



Chet Richards
May 2016





Why do they lie to us?

Hunter S. Thompson,
The Curse of Lono

Chet Richards
May 2016



Overview: Where we want to be

Agile, in the original, strategic sense of able to deal with, and more usefully, to *influence*, a rapidly changing external environment

Agenda



**Enterprise
Services
Planning**

EXECUTIVE SUMMIT

Agenda

- What you should do.



**Enterprise
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Agenda

- What you should do.
- Why you won't do it.



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Agenda

- What you should do.
- Why you won't do it.
- What you can do. Really.

Agenda

- What you should do.
- Why you *probably* won't do it.
- What you can do. Really.



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Starting point: Trust is good

I am a big fan of trust. Trust is more efficient and cost-effective in coordinating and ensuring collaborative behavior than financial incentives or contracts.

The social science literature certainly demonstrates that leaders who inspire trust and build workplaces in which employees trust their leaders perform better.

Jeffrey Pfeffer, Prof. Organizational Behavior,
Stanford.

The USMC: With enough trust, you can read minds

We believe that implicit communication—to communicate through mutual understanding, using a minimum of key, well-understood phrases or even anticipating each others' thoughts—is a faster, more effective way to communicate than through the use of detailed, explicit instructions. We develop this ability through familiarity and trust, which are based on a shared philosophy and shared experience.

Marine Corps Doctrine Publication 1,
Warfighting, page 79.

On the other hand

 David J Anderson Retweeted



Sallyann Freudenber @SalFreudenber · 18h

Our outdated leadership models are harming us @kkirk #llkd16



5



3



 David J Anderson Retweeted



Marcelo R. Lopez Jr. @marcelolopezjr · 20h

Notice. Distance, matters less. Cohesion, unity within Org. matters more. Someone tell #UpperManagement, please.

Christian Tietze @ctietze

Among other findings: #TDD is more expensive but produces far better code. ⚖️ twitter.com/pmjones/status...



3



2



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Clearly, something is missing here

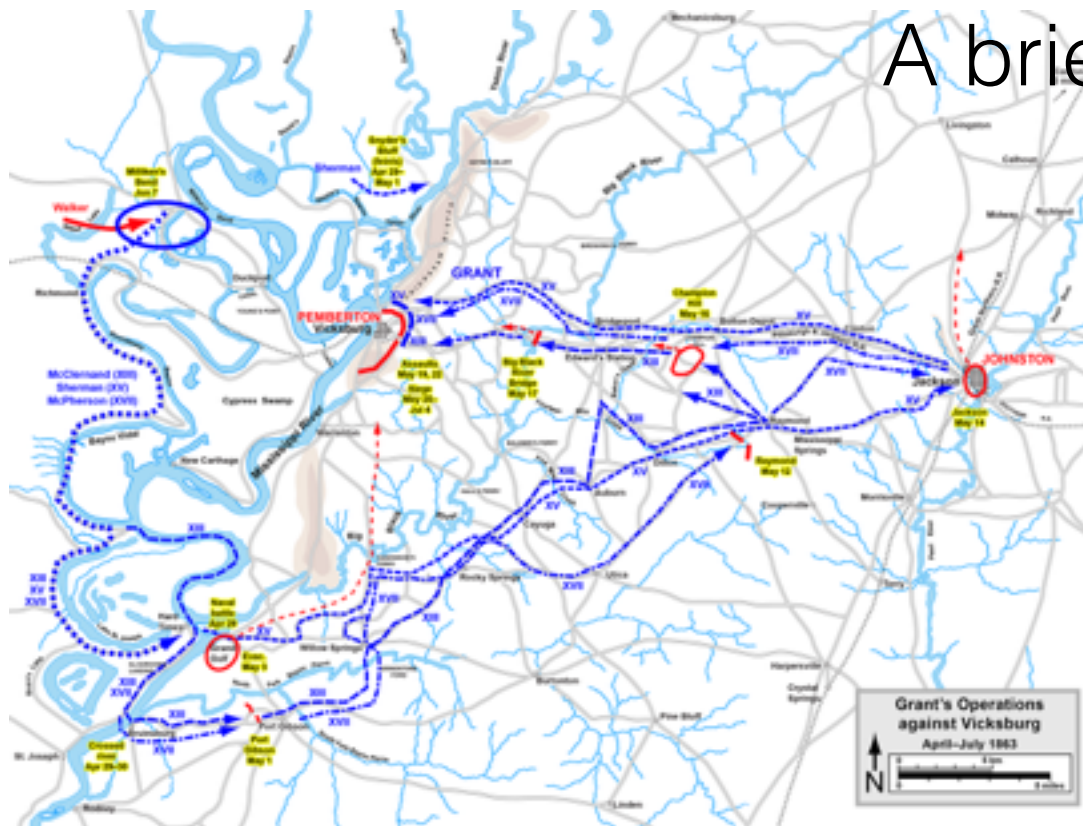
What makes an effective team? Many people have thought and written about this. An effective team has clear objectives, balanced roles, effective processes, good communication, openness & conflict, collaboration & support and regular review. Do you have an effective team if you checked all the above boxes? ***Or is there something missing?***

I believe that a precondition to set clear objectives, have conflicts in the team, have valuable regular reviews etc. is trust.

