

When TOYOTA Says the Basics Must Change

At the 2026 Toyota Supply Partners Convention, then-President Koji Sato delivered a direct warning: “Unless things change, we will not survive.”

He spoke about speed and competitiveness—but also about something more fundamental. Production stoppages were still being caused by equipment and quality issues, both at Toyota and among its suppliers.

His response was not another quality slogan. It was a call to restore the basics:

- build quality into every process
- reconsider established working assumptions
- listen more carefully to the people closest to the work

For a company that helped define modern quality discipline, this is an important message. Complexity may have changed faster than the quality process around it.

Source: Toyota Times, 2026 Toyota Supply Partners Convention.

The Current State: The Clearest Metrics Arrive Late

The automotive industry already measures many important things:

- recall volumes
- affected vehicles
- warranty costs
- service campaigns
- remedy progress
- regulatory actions

These numbers are essential. But they usually become clear only after an issue has accumulated enough evidence, recognition and operational impact to enter the visible record.

For manufacturers and suppliers, the quality process may already be under pressure. For analysts, the cleanest numbers often appear near the end of the story.

The current state is effective at measuring formal visibility. It is less effective at showing how the issue developed before it became formal.

Quality Can Become Lost Between Systems

An automotive issue rarely begins as one clear event. It may first appear as:

- a customer complaint

- an engineering observation
- a recurring service symptom
- a supplier-quality concern
- a production interruption
- or a pattern visible only across time

Each piece may sit in a different system, department or company. No single record proves a defect.

But when the evidence remains fragmented, the organization may also fail to see how the pieces are developing together.

This is where quality can gradually become harder to manage. Not necessarily because knowledge is missing. Because the process does not connect the knowledge early enough.

The New State: Better Measures Inside the Process

The new state may not require another large data platform. It may begin with better questions around the data that already exists.

Measures that distinguish:

- severity from volume
- a persistent pattern from a temporary spike
- continuous activity from disappearance and return
- a model-specific issue from wider portfolio spread
- a concentrated failure pattern from a broad mixed category

The objective is not to predict a recall. It is to give field evidence, engineering, suppliers, service operations and management a more structured view of what is developing.

For analysts, the same measures can provide earlier context around operational, regulatory and financial exposure.

Good measurement does not replace engineering judgment. It helps engineering judgment arrive with a clearer picture.

A KPI Should Change What the Organization Notices

A useful KPI is not merely a number reported at the end of a process. It influences:

- what receives attention
- which questions are asked
- where teams investigate

- and how early different parts of the organization begin speaking to one another

Supply Chain Management Review recently observed that:

“Recall management has evolved from a compliance exercise into a crucial measure of supply chain resilience, agility, and customer trust.”

The article also describes recall readiness as a core operational KPI requiring traceability, supplier readiness and cross-functional coordination. That is an important step.

The next may be to strengthen the measures operating before recall readiness is tested.

For manufacturers and suppliers, this could support a better quality process. For analysts, it could provide a clearer view of the organization’s ability to recognize and manage developing evidence.

Perhaps the automotive industry does not need another quality slogan. It may need a more effective transition: **From measuring problems mainly after they become visible—to giving developing evidence structured attention earlier.**

This is the direction we are exploring at **RecallVantage**.

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#RiskIntelligence #Toyota