



“BUSINESS PARTNERS”





TKM encourages its Dealers to implement Environment Management System (EMS). A standard operating procedure is established at the eligible dealerships to visualise ISO14001 certification status, surveillance audit and certification expiry date. To sustain ISO14001 we have introduced DERAP (Dealer Environment Risk Audit Programme).

ISO14001 STATUS



ENVIRONMENT MANAGEMENT SYSTEM [EMS] ISO14001 CERTIFICATION:

TKM supports its dealers to maintain a very effective Environment Management System (EMS). ISO14001 certification recommended by TKM to its dealers, acts as a standard to structure the effectiveness of the EMS implementation at dealerships. It has helped in creating awareness about Environment conscious function at the dealerships. On completion of a year of establishment, a dealer is eligible for the certification.

TKM has a specific team to support dealers in terms of identifying the certification agency and consultants. It also assists in developing Dealers for certification in terms of systems and infrastructure by providing basic training. This team closely monitors the certification rate and with the help of Territory Managers informs dealers who are due to certification.



ENVIRONMENT RISK ASSESSMENT PROGRAMME:

DERAP was introduced in 2004 by TMC, represents a minimum requirement of environmental risk management for Service Workshops at Dealers. It consists of 5 fundamental aspects:

- » Presence of Environment promotion staff
- » Declaration of abidance to law
- » Proper Storage and Treatment of Hazardous Waste
- » Proper treatment of Waste Water
- » Recovery of HFC gas (AC gas)

These 5 fundamentals assist a dealer to achieve the ISO certification. This programme is an indication of TKM's positive influence on

dealers to meet Environment Standards. TKM has committed to achieve 95% certification rate of eligible Dealers. Every year TMC sets target for all the distributors. For TKM it is 90%. However, TKM team had taken a challenging target of 95% and the result is depicted in the following graph.

