

Toyota Drives Change with Supplier Diversity Program

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Cultivating a truly diverse company where there's a fundamental respect for all people requires inclusion at every level and at every step of its operations.

A key part of the automaker's success is developing strong business partnerships that reflect and uphold its standards. A sweet spot for some of Toyota's best partnerships is working with businesses that mirror the diversity of Toyota employees, dealerships and customers, as well as the communities Toyota serves. That's why fostering diversity and inclusion within the supplier network is a major priority.

"In true diversity, if everybody looked like me, talked like me, and thought like me – we'd be a pretty boring company with boring vehicles," says Stephanie Burton, a manager of Toyota's Purchasing Supplier Development's Supplier Diversity team, based in Saline, Michigan. "Having that diverse supply base gives us all the ideas of what our consumers want."

Finding new ways to fuel innovation means bringing more people with different experiences into the room.

"One thing that our supplier partners do is propose engineering changes and ideas for our vehicles. So, we want that diversity of thought," Burton says. "We want to have different types of suppliers who are innovative and can challenge the status quo. Everybody brings something unique to the table, and it's vital that we have that diversity if we are to continue on the journey of mobility for all."

Driving Mutual Benefits

Diverse-owned suppliers represent a significant number of Toyota's business partnerships. In fact, it spends more than \$3 billion with certified diverse-owned businesses, annually. Throughout the years, the company has teamed up with numerous Black business owners. For Joe Lewis, business development manager at Blue Springs Metal in Blue Springs, Mississippi, and Georgetown Metal Processing in Georgetown, Kentucky, partnering with Toyota has been mutually beneficial.



Joe Lewis, business development manager at Blue Springs Metal and Georgetown Metal Processing

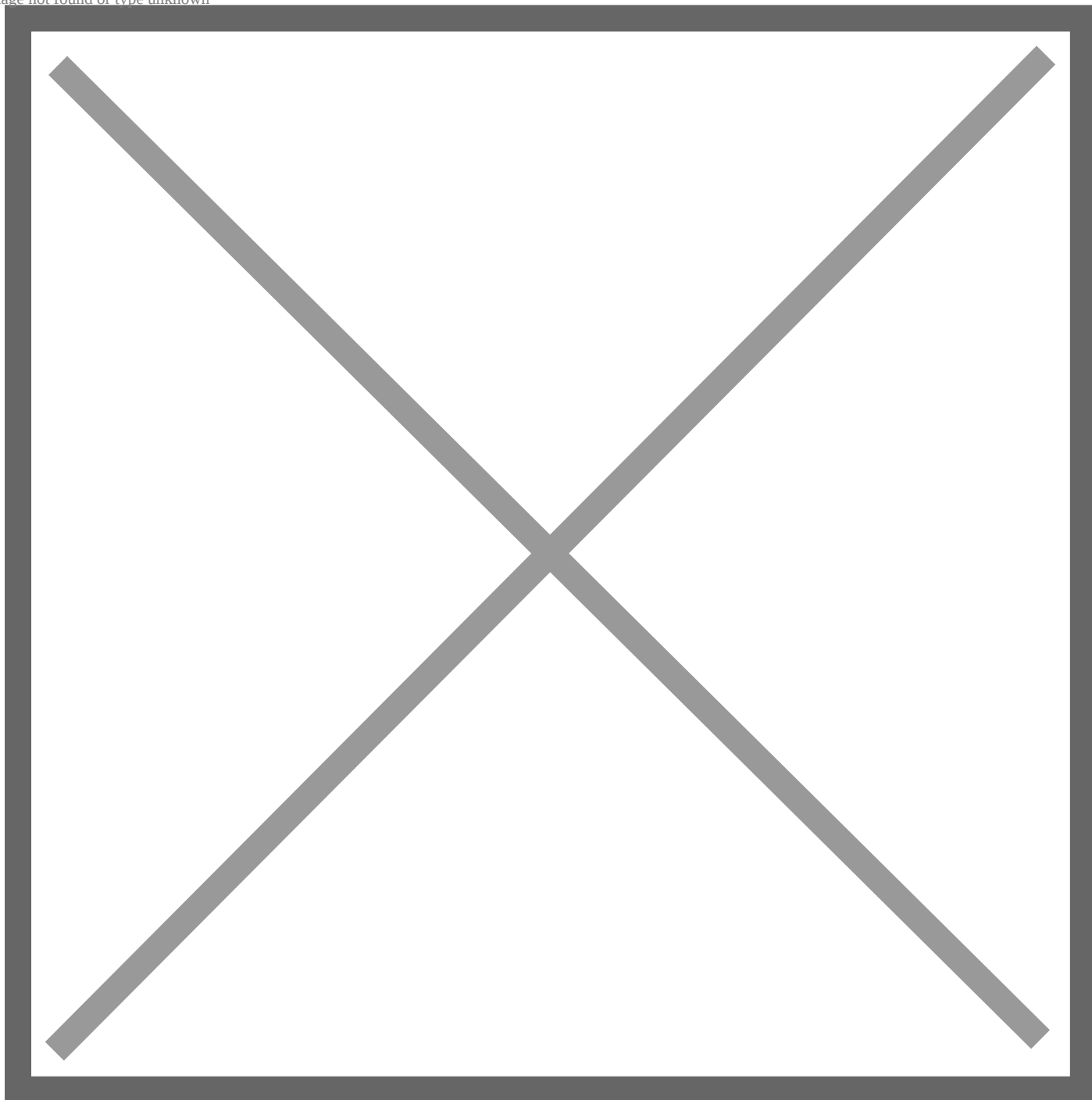
“Over the years, we’ve developed a strong relationship with the Toyota stamping departments,” says Lewis. “During our first major model change at [Toyota Motor Manufacturing, Mississippi], Toyota – as well as our teams – needed to develop fully transparent ways of exchanging information across companies. We [worked closely] together and with seamless support. Many of these practices we still hold today, and they continue to provide greater creative input, increased trust, and enhanced stakeholder relationships.”