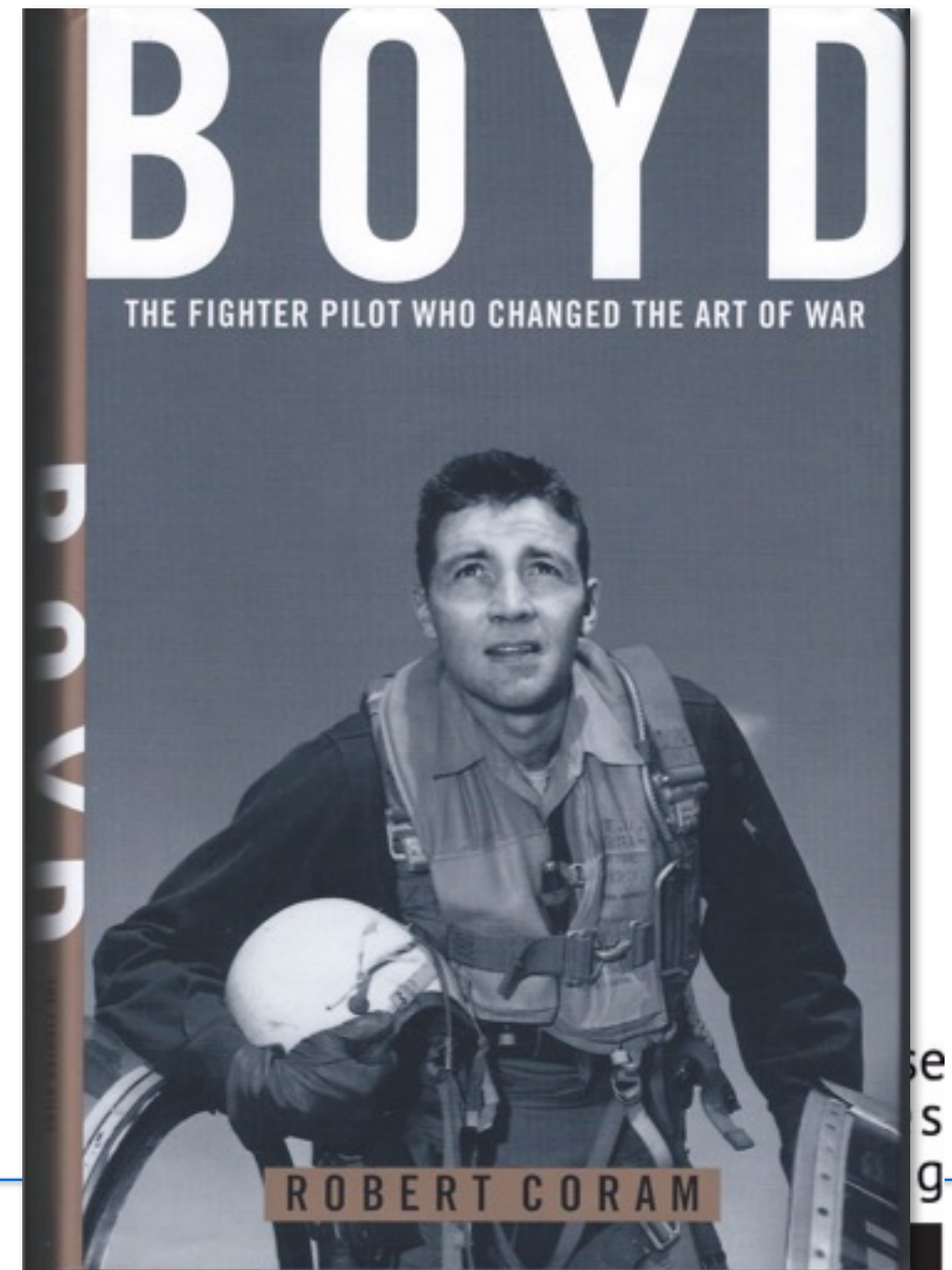
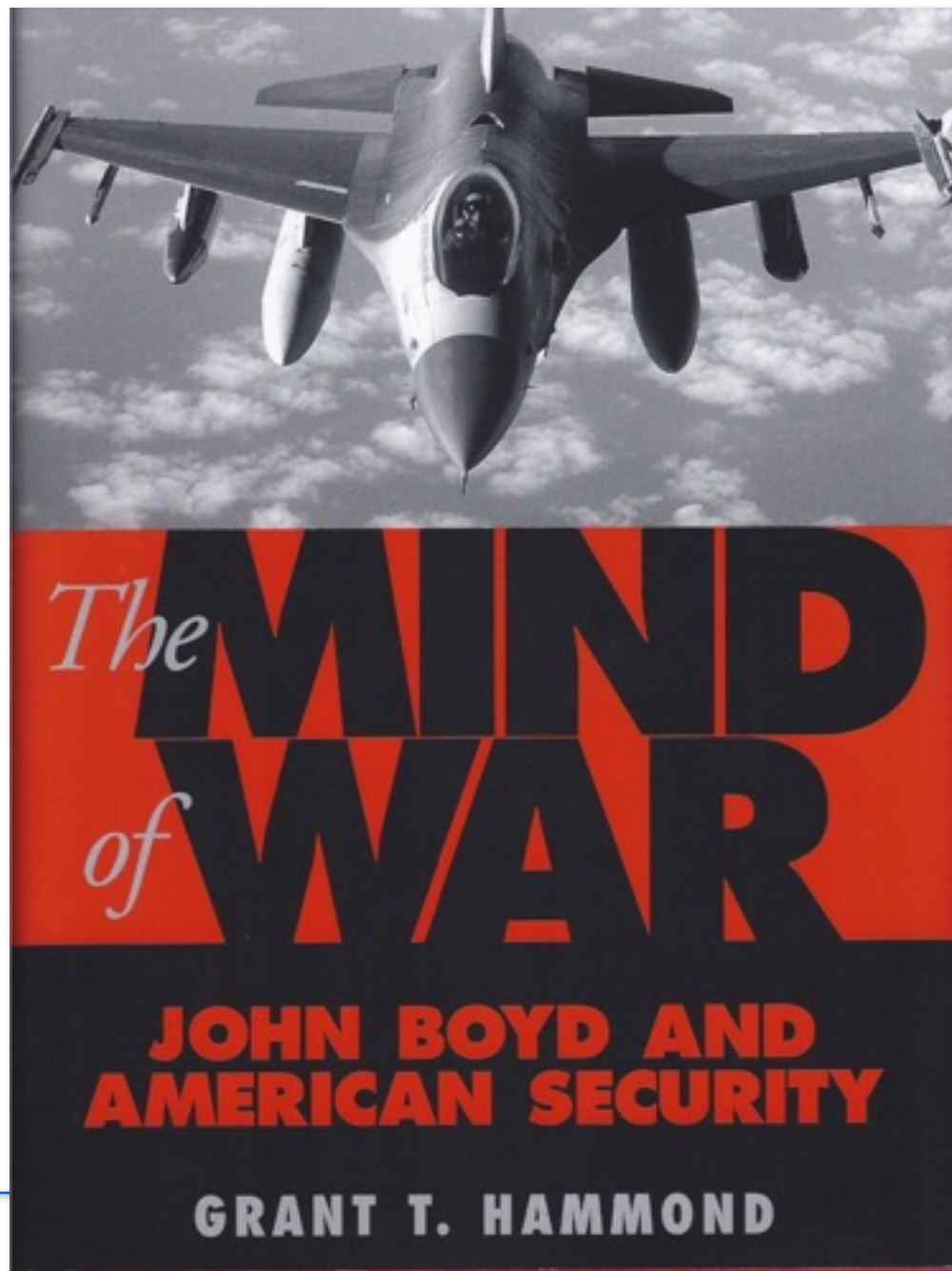
Caro Henderickx, “Without trust, no team,” <http://improve.jimdo.com/2016/05/10/without-trust-no-team/>

The Theory of Strategic Agility

A brief recapitulation



To keep things simple, I'm going to use the framework developed by John Boyd



Why?