DERAP STATUS



ESTABLISHMENT OF S.H.E MODEL DEALERS

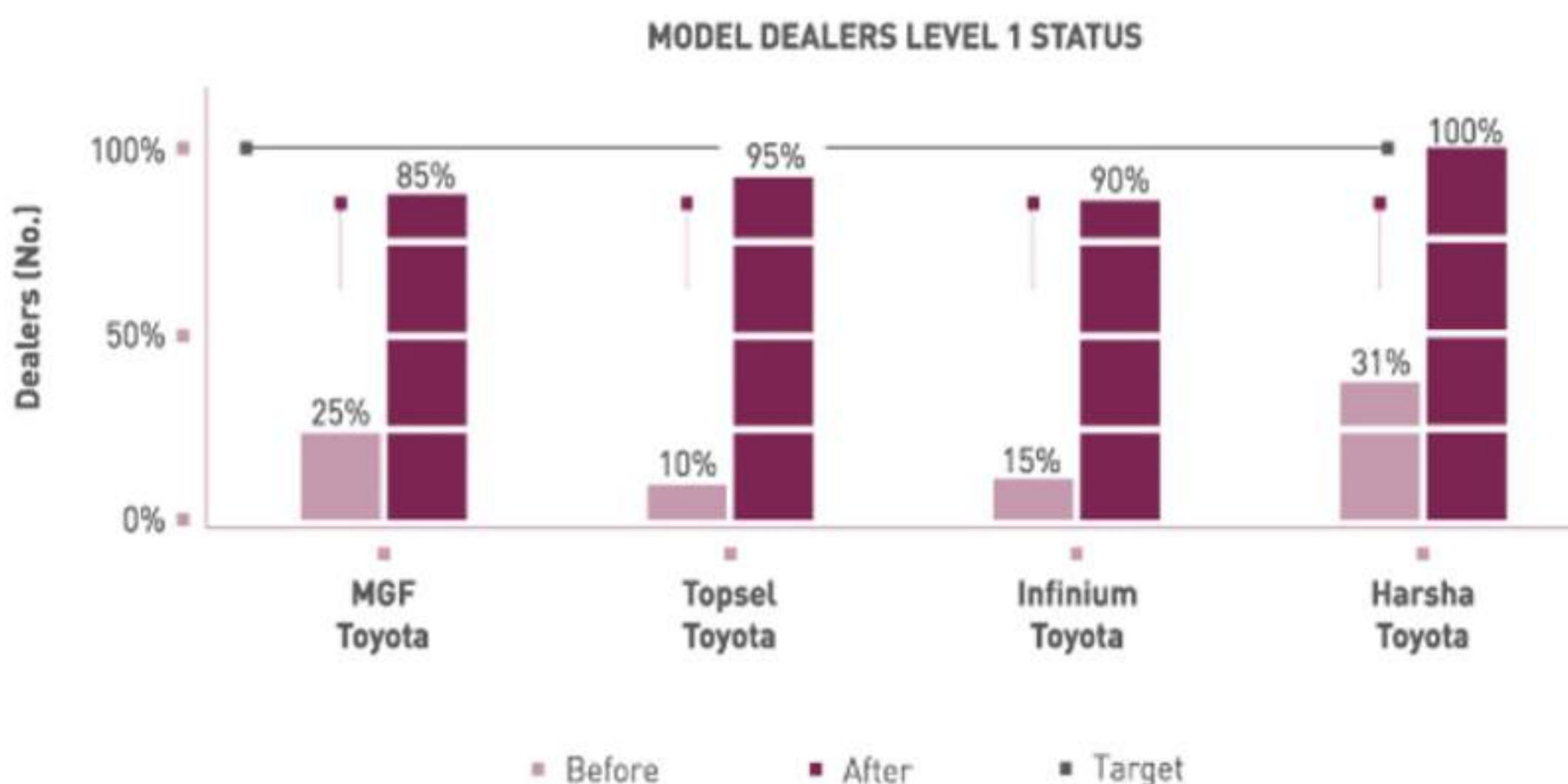
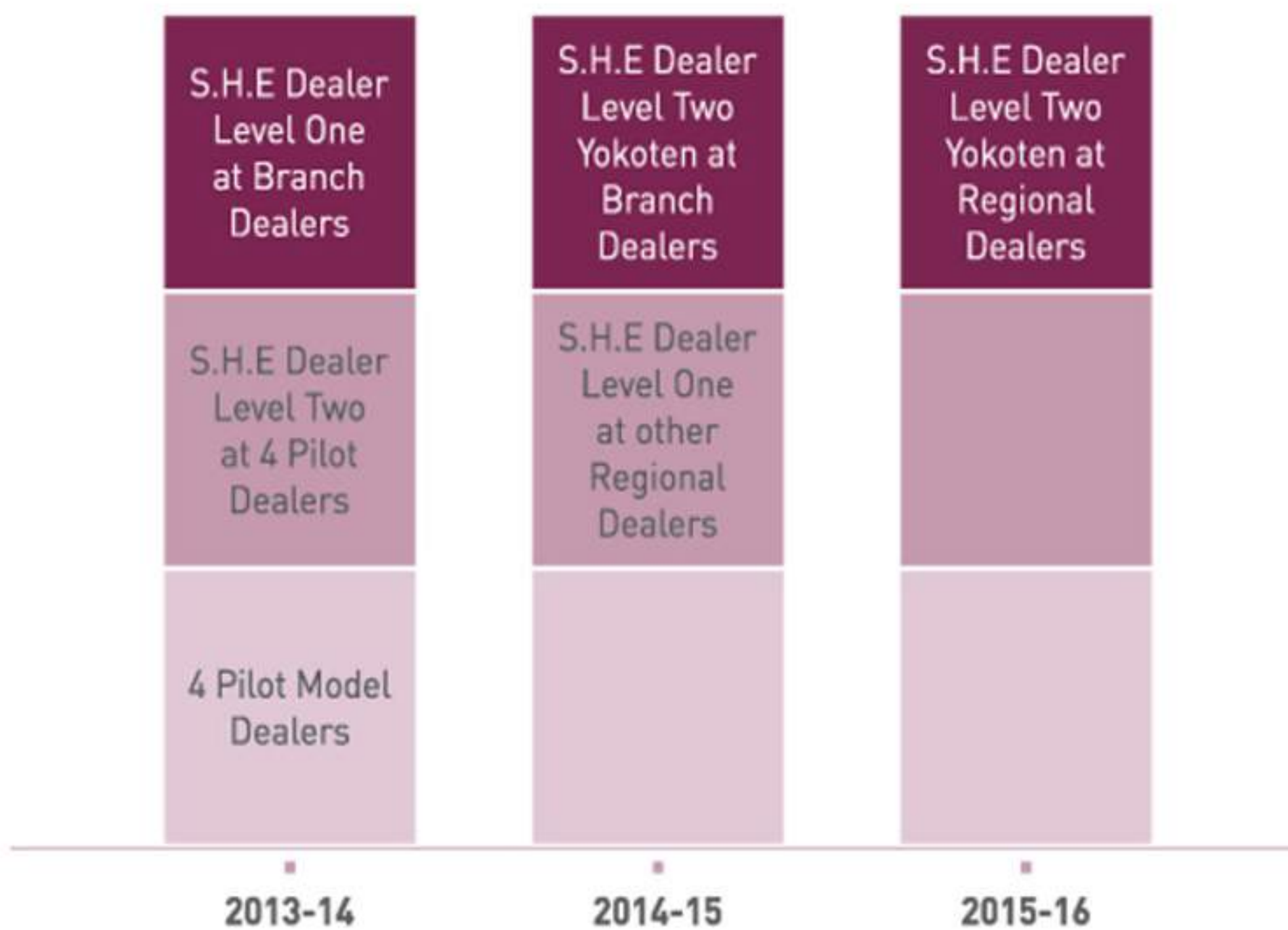
TKM has initiated S.H.E Model Dealer programme to promote and implement high Safety, Health and Environment (S.H.E) Standards at dealers. TKM has developed 4 Model Dealers in North, East, West and South regions.

