

TOYOTA'S ROUTE HAS THE HUMAN TOUCH

Toyota has made a dramatic break with the past by introducing computerized route planning in its North American manufacturing operation to replace its manual processes.

Glenn Uminger, general manager of production control and logistics for Toyota Motor Manufacturing North America, said the move to using the internally developed SMAP (supplier mapping) dynamic routing tool had been made because of the growing network and complexity in North America. The carmaker has 500 suppliers delivering to eight plants.

"It's an important step because we like to do things manually so that we know what we are doing," said Uminger. "But we have outgrown that."

However, Uminger added that the development did not herald a future wholesale shift to technological solutions.

"We will use the tool truly as a support tool, not as magic box. That's a very important point and that's the biggest cultural thing. We will use the tool but not forget in minds how to do routing. That's the risk, that some years later nobody will know how to do manual routing. There will be human checking at key output points. We will keep it

truly as a decision support tool, not a decision tool."

Toyota will use SMAP for strategic planning master network design, new plant selection and for cyclical rerouting. Toyota will reset its routes on a monthly basis. The tool will also help Toyota shorten its forecast time. Whereas the previous cycle was six weeks, four to do the planning and communication and two to get logistics providers ready, the timescale will be cut to four weeks – two weeks to plan and two weeks' notice for service providers. "That will allow us to get 60-day volume forecasts down to 30 days," said Uminger.

SMAP has been in development for two years. "It's an example of good teamwork between North America and Toyota Japan developers," added Uminger. "We needed it three years ago, but we would rather do it later with quality than too early and miss something."

The rollout of the tool began in September at TMMNA's head office and is expected to create significant savings in transport costs. Uminger said that Toyota would recoup the cost of the project "in a matter of months".