

2014 University of Denver, Daniels College of Business 'Voices of Experience' Series - Jim Lentz

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As prepared for:

***University of Denver, Daniels College of Business "Voices of Experience" Series
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Denver, CO
Jim Lentz, CEO Toyota North America Region***

Thank you Andrea and Mona... Dean Patti... Chancellor Coombe... members of the University of Denver community... students and guests.

For me and my wife Barbara...who is also a DU graduate...it's an absolute pleasure to be back on campus. Barb and I have a lot of great memories of our college years... and we're both proud to be associated with this world-class institution, especially the Daniels College of Business.

When I think of our school's namesake, Bill Daniels, I think about something I pay for every month but seldom get a chance to use.

Bill earned the nickname, "The Father of Cable Television." He was in a bar when he saw television for the first time... and couldn't believe he was in Denver watching a live boxing match all the way from New York.

He thought, what if others could enjoy television in their own homes with a menu of viewing options? This set Bill on a quest that helped revolutionize communications in our country. Today... 94 percent of Americans watch some sort of video content on a TV each week.

Clearly Bill's entrepreneurial spirit was evident at an early age... and the legacy he left us here at DU helps to prepare students to succeed in the business world... while instilling an appreciation for OUR responsibilities to society and the communities where we do business..

This point can't be overstated. Today, customers insist on knowing that the companies they do business with care about more than themselves. That they care not only about their profits... but are also responsible and active community partners.

And this evening... I'd like to share three lessons I've learned that I believe will help contribute to your future success...and enable you to see the positive effects businesses can have on society.

Let's start with the first lesson of staying true to your values.

After graduating from DU with my Bachelor's degree and MBA... I jumped into a career in the automotive industry... a business I love... as I truly believe it is in a position to improve people's lives... and is one of the greatest businesses in the world.

I embraced all of the challenges this business brings... I worked hard... and I was rewarded with advancements and promotions.

Things seemed to be moving forward... just as I had planned... until seven years into my automotive career... when I was almost fired at Toyota.

I was working in our Portland, Oregon office and our manager called everyone together...we thought... to congratulate us for meeting our monthly sales goal.

But as it turned out... he hammered us to step it up for the following month.

As we were all leaving the meeting, he pulled me aside and said... “Jim, you’re too soft on people. You have to motivate people with a hammer, and I don’t see that in you... you need to adjust your style.”

He made it abundantly clear that to keep my job... I was going to have to change.

So he... KINDLY... gave me the weekend to think about it. On Monday I would have to commit to making the change... or find a new job.

That was a long... soul-searching weekend.

Not only did I LOVE my job... but I REALLY needed it! Barb and I had two young boys at home...I had no other career options at that point...and I was being forced to choose between my core values... and my career.

I realized that what I was being asked to do was not “me”... and would never be.

Long story short... on Monday morning, I told my manager that I had to be who I was... and I couldn’t change that, nor would I commit to his demand.

He gave me two weeks to find another job... which I did... at our corporate headquarters in California.

It was a demotion and I took a pay cut, but in the end, I guess you could say... I made the right choice.

The point of this story is that to succeed in your career... or as a company... you have to stay true to yourself and your foundational values.

For me, those values include acting with integrity... respecting others... and working as a team.

They have guided me through difficult situations... and continue to guide me today... and I’m lucky I found a company that shares those same values. I encourage you to do the same.

The second lesson I want to share with you is the value of continuous improvement. That’s the foundation of our cycle of progress... both as a person and as a company. Everything we do needs to have this at its core.

This lesson played a big role in the recent decision we made to move our headquarters in California and Kentucky to Texas.

Although most people see “Toyota” as one company... we actually operate as multiple affiliate companies... sales, manufacturing... corporate and finance... in a connected-but-independent way from three locations across the country. This model is based on the historical building blocks of our business in this country, which began some 57 years ago.

But what some of the news reports out there keep missing is why we made this decision... which is to improve our operations.

It doesn’t make sense to have oversight of manufacturing 2,000 miles away from where our cars are made. So, geography is the reason we made this decision.

Our goal with this move is to go from being a group of dedicated affiliates, to becoming one, united company... One Toyota... at our new North American headquarters in Plano, Texas... just north of Dallas.

