

The Five Pillars of Prosperity

Toyota Material Handling is positioning itself to be the number-one supplier for European customers across the industry. A new strategy defines ambitious aims for customer satisfaction using five tactical pillars.

Images courtesy of Toyota Material Handling

Service and customer satisfaction are the key focuses for Toyota Material Handling Europe as it strives to continue its evolution in the competitive European market. With a presence in more than 30 European countries, a turnover of approximately €1.7 billion, and around 8,300 employees, Toyota Material Handling Europe is ready to hit the accelerator.

An ambitious expansion strategy, based on five tactical pillars, is the new main driving force for Toyota Material Handling Europe. The man behind this new direction is Matthias Fischer. Matthias took on the role of CEO and President of Toyota Material Handling Europe in February 2012 after leading the business in Germany for five years.

With a mission to become the preferred and leading supplier in Europe, Matthias is building on Toyota Material Handling's stellar reputation and its competitive position in service across the industry. He is emphasising that material-handling operations need

intelligent service back-up: a combination of prevention, short reaction times, first-fitting rates, and telematics for analyses. The best solution is only good enough when it is as flexible as the changing logistics requirements of Toyota customers.

Matthias has utilised his background in Toyota Material Handling's German operations to help lead the European network. As managing director of the German operations, Matthias helped the company through the successful merger of BT Deutschland with Toyota Gabelstapler Deutschland and the subsequent development of new distribution channels, both with a dealer and a direct-sales force.

This experience and expertise has allowed Matthias to confidently lead Toyota Material Handling's European operations and position it for future growth. *The CEO Magazine Europe* recently spoke to Matthias about his journey with Toyota Material Handling and the five pillars that will lay the foundations for the

company's expansion across the European market.

The CEO Magazine Europe:
What led you to become CEO of Toyota Material Handling Europe?

Matthias: I think one reason was that I understood Toyota's values and its past when I was working in Germany. We have some very important Toyota values, like teamwork and respect. I think another reason is that I've shown quite strong leadership in the past. I think this was needed on a European level in the company.

I've worked in the material-handling industry for 25 years. I joined Toyota in 2006 in business development before becoming managing director of Toyota Material Handling in Germany in April 2007. Prior to Toyota, I served as a board member for sales, marketing, and service worldwide at another major player in the industry as well as managing director of the Italian arm. I think the most important thing that I've worked on over these different >



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EnerSys North and South America
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Regional Headquarters:

EnerSys Europe – Middle East – Africa
32 Löwenstrasse
8001 Zürich, Switzerland
Phone: +41 44 215 74 10
Fax: +41 44 215 74 11

EnerSys Asia-Australia
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roles is my personality and management style.

The Swedish and Japanese cultures are quite similar. The Japanese culture is very much consensus-driven so the decision-making process can be a bit complicated. It's the same in the Swedish culture. What I've seen over the past two years is that everyone will be consulted on a decision before it is made, so there's a lot of teamwork in the decision-making process.

I think what they've missed in the past is strong leadership. Leadership for the future and someone to put the X on the wall and say, "This is our direction, this is what we're aiming for, and this is where we're going." I think this was the main reason why I was chosen for the role of CEO.

What are some unique challenges that you deal with in the European market compared to other markets around the world?

The work I've done with Toyota Material Handling Europe

"We have a much clearer structure throughout the company, and we've streamlined the decision-making process as well. I think this was quite important because it gave clarity to the organisation and its people."

- Matthias Fischer

has almost immediately seen changes throughout the organisation. We have a much clearer structure throughout the company, and we've streamlined the decision-making process as well. I think this was quite important because it gave clarity to the organisation and its people so that they understand the company better.

The second thing I did was set clear targets for the future. For example, I set the target of attaining 25-per-cent market share. Everybody in the organisation can understand that in every single country. It's easy to translate. You need to communicate in messages that everybody can understand. This is especially important when you're communicating in a language that isn't your mother tongue. We have so many different languages across our European operations, so it's essential that everybody can understand the message and it's conveyed in simple words and terms.

Do you feel that your background in the German material-handling industry has helped you deliver that efficiency and clarity in decision-making?

Yes, I think so. Germany is regarded as quite a strong industrial country, and Germans are seen as decisive with strong leadership skills. Perhaps not quite as strong as the southern Europeans, but the Germans are located somewhere in the middle between the northern and southern European cultures.

When you assumed the CEO role, you implemented an innovative expansion strategy that included five essential pillars. What are those pillars, and how are they helping you achieve growth and success?

When I joined the business, Toyota had pages and pages of strategy with nobody reading them. I said to my team, "We have to make it easy and simple to understand for our people," so we started to create our strategy house. On the top level is our aim to become number



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one in the European market. That is then divided into five different pillars.

The first one is to transform the offer. That means not only for new products but also for our service and solutions. Our second pillar is an area that we're already very strong in, which is that we want to be the European leader in service.

We have about 4,500 trained service technicians directly employed by us and a mobile fleet of 3,300 fully equipped service vans, but I think it's important for the customers that we are servicing them right and that they always get help. It's not so important about costs at the beginning—we're more concerned with costs across the lifecycle of their equipment. As an organisation, this is something that we have to focus on. On the service side, we have to

always be better than our competitors. This is key for our future.