We have achieved level 1 in 4 Model dealers and the same has been implemented in the rest of the Branch Dealers and is then to be communicated to regionally located dealers.

In TKM History, the first ever S.H.E Model Dealer Level 1 Workshop was conducted at all Region Model Dealers; South: Harsha Toyota, Hyderabad, East: Tonsel Toyota, Kolkata, West: Infinium Toyota, Ahemdabad and North: MGF Toyota, Gurgaon. The main objective of the workshop was to

- » To certify Model Dealer
- » Share the Model Dealer concept to Branch Dealers
- » Educate them on the concept and build awareness and importance of S.H.E Model Dealer concept

As a result, we have achieved a safe and enjoyable work station and have also reached our target of ZERO accidents at dealerships.



“ECO INITIATIVES AT DEALERSHIP”

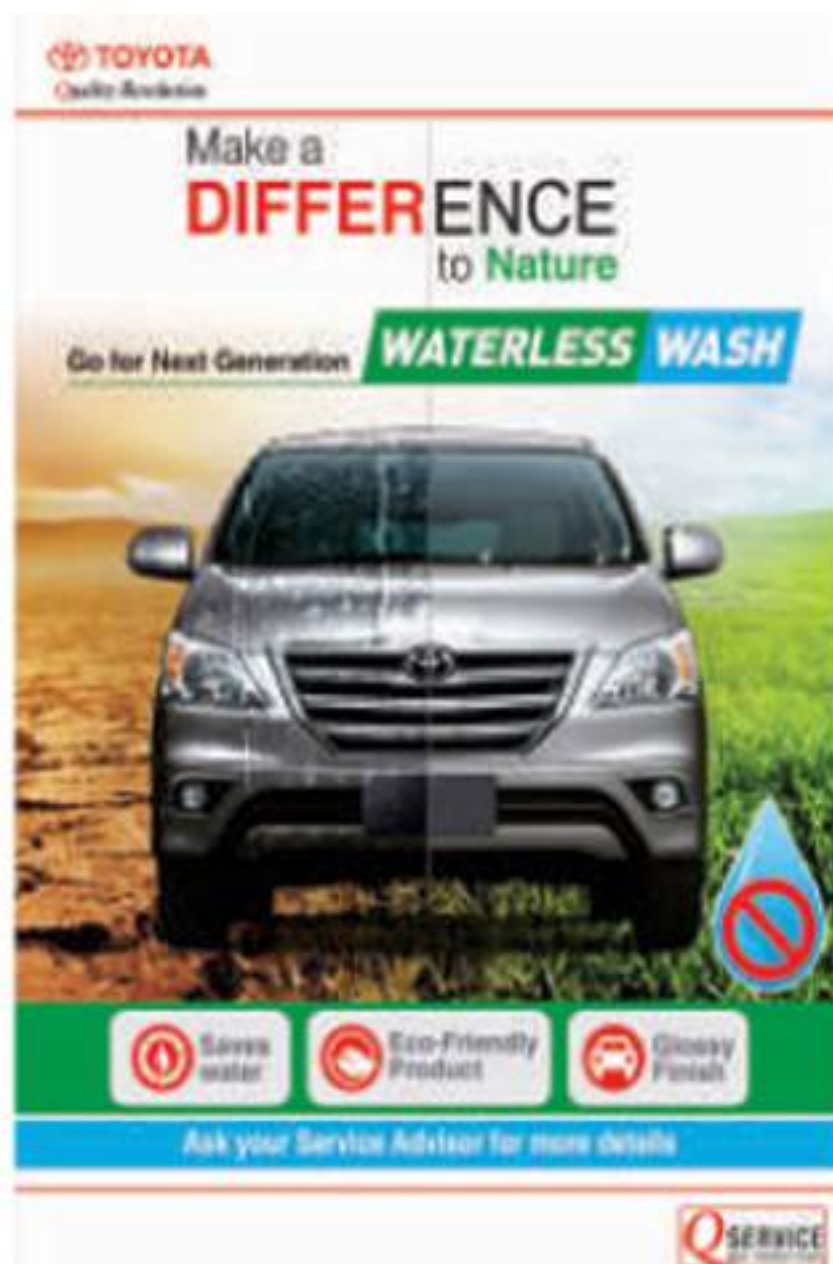


ECO WASH (WATERLESS WASH)

Waterless Wash was introduced for cleaning vehicle exteriors at Dealership without the use of water. This was developed in line with Toyota Global vision to lead the way in developing a future product that reduces Environmental Impact at TKM Dealership and it is a simple representation of our respect for the planet.

