

Navigating a Crisis: TMNA's Bob Carter on the Company's COVID-19 Response

April 08, 2020



As the world continues to focus on the COVID-19 pandemic, Toyota remains committed to helping its team members, customers and communities.

Bob Carter, executive vice president of sales for Toyota Motor North America (TMNA), has been through challenging times before in his previous roles as senior vice president of Toyota Motor Sales (TMS) and group vice president and general manager of both Toyota and Lexus divisions at TMS.

Here, Carter to discuss Toyota's COVID-19 response, the plan for recovery and why he's confident Toyota will emerge from this experience a better company.

What was Toyota's initial response to COVID-19?

Our first priority was to ensure that our team members were safe and secure. So, we immediately communicated to all of our 1,800 dealers around the U.S. on the Centers for Disease Control and Prevention (CDC) guidance at the time. We also closed our 15 North American manufacturing plants and implemented work-from-home procedures throughout our offices.

Next, we are stabilizing our business and providing financial assistance to our dealers and consumers. Fortunately, we're blessed to have a fantastic captive credit arm in Toyota Financial Services (TFS). Immediately, TFS began working with consumers to defer payments and leases—our 1-800 lines were a critical part of this procedure. As of yesterday, I believe we've helped over 60,000 families defer their finance payments or leases.

As for our dealers, TFS is lowering their floor plan interest rates so that dealers can focus on their team members and customers, rather than worry about financial obligations.

The automotive industry is considered an essential service. What is Toyota doing to protect team members who continue to work?

As a company, we currently have 8,400 team members working from home, which has enabled them to practice social distancing. And at our regional offices around the country, the staff is limited to central personnel, but we are very sparse on employees that are coming in to work on a daily basis.

Retail is a little bit different because servicing vehicles is an essential service. We have 1,800 dealers throughout North America, and approximately 600 of those closed their sales departments, but will continue servicing vehicles. Plus, many of our dealers are providing pickup and delivery service at home. So, if your car does need a service or maintenance, most of the dealers will drive out, pick the car up at your location, bring it in, service it, clean it and return it back to your home.

In cases where the dealerships are fully operational, most of them are being staffed partially so they can practice good social distancing.

What is Toyota doing to support communities during this crisis?

Many of our team members and I have reached out to the communities we're doing business in and asking, "How can we help?" So, we're doing everything that we possibly can to assist them.

For example, we're providing financial assistance to local food banks in the communities where we have manufacturing facilities so they can secure the goods that they need. The medical community has also reached out to us, and we've redeployed some of our R&D resources and are manufacturing face masks for the medical community because of the substantial need there.

We're also working with some hospitals to see if we can help their sourcing. Right now, there's such stress on the system for simple things, such as rubber gloves, so we're offering up our logistics and transportation systems to quicken the supply chain from the manufacturer to the local hospital. I get a daily report of what everybody across the country is doing to help, and I'm really proud of the way our team has responded to communities so quickly.

How does Toyota plan to recover from the effects of COVID-19?

Eventually we'll get to the bottom of this and we can start to rebuild as we've always done. The only question is: What's the timing? I personally believe we'll probably start to recover towards the month of May. I'm very

confident in the North American economy. The auto industry is one of the largest industries that really can lead the economy through recovery. And we intend to do that.

At the moment, we're focused on shifting our marketing message to support consumers through this crisis — we want them to know that we're here for them and that they should reach out if they need any assistance. We value our consumers and want to maintain those relationships.

What drives your optimism for recovery?

Since I've been in this position, I've been through numerous crises. At times, the challenges we've faced have felt insurmountable, but we've always pulled through. And, I've found that just relying on the basics of business — working as a team, valuing your people and taking care of associates — is really the simple formula for recovery. Whether it's the people that build our products in plants throughout the country or the people in retail [who are] servicing local communities, people are what will carry Toyota through this crisis. I'm absolutely convinced that when it's all said and done, Toyota will become a better company.

To listen to the full Toyota Untold interview with Bob Carter, check out the podcast [here](#).