Boyd and the reformers he inspired would later go on to design and advocate for the F-16 and the A-10. After retiring, he developed the principles of maneuver warfare that were credited by a former Marine Corps commandant and a secretary of defense for the lightning victory of the first Gulf War.

Secretary of Defense Robert Gates,
April 2010

And

Beyond the foundational outline of the maneuver warfare doctrine used by the Marine Corps in the 1991 and 2003 Gulf Wars, Boyd's influence reached deep into the theory of conflict. Such ideas as agility, shaping the mind of the enemy, harmony among all levels, and perhaps most important of all, promoting—not just exploiting or responding to—uncertainty and disorder, “were all either invented, re-discovered or inspired by Boyd.” (p. 4).

Frans Osinga,
Science, Strategy and War

Key issue in agility

How do we simultaneously sustain rapid pace and abruptly adapt to changing circumstances without losing cohesion or coherency of our overall effort?

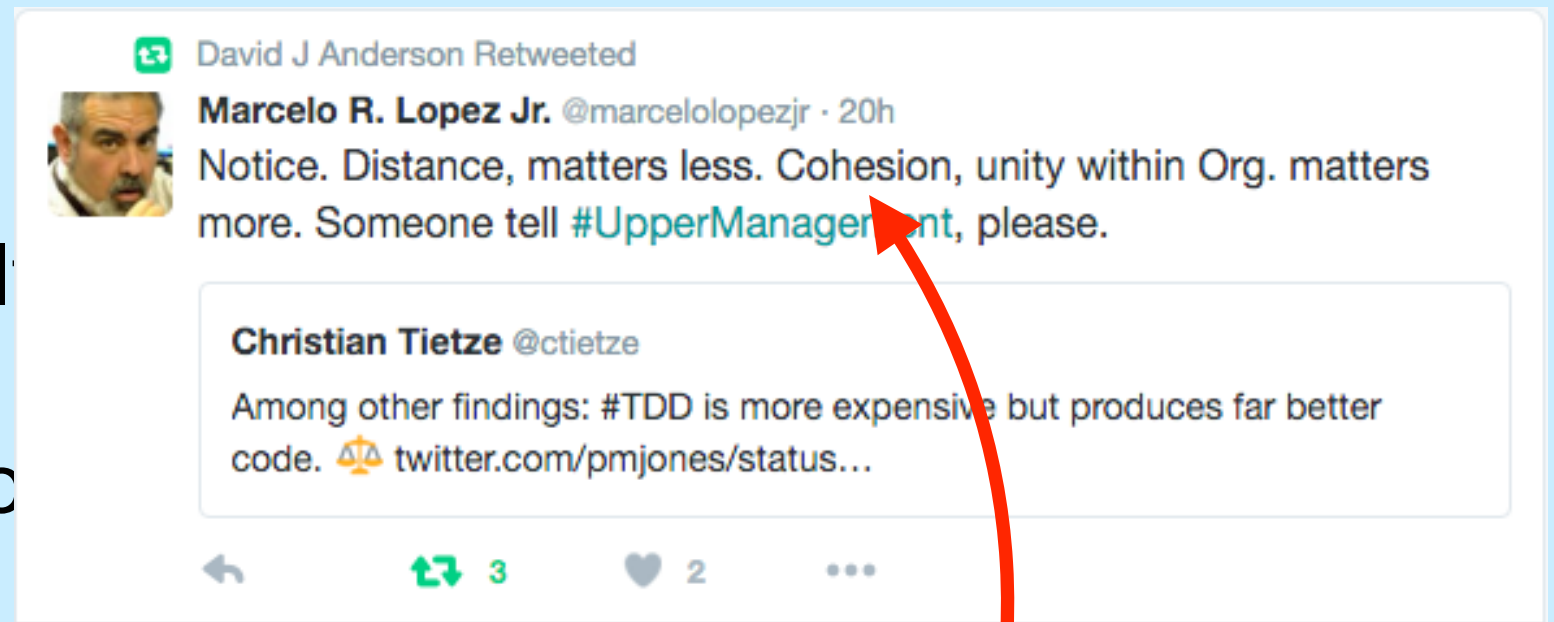
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[Note: If you aren't careful, these will trade off. That is, a rapid pace, combined with a lot of abrupt changes, will often cause loss of cohesion. On the other hand, attempting to enforce cohesion can kill agility.]