Waterless wash contains surfactants, lubricating, cleaning agents and polish-wax formula. Waterless wash cleans, polishes and renders glossy surface.

The product was hence developed with an objective to reduce water consumption and consequent impact on ecosystem.



Interior + Exterior + Mat wash



Consumption	Cost @ 80p/litre	Total
Per Vehicle	X '47	'47
Per Day	X 6,500 Repair Order	'305,500
Per Year	X 310 days	'94,705,000
Net Impact - Annual Cost of 94.70 mn.		
Cost saving of 0.5 Mn per dealership annually		

EXPANSION OF “WATERBORNE PAINT TECHNOLOGY”

While there is no mandatory legislation of VOCs [Volatile Organic Compounds] emissions reduction, it has been a part of Toyota’s global environment policy to reduce VOCs emission from the painting process.

With this view, TKM has introduced Water borne technology at all its dealership with an objective of switching over from hazardous solvent paints to water borne paints. High emission of VOCs lead to Depletion of Ozone Layer, Acid Rain, Green House effect (Global Warming), Acute Disease (like Nausea, Dizziness, Asthma) and Chronic Diseases (like Cancer, Damage Liver/Nervous). Water borne paints are not just Environment friendly but also harmless for technicians. About 95% of our dealerships have adopted this technology and it has been appreciated by number of customers.

TKM stands No. 1 among the Global Toyota affiliates in terms of VOC emission reduction.

REPLACEMENT OF NORMAL FLOOR FILTER TO PAPER KRAFT FILTER

In Waterborne Paint - Since the Spray (Paint) mist evaporates slower than Solvent Borne Paint, the spray (Paint) settles on the Top most layer of floor filter and transform into Lumps. This Lump formation completely blocks the top layer of the filter causing -

Poor filtration, Reduce Filter Life, Pressure build up inside paint booth and Increase dust level.

Hence to evade these issues, dealers replaced normal Floor filters to Paper Kraft Filter.



Plantation drive at dealerships



Plantation drive at dealerships



Saplings handing over to customers

WORLD ENVIRONMENT DAY CELEBRATION:

Every year in the month of June, World Environment Day is celebrated to create eco awareness by involving dealer employees in environment initiatives.

Activities at Dealership:

- » Internal dealer staff communication through KYT meeting
- » Afforestation activities at dealerships or in their local community
- » Workplace Environment Kaizen competition
- » Maximum resource utilisation and conservation by adopting the 3R concept [Reduce, Reuse and Recycle]

Activities to Customers:

- » Free Pollution Check Camps
- » Give away a sapling with every new vehicle sold in the month of June-2013

As a result, 166 Dealers participated voluntarily. More than 500 saplings were planted across the country and around 600 vehicles were tested under Emission camps.

SAFETY INITIATIVES

National Road Safety Week is observed throughout Toyota Dealers under the guidance of SIAM. Road safety campaign was carried out across all Toyota dealers in the First week of January-2014.

The objective of the initiative is to improve behaviour of road users. It is aimed at renewing the commitment of employees, customers and general public to drive safely throughout the year. The campaign focused on education and awareness aspects on road safety targeting to TKM customers and likely beneficiaries were: road users, school children and public transport drivers.

Various activities were planned and suggested to dealers such as banner display on road safety,

distribution of pocket cards with road safety facts and guidelines. A road safety awareness movie was played at customer lounge and every dealership had to plan a small activity to enhance the knowledge of the customer and employees towards this issue.

We achieved 100% participation from dealers and it helped us reach out to 43,000 customers. We also involved respective state government officials and the initiative was highlighted in local newspapers.

The same was shared with Ministry of Road Transport and Highways and Transport Department of all states with an objective to motivate Dealers to voluntarily take up more of such activities.

Customer Participation during National Road Safety Week 2014



INDIA DELIGHT COMMITTEE

TKM has been focussing on Customer Satisfaction since its establishment in India. With many of Toyota Dealers already providing superior level of service to their Customers, now TKM has geared up to go an extra mile for delighting its Customers.

India Delight Committee (IDC) is a new initiative designed with an objective of levelling up high performing Dealers to next level of Customer service & become a benchmark for next set of dealers & also sustain the performance.

The selection of IDC Dealers is based on Dealer Capability.

These Dealers will meet every quarter & discuss on moving towards Delight level of services.

