

## **TOYOTA Disaster Management Team: A Study in Program Development**

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### **Abstract**

Toyota Motor Sales, U.S.A., is a wholly owned subsidiary of Toyota Motors in Japan. Toyota team members devote themselves to the consumer, from the drawing board to the market. Our respect for our neighbors and the environment is at the heart of everything we do. As the fourth-largest automaker in America, we are committed to continuous improvement.

This case study will describe how Toyota built its disaster preparedness program from the ground up, integrating emergency response and business continuity into a single, dynamic Disaster Management Team which in 1999 earned the first "Mayor's Award of Excellence for Emergency Preparedness" from the City of Los Angeles.

In addition to creating a Corporate Emergency Response Team, Toyota has developed a state-of-the-art Emergency Operations Center at its Headquarters Campus near Los Angeles and has put into place a new web-based disaster management communication and command system.

The Disaster Management Team works with every Toyota business unit nationwide to insure a comprehensive business continuity program, from mitigation through plan development to actual implementation. 'Lessons learned' from actual plan utilization has validated the strength and scope of the contingency planning component of the program.

Presented by Janet L. Mebust, Toyota's Business Continuity Manager, this presentation includes the key elements Toyota incorporated into the development of its award-winning program creating a complete response and recovery organization for the fourth largest automaker in the U.S.

## INTRODUCTION



**OUR VISION:** Toyota is prepared globally to insure the safety of its associates and the continuation of its business if a natural, man-made, or technological disaster occurs.

**OUR MISSION:** Establish and maintain the optimum state of disaster preparedness through planning, preparation, training and exercise. Our goal is for associates to be self-sufficient and business units to be self-sustaining regardless of what type disaster occurs.

As a major employer in the U.S., we acknowledge and accept our responsibility to our associates, business partners, customers, and the communities in which we do business, to be prepared to respond to and recover from a disaster. We recognize that in the initial hours and days of a major disaster we will be on our own for basic survival support. To that end, we have made the commitment to insure our associates are well trained and prepared with the tools necessary to help their families and one another during a disaster. Additionally, we are obligated to those same people and our parent company to engage in mitigation and business continuity planning. In doing so we guarantee our associates have a job to return to after a disaster, our business partners are not severely impacted by our situation, and the local economy is not negatively affected by our closure.

In 1997 Toyota Motor Sales, U.S.A. created an innovative, leading edge approach to disaster preparedness by combining two distinct yet related fields into a single

operating unit called the Disaster Management Team. The two components are business continuity planning and emergency response and the team is situated within the Safety and Environmental Department under the Finance and Corporate Services Division. Toyota's Disaster Management Team has been recognized in both the public and private sectors for leadership in developing a unique, leading edge program that aligns business continuity with emergency preparedness. In addition to the Federal Emergency Management Administration (FEMA), the City and the County of Los Angeles has recognized Toyota's team for its innovation and comprehensive program.

As part of its 'good corporate citizen' initiative, the team enthusiastically shares Toyota's expertise in the business community through external presentations and representation to key community groups. Team managers Janet Mebust and Gregory Carothers presented the Toyota program at the 2000 World Disaster Management Conference in Ontario, Canada. Ms. Mebust has also presented the TMS program at the annual conference of the International Emergency Managers Association, the 2002 and 2001 Contingency Planning and Management Conference, the Western States Emergency Preparedness Conference and to the Los Angeles County Emergency Preparedness Commission.

## **BUSINESS CONTINUITY**

### Business Impact Analysis and Contingency Planning

#### **Business Impact Analysis**

The first step in the development of contingency plans throughout Toyota USA began with a Business Impact Analysis. The BIA helped define the impact of losing individual business operations and analyzes those impacts over defined time frames. Our analysis provided the following information:

- ◆ Financial and operational impacts by business unit and TMS as a whole;
- ◆ The extraordinary expenses needed to continue operations after a business interruption;
- ◆ The company's current state of preparedness;
- ◆ Technological requirements for resumption and recovery;
- ◆ Special resources available or required.

