



By Carla Kalogeridis

For a man who's not about being first, Toyota's Jim Press has a lot of "firsts" in his personal history. One of the most respected and recognizable figures among today's automotive industry leadership, Jim Press is the first non-Japanese president of Toyota Motor North America, Inc. Even before being named head of TMA, Press was the first American president and COO of Toyota Motor Sales USA, Inc. (TMS), where he had overall responsibility for sales, marketing and distribution for Toyota, Scion and Lexus products in the United States.

On April 17, Jim Press will have another first in his résumé when he accepts the Automotive Industry Executive of the Year award at the Detroit Athletic Club. The award has recognized excellence in automotive OEM executive leadership since 1964. Past winners include Bill Ford, Jr., Dieter Zetsche, Rick Wagoner, Henry Ford II, Robert Eaton, Thomas Stallkamp, Roger Smith, Harold E. Poling, Lee Iacocca and John DeLorean. This is the first time in the award's 43-year history that a Toyota executive is receiving the honor (see sidebar, p. 14).

Nevertheless, Jim Press is not about "firsts" and neither, he says, is Toyota. Rather, he maintains that he is "all about the customer." He doesn't obsess about where Toyota ranks in sales compared to its competitors, nor does he dwell on today's headlines. He *does* obsess about customer satisfaction, customer loyalty and quality. His goal is for Toyota to be the most admired and respected automotive company in the industry, and he benchmarks Toyota's success against internal standards of effectiveness, efficiency and resourcefulness.

On the day Jim Press and I were to conduct the interview for this article, I received a call from his assistant rescheduling our discussion for later in the morning; within a couple of hours, I received a second communication from his office that our conversation would have to be postponed until another day. Several hours into another project, my phone rang and the caller said, "Hello, my name is Jim Press. I was told to call this number for an interview ... Is this the right number?"

Honestly, I thought one of my colleagues who knew the interview had been rescheduled was having some fun with me. My “Jim Press file” was closed and put away for another day. I wasn’t sure whether to laugh and say, “OK, you got me — now, who *is* this?” or whether to leapfrog across my desk to the filing cabinet and pull out my interview questions.

I’d interviewed plenty of presidents and CEOs before, and every time, without fail, someone would call me first to confirm I was ready and waiting by the

said. I got my thoughts together and began my interview with Toyota North America’s leading man. About 30 minutes into our discussion, we got disconnected. Within seconds, Jim Press called back, apologizing, even though neither of us had any idea whose fault it was. A minute or two later, we got disconnected again, and he called me back a second time, taking responsibility and blaming the bad connection on his cell phone. There was no frustration or impatience. He was as gracious and unassuming as anyone I had ever spo-

leadership inspiration?

JP: It would have to be members of the Toyoda family who have been involved in this company’s evolution. Dr. Toyoda has been a tremendous source of vision and foresight. There are many members of the Toyoda family, people I have worked with over the years, whose leadership have kept us a learning organization. I greatly admire that ability and take inspiration from them daily.

Actionline: **Despite its success, Toyota is known for its modesty. So are you. How do you respond when your colleagues and peers outside Toyota predict that Toyota will soon become the world’s largest automaker?**

JP: I honestly don’t track what other people and companies do. We don’t compare ourselves to other companies. We want to be a leader with our customers. The customer is our first concern. The customer’s complete satisfaction is our first goal, and we put all of our energy into that area. Trying to outperform another company is not a worthy goal — at least, not if it’s just for the sake of claiming to be the biggest or the most profitable.

We keep arrogance out of the picture. We keep an open perspective. We’re truly a learning organization.

Actionline: **The Toyota manufacturing system has brought its own dictionary of Japanese manufacturing terms to the forefront of the North American auto industry. Words like *kaizen*, *hoshin*, *muda* and *jidoka* define the soul of Toyota. In your own words, how would you sum up the Toyota business philosophy?**

JP: They may be new words to North America, but they are very old words to Toyota. We’ve been around 74 years as a company and 50 years in North America. The “Toyota way” is the only way we know. It’s our driving philosophy. The company was founded to enrich society through motorization, so we’re here for the gain of the society we serve.