IDC-1

- » Understanding "Delight"
- » Setting Direction i.e., theme creation

IDC-2

- » Pursuit of "Delight"
- » Dealer's Direction Alignment on theme
- » Delight Initiatives

IDC-3

- » Sustenance and Standardisation of "Themes"
- » Plan for Yokoten-Hub and Spoke

IDC-4

- » Concretely Establish Individual Dealer Theme
- » Sustenance and Standardisation of other "Themes"

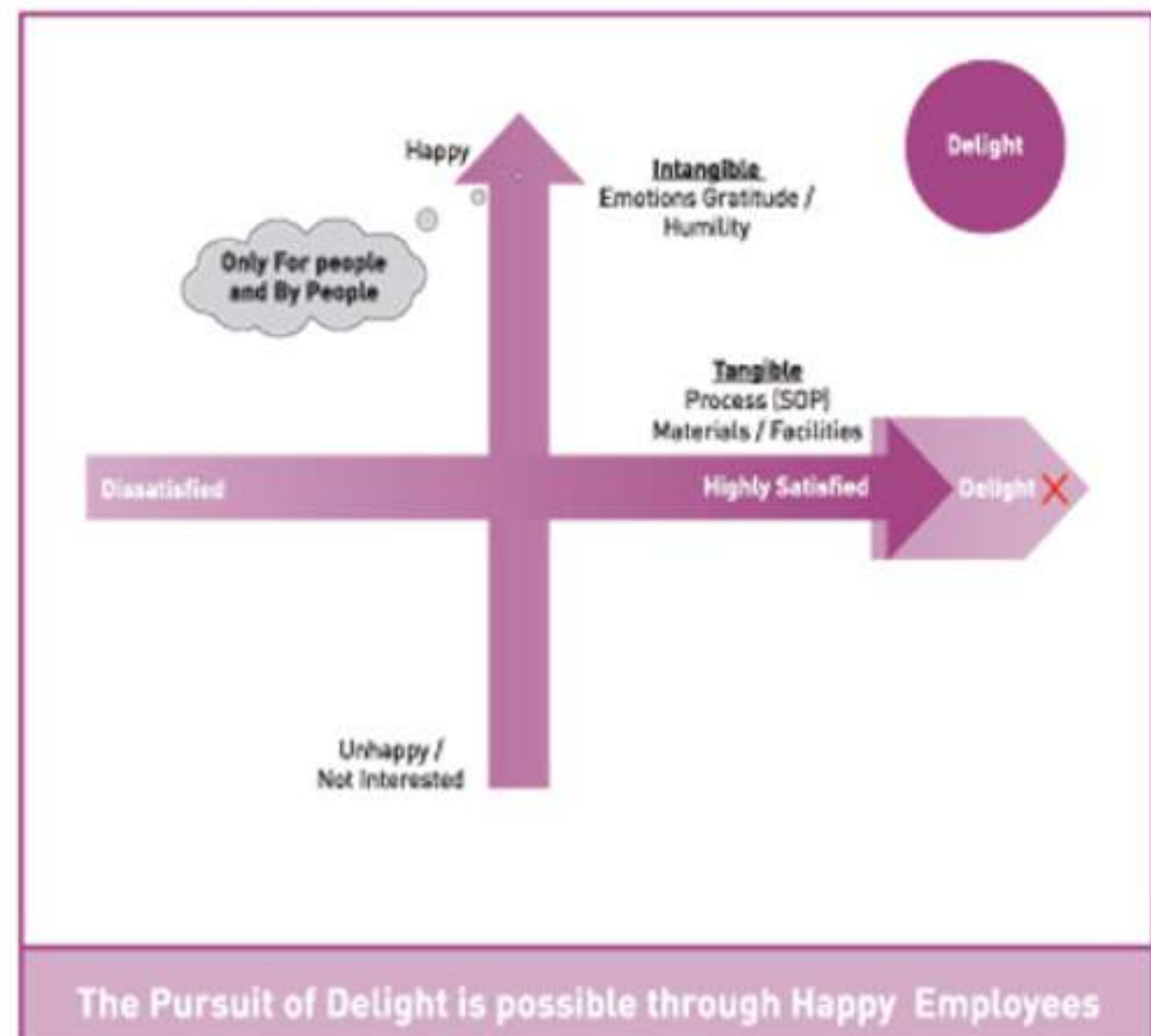
IDC-5

- » Thoroughly Establish all 3 themes across all dealers

IDC-6

- » Results and Reflections
- » Review IDC future

WHAT IS DELIGHT?



In this regard, the 1st IDC for "Understanding Delight & Theme Creation" was successfully conducted at DSK Toyota, located at Pune, Maharashtra on 18th & 19th of Feb 2014.



India Delight Committee



1st India Delight Committee at Pune, Maharashtra.