The scope of the BIA conducted in 1997 included a one-hour interview with every corporate manager and vice president (62) throughout the enterprise, participation in financial and technology surveys by department, and external risk analyses of the local area surrounding headquarters. (A modified business impact analysis is also conducted for every field facility.) Most recently, an updated assessment of the Information Technology Division was undertaken resulting in forward-looking recommendations and strategies.

Business recovery plans are developed based upon the priorities identified during the Business Impact Analysis. The 1997 analysis was re-validated through the Y2K mitigation process. Janet Mebust, business continuity manager, conducted the BIA and centrally manages contingency planning from TMS headquarters.

## **CONTINGENCY PLANNING**

We have undertaken strategic planning and the development of business recovery plans so that any interruption to business will be minimal. We expect business continuity to permeate the core decision-making discussions of our department managers and executives. To that end we work with every Toyota business unit nationwide to insure a comprehensive business continuity program. In support of this effort we have enlisted both external consultants and an internal team of “Key Stakeholders” who provide the necessary support and expertise to fulfill the program requirements. These stakeholder departments include Human Resources, Risk Management, Information Systems, Facilities, Finance and Public Affairs.

A Business Recovery Coordinator (BRC) represents each TMS department. Under the guidance of the Business Continuity Manager, the coordinators develop, maintain and exercise contingency plans for their respective business units. There are 82 coordinators at Headquarters handling 125 separate department contingency plans. 90% of the BRC’s are management level associates. Contingency Planning activities have been completed at approximately 50% of all field sites throughout the U.S. and central/south America; more than 46 offices have been engaged to date.

The department business continuity plans utilize a consultant-provided methodology that encompasses detailed steps for use by department managers. The plan provides for them to account for their associates, specifies recovery steps in detail, and where to recover the basic operations of their departments. Also identified in the plan are the systems, telecom and other resources required to implement the recovery. Finally, location, duplication, and restoration methods for vital records are documented. These plans, created by each department under the guidance of the Business Continuity Manager, provide each department the means to continue with critical processes during the disaster recovery period. In all instances they rely on manual “work-around” procedures while Information Systems activates their recovery processes and the other key stakeholders execute their recovery and restoration plans.

## **BUSINESS RECOVERY COORDINATORS**

Business continuity planning insures that a host of activities take place in the interest of business continuation after an interruption occurs – whether that interruption is natural, man-made or technological in nature. Each department

creates a business recovery plan that focuses on their critical business processes. As a key component of sound program development, associates are encouraged to keep business continuity in their minds as they develop new programs and create new business relationships with external business partners.

Each HQ department and field office has a Business Recovery Coordinator responsible for the development and on-going maintenance of the department's plan in behalf of the department head. The department head is the "owner" of the plan with key accountability for its execution.

As we move the program through the field offices, each field facility will have its own BRC as well. The BRC's participated in many planning sessions for Y2K and created Y2K specific contingency plans as addendum's to their "regular" plans.

## **BUSINESS CONTINUITY PLANNING**

The planning component of the program covers a two-month time period and is laid out in four phases concluding with an exercise. The phases include:

- Introduction to Business Continuity Planning workshop
- Department process "storyboarding"
- Individual department consultation - plan review
- Tabletop exercise

The plans, created in Word, are maintained on a shared Lotus Notes database with universal access so that all Business Recovery Coordinators can share department processes and plans.

## **TABLETOP and FUNCTIONAL EXERCISES**

A tabletop or functional exercise is a critical component of any disaster preparedness program because it enables participants to learn from simulated crises, rather than on-the-job training during actual disasters.

We conduct routine exercises because they:

- reveal inconsistencies in the response plans
- highlight efficiencies as well as deficiencies
- underscore the need for training
- assess emergency preparedness capabilities and
- identify recommendations and corrective actions to strengthen capabilities.

An annual exercise is conducted at Toyota so that every Business Recovery Coordinator can exercise the department plan in different scenarios.