Blue Springs Metals and Georgetown Metal Processing has worked with Toyota as a Tier 1 supplier since 2013, and this kind of close operation is what Toyota strives toward when securing and cultivating long-lasting supplier relationships.

Diversity Vuteq, a company headquartered in Mississippi that provides plastic parts for the Toyota Corolla, Sienna and Highlander, is a testament to attaining longevity. The company has been a Tier 1 supplier to Toyota for more than a decade. During the beginning of the COVID-19 pandemic last year, the company credited the Toyota Way in helping to enhance its reaction to the current market and environment.

“Our company operates in several regions, each with different levels of exposure to COVID-19,” recalls Lawrence Crawford Jr., Diversity Vuteq’s executive director. “We addressed issues such as lack of PPE, childcare, and transportation in the first few days of the pandemic. Toyota’s weekly online supplier meetings kept us informed about the status of the shutdown nationwide and [provided us with best practices].”

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Lawrence Crawford Jr., executive director at Diversity Vuteq

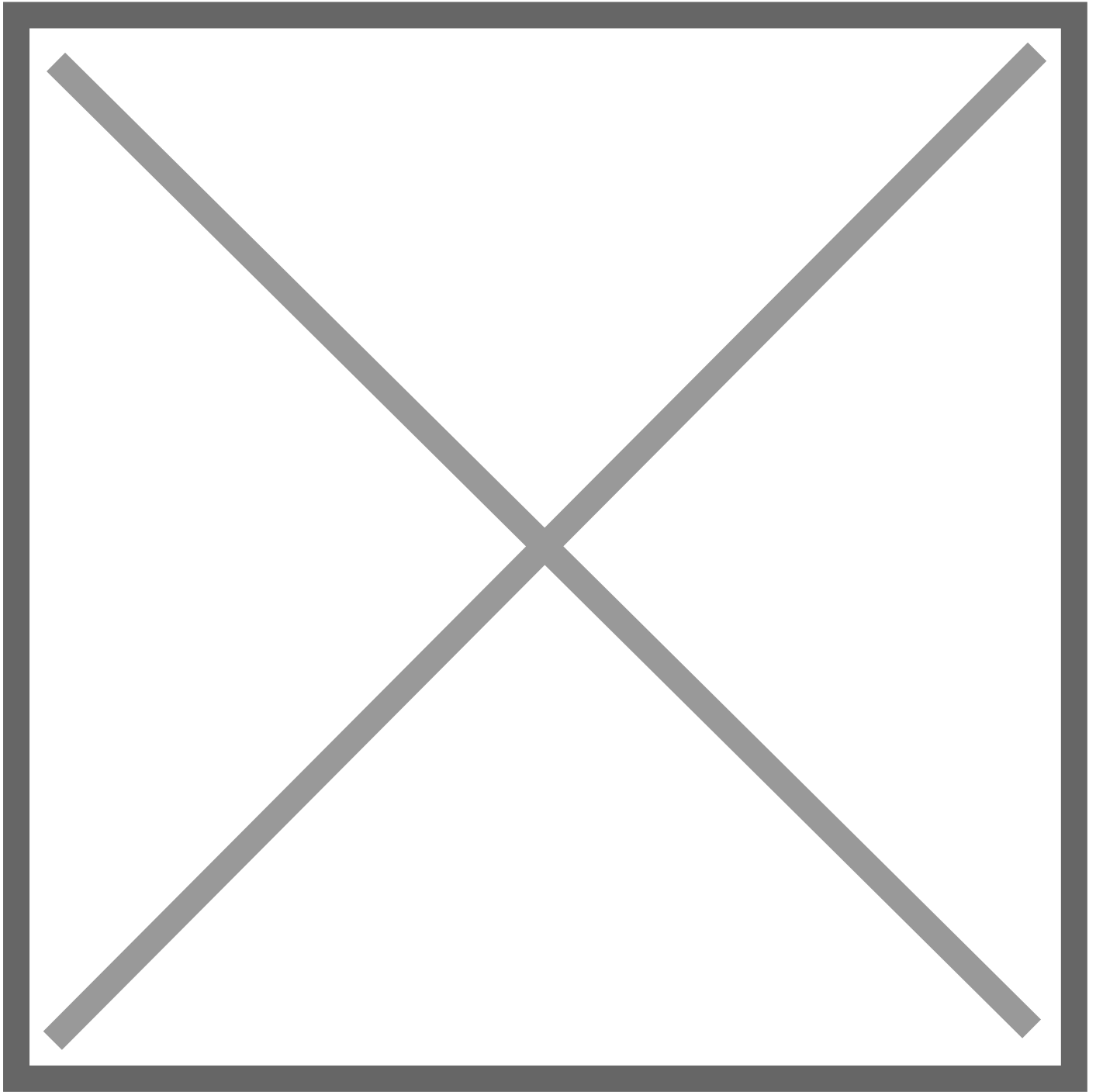
Opening Virtual Doors

Although the pandemic has posed unimaginable challenges, it has also presented untapped opportunities for communication and collaboration across the company, especially within the supplier diversity network.

For example, Toyota has had an ongoing mentoring program with one of its Tier 1 suppliers of automotive seating, Adient, that has recently expanded thanks to the adoption of virtual platforms. Burton says the 18-month

program, called the Driving Impact Business Module, used to be based out of Michigan, making it difficult for some companies to participate due to travel. Now, the program is virtual.

“I now have corporations from South Carolina, New York, and another from Texas,” says Burton. “We’ve been able to open our mentoring program to more companies that would not have had the budget to travel once a month to this program. But now they can be a part of it. The team’s collaboration has opened us up for that, and we’re just able to help assist, and even learn from other people, as a result of this virtual environment.”