DEALER COUNCIL SUBCOMMITTEE SERVICE MEETING

Dealers are the face of TKM as they interact with customers on a regular basis. Though TKM has been working closely with the dealers, it was observed that there was a gap in understanding the dealer's expectation. As a result, whenever a policy was released by TKM it created a difficulty at dealerships to include the policy or guidelines in their operations.

Based on this, TKM created a common platform "Dealer Council Subcommittee Service Meetings" wherein the dealers and TKM management would discuss and have a common understanding on policy making and its implementation. This is a two-way communication forum to address dealer issues and to make them understand the importance of any policy or changes in the operation.



Dealer council subcommittee service meeting

REGIONAL CUSTOMER SERVICE and CUSTOMER RELATIONS (CSCR) CONFERENCE

A Customer Satisfaction Index (CSI) achieved defines the customer's satisfaction about a product. After evaluating the CSI results, TKM identifies the gap areas and develops comprehensive strategies. Hence a CSCR Conference was introduced to share these strategies with dealerships to enhance their operating systems and meet the customer's expectations. Earlier CSCR Conference used to happen at National Level, but with an increase in dealer partners and changing market dynamics, TKM shifted to Regional CSCR conference in 2013.

This Conference is held annually between November to December in all our prime dealership location i.e. Bangalore, Mumbai, Delhi and Kolkata.



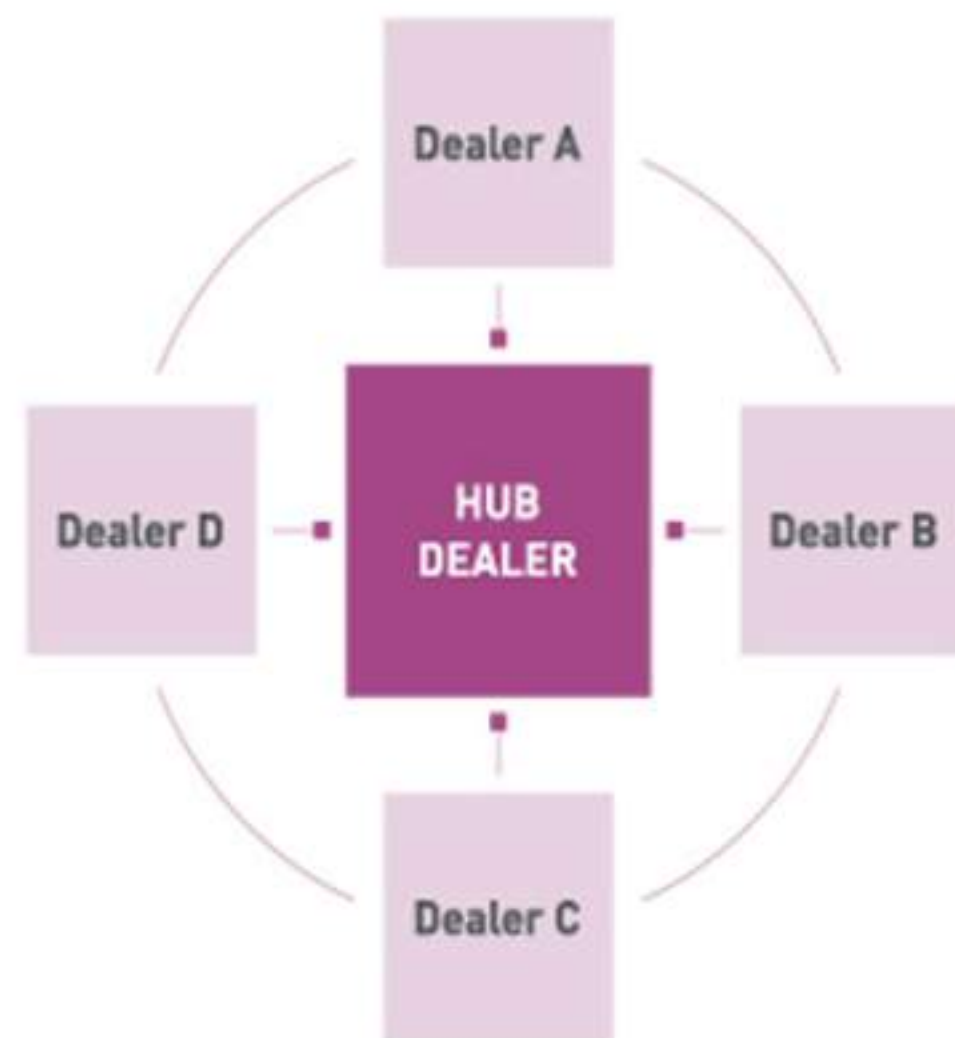
Regional customer service and customer relations conference

**CAPACITY BUILDING AT TKM
Dealer Centralized Training Centre [DCTC] :**

This is a basic training programme designed through which dealers will establish a Training centre at their main dealership and their respective branch dealers will obtain basic trainings at these centres.