In doing so, we can collaborate better... innovate faster... and build the best vehicles in the industry. We'll also be able to respond faster to changes in the market and most important... make faster, more timely decisions in response to customer demands.

Overall, our changes inside and out will make Toyota a more responsive, customer-focused and stronger company today... with an even brighter future ahead.

We will stay focused on our customers and constantly analyze every part of our business... in an effort to achieve our vision of enriching society by building great vehicles. And, we refuse to accept the idea that something can't be made better.

In fact, our vision of building great vehicles provides another illustration of continuous improvement in action.

We've always been known for quality... dependability... and reliability... and increasingly today, we're also known for performance and styling.

We've added new... fun-to-drive... and exciting products that will change the way people think about design... mobility... AND Toyota.

Now, I don't want to sound like a Toyota commercial... that's Jan's territory whom you might have seen in our commercials... unless you fast forward through them, and if you do, please don't tell me... but we've taken the wraps off some incredible vehicles this year.

For example, there's the Toyota FT-1 sports car... designed for pure racetrack performance... our new Lexus RC Family... and a major refresh to our 2015 Toyota Camry...

So... we ARE listening to our customers and we ARE being more responsive as a company

But we aren't stopping there. In this era of high gas prices, consumers want great fuel economy and environmentally responsible cars.

That's why in 2015... we're bringing to market our first zero-emission hydrogen fuel cell sedan... take a look.

We believe this vehicle can move the industry to a new era of sustainable mobility.

And there's good news on building fueling stations to fill those hydrogen fuel cell vehicles.

Toyota is proud to play a leading role in bringing together other automakers, including Mercedes Benz, General Motors, Honda and Hyundai, energy companies and state and federal government agencies to work together to build the required infrastructure.

And just last week, Toyota announced plans to provide financial assistance to two energy firms that will kick-start the construction, operation and maintenance of a hydrogen refueling network in targeted California locations.

In addition to our fuel cell sedan, Toyota has developed an array of forward-thinking concept vehicles to address issues like population shifts, congestion, air pollution and safety.

One of my favorites is the Toyota iRoad... its a two-seater that's like a cross between a motorcycle and an ultra-compact car.

You have to see it in action...take a look!

The FCV and iRoad highlight our vision for the future... where new forms of transportation will supplement the cars we use today.

So when you add it all up... from designing more emotional cars for today's consumers... and creating sustainable mobility solutions... Toyota is committed to continuously improving our company and our products... so we can enrich society and our customers' lives.

The final lesson I want to talk about is the importance of sharing your knowledge to help create a better world. Or, as some would put it...having a higher purpose for your work.

Certainly one of the most basic teachings of business is that you have to make a profit. No profit, no company, right?

But working for Toyota has taught me that making profits is not a goal in itself, but rather a result of the value you bring to people and society. Simply put, companies exist with the permission and approval of the society they serve.

And what consumers want and expect from companies are great products and services... as well as having shared values and making sure we are working to make the world a better place.

In fact, this is a founding principle of the Toyota Way – to enrich society.

For example, in the months after Superstorm Sandy, the second-costliest hurricane in U.S. history, New York City's food banks received a surge of new clients... and those at the end of the line had a long time to wait.

Recognizing an opportunity to help, the Toyota Production System... sometimes referred to as lean manufacturing in business schools... shared our know-how with food banks to serve more people, faster.

And it made a big difference...take a look...

In all, our team has worked with nearly 200 North American companies and non-profits over the past 20 years.

In short, by sharing your knowledge, you will find meaning in your work and often success will follow.

So, my hope for you today, is that these lessons I've learned and shared with you will help affect YOUR career and opportunities for success.

Whether you're a student... executive... or member of the University community... I encourage you to:

- hone your leadership skills, remembering that teamwork... not a hammer... is a better way to achieve your own goals and that of your organization...
- build a solid foundation of values... then apply these values in your personal and professional lives...

- Seek to continuously improve your decisions and career path to ensure you're making progress toward your version of success...
- and enrich your community by sharing your time, expertise and resources...

These lessons have made a significant positive impact on my life... and I believe they will help you navigate your personal and professional journeys as well.

As Benjamin Franklin wisely said, "Without continual growth and progress, such words as *improvement*, *achievement*, and *success* have no meaning."

Thank you again... and all the best to you in the future.

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