

ACP-OC Conference

Sept. 14, 2011



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“Extraordinary responses to unprecedented events”

Disaster

■ dis-as-ter

[dih-zas-ter, -zah-ster]

—*noun*

1. a calamitous event, esp. one occurring suddenly and causing great loss of life, damage, or hardship, as a flood, airplane crash, or business failure.



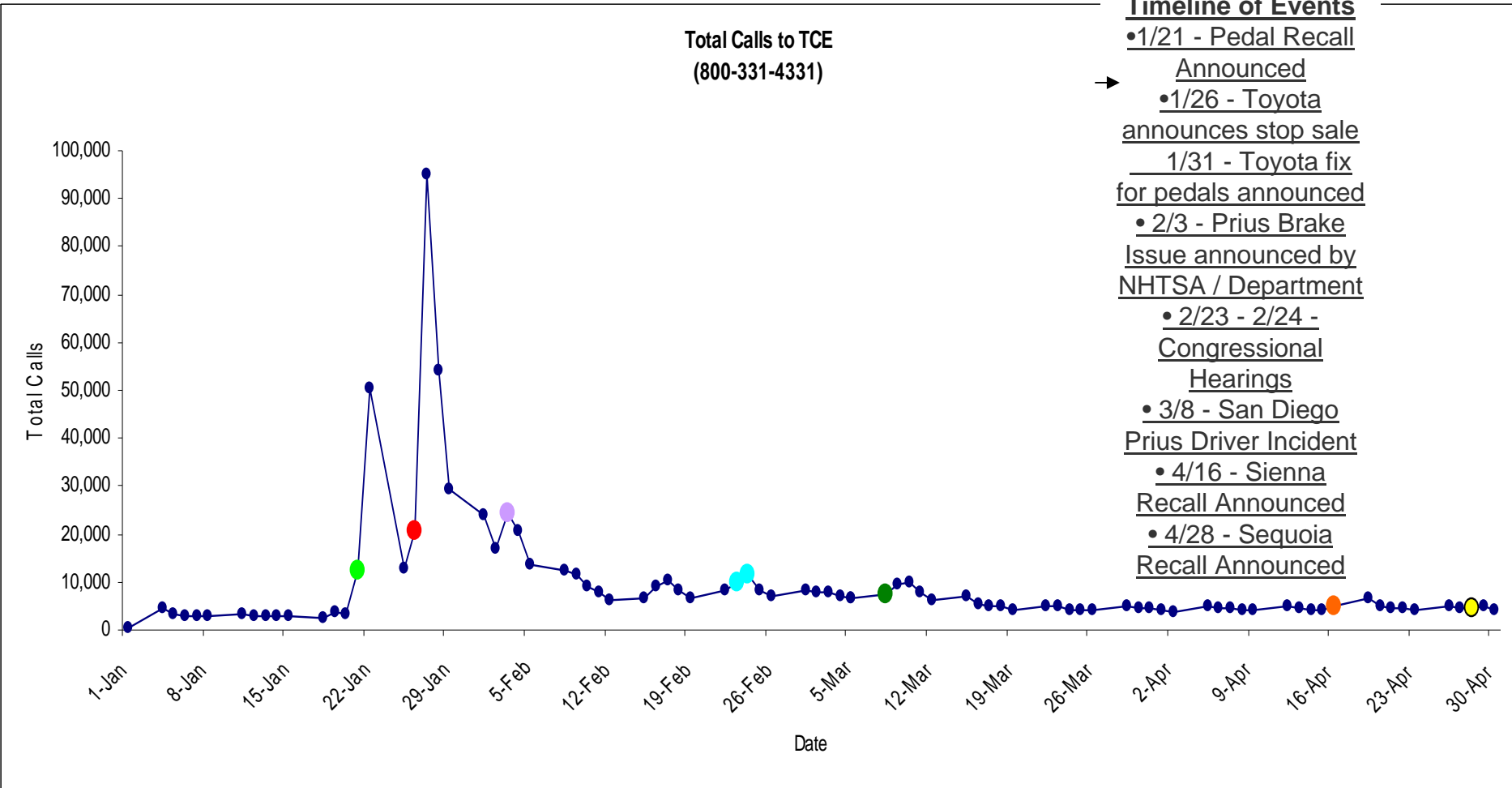
The impact of events – Toyota Early 2010

