Business Continuity Management at Toyota

Background of Business Continuity Management (BCM) at Toyota

Even though Toyota was not directly affected by the large-scale disasters such as the Great East Japan Earthquake and the Thailand floods, it was temporarily unable to fulfill its mission of continuing to deliver always better cars and services to its customers. Furthermore, Toyota Group’s main functions are concentrated in areas that are likely to be hit by a Nankai Trough earthquake and the risk that Toyota would suffer significant damage in that event is rising. Damage to Toyota and various Group companies could severely impact production and other activities. Given this scenario, it is essential to ensure that Toyota itself would suffer and to make preparations to enable early recovery with limited resources. For all these reasons, Toyota is reassessing its business continuity plan (BCP).

The major premise of Toyota’s BCP is to work on recovery after disaster in the following priority order:

1. Humanitarian aid and lifesaving first relief
2. Early recovery of the affected areas
3. Restoration of Toyota’s operations and production

Immediately following the Great East Japan Earthquake, Toyota sent 60 employees and a total of 360 employees to its production sites in the disaster-affected areas, where they engaged in various activities such as restoring facilities and distributing disaster-relief supplies. Employee volunteers of Toyota Group and Toyota-related companies are continuing to assist with restoration efforts for the people in the areas hardest hit by the disaster.

In 2011 and 2012, a total of 360 employees from 15 Toyota and Toyota-related companies implemented activities such as wreckage removal in the Kesen region of Iwate Prefecture. These activities are continuing this year as well.

In addition to this type of human support, Toyota also provided material support. Eighty-seven 11-ton trucks filled with relief supplies from the Toyota Group and Toyota-related companies were gathered at two local production sites and distributed. Because several communication infrastructures made it impossible to assess the situation in the disaster-affected sites from a distance, employees from the individual sites traveled to the disaster-affected sites along the coast to assess needs first-hand, then delivered the needed relief supplies (such as food, daily necessities, water and fuel) on their own.

Learning from such experiences, Toyota has prepared a nationwide framework for sending relief supplies to disaster-affected areas that utilizes the warehouses and logistics network of its parts distributors throughout Japan. In addition to stocking emergency supplies at the 36 parts distributors nationwide for use by their employees, Toyota has built a framework for sending such relief supplies to parts distributors in disaster-affected sites. Toyota is aiming to achieve fast and reliable support of disaster-affected areas, and is reassessing its existing disaster-preparedness plan. Toyota plans to expand its activity scope to achieve the following three objectives: (1) Recovery from the customer’s viewpoint, (2) Preparedness during normal times to enable autonomous recovery, and (3) Involvement of the entire supply chain including “All Toyota” and all suppliers.

To enable recovery from the customer’s viewpoint, Toyota has defined production resumption goals for high-priority vehicle models and strives to be prepared at all times, in order to minimize impact on customers. To maintain preparedness during normal times, Toyota aims to fortify its production facilities while making them easy to repair should they be damaged. Finally, the supply chain required for purchasing the extremely large number of parts and materials utilized in car manufacturing has become a huge network and restoring production means restoring the entire supply chain. Thus, Toyota shares its restoration activities with its entire supply chain in order to achieve the quickest possible recovery in the event of a disaster.

To that end, Toyota has made it possible to install two electrical outlets (AC 100 V, 1,500 W) inside the Prius and the Prius PHV. Moreover, Toyota installed connectors in the Prius PHV that allow power to be supplied to the outside even with the vehicle doors and windows closed.

Collaboration with Disaster-affected Regions

On December 13, 2012, Miyagi Prefecture, Ohira Village, Toyota Motor Corporation (TMC), and Toyota Motor East Japan signed a cooperative disaster-relief agreement designed to help build a disaster-resistant community through the utilization of plant facilities.

Overview of the Cooperative Disaster Relief Agreement

- Saving lives in the immediate disaster aftermath
- Providing temporary evacuation shelters
- Providing food, water, daily necessities, and vehicles
- Providing storage locations for relief supplies
- Providing cooking facilities
- Providing information boards
- Shelters, (Toyota East Japan Technical Training Center)

From the Miyagi Prefectural Government

I would like to express our heartfelt appreciation to Toyota as a company that has demonstrated its firm commitment to providing humanitarian support toward our recovery efforts following the Great East Japan Earthquake. The agreement we have just signed with TMC and Toyota Motor East Japan recognizes a new approach to cooperative disaster relief that is targeted toward helping the community recover after a disaster, as well as making available company plants or temporary evacuations shelters. I believe the cooperative approach would work well as a model for all of Japan. We hope to continue to expand our ties with Toyota, and to drive forward our ability to withstand disasters.

To ensure that Toyota will be able to continue delivering always better cars and services to customers all over the world even when affected by a disaster that limits its resources, Toyota is reassessing its existing disaster-preparedness plan. Toyota plans to expand its activity scope to achieve the following three objectives: (1) Recovery from the customer’s viewpoint, (2) Preparedness during normal times to enable autonomous recovery, and (3) Involvement of the entire supply chain including “All Toyota” and all suppliers.

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Vehicles that Excel and Prove Useful in Disasters

After experiencing the Great East Japan Earthquake, Toyota worked to address the issue of “energy, information and transport network fragmentation” when disasters occur, and developed hybrid and plug-in hybrid vehicles installed with external power supply systems. In addition to providing good fuel efficiency and environmental performance during normal times, during disasters, these cars can be driven as a gasoline or electricity, and also have a power supply function that allows electricity to be drawn from the automobile.

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Early Recovery of the Affected Areas

From the Miyagi Prefectural Government

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