The third pillar is that we have to strengthen our position in key markets. We have a tendency to try and do everything, everywhere, at the same time. This is not possible; you have to concentrate your forces. This is what the third pillar is about—concentrating our forces and realising that we can't do everything. We also have to have different strategies for different markets. It's important that you concentrate your forces into a few particular markets while the rest continue to run as usual. You can't do everything at the same time everywhere.

The fourth pillar is about establishing our corporate position focusing on quality, TPS, and sustainability. This goes very well

together with the Toyota brand. Toyota is very well known for high-quality products and service. We want to produce and bring trucks to the market without destroying the market. We want to try to achieve zero emissions. We know it's not possible, but at least it's a direction. Toyota tries to be a good global citizen.

A recent report released by EcoVadis, a trusted independent organisation that helps customers to monitor the sustainability profile of their suppliers across 150 sectors and 95 countries, awarded us gold-level recognition for our sustainability performance. We ranked highly in the four assessment categories: environment, labour practices, fair business practices, and suppliers.

This focus on corporate social responsibility and sustainability can be traced back to our parent company, Toyota Industries Corporation, which has always encouraged transparency and continuous improvement under its key principle of Kaizen. Toyota Industries Corporation published its first environmental action plan in 1993 and its first environmental report in 1994. Since then, Toyota has been leading the material-handling industry in sustainability.

Kaizen focuses on continuous improvement, as we believe that no process can ever be declared perfect—there is always room for improvement. Kaizen is one of five key philosophies that form the global Toyota Way. Genchi Genbutsu encourages all Toyota employees to go to the source to find the facts to make correct decisions, build consensus, and achieve goals.

Another principle is challenge, which urges employees to maintain a long-term vision and meet all challenges with the courage and creativity needed to realise that vision. Teamwork is another key philosophy as Toyota staff focus on stimulating personal and professional growth, sharing opportunities for development, and maximising individual and team >

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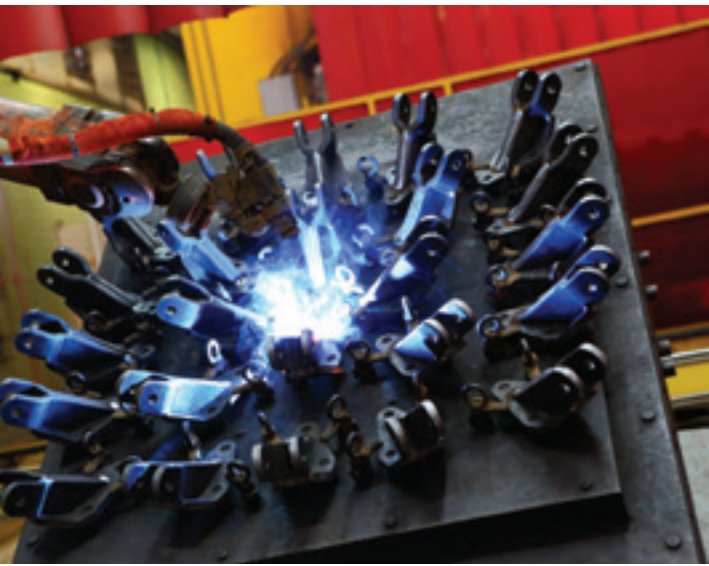


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This is one of the main Toyota values: respect. If you have that, you can work together.

How do you work with suppliers and strategic partners to ensure consistent product quality and service?

I think the most important thing is that you have a good relationship with your suppliers. You can't just fight it out for the lowest price. It's very important that you have regular quality checks and audits as well. Our suppliers are getting better, and we're getting better as well. We can win together or we can lose together—at the end of the day, we're all in the same boat.

As CEO, what is your vision for Toyota Material Handling?

To become number one in Europe, but also on a bigger scale, to maintain our number-one position worldwide. We are already number one in Asia, and number one in the United States. We can control the European component of that vision. It's important that you drive your organisation to follow a dream. I think everybody can understand that vision and what we have to do.

On the other hand, while our position in the market is important, we also have to be number one in customer satisfaction by bringing exceptional efficiency to customers' operations. Being first in customer satisfaction means that we secure our business for the future. ●

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- Matthias Fischer

directions so everyone knows where we're going. This is what we're working on at the moment through these five strategic pillars.

How will you ensure that Toyota Material Handling achieves its key aim to become number one in Europe?

First and foremost, we have to listen very carefully to our customers and we have to give them better answers than our competitors. We also need a very dense service network, which we're consistently developing.

Additionally, I think we have crafted a strategy which is unique in the market: to combine direct sales organisation and a dealer network in one same territory. A lot of people said to me it wouldn't work, but it is working really well. The reason it works so well is because we respect each other.

performance. Finally, respect is reinforced across our operations with employees encouraged to make every effort to understand others, accept responsibility, and build mutual trust.

In our European operations, the last pillar of our strategy is aimed at optimising operational efficiency. This goes into two directions. I think it's important that we sell solutions to customers, not just trucks and services. At the same time, we need to keep a lean organisation to secure future growth.

Change management is an important aspect of any organisation, and it needs strong leadership. I think it's important that as CEO, you give your staff directions, not solutions. The solutions can be worked out by the team. They know the business very well, but you have to give

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