Timeline of Events

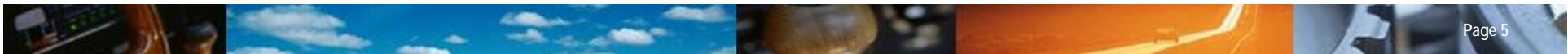
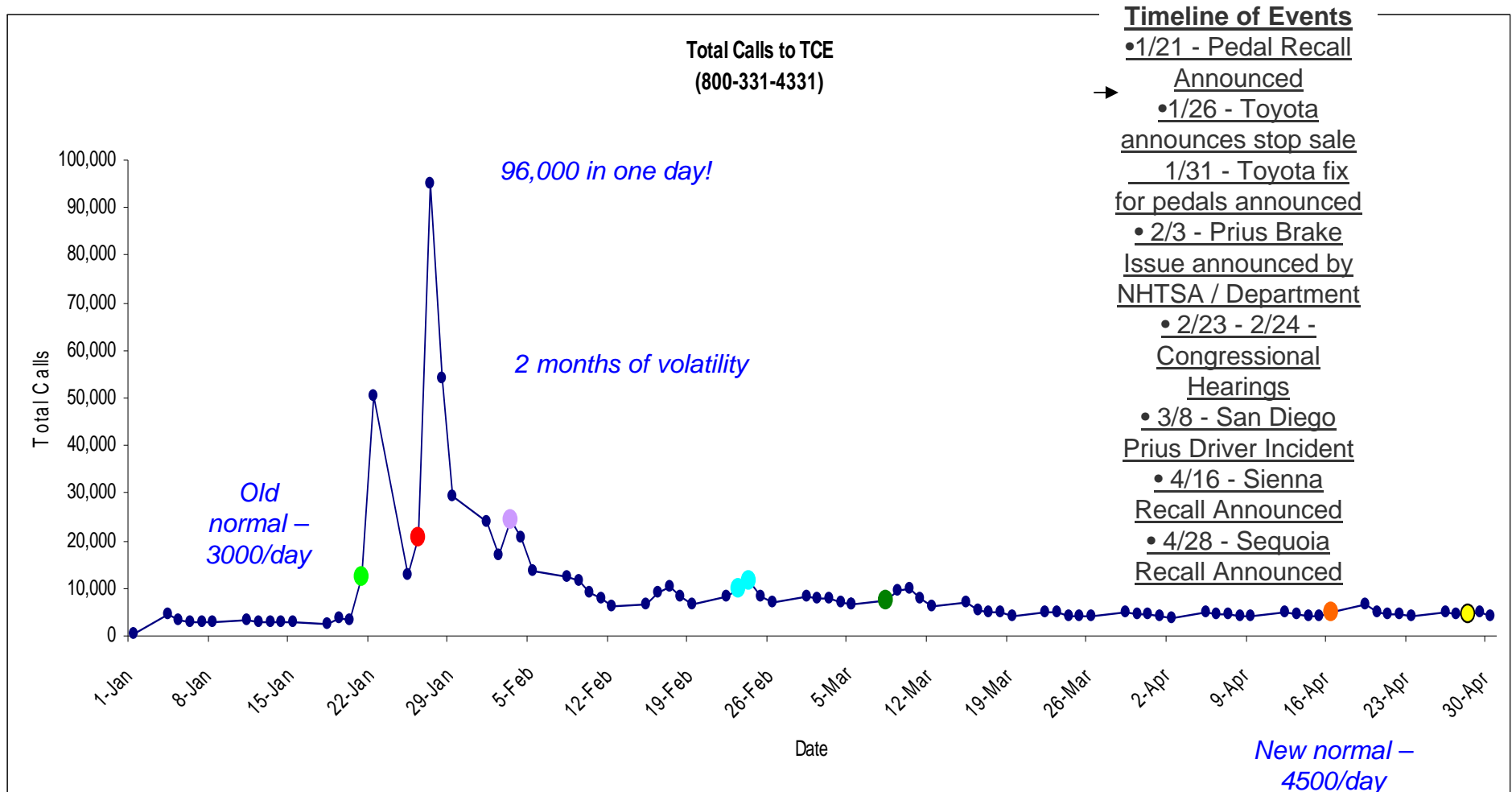
- 1/21 – “Sticky” Pedal Recall Announced
- 1/26 – Production Stop Sale announced
- 1/31 - Repair fix for pedals announced
- 2/3 - Prius Brake Issue announced by NHTSA /
Department of Transportation
- 2/23 - 2/24 - Congressional Hearings
- 3/8 - San Diego Prius Driver Incident
- 4/16 - Sienna Recall Announced
- 4/28 - Sequoia Recall Announced