I’d describe the Toyota philosophy as respect for people. Respect, constant improvement, long-term relationships

FIRST THINGS FIRST

The 2007 Automotive Industry Executive of the Year, Jim Press, speaks candidly about Toyota’s first concern, the reason the company doesn’t celebrate success, and why now is a better time than ever to be part of the automotive industry.

phone for the call. Chief executives are busy people. You’re lucky to get a few minutes of their day for a quick quote, let alone an extensive interview. CEOs don’t track down media people on their own — they have people to do that for them.

Yet, here was this soft, unassuming voice on the other end of the line, waiting patiently for me to say something. Stalling for time while I scrambled to get organized, I inquired about his flight delay that morning. If this is someone pulling my leg, I reasoned, they wouldn’t know the details. But the caller lamented that bad weather had grounded his plane and he apologized for rescheduling our interview twice that day; he hoped I hadn’t been too inconvenienced.

I’d heard more pomp and circumstance in a phone call from my 10-year-old’s elementary school principal, whose secretary had asked me to “hold the line for Mrs. So-and-so” for about 12 minutes before she could find two minutes to talk to me.

“Ask me whatever you want,” he

ken with. After 45 minutes, his time was running short, but he wanted to be sure I had gotten enough material for the story.

He later told me that he thinks of everyone he comes into contact with on a daily basis as a “cherished customer.” By the end of our time together, I felt like one of them.

Actionline: **The Automotive Industry Executive of the Year award has a rich history spanning more than four decades of recognizing the great leaders of our industry. What are the most important qualities of a good leader?**

JP: Attitude, enthusiasm, intelligence. Nurturing the “servant” perspective. Vision. Guidance. Supporting your people. The most unappreciated, underused qualities of a good leader are probably the ability to listen, to empathize and remembering to acknowledge others.

Actionline: **Who are the leaders — from any industry, any background — that you admire most? Who gives you**

First Things First

Toyota's Jim Press: His Path to 2007 Automotive Industry Executive of the Year

The 2007 Automotive Industry Executive of the Year award will be presented to Jim Press, president of Toyota Motor North America, Inc. (TMA), at an invitation-only luncheon at the Detroit Athletic Club (DAC) on April 17. This is the first time in the award's 43-year history that a Toyota executive is receiving the honor. Approximately 225 automotive OEM executives and supplier leaders will attend the event.

This award has recognized excellence in automotive leadership since 1964. Past winners include Bill Ford, Jr., Dieter Zetsche, Rick Wagoner, Henry Ford II, Robert Eaton, Thomas Stallkamp, Roger Smith, Harold E. Poling, Lee Iacocca and John DeLorean.

Press is the first American president of TMA and is responsible for enhancing the coordination, speed and productivity of Toyota's North American business operations. Established in 1996, TMA is headquartered in New York City, with branch offices in Washington, D.C. and Miami.

"Toyota's mission to give customers the products they want at great value and with excellent quality sounds simple enough, but no individual has executed that philosophy as successfully as Jim Press during his leadership of Toyota Motor North America", said Robert Djurovic, DNV's director of automotive services-North America, and chairman of the nominating committee.

"AIAG is proud to sponsor this event for the second consecutive year," said J. Scot Sharland, executive director of AIAG. "The Automotive Industry Executive of the Year award program is a wonderful opportunity to recognize and celebrate the vision, inspiration and leadership provided by these true captains of industry."

with our customers, our co-workers and our suppliers are key pillars in the Toyota philosophy.

Actionline: A former Automotive Industry Executive of the Year honoree, Bill Ford, defined his leadership by his commitment to the environment — environmentally friendly vehicles and manufacturing, a dedication to developing alternative fuels, etc. What defines your leadership at Toyota North America? Do you have a "pet" cause or issue when it comes to automotive manufacturing?

JP: Yes, I have a pet cause ... Customers are my pet cause, and it's important to understand that I include the people I work with as my customers. If you focus on satisfying and exceeding the expectations of everyone



you work with, everyone you come into contact with on a daily basis, you will achieve the ultimate goal of customer satisfaction.

Actionline: Sounds like a great way to work. Is it really like that at Toyota — from the top down?

JP: We really try ... I really try. It is a great place to work.

Actionline: Environmental issues often take center stage in the media and in political arenas these days. Is the automotive industry doing enough to address these concerns in their product lines?