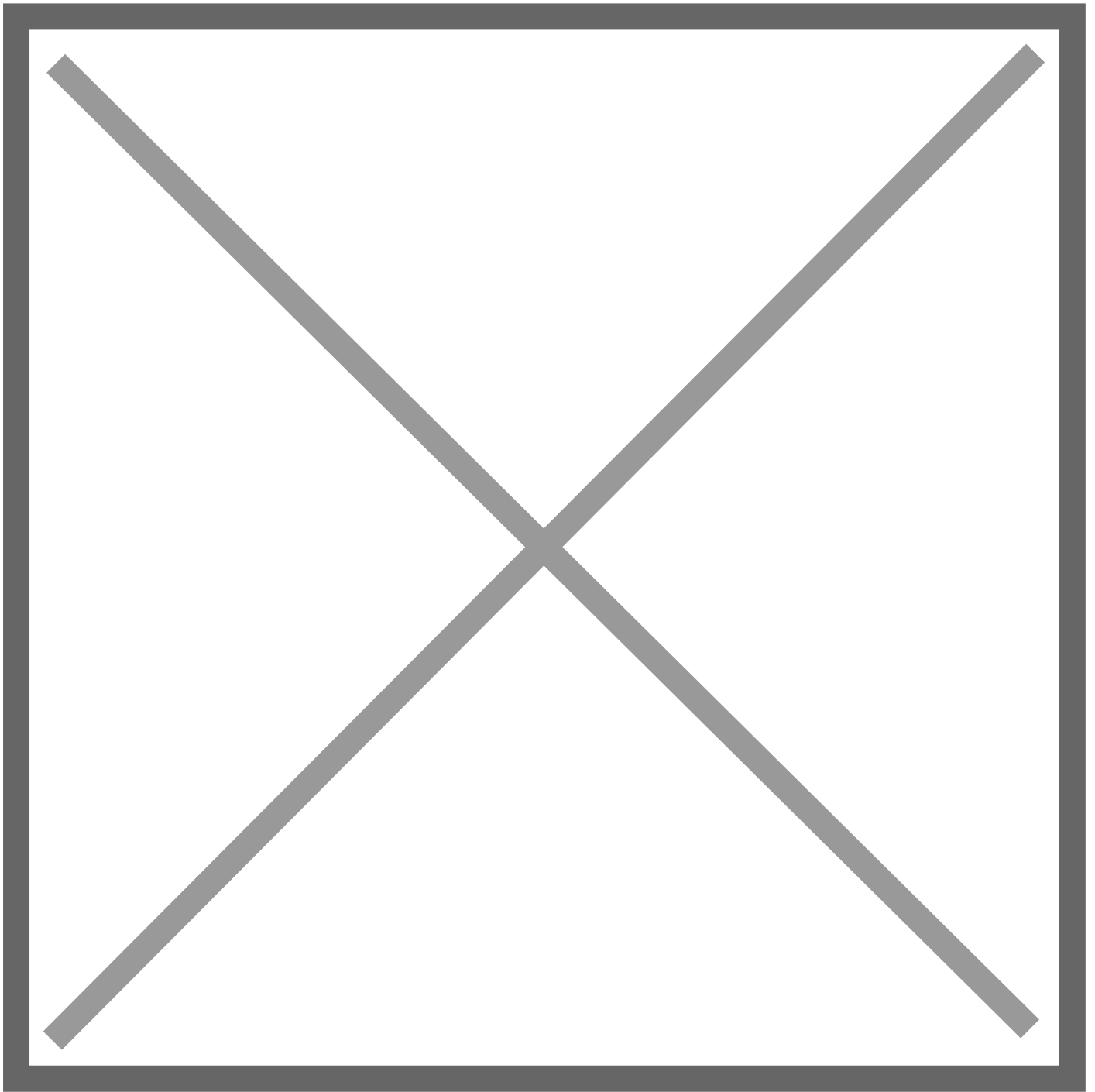


Stephanie Burton, a manager of Toyota’s Purchasing Supplier Development’s Supplier Diversity team

Teaming Up to Optimize

The virtual opportunities don't end there. This August, Toyota is hosting a first-ever virtual supplier diversity tradeshow with the Automotive Industry Group — one of the industry groups that belongs to the National Minority Supplier Development Council (NMSDC) and one which includes the automaker's competitors. Chuck Hendrix, senior manager of Purchasing Supplier Development's Supplier Diversity team, says the one-day event is collaborative and convenient for participants to share best practices on increasing diversity within their respective communities.

“Supplier diversity is one of those areas where we really don't compete with one another,” says Hendrix. “When it comes to supplier diversity, we all have the same initiative in place about wanting to increase partnerships with diverse businesses.”



Chuck Hendrix, senior manager of Purchasing Supplier Development's Supplier Diversity team

The company will also host its annual Toyota Opportunity Exchange event in October — changing the format to virtual for this year. For 30 years, the company has facilitated this development conference to provide certified diverse-owned companies access to Toyota's Tier I Suppliers. More importantly, this event assists those Tier I Suppliers in meeting their diverse spend targets.

Events like this help drive Toyota's commitment to continuous improvement. Toyota considers supplier diversity and collaboration fundamental to its success. And, since building relationships with diverse suppliers is

the ultimate goal, the automaker is committed to lifting up these businesses.

“We cannot do business with every certified diverse company, but that doesn’t mean that we can’t assist them in potential doing business at the Tier II level or helping them with their overall development,” says Burton.

“Whether it be through mentoring programs, through being a part of a panel that a diverse council has or inviting them to our Opportunity Exchange to give them a platform to talk with our Tier 1 suppliers. Respect for people really does lay the foundation for everything we do in supplier diversity.”

