

Diversity + Inclusion Best Practices Case Study

Toyota Motor North America:
Supplier Diversity

TOYOTA

About Toyota Motor North America

Headquartered in Plano, Texas, Toyota Motor North America (TMNA) operates ten manufacturing plants throughout the U.S. where over 1 million vehicles are assembled each year. Their corporate vision of “limitless possibilities for all” is woven into initiatives around physical, social, and socio-economic mobility and influences their commitment to social justice and cultural diversity.

Among a host of accolades and commendations, Toyota Motor North America has been recognized by Diversity Inc as a Top 50 diversity leader in each of the last 13 years, and was named a Top 10 diversity leader for 2020 and the top-ranked manufacturer. They are also a member of the Billion Dollar Round table, a collection of corporations that have invested at least one billion dollars with minority and woman-owned suppliers. Toyota is also a Top Corporation for Women’s Business Enterprises by The Women’s Business Enterprise National Council (WBENC). Toyota was also named Corporation of the Year by the National Minority Supplier Development Council for 2020.

Program Summary

At Toyota Motor North America, there is an emphasis on supporting under served communities; and company leadership has sought to develop both short-term and long-term strategies for addressing the uneven outcomes and structural disparities facing many Americans.

Among a host of efforts that focus on long-term, structural change, TMNA’s Supplier Diversity program has been designed to “generate business opportunities that position diverse entrepreneurs for economic sustainability.” For decades, Toyota has focused on developing a robust and diverse supplier base with a series of processes that include support for professional development, resources for building capacity, and a host of networking activities that allow underrepresented and minority business owners the opportunity to develop business relationships with other companies.

TMNA offers a wide variety of supplier resources to help diverse suppliers establish themselves in the marketplace

Tags



Supplier Diversity

Launch Time



N/A

Location



Nationwide

Budget



N/A

Complexity



2 out of 3 light bulbs

“Supplier diversity is a critical part of economic inclusion and development for communities. It fuels innovation and helps reflect the diversity of our team members, suppliers, dealer partners, customers and the communities we serve.”

- Tetsuo “Ted” Ogawa, President and CEO, Toyota Motor North America

and fulfill their potential, including technical and managerial assistance, site visits and mentoring programs, scholarships, education and professional development, advocacy, and supplier development events. At the heart of their decades-long commitment to supplier diversity is the Toyota Opportunity Exchange event. Celebrating its 30th year, what began as a small conference for Toyota to connect with diverse suppliers has grown into a multi-faceted exploration of innovation, mentorship, networking, recruitment, and a championing of diversity at all levels of the supply chain. Opportunity Exchange not only connect Toyota with diverse suppliers, but utilizes the event as a strategic initiative to also connect Tier I suppliers directly to Tier II suppliers to better achieve diversity goals throughout the supply chain.

Program Impact

Support for diversity initiatives is nothing new to Toyota Motor North America, which launched a Diversity Advisory Board nearly 20 years ago. The Diversity Advisory Board is comprised of external thought leaders that work to advise, create accountabilities and be public advocates for diversity. They have a company-wide commitment for their company and supplier base to reflect the diversity of their customer and team members. This commitment to a culture of diversity from the executive-level on down is evidenced by a host of promotions, programs, activities, Business Resource Groups, and support structures.

Each year, Toyota spends more than \$3 billion with certified minority and women-owned businesses, the Toyota Mentorship Program (TMP) for Small and Diverse Businesses assists in providing technical expertise and skills to help smaller companies grow and remain competitive across a variety of industries. Toyota's Driving Impact Business Module, a mentoring component run by Toyota and Adient LLC — one of its Tier I suppliers — helps corporations to strengthen their supplier diversity programs, as well as mentor diverse companies as they strengthen their businesses. Of the 35 companies that have participated in this mentorship program, 62% have been owned by women.

Steps for Implementation

1. Partner with organizations that can help you identify and recruit diverse suppliers. Be open to establishing relationships with smaller suppliers. Your support and partnership could be the break they need to grow their business and meet their potential.
2. Facilitate connections between your suppliers. Helping suppliers to grow their networks will allow you to discover other networking opportunities for your company.
3. Reach out to other organizations in your industry or in adjacent industries to expand your awareness of diverse business owners and entrepreneurs.

Best Practices

- When starting any initiative around diversity and inclusion, make sure to start at the top with your executives and senior-level staff. Spend any amount of time necessary to work through goals and address obstacles. This should be built into the strategic plan itself. Once leadership and senior-level staff are bought in, the momentum will carry the program forward.
- Keep your message simple. If the message is overly complicated, it can be difficult to reinforce that message at all levels of the organization. A simple message allows for more direct buy-in and will inspire people to own that message for themselves and want to participate in expanding the message into the community.
- Diversity initiatives should entail more than just a single program or an individual metric. Talk to employees and learn from their experiences. Challenge leadership to continually think of new ways to bring a culture of diversity and inclusion into practice in as many ways as possible.