The impact of events – Toyota’s Call Center in 2010



The impact of events – Toyota Call Center in 2010



Call Center Response

- **Bring 'em back** – Requested trained Call Center associate “alumni” to return temporarily
 - **33 Associates** jumped back on the lines to help!
- **Use Technology** – Moved from trunk lines to “cloud” and Implemented an informational voice recording alternative for customers to use to see whether their vehicle was involved
 - **50% of customers** choose this option – 40,000 daily at peak; still ~1000/day
- **Leverage our partnerships** – Requested Maritz (who normally takes calls for brochure fulfillment/ dealer locations) to provide customers information on recalls
 - **15 Maritz associates** helped offset initial calls
- **Use our experience** – Re-initiated contact with EPIQ (formerly Poorman Douglas) who assisted with “Oil Gel” and had offsite support operational within 24 hours of recall
 - **25 Associates** started on Day 1; 115 on board at peak
- **Explore New Frontiers** – Contracted with 3rd off-site vendor – PRC in Florida (also used by TFS) who had Siebel access to Customer Connection
 - Up to 1500 calls/day handled and documented in system



Life AFTER Recalls – our Next Frontiers!

■ ***Virtual Agents***

- Full and part-time agents working from home or other remote locations
- Requires routing support as well as culture shift!

■ ***Social Media***

- Increasingly important – requires outbound reach; advanced “skill set”

■ ***Self Service***

- **Over 60% of customers under 50 would choose this option if available!**

■ ***Voice of the Customer- true response and understanding!***

- Use of the comprehensive data available to make decisions on future direction



The Bottom Line.....*Awesome Associates!*



Postscript - “New Normal” Steady State & *Then...*

- **November, 2010** - Customer Service reaches “new normal”
- **December, 2010** - CY2011 plan takes advantage of “lessons learned”
- **February, 2011** - Nancy Fein moves to new position as VP, Vehicle Supply Chain Strategy
- **March, 2011** - Devastating earthquake and tsunami hit Japan, radiation meltdown at nuclear power plant., disrupting parts supply to virtually every Toyota manufacturing facility worldwide













The impact of the second crisis – Toyota 2011

Timeline of Events

Fri. 3/11 – Earthquake/tsunami hit Japan

Mon. 3/14 – Crisis Task Force formed*

3/14 – Daily communications meetings for NA Production/Sales and Japan Production begin*

