

Case Study

Kiichiro Toyoda and His Successors

How TOYODA KOURYOU has been succeeded

Abstract

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A Key Success Factor of Family Business Succession we can learn from a family business having grown to be a global enterprise: TOYOTA Motors Corporation

How the corporate mission and philosophy raised by the founder, Kiichiro Toyoda, has been inherited and realized by TOYODA family member CEOs for corporate sustainability.

A Hypothesis:

For family business successions to be successful, one of most critical factors will be how the corporate mission and philosophy raised by founder is actively and sincerely succeeded and being realized sustainably.

Especially if the corporate mission and philosophy together propose critical factors for the corporation to be sustainable, their successions by family member generations will be essential and critical for corporate sustainability.

As one of proving examples of this hypothesis, this case describes how Toyoda Kouryou, TOYODA family's mission and philosophy, has been succeeded and realized sustainably in TOYOTA Motors Corporation by Toyoda Family.

Based on published information such as TOYOTA official homepage information, biographies and interviews of TOYODA family member CEOs and journals and books on those members, in the following chapters:

Chapters:

1. TOYODA Kouryou
(Five main principles of TOYODA family)
2. Profiles of TOYODA family CEOs
3. How TOYODA Kouryou has been succeeded
4. The Future of TOYOTA and TOYODA Kouryou

豊田綱領 (From HP of TOYOTA Motors Corporation)

- 一、上下一致 至誠業務に服し 産業報国の実を挙ぐべし
Infinite Sincerity Industrial Contribution to Society
- 一、研究と創造に心を致し 常に時流に先んずべし
Research & Creativity Be Innovative
- 一、華美を戒め 質実剛健たるべし
Avoid Frivolousness
- 一、温情友愛の精神を発揮し 家庭的美風を作興すべし
Benevolence and Friendship
- 一、神仏を尊崇し 報恩感謝の生活を為すべし
Appreciation to Society

TOYODA Kouryou

(Five main principles of TOYODA family)

- Always be faithful to your duties, thereby contributing to the Company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for spiritual matters, and remember to be grateful at all times.

Case Discussion Objective:

This case is prepared for the case discussion on to what extent and/or how the founder's corporate mission and philosophy will influence family business sustainability. Also expected the discussion to be enhanced further on the 21st century model of corporation.

Sample Questions for Case Discussion

1. Discuss the relationship between founder's philosophy succession and corporate sustainability.

Sample1:

Among 5 Principles of Toyoda Kouryou, which, do you think, is most influential to TOYOTA's corporate sustainability ? Why?

Sample2:

How, do you think, has Toyoda Kouryou at all been influencing TOYOTA's corporate management and sustainability?

Sample Questions for Case Discussion

2. Discuss the 21st century definition of corporation: Which of Investors' Property, Cooperative, or Social Entity, should it be?

Sample1:

Which, do you think, of the three classifications of corporation; Social Entity, Cooperative and Stockholders' Property, is Toyoda Kouryou assuming and pursuing?

Sample2:

Why, do you think, are global corporations and their contributions to GDP growth stagnating currently? What would be major causes?

Sample Questions for Case Discussion

3. How can human beings liberate ourselves from the mindset of greed in corporate management?

Sample1:

Which, do you think, of maximizing short term profitability or pursuing long term sustainability should family business aim at? Why do you think so?

Sample2:

Which, do you think, of the incubator of profit or that of human evolution, corporations should be aiming at in the 21st century? Why do you think so?

Reference:

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