This is inline with the HUB and SPOKE concept where the main dealership is the hub that conducts training to the spoke dealers (Branch dealers). Each group dealer identifies its HUB and enhances the quality of training at these centres.

This acts as an advantage for TKM as it has to monitor only the HUB dealerships to control the training mechanism.



DIAGNOSIS MASTER SKILL EVALUATION

Diagnosis master technician is the highest certification programme. To certify the technician along with theoretical evaluation practical skill evaluation has also been introduced to gauge the practical skills of technicians.

Initially a technician would cross various levels of training by attending training sessions and after completing a final exam at the end of each session. These were based on theory than practical evaluation. Hence to scrutinise the technician's practical knowledge TKM developed a Practical Skill Test wherein the technicians are given problems to solve in TKM premises. Depending on their practical skills, they are awarded with the Master Certificate.

This evaluation was brought in to enhance the service quality at dealerships and make technicians understand customers need.

ONLINE DEALER TRAINING MONITORING SYSTEM

In 2008, TKM introduced programme by name MDPP [Manpower Development Partnership Programme] through which dealer takes the responsibility to develop his manpower for basic training programmes. TKM supports to develop dealer instructor and also provides guidelines and study materials for dealer in house training. With increase in number of dealers, dealer training demands a stronger monitoring system. With an intention to enhance the monitoring system, TKM developed an online portal where:

- » Portal supports dealer to manage multi outlet training programme
- » Keeps track of manpower training and its evaluation
- » Clearly define the hub and spoke facility and enhance the training monitoring system



ESTABLISHMENT OF TRAINING CENTRE AT EAST ZONE DEALERS:

Previously for every training session, East Zone candidates had to travel to North training facility which would take about 7 days that would affect dealer operations in their respective east outlets and in turn lead customer dissatisfaction.

Hence, to avoid the loss of manpower during these days a Training facility is established in the East zone to quickly develop east zone dealer manpower and meet the customer expectations.

TOYOTA - TECHNICAL EDUCATION PROGRAMME (T-TEP)

Focused on benefiting the society and being a good corporate citizen, TKM undertakes a variety of social contribution activities. Some of them encompass Science and Technology promotion, Road safety campaigns, Environment conservation and local community development activities. Toyota Technical Education Programme is one such initiative.

T-TEP (Toyota-Technical Education Programme) is a CSR activity, jointly done by Toyota Motor Corporation and Toyota Kirloskar Motor: TMC supports TKM in providing training simulators and cut sections and Toyota Kirloskar Motor along with Toyota Dealer Partners at selected Industrial Training Institutes across India.

The objective of the programme is to provide training on automotive service and create stable employment opportunities to students who have aspirations in the automotive service industry.

Totally 3700 students have been trained nationwide since 2006. (there are 21 General, 12 Body and Paint and 3 SA Institutes functioning across India). More than 1800 students have been provided employment opportunities at Toyota Dealer Partners till date.