3/14– NA Cross-functional management team (Production) mobilized*

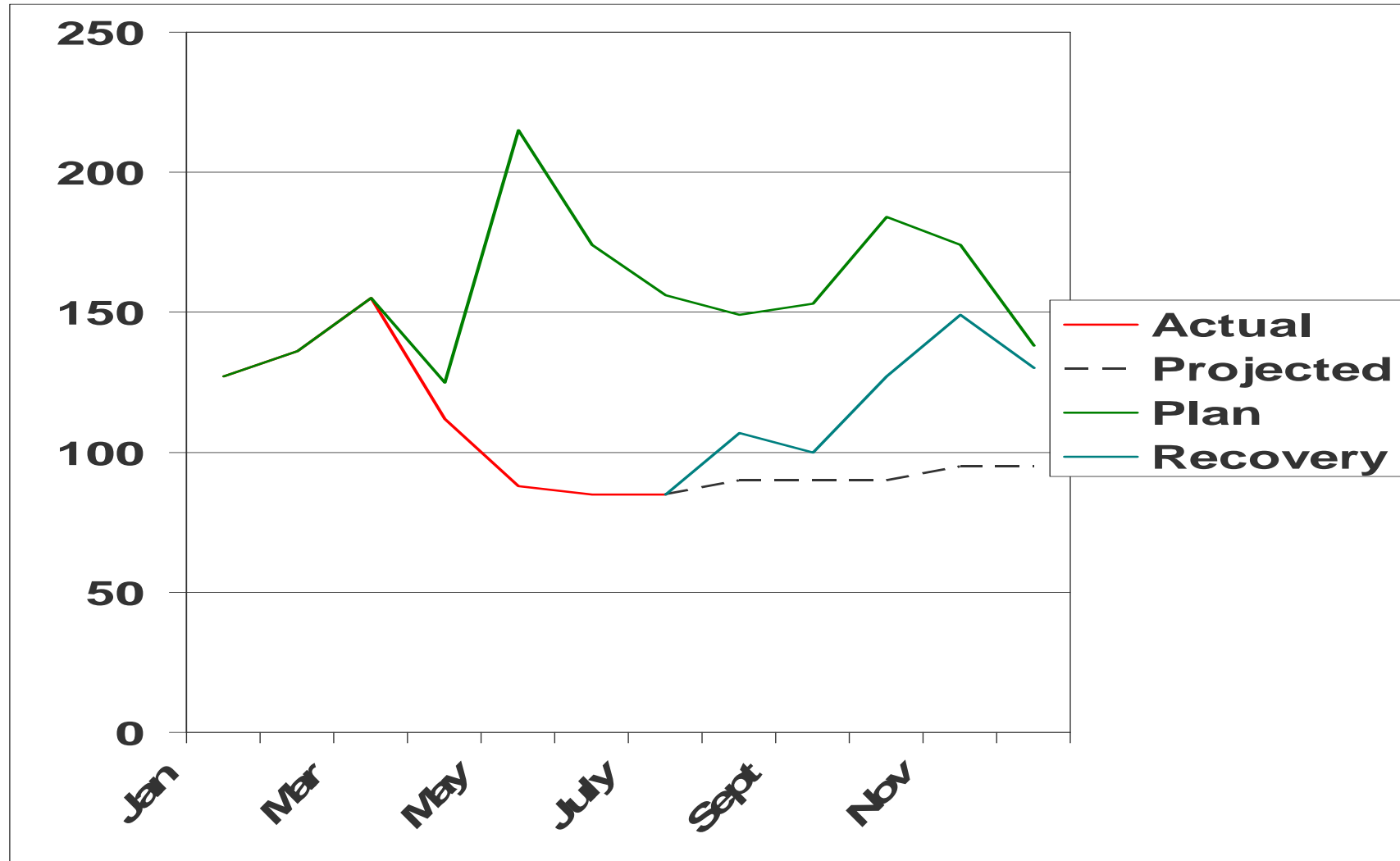
3/16 – Communications plan created for associates, dealers, suppliers and media*

3/21 – Additional “sub-teams” created to coordinate operational recovery within related departments

**directly from 2010 “lessons learned”*



The impact of events – Toyota US Vehicle Sales 2011



Supply Operations Response

- ***OVERCOMMUNICATE –Corporate HQ to mfg. plants, plants to suppliers and HQ to associates/media***
 - Situation changed hourly, requiring constant updating of action plans
- ***Keep all options on the table as long as possible***
 - Different vendors to supply parts, varying timelines for coming to full production levels and different allocation of scarce parts were all managed via visual wall charts
- ***Be transparent in evaluations***
 - Impact to manufacturing/production vs. impact to dealer supply vs. impact to financials



Questions?

