

15.905 Technology Strategy (Spring 2007)

Professor Michael A M Davies

Class # 10: Toyota Motor Corporation: Launching Prius

Please note that you are *not* required to submit a write-up. However, writing down your thoughts may help you during class discussion.

Toyota has made an aggressive strategic commitment to hybrid electric vehicles, culminating in the forthcoming launch of its Prius. This represents a significant decision, with large potential payoffs and significant risks, typical of a new product based upon novel enabling technologies.

For this case, we are interested in the decision-making *process* as much as the content of the decision.

As a result, please give some thought to the following questions:

- how has the car industry evolved and changed?
- how do you anticipate that it will evolve over the medium to long-term, the next two or three product and platform generations?
- as a result, what are the worthwhile demand opportunities that may emerge?
- how has Toyota made the decision to invest in full hybrid electric vehicles?
- what are the key decisions so far that have shaped the Prius program, and how do they differ from typical programs?
- how does Toyota go about making decisions?
- so, what do you think Toyota should do about the Prius launch decision?