Key issue in agility

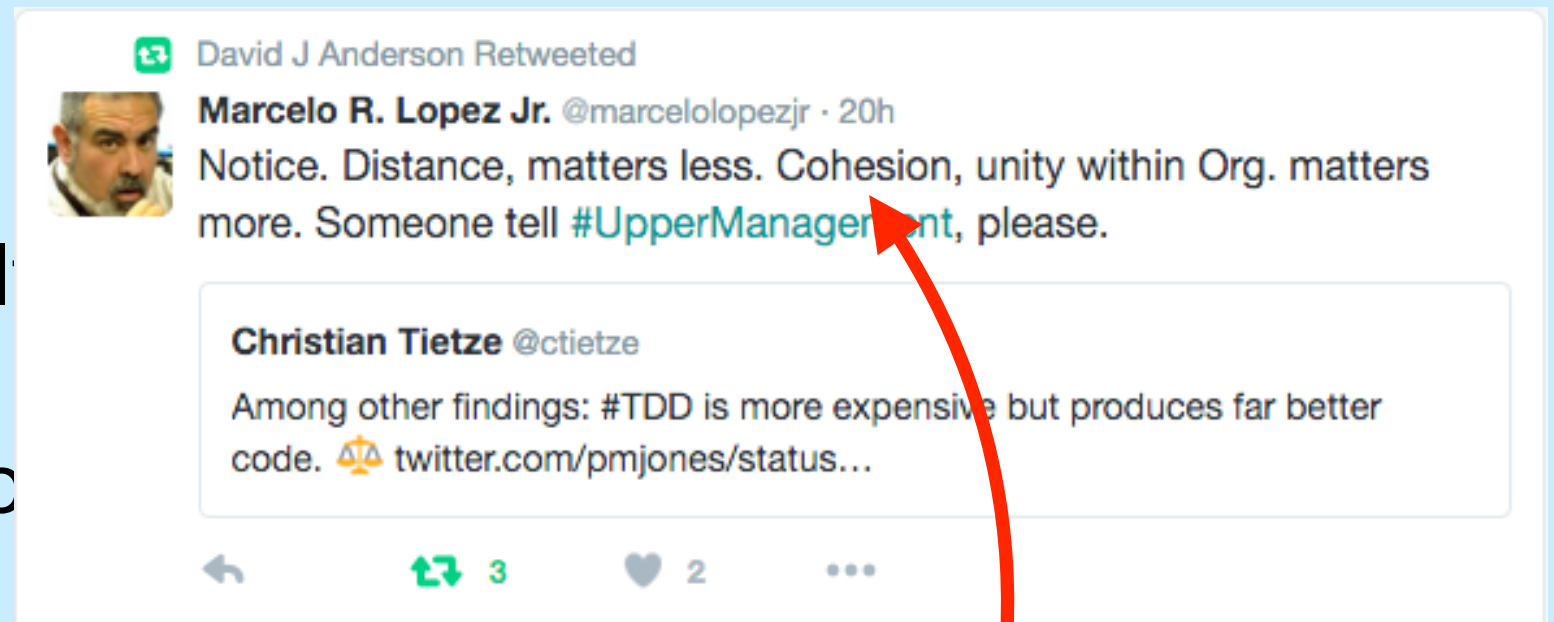
How do we simulate
abruptly adapt to
losing cohesion c



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An answer (from the military experience)

- Give lower-level commanders wide freedom, **within an overall mind-time-space scheme**, to shape/direct their own activities so that they can exploit faster tempo/rhythm at tactical levels yet be in harmony with the larger pattern/slower rhythm associated with the more general aim and larger effort at the strategic level.

Shaping agents

- Shape overall scheme by using **mission** concept or sense of mission to fix responsibility and shape commitment at all levels and through all parts of the organism. Likewise, use **Schwerpunkt** concept through all levels to link differing rhythms/patterns so that each part or level of the organic whole can operate at its own natural rhythm—without pulling organism apart—instead of the slower pace associated with a rigid centralized control.

In other words, it has something to do with culture

Everything we do — rapid turnarounds, flying only one type of aircraft, operating point-to-point — our competitors could copy tomorrow. But they can't copy the culture—and they know it.

Herb Kelleher,
then-CEO of Southwest Airlines

Why the obsession with culture?

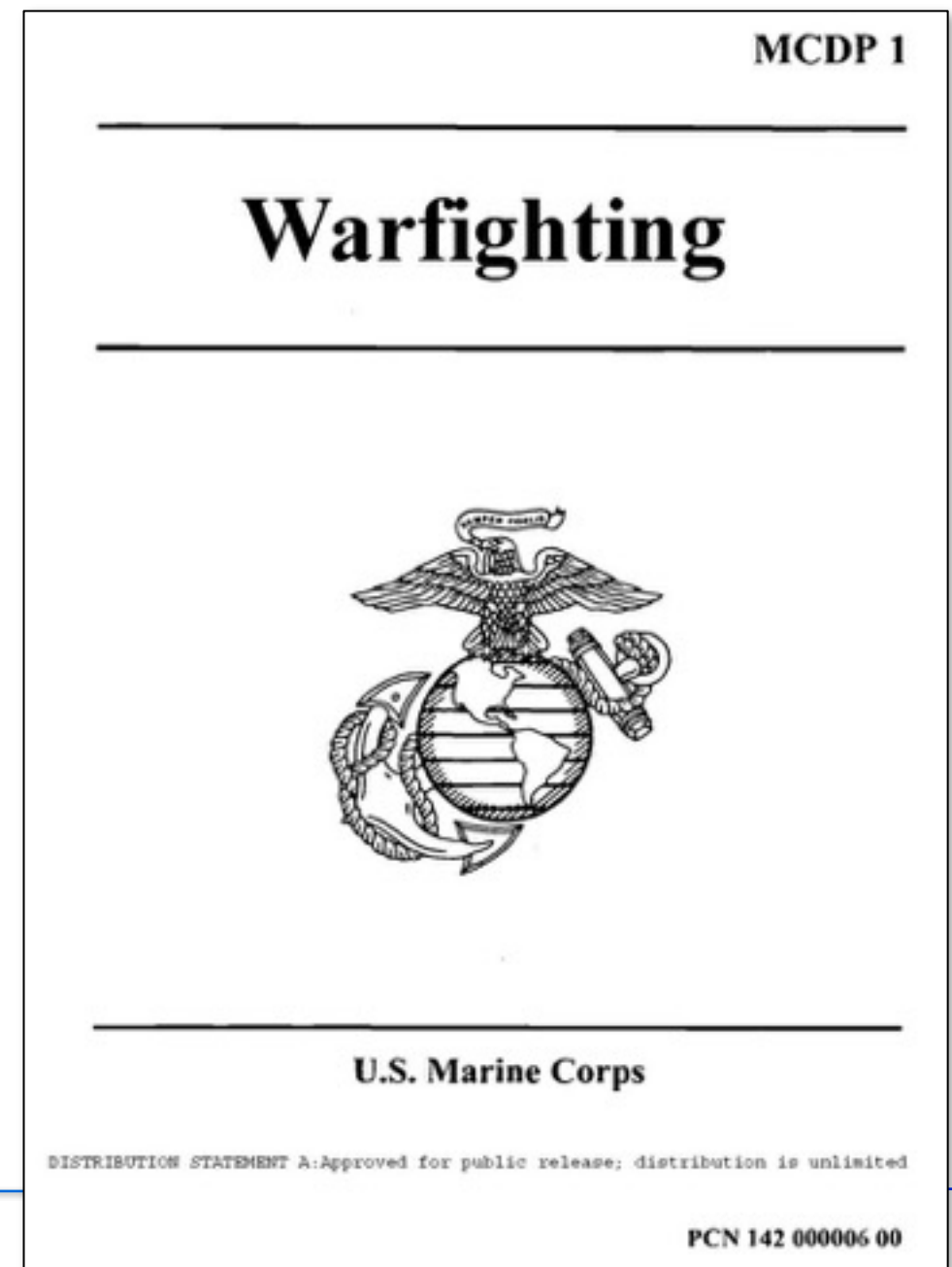
- Under such a culture, people are free to use their creativity and initiative to achieve the objectives of the organization.
- Seen from the outside, the organization appears to be quicker and more opportunistic — *more agile* — than its competitors.