## **PROGRAM COMPLIANCE**

After the plans are in place, a key component to Business Continuity is to insure on-going review and the updating of plans as department processes change. As a strengthening tool and additional resource to the Disaster Management Team, the associates in the Internal Consulting and Audit Services Department include a verification of the business continuity plan in their audit process. This verification provides a “third party” overview of the plan from unique and valuable business perspective.

Finally, as relates to the Key Stakeholders, in addition to their regular business plans, these departments have instituted plans and policies to implement during a disaster period to address both company infrastructure and human resource needs such as the continuation of payroll and the like.

## **EMERGENCY RESPONSE AND PLANNING**

### **CERT – Corporate Emergency Response Teams**

The CERT program is designed to teach associates about emergency search and rescue techniques, CPR, fire suppression, and triage so they are skilled and ready for action in the event of an earthquake, fire, flood, tornado or hurricane when emergency services are scarce. CERT training is facilitated by a combination of public and private resources and is managed by Gregory Carothers, emergency planning and operations manager.

More than 1,400 associates have become “certified” resulting in an investment of more than 48,000 training hours since 1998. This cadre includes associates at headquarters, as well as associates at regional offices, parts distribution centers, financial services branches, vehicles distribution centers and other unique locations such as Toyota's fixed-base operator, Airflite, at the Long Beach, California airport.

CERT training will continue throughout all Toyota facilities nationwide. The scope of the training will be dependent on the size and population of each facility. CERT embodies the best about Toyota associates – the willingness to serve, and it has significantly enhanced the preparedness of associates at home as well as at the office.

In addition to CERT training, TMS headquarters has instituted Emergency Medical Technician (EMT) training certified by the state of California, and has in place Automated External Defibrillators for use by trained associate personnel and certified by the American Heart Association. Finally, each facility is being/will be equipped with disaster supplies on site.

A state-of-the-art Emergency Operations Center has been constructed at TMS Headquarters Campus. This will be the location for the management of our disaster response operations. Additionally, a mobile Emergency Command Center for senior management will be operational through the use of laptop computers and a state-of-the-art disaster management communication system utilizing web technology. Key senior management personnel assume leadership roles during a disaster operation.

## CONCLUSION

To achieve our vision, we have focussed our actions and efforts by Toyota's three guiding principles: to GROW, CHANGE and DEVELOP. We have employed those principles not only to our own professional growth, but to the evolution of new and better business practices as well.

We are in year four of a seven-year project. With senior management's unwavering support, their strategic guidance, and the use of our guiding principles, we have developed a unique team that insures the sustainability of the company, the security of our associates, and the vitality of our contribution to the communities in which we do business.

## **AUTHOR BIOGRAPHY**

**Janet Mebust**  
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Janet Mebust is a seasoned professional in the government and business arena with extensive experience in law enforcement, corporate security, and disaster preparedness. Ms. Mebust currently serves as the Business Continuity Manager for Toyota Motor Sales, U.S.A., where she co-developed and implemented a world-class team approach to emergency preparedness and business continuity planning. In 1999 Los Angeles Mayor Richard Riordan, the Los Angeles County Board of Supervisors, and U.S. Cabinet Member James Lee Witt, Director of FEMA recognized Toyota's team for outstanding contributions and "bridge-building" between the public and private sectors.

Internationally, Mebust is highly regarded as the former head of executive protection for Mr. Eiji Toyoda and Dr. Shoichiro Toyoda, retired Chairman of the Board and President of Toyota Motor Corporation respectively, having served in that capacity for over 12 years. In addition, she is a decorated former Los Angeles County deputy sheriff.

Ms. Mebust serves on the expert panel for the President's Commission for the Department of Defense Critical Infrastructure Protection. Additionally she serves as the private sector representative to the County of Los Angeles' Office of Emergency Management strategic planning committee, as well as the City of Los Angeles Emergency Preparedness Department's strategic planning commission. She holds a B.S. in Business Administration, is a graduate of the California Specialized Training Institute, and in 1986 was awarded the Certified Protection Professional credential from the American Society for Industrial Security.

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