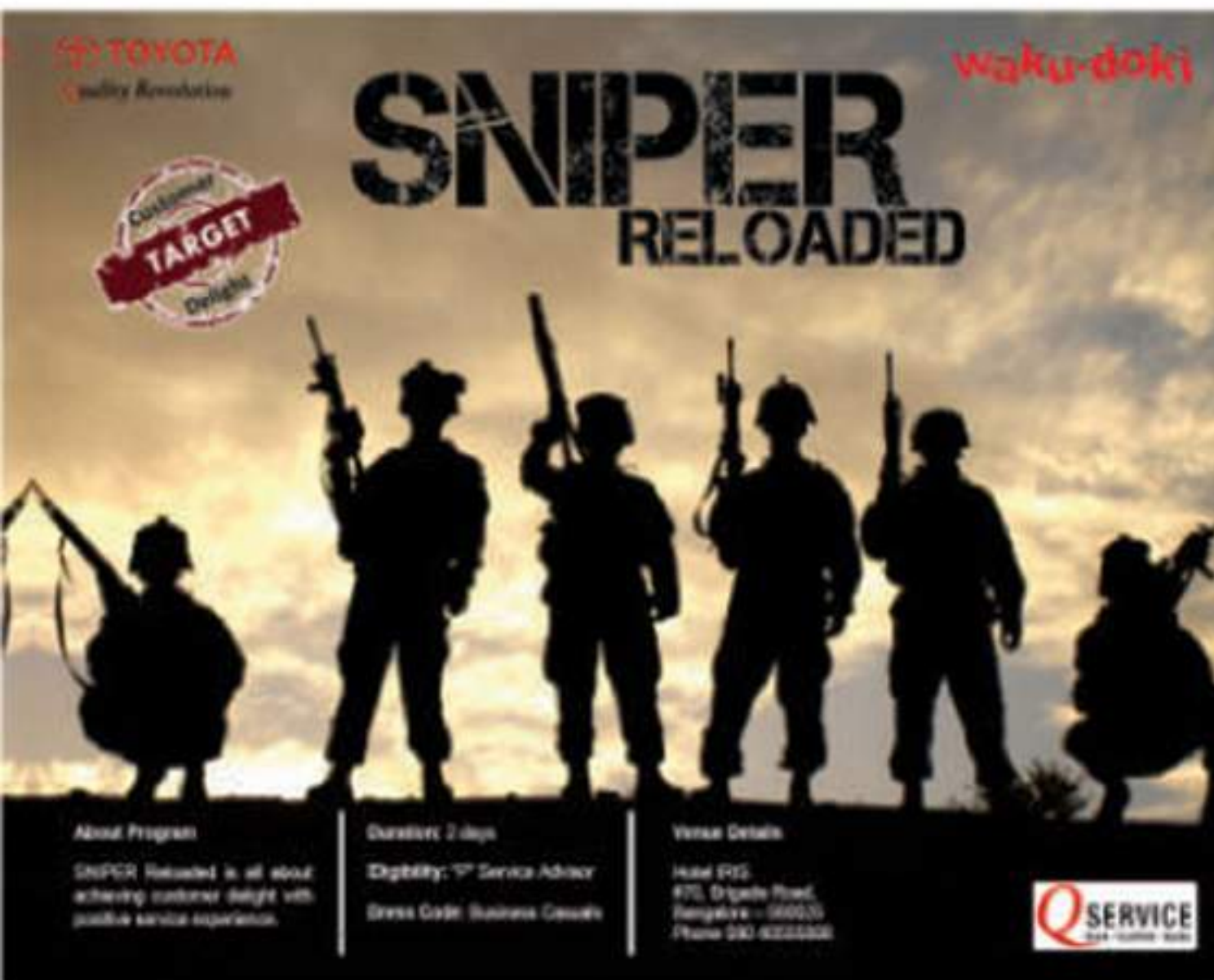
TKM organises Career Day in each of the institutes every year to provide employment opportunities at Toyota Dealer Partners.

T-TEP TRAINING STATUS



SNIPER RELOADED:

With the increase in service networking, a special training programme was initiated to enhance skills of service advisors at dealership outlets to strengthen CS organisation and to improve customer satisfaction.

**MRS TRAINING MODULE – MAINTENANCE REMINDER SYSTEM**

MRS is an activity done to remind customer about the next service the vehicle is due for. The due date is estimated based on the running frequency/pattern of the vehicle observed in the past (Odometer reading captured during last services).

MRS is Integral part of Toyota Service Operation. It is expanded to all the dealers across India along with e-CRB Implementation. Customers due for service are identified with the help of e-CRB system few days before the service due date (say 15 days). MRS team uses this data and reminds the customer on their service through SMS or Direct mailer and telephone call. As a result of this process MRS teams creates appointment for vehicle service as per customer convenience.

This process of reminding customer and fixing appointment for service in advance helps the dealer to confirm the additional repair requirement from customer and prepare the necessary parts before the customer arrives at dealership for service. This will in turn reduces the service lead-time and leads to customer satisfaction.

BODY AND PAINT REPAIR v/s REPLACEMENT STANDARDISATION:

In Body and Paint Service, key Customer expectations are:

1. Short Lead Time
2. Good Repair Quality
3. Reasonable Cost

Negotiation between Customer, Dealer and Insurance company is the main challenge which impacts all the above three factors. To avoid negotiation between Dealer and Panel Insurance companies, TKM has implemented standard B and P Repair Charges. This has helped in reduction of overall Repair Lead time for Customer vehicles.

As a next level to enhance "Customer Trust", keeping Customer Safety and Repair Quality in mind, TKM has released standard guidelines to decide on Repair or Replacement based on damage extent. This has helped Dealers and Insurance companies to have common understanding thereby eliminating negotiation which reduces the overall Lead time and enhances Customer Satisfaction.

FIX-IT-RIGHT GEMBA SUPPORT TO DEALERS:

Fix-It-Right is the backbone of Dealer Service Operation. Fix-It-Right is a process of ensuring all the customer's request are fixed "Right at First time" The main responsibility of Fix-It-Right team is to analyse the customer voice and find the gaps in Dealership service operation in order to develop suitable countermeasures to achieve our ultimate goal of CSI No 1.

In 2013, we changed our approach of Fix-It-Right implementation through Gemba Support to dealers to identify the gaps in their service operation and support them in taking action plan.

We also supported them in developing customised countermeasure for dealer specific struggle points. Apart from this we also established a clear daily monitoring visualisation at each Quality Gates and strengthened the review mechanism structure for close communication.