The military has worked this out in gory detail

From:



To:



This (military) culture rests on 5 fundamentals

- ***Fingerspitzengefühl*** — intuitive competence
- ***Einheit*** — mutual trust; cohesion
- ***Schwerpunkt*** — focus of main effort
- ***Auftragstaktik*** — mission orientation
- ***Behendigkeit*** — mental agility



Overall mind-time-space scheme

- Foundation of mutual trust
- Generally accepted organizational system / climate / culture, whose explicit component is “doctrine”
- Shared understanding of goals, strategies & plans from immediate to long-term
- Similar implicit orientation, that is mental model of what’s going on

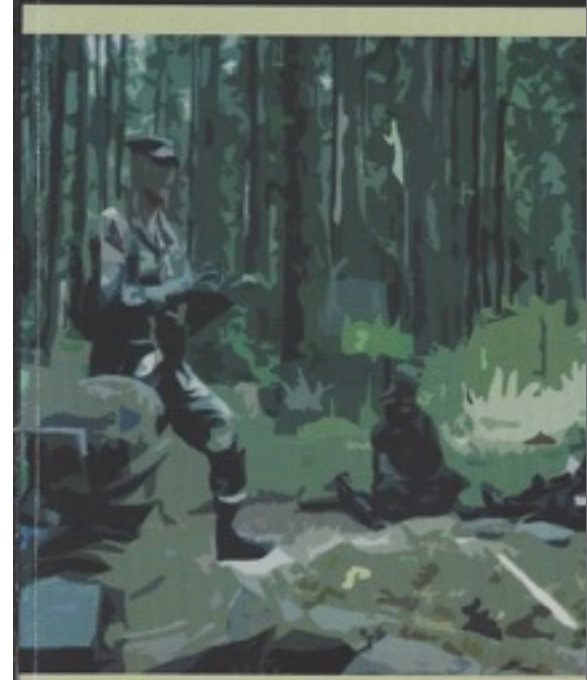
It works really, really well

- German experience in (early) WW II
- USMC in 1991, 2003
- Israeli ground operations, 1947 - 1973
- US Special Operations

