

Quality back on the agenda at Toyota but never off the agenda at Honda

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It is truly disturbing that Toyota, once the celebrated benchmark on high quality automobiles, especially for the more expensive Lexus brand, has now had to recall worldwide 8.5 million vehicles for quality problems. Honda, the largest motor manufacturer in the world by a large margin, maker of cars, motor cycles, outboard motors, lawn mowers, edge trimmers, generators, jet engines etc. ... in fact anything with a motor (Internal Combustion Engine), more often than not, has edged out Toyota in most quality measurements even when Toyota was at its peak.

Toyota has now announced that it will boost its technology centres in the USA from one to seven, to enable more scientists and engineers to interface with customers and enable greater checking of quality problems. What has happened to the voice of the customer?

Soichiro Honda was renowned for his detailed approach to manufacture. Even tolerances on drawings were not encouraged. Everything in the Honda factory had to be made to a target. No six sigma for him. Six sigma first made popular by Motorola in the mid 90's is really 4.5 sigma since it allows for a 1.5 Sigma shift in the target. This would be anathema to Soichiro Honda.

Toyota's brand image is tarnished so much that it may never be able to return to its pre recall level. Tatsuya Mizuno notes that the cost of this will be huge in image and dollars. It seems that many of the basic Deming's 14 points have been lost.

A senior executive of a dedicated Toyota supplier, who does not wish to be named, has said that when many of the senior managers in Toyota were replaced with younger ones over the last few years these new managers did not know who Dr Deming was. The old system of centralisation of quality control at Toyota has not worked.

Toyota is currently suspending production at its plants in France and Britain for at least 12 days because of much weaker demand in the wake of the global recalls.

The simple proven Honda approach is called the BP system. Best Position, Best Productivity, Best Product, Best Price, Best Partners. BP experts are taught at the shop floor to observe and measure and evaluate every activity first hand using the scientific method.

At Honda, at least 80% of the vehicle comes from first, second third and four tier suppliers. Honda built a supply base of partners who consistently deliver almost zero ppm defect quality. They do this through the execution of a well thought out corporate strategy. This is done through a single driver, the purchasing function. Honda always work assiduously with suppliers, developing them, not forcing them to drive down prices. There is a total understanding of Company mission and the Honda Philosophy. These are:

1. Be customer driven
2. Show respect for the individual
3. Teamwork with open space offices
4. Excellence in process and product
5. Focus on the long term
6. Assiduous attention to detail
7. Link process and product innovation.

The strategy for continued global success in the future is as follows:

1. Stay close to customers. They are the most important part of the process
2. Understand the needs and wants of the customer
3. Exceed the customer's expectations.

I have experienced the Honda experience from 1989 to the present since over that period I have owned and my company has owned eleven Hondas. This represents 1.1 Million km of trouble free use. The only potential fault was when I was advised by Honda, that after my Honda Legend had reached 120,000km and out of warranty, it needed the control unit to be replaced. Having owned a Rover 3.5 Litre V8 which at 90,000km had the control unit fail and I lost power steering, and power brakes around Victoria pass at 11 pm whilst returning from a client I was concerned. The Rover control unit cost \$2500 to replace in 1985. The Honda control unit was replaced free of charge. It is no wonder to me that Top Gear readers rank the Honda S2000 as the world's best car and the Honda Jazz as the second best. Of all the clients I have consulted to, only Panasonic and Canon approach this level of excellence.