the differentiator in the quality space is, how much you go above that kind of [baseline] compliance."

Tabar told the audience at the District Architecture Center in Washington, DC, that Toyota goes above and beyond compliance by using a quality strategy that's borne out of "The Toyota Way."

Built on the pillars of continuous improvement and respect for people, [The Toyota Way](#) is a 14-principle philosophy that aims to find the root causes of problems and add value by ensuring that company employees are fully developed, among other goals.

"We use The Toyota Way for almost every aspect of our business: Toyota Way of quality, Toyota Way of purchasing, Toyota Way of anything – it applies to every single function that we have, not just for manufacturing," Tabar explained.

"Not one thing" prevents manufacturers in other industries from implementing The Toyota Way in their own firms, she said.

Continuous improvement and respect for people "are not earth-shattering concepts, but executing them has to be diligently done every day at every level, and has to be recognized and rewarded when it happens. Otherwise that culture is not going to take hold," Tabar said. "But there's nothing preventing anybody from adopting this, other than not doing it by not walking the walk."

The Toyota Way is the springboard for the company's four-pronged quality strategy of reflection, education, celebration and planning.

Reflection

Toyota is always reflective, Tabar said. "We start with thinking about, what's the current condition? What's the recent past history? Where are we at, and what do we need to remember?"

Always in the back of the car-maker's mind are [three recalls it initiated](#) in late 2009 and early 2010 after floor mats began catching on gas pedals, causing unintended acceleration and at least one accident that caused the deaths of four people in San Diego. As a result, Toyota accepted a deal that called for US regulators to oversee the company for a full three years.

Toyota installed Quality Learning Centers at each of its facilities.

"The biggest thing we recognized [from the trio of recalls] is that we were ... a little too inward-looking. We weren't listening enough to what our customers were telling us. We weren't listening to their feedback to understand what they thought quality was, as opposed to how we had been defining it," Tabar said.

"So, it really taught us, and kind of allowed us to go back to that very basic, fundamental Toyota Way of respect for people and continuous improvement," she added. "We had maybe lost a little bit of that, and we recognized it through this crisis. And now, for the last nine years since that happened, the company has completely rededicated itself to every day remembering that and using that experience to improve our quality continuously."

Each February, as a way to remember hardships caused by the recalls and to further instill The Toyota Way in employees, the manufacturer dedicates a full day to quality-related events. This day was chosen to coincide with the yearly anniversary of Toyota's CEO testifying before the US Congress at the height of the floor mat/gas pedal recalls in February 2010.

"We'll have joint activities with speakers. We'll have quality circles at the plant where they look at a certain process and try to improve it," Tabar said. "Every person in the company on this day does some activity related to focusing on the customer and quality, and remembering just how big of an impact we had on our customers" because of the recalls.

Toyota has also installed Quality Learning Centers at each of its facilities, which is a room that includes displays, parts mockups, posters and simulated-driving machines – all in an effort to "bring awareness to some of the [quality] issues we've had in the field," Tabar said.

Education

To ensure that all workers are on the same page when it comes to quality, Toyota uses a philosophy of *Ji Kotei Kanketsu* – or JKK – which nudges employees to take pride in, and responsibility for, the work they do.

"JKK is our process for thinking about how to break down each work element, and how to again define inputs and outputs, and how to make sure that we're doing repeatable quality work and having good output," Tabar said.

"We train this practice in every aspect – not just manufacturing – to make sure that all of our team members have that common thinking way and common culture," she continued. That includes "thinking about the steps that have to be done for each and every task [and] making sure that each task or sub-task is defined – what's the input, what's the output?"

Toyota uses teambuilding exercises to drive home the JKK philosophy, including working on community service projects. For example, company employees have teamed up in the past to build bicycles for charity.

"We took that opportunity to relate [building bicycles] back to the [Toyota Production System](#) and built-in quality," Tabar said. "We made work instructions. We set up a mock assembly line. We broke the [assembly] steps down. It was kind of a fun way to get that quality thinking instilled in them."

Celebration

Each year Toyota dedicates an entire month to celebrate quality that includes slogans, weekly themes, contests and other quality-related activities.

Quality Month "is when we look at and try to find good examples across the company of having that kind of 'customer first' thinking," Tabar said. "It's an activity that each of our sites participates in – the manufacturing plants participate, R&D participates, headquarters participates."

And year-round the car-maker bestows deserving workers with a "Quality Catch," which Tabar said "celebrates and recognizes team members who find a quality problem that's not in their responsible area – for example, if a person three or four stations down the line is doing their work and they find something wrong. If they're able to spot it and catch it before it goes out, we recognize those activities, and then we kind of have a celebration."

That's also an opportunity to remind other workers that they should always be on the lookout for troubles, she noted.

Planning

The fourth and final plank of Toyota's quality strategy revolves around planning for the future, including the use of workshops.

"Quality, of course, stretches across every function in the organization, and so it is naturally [a]

cross-functional area," Tabar said. "We have planning workshops with functional leaders to identify the big common areas that we need to achieve as an organization from a quality perspective."

"I don't want to make it sound like it's sort of cult-y, but it's kind of cult-y," Kristen Tabar jokingly says of The Toyota Way.

Planning workshops are tracked and managed through the company's quarterly meetings with top-level executives.

Those meetings are "with our CQO [chief quality officer] and our top senior executives in each of the functions, where we talk about *Hoshin* items and strategic objectives that we've targeted for the year, and make sure that they're progressing," Tabar said.

Hoshin Kanri is a step-by-step planning process that assesses strategic objectives against daily management tasks and activities. *Hoshin's* premise is that satisfying the customer and staying in business means listening to the voice of the customer and the environment, and then and focusing on critical improvements. (Also see "['Lean' Process Efficiency Models](#)" - Medtech Insight, 1 Oct, 2008.)

Tabar pointed out that the quarterly meetings with executives provides "a chance to learn from each other and make sure that we're staying on target" when it comes to quality.

Pressure From All Sides

What happens, though, if an employee doesn't buy into Toyota's quality principles?

"Of course that happens. There are people who don't necessarily fully embrace The Toyota Way," Tabar said.

"But honestly, because the culture is so prevalent across the company, if you don't buy into [The Toyota Way] and you're a leader of people, you will have pressure from every direction," she said. "Meaning, your people under you will be putting pressure on you. Your peers who rely on you will be putting pressure on you. Certainly – most certainly – your supervisor will be putting pressure on you."

"Now, I don't want to make it sound like it's sort of cult-y, but it's kind of cult-y," Tabar quipped.

From the editors of The Gray Sheet