

# TOYOTA

## CASE PRESENTATION



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# EXECUTIVE SUMMARY

## → MISSION STATEMENT

- Happiness for All

## → Key Findings & Issues

- With the industry's shift to EVs, Toyota's delayed investment has caused the firm to lose market share

## → Recommendations

- Shift away from HFCEVs, focus on BEV and hybrid production



# FINANCIAL PERFORMANCE

Metric	Toyota	Tesla	BYD
Revenue (\$B)	324.7	95.72	113.12
Revenue Growth (%)	3.66	0.95	5.84
Operating Margin (%)	9.81	2.55	4.95
Profit Margin (%)	10.91	6.38	5.45
Debt/Equity (%)	107.39	17.41	16.71



TOYOTA

## TOYOTA

- Highly profitable and financially stable
- Strategic leverage and scale efficiency
- Slow financial growth and market share loss

V S.



TESLA

## TESLA

- Strong brand and revenue
- Low revenue growth
- Declining efficiency



## BYD

- High revenue growth and cost differentiation
- Low profitability and financial efficiency



# STRATEGIC ISSUE IDENTIFICATION

## → Key Issues:

- Toyota's underinvestment in BEV R&D is threatening long-term competitiveness and profitability

## → Why?

- Toyota is falling behind the fully electric vehicle (BEV) market
  - Around 4.14 million hybrid units sold in 2024 (40% of its global sales), with only 140,000 BEVs (1.4% of its overall sales)
- Pressure from governments, competitors and consumers is accelerating the shift to BEVs





# INDUSTRY & MACRO ENVIRONMENT CONTEXT

Political	Global emissions regulations pushing ICE phaseouts (EU ban by 2035)
Economic	Declining battery costs; government incentives for BEV adoption
Social	Rising environmental consciousness; BEVs gaining mainstream appeal
Technological	Rapid innovation in battery tech favor first movers

- Rivalry: Intensifying with vertically integrated players (e.g., Tesla, BYD)
- Industry Life Cycle: BEV market entering growth stage, HFCEV still in early stage
- Opportunity: Expand BEV lineup in high-growth regions (e.g., EU, U.S., China)





# **INTERNAL ANALYSIS**

**TPS (Toyota Production System)**

**Kaizen**

**High R&D Investment**

**Commitment to Sustainability**

# **STRATEGY ANALYSIS**

**Utilizing strengths in hybrid technology while  
utilizing both hydrogen fuel and full EV**

**Strong TPS System**




**JIT (Just-In-Time)**





# STRATEGIC OPTIONS

Evaluating Toyota’s Path Forward to Compete in a Rapidly Evolving Electric Vehicle Market

Option 	Description 	Supporting Stats 
Accelerate BEV Expansion	Invest in R&D, battery tech, and EV models to compete globally	Only <b>140,000 BEVs sold in 2025</b> vs. Tesla’s <b>1.7M</b> ; goal of <b>1.7M by 2030</b>
Begin Battery Supply Chain Integration	Reduce reliance on suppliers (e.g., CATL, Panasonic)	BYD & Tesla vertically integrated = cost & speed advantage
Refocus Hydrogen on Commercial Use	Pivot HFCEVs to trucks/fleets, not consumers	Only <b>7% of US fueling stations</b> support H2; Mirai adoption remains low
Preserve Hybrid Leadership	Dominate markets lacking BEV infrastructure	Toyota has sold <b>15M hybrids</b> since Prius launch



## → Short-Term (0–2 Years)


- Scale BEV Factory output
- Partner for battery tech
- Shift hydrogen focus to fleets
- Target EU, US, China for BEVs

## → Long-Term (5–10 Years)

- Fully integrate battery supply chain
- Expand BEV production globally
- Lead in hydrogen trucking (if viable)

# RECOMMENDATIONS

## → Mid-Term (2–5 Years)

- Launch affordable BEVs
  - Begin battery integration
  - Expand hybrid leadership in emerging markets
  - Pilot hydrogen logistics
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# IMPLEMENTATION

Define goals and objectives

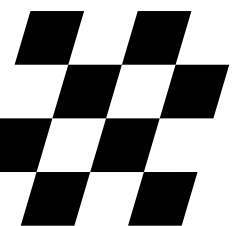
Arrange Timeline



Allocate resources



Stakeholder engagement







# RISK & CONTINGENCIES

## **Regulatory & Political**

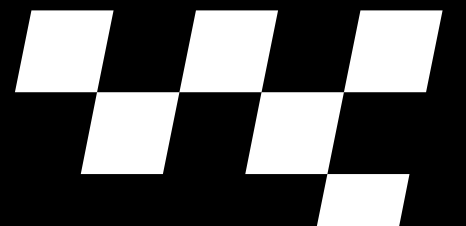
Toyota operates in over 170 countries, each with its own regulations

## **Supply Chain Disruptions**

Delivering 10.5 million vehicles when competitors like GM saw double-digit production drops.

## **Competitive and Technological Disruption**

Toyota allocated \$38 billion into EV and battery R&D by 2030





# RISK & CONTINGENCIES



## Financial and Currency Fluctuations

- Over 70% of its revenue from outside Japan
- 75% of Toyotas sold in the U.S. are manufactured locally

## Reputation and Quality Control

- Digital diagnostics now flag component issues in real-time

## Cultural and Operational Misalignment

- Thailand team led the Hilux redesign based on regional customer feedback.





THANK YOU