JP: No, it's not. To sustain mobility, there's a limited resource of carbon fuels. We are using up the earth's future

and depending on the wrong countries for fuel. We're not acting in our own best interest. We need to make sure that cars are part of the solution — not part of the pollution. I'm lucky to be part of a company with the foresight to be leaders in fuel efficiency. Toyota's got six hybrids on the market.

"Trying to outperform another company is not a worthy goal."

— Jim Press

The most important thing is to realize that we can make vehicles that are good for society *and* make money at the same time.

Actionline: What do you think about ethanol as a near-term solution to make vehicles more environmentally friendly while hydrogen and other fuel alternatives are further developed?

JP: Ethanol is just a loophole in the Corporate Average Fuel Economy (CAFE) so companies can make a big gas-guzzler and get a break under the CAFE rules. Hybrid technology is going to be the key to the future success of the automotive business.

Actionline: Toyota has established a sterling reputation for quality, so when a quality problem becomes public, does it affect Toyota differently than it would another automaker?

JP: If we have even a minor quality problem, then that problem is called out and made even more public by our enemies. They make a huge deal out of it and try to present it in the worst possible light.

Quality is our DNA. Nevertheless, we are still humans designing machines. There are going to be errors from time to time. Our approach is to be proactive on recalls. Our goal is to get to it before the customer experiences the problem. We may recall 100,000 vehicles just to fix the 50 that "might" have the problem — and that's OK, as long as we prevent the other 99,950 customers from experiencing it.

Actionline: Toyota also has a long-standing reputation for fair and committed supplier partnerships, and there are many stories about how far Toyota has gone to help its suppliers stay healthy. How important has this philosophy been to Toyota's profitability and success?

JP: We don't do it for the profitability of Toyota — it's for the profitability of our value chain, our suppliers. If we have a supplier experiencing difficulties in its operations or products, we join them in finding a solution.

Actionline: What advice would you give to suppliers that want to do business with Toyota but have had trouble breaking into your company's supply chain network?

JP: Number one: don't give up! It takes time. Number two: understand that Toyota requires a higher level of efficiency, performance and quality. If you don't have it — get it.

Actionline: In recent media coverage, Toyota has been called "the industry's new labor leader." In other words, where the UAW has traditionally taken the lead in setting wages for the North American auto industry, some industry analysts are predicting that Toyota will set the pace for North American auto manufacturing wages and benefits moving forward. Do you agree with that assessment?

JP: I don't think it's true. Our compensation is tied to each location where we do business. We want our associates to be well compensated and to share in the profitability of the company. We don't have a big disparity between our executive compensation and the lowest paid worker on the assembly line. There's not as much difference in pay as you would expect.

Actionline: In speaking about Toyota North America's management, David Cole, chairman of the Center for Automotive Research in Ann Arbor, Mich., recently said: "They worry about details. They never stop worrying. They encourage worrying in the company, from the top down." Does that accurately describe your management style? Are

you a "worrier" by nature?

JP: I don't think that "worry" is quite the right word. Our philosophy is that good news can wait — bring me the bad news. We focus on what we didn't do well. We focus on improving and enhancing — every single day. There is no "feeling good." We don't have "successes" and there's no "best."



Actionline: There's no recognizing success at all or how far you've come?

JP: No, there's not. Why should there be? When we get done climbing the mountain, we start looking for the next highest peak.

Actionline: No, honestly. You don't ever celebrate your accomplishments — even a little?

JP: It's true — that's how we operate. What we *do* celebrate is customer satisfaction and customer loyalty.

Actionline: Do you worry about unionization at Toyota North America? How would you respond if a grassroots union movement gained momentum at Toyota?

JP: I don't worry about it at all. Our NUMMI operation is already UAW. It's

up to our workers. We want our workers to share in the good fortune of the company. When you respect people, it's a simple business.

Actionline: Some would say it's a scary time to be a worker in the automotive industry. What advice would you give to the seasoned manager or employee

who is thinking about getting out or is worried about losing their job?

JP: If we all work for the good of the customer, our jobs will be rewarding ... our jobs will be secure.

Actionline: What would you say to the young engineer who isn't sure if the auto industry holds a promising future?

JP: I'd say, "Come on in!" It's the golden age of growth in the automotive industry. We've got a technology revolution making vehicles with more advanced electronics than ever before. We're developing exciting alternative fuels. It's a fascinating time to join the industry. ▶

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