

A shared vision

Toyota Material Handling is this year sealing its long association with the Best Factory Awards. Managing director Mike Mathias tells Brian Wall why his organisation has stepped up its involvement

Toyota Material Handling UK has a long-standing relationship with the Best Factory Awards and is a firm believer in the many positives they have to offer to industry as a whole. In the past, it has sponsored categories, such as the Supply Chain Award, which it presented to Plexus Corp in 2008. For 2010, however, Toyota is going the extra mile: by taking on the role of lead sponsor, giving its name to the award for overall best factory.

Ultimately, the Toyota Material Handling Factory of the Year will be selected by Cranfield School of Management – which runs the awards jointly with *Works Management* – from the winners of all categories. That title is an honour that is keenly sought after each year and there's no doubt this year is going to be no less hotly contested.

Demonstrating commitment

Why exactly has Toyota decided to become overall sponsor, though? "We want to demonstrate our commitment to UK manufacturing and are of the belief that excellence comes from striving to improve every area of an operation – it cannot simply come from one area in isolation," states Mike Mathias, Toyota Material Handling's managing director (pictured).

"Also, becoming the overall sponsor of such a high-profile

event, as the awards now are, is a clear demonstration of the continuing respect we have for the manufacturing base of the UK and the people that drive it forwards."

Toyota Material Handling is, of course, a company with a powerful reputation for its own dedication and commitment to attaining the highest goals and standards as a key player in that manufacturing community. Moreover, it is a part of Toyota Industries Corporation (TICO), one of the most respected companies globally, operating in four business sectors – automotive, materials handling, textile machinery and electronics – and employing 39,500 people, generating sales in excess of €11 billion. TICO also regularly ranks in *Fortune* magazine's annual listing and has held the position of world's number one material handling supplier consecutively since 2001.

Global it may be, but this is a company that believes it is only by acting locally that it can serve its customer base in the right manner. Thus a comprehensive range of counterbalance forklifts, warehouse equipment and supporting services are supplied throughout the UK direct from Toyota Material Handling and supplemented by a dedicated, strategically positioned dealer network, all driven by a commitment to innovation and continuous improvement (kaizen) for which Toyota has become a byword.

"These [innovation and continuous improvement] are also key factors for any business seeking to become the 2010 Toyota Material Handling Factory of the Year," Mathias points out. "Nor does it matter what the size of the company is. It's much more about the processes and methodology, and how they've adapted to suit their particular markets. There are some fantastic small industries across the UK that would fit the bill."

Recognised expert

To Toyota, the Best Factory Awards distinguish themselves on many levels. First, there is the association with Cranfield. "Cranfield is a recognised expert, with an excellent pedigree and background," says Mathias, "that provides a genuine and objective evaluation of each and every entry. And they go to the source during the decision-making process. Judges visit all of the finalists to see their operations in action, giving tangible evidence of the improvements that have been made, operating to the highest standards and quality. We recognise the value of that and want to be associated with it. It is only fitting that we take part."

Mathias also cites the way in which the awards are open to such a wide range of businesses, both large and small, "reflective of our customer base. They also uncover some of the most exciting developments, which are not limited to the bigger companies".

What exactly has Toyota gained from previous sponsorship? "A

Customer re-focus

A key aspect of Toyota Material Handling UK's ongoing strategy is a re-focus on customer needs to ensure it remains their strongest partner, nurturing and developing the relationship. Traditionally, most companies will lead with their new product offering. However, in the current climate, that's not always the best option for the customer.

"We wanted to ensure that our sales team started by trying to understand exactly what the customer needed at this point in time and to take them forwards," says Mike Mathias, Toyota Material Handling's managing director. "Our team then leverages the full range of our offering to reach the best solution. This might simply be extending existing rental or service contracts, or looking at mixed fleet options with pre-owned equipment."

The company prepares its pre-owned equipment at specialist centres in the UK, so it is able to offer a choice of finish levels to match the customer's operation and budget. "We are also in the position to offer our own finance packages to help businesses protect their cash flow," adds Mathias, "whilst still being able to access quality equipment."

closer understanding of the needs and challenges of the manufacturing sector," he responds. "It has helped to shape our approach over the last year and for the future. Also, by being a part of the awards, that has allowed us to recognise and share in the success of some of the most effective and innovative supply chains in industry, securing contact with users and prospective users.

"For example, Plexus Corp showed huge commitment to kaizen and lean initiatives, not as an end in themselves, but because they had a clear vision of how they added value for their customers. That demonstrates an understanding of the true meaning of kaizen – namely, change for the better."

Mathias also sees how quality awards attract organisations of quality, pushing the boundaries of manufacturing in the UK. "They all exhibit this continuous commitment to improvement, in the knowledge that they must always be leaner and more innovative, in all areas of their operations."

And this is something that Toyota's vision and values reflect, through its own belief and commitment to kaizen, which lies at the very heart of Toyota and is delivered through its product and service offering.

What the awards also promote and encourage are equally of fundamental importance to Toyota – such as "safer, more productive, more environmentally aware products and production processes," adds Mathias. "We also strive to ensure that we have closer partnership with our customers, in order to understand what really matters in their operations, and to support this with the right solutions and advice to help reduce costs."

For Toyota – and for manufacturing in general – the way forward is to "keep listening to our customers", he comments. "It is important to recognise that being the biggest or best today counts for little tomorrow – improvement must be constant." And that he sees as one of the great strengths of the Best Factory Awards as well.

How does he see the outlook for UK manufacturing in the near future? "After having had a reduced market for some time now, there has been no sudden upswing, except perhaps for some positive development through the government scrappage scheme in automotive. Other than that, I would hope that the market has more or less bottomed out, although it will be some time before there is any return to the heady volumes of past years. It will be at least 12 months before we see a sustained recovery here, but the same is true for western Europe in general."

He is saddened by how the downturn has battered some areas of

the UK economy and the impact that has had on the supply chain. "Some of those suppliers are still functioning and have moved elsewhere, but others have disappeared. There is also the continuing loss of manufacturing to low-cost economies, none of which helps."

But although we have lost some key players, he anticipates others emerging that will be stronger and more focused on their markets and customers. "Then, hopefully, the industry will be well placed to bounce back."

One thing that troubles him is the banks' continuing reluctance to make funds more readily available to manufacturers, particularly those smaller organisations that are struggling. He would like to see this change and for the government to support the industry with more grant aid, even though he acknowledges the strides forward it has made in that regard.

"Also in the UK, we stick rigidly to EU rules, as we should, in terms of health and safety and process, but that isn't always true in many other parts of the world,

unfortunately. So we have

an in-built situation where we become less

competitive, because we perform to a higher standard and there is often a cost to that as well."

Still, Mathias is a firm believer that UK manufacturing will rebound in time and that many of the disadvantages under which it labours be gradually overcome. "We have a sound base and many excellent companies here. That will win through in the end." ■



TOYOTA

MATERIAL HANDLING
stronger together

Toyota Material Handling UK

T: 0870 850 1409

www.toyota-forklifts.co.uk