You can study this stuff to your hearts' content

RAISING THE BAR

*Creating and Nurturing Adaptability
to Deal with the Changing Face of War*



Donald E. Vandergri



FIGHTING POWER

**GERMAN AND U.S. ARMY
PERFORMANCE,
1939-1945**

Martin van Creveld

Science, Strategy and War

The strategic theory of John Boyd

Frans P.B. Osinga

Series: Strategy and History

ADP 3-0
UNIFIED LAND OPERATIONS

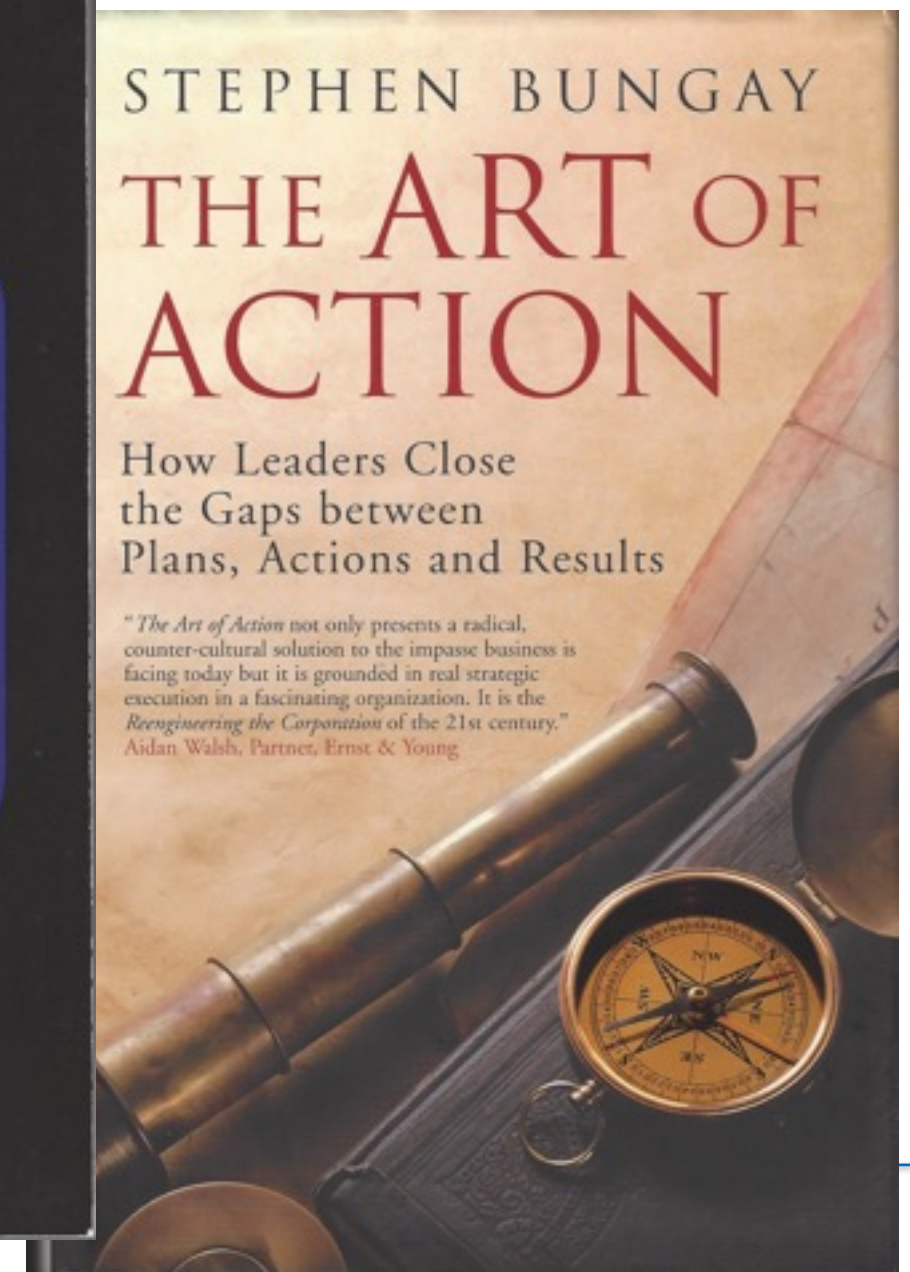
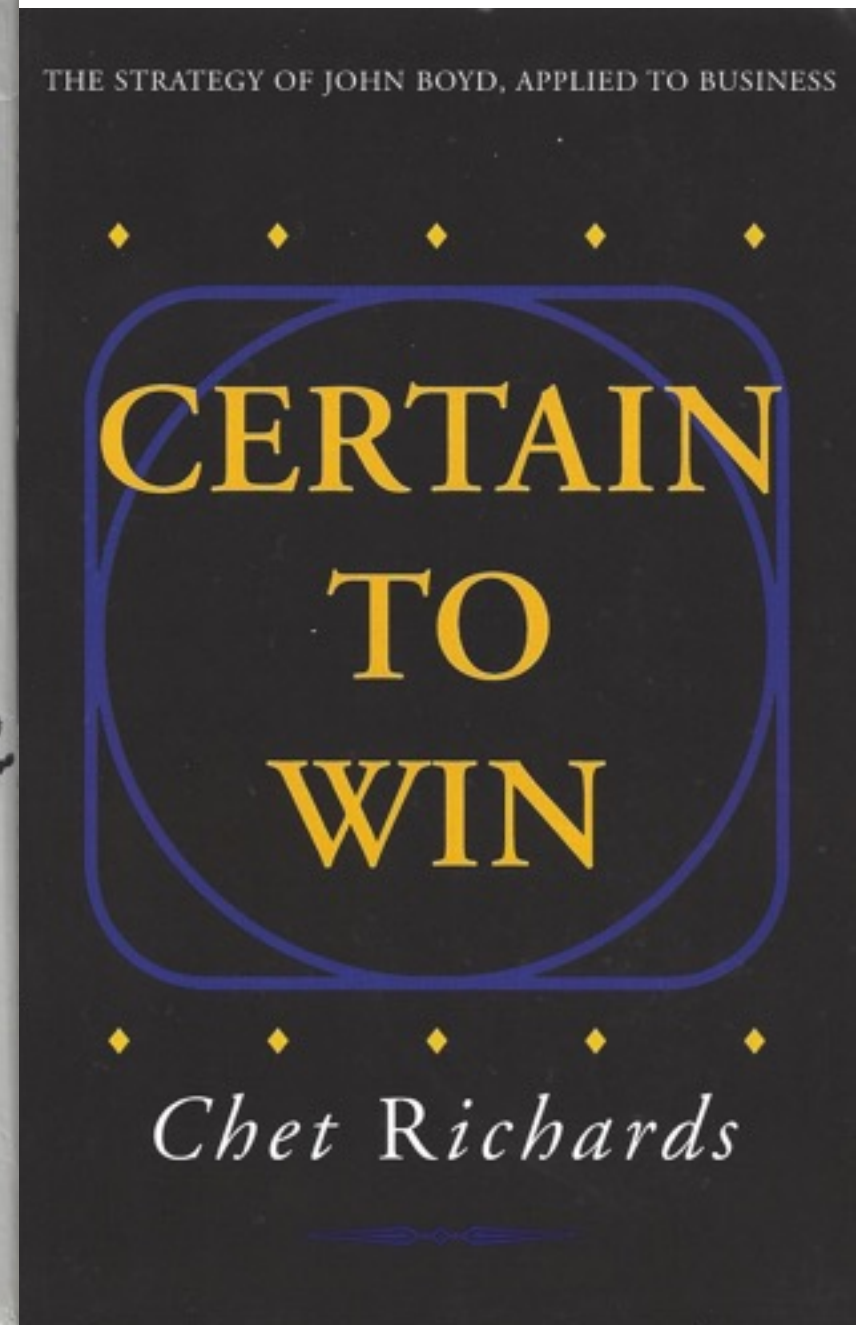
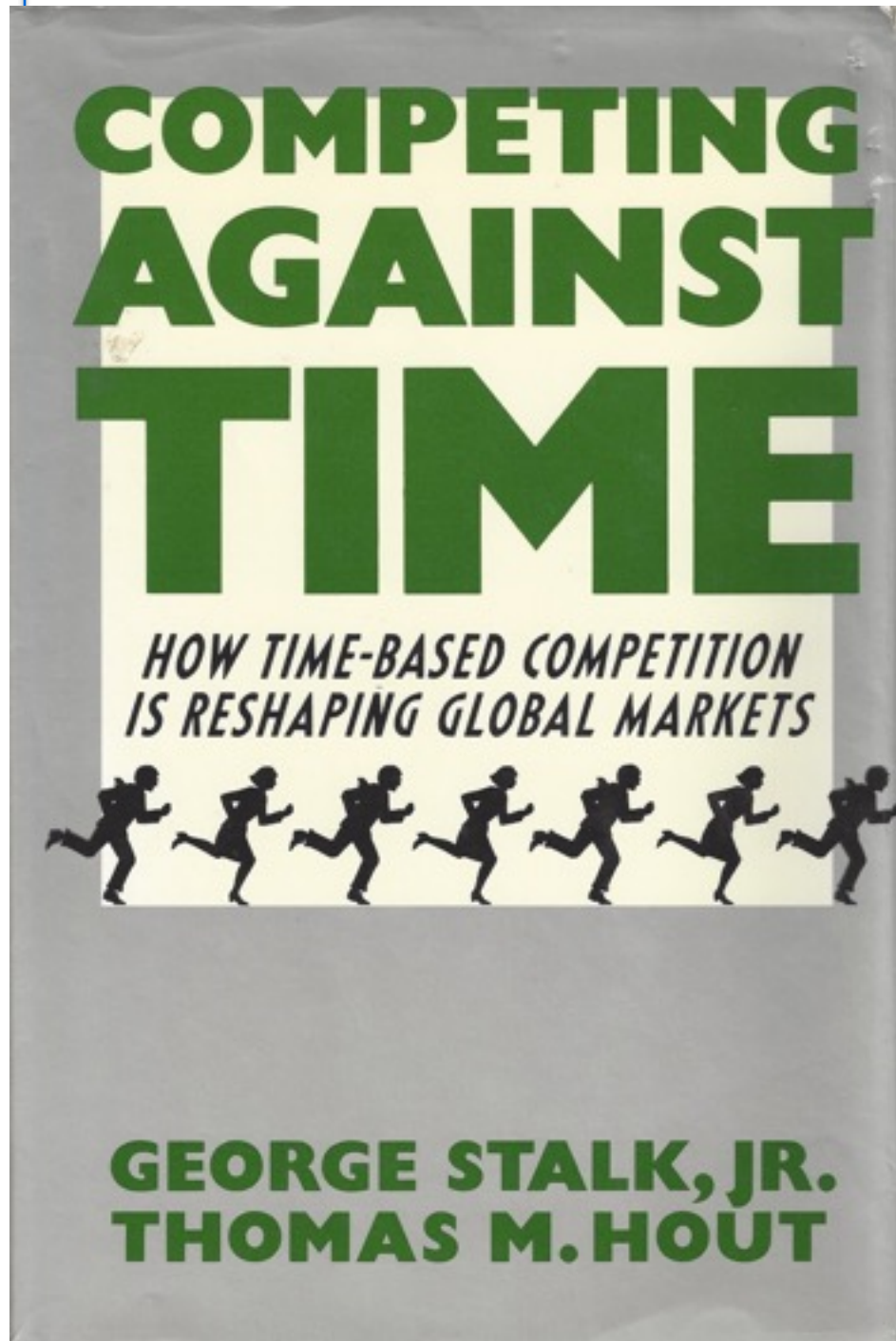


MCDP 1

Warfighting



And the commercial world has picked it up



Agenda

- What you should do.
- **Why you ^{probably} won't do it.**
- What you can do. Really.



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One small problem



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One small problem



This is not you



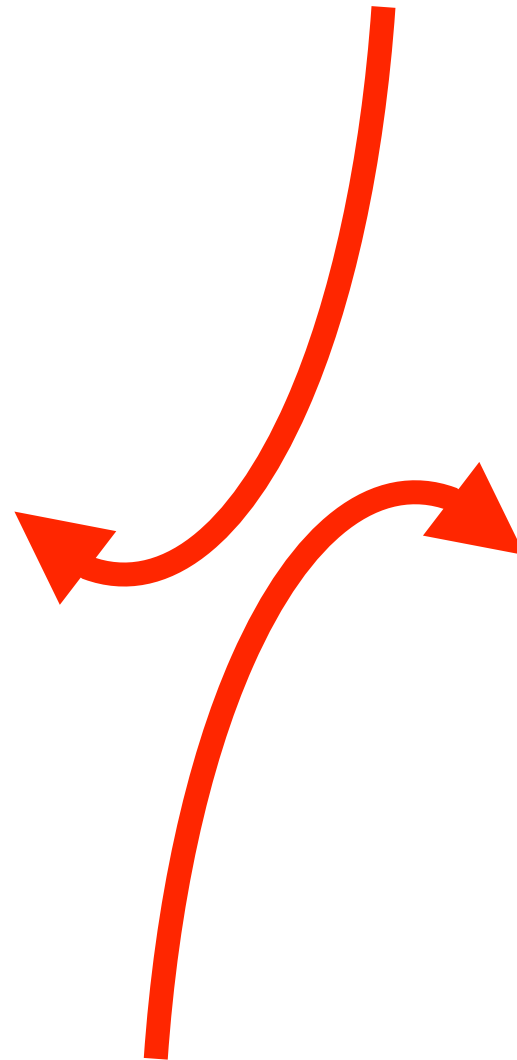
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One small problem



This is not you



Nor this

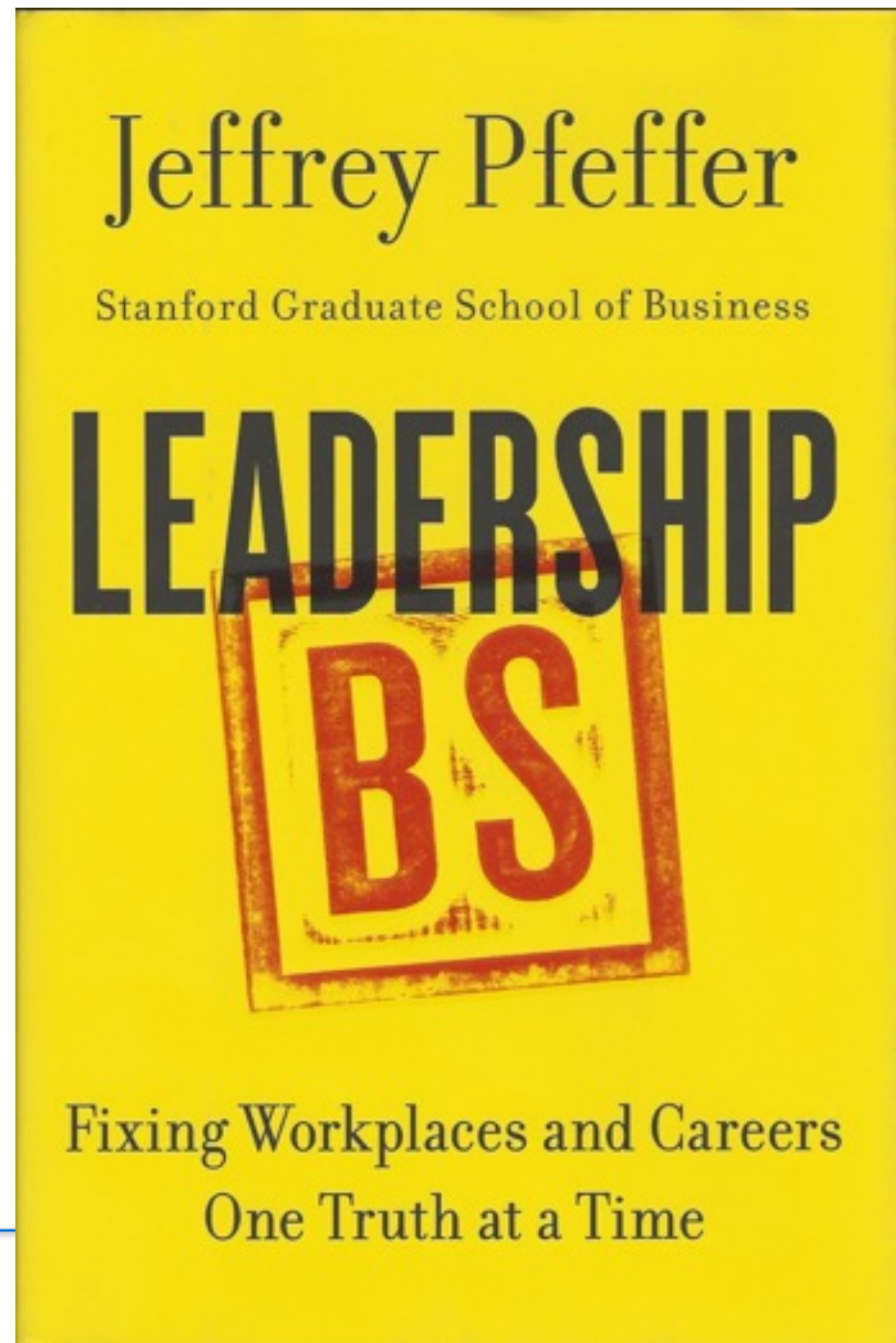


Military organizations, at least the good ones, are fundamentally different from yours.



Which is something you need to keep constantly in mind

This is a good book to help you do it!



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For example: Does this describe your company?

Theme

...

- Wide freedom for subordinates to exercise imagination and initiative—yet harmonize within intent of superior commanders.

...

How is this atmosphere achieved?

- By example, leaders (at all levels) must demonstrate requisite physical energy, mental agility, and moral authority to inspire subordinates to enthusiastically cooperate and take initiative within superior's intent.

What is the price?

- Courage to share danger and discomfort at the front;
- Willingness to support and promote (unconventional or difficult) subordinates who accept danger, demonstrate initiative, take risks, and come up with new ways toward mission accomplishment;
- Dedication and resolve to face up to and master uncomfortable circumstances that fly in the face of the traditional solution.

Benefit

- Internal simplicity that permits rapid adaptability.

For example: Does this describe your company?

Oh, really?

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Share danger and discomfort at the front

The late Admiral John Byng, RN



Share danger and discomfort at the front

*Dans ce pays-ci, il est bon de tuer de temps en temps
un amiral pour encourager les autres.*

In this country (England), they consider it a good idea
to hang an admiral from time to time for the
encouragement of the others.

Voltaire, *Candide*.

The late Admiral John Byng, RN



Or this?

Message

- ... Furthermore, a la General Blumentritt, it presupposes “an officers training institution which allows the subordinate a **very great** measure of freedom of action and freedom in the **manner** of executing orders and which primarily calls for independent daring, initiative and sense of responsibility.”

Point

- Without a common outlook, superiors cannot give subordinates freedom of action and maintain coherency of ongoing action.

Implication

- A common outlook possessed by “a body of officers” represents a unifying theme that can be used to simultaneously encourage subordinate initiative yet realize superior intent.

Military personnel policies

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- Retire with 20 years service (with full medical)
- Take the notion of "honor" seriously: Under the UCMJ, you can be court-martialed for lying to a superior.

But the biggest difference

In the commercial world, there are lots of incentives to violate trust and relatively few penalties.

**What senior-level people are afraid of:
My mid-level managers lie to me!**

David Anderson, Keynote at LKCE15



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How can they get away with it?

- Confirmation bias — we want to believe in those who we have selected as our leaders / mentors
- Illusion of invulnerability (it won't happen to me)
- Tendency to believe we're above average at knowing whom to trust
- The fact, however, that “indicators of trustworthiness can be faked, often with great success”

Pfeffer, 137

To make it simple

Leaders lie because there are benefits to doing so — and because the downsides of being caught are so small. Lying, even on financial statements, seldom brings permanent harm to its perpetrator.

In the contest between money and truth, bet on the money.

Pfeffer, Chapter 4.

BASIC PAY—EFFECTIVE JANUARY 1, 2016

Gr.	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18
O-10											
O-9											
O-8	9,946.20	10,272.00	10,488.30	10,548.60	10,818.60	11,269.20	11,373.90	11,802.00	11,924.70	12,293.40	12,827.10
O-7	8,264.40	8,648.40	8,826.00	8,967.30	9,222.90	9,475.80	9,767.70	10,059.00	10,351.20	11,269.20	12,043.80
O-6	6,267.00	6,885.30	7,337.10	7,337.10	7,365.00	7,680.90	7,722.30	7,722.30	8,161.20	8,937.00	9,392.70
O-5	5,224.50	5,885.70	6,292.80	6,369.60	6,624.00	6,776.10	7,110.30	7,356.00	7,673.10	8,158.50	8,388.90
O-4	4,507.80	5,218.20	5,566.50	5,643.90	5,967.00	6,313.80	6,745.80	7,081.50	7,314.90	7,449.30	7,526.70
O-3	3,963.60	4,492.80	4,849.20	5,287.20	5,540.70	5,818.80	5,998.20	6,293.70	6,448.20	6,448.20	6,448.20
O-2	3,424.50	3,900.30	4,491.90	4,643.70	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40
O-1	2,972.40	3,093.90	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10
O-3 ¹				5,287.20	5,540.70	5,818.80	5,998.20	6,293.70	6,543.30	6,686.70	6,881.40
O-2 ²				4,643.70	4,739.40	4,890.30	5,145.00	5,341.80	5,488.50	5,488.50	5,488.50
O-1 ³				3,740.10	3,993.60	4,141.50	4,292.40	4,440.60	4,643.70	4,643.70	4,643.70
W-5											
W-4	4,095.90	4,406.10	4,532.40	4,656.90	4,871.10	5,083.20	5,298.00	5,620.80	5,904.00	6,173.40	6,393.90
W-3	3,740.40	3,896.40	4,056.30	4,108.80	4,276.20	4,605.90	4,949.10	5,110.80	5,297.70	5,490.30	5,836.50
W-2	3,309.90	3,622.80	3,719.40	3,785.40	4,000.20	4,333.80	4,499.10	4,661.70	4,860.90	5,016.30	5,157.30
W-1	2,905.50	3,218.10	3,302.10	3,479.70	3,690.00	3,999.60	4,144.20	4,346.10	4,545.00	4,701.60	4,845.30
E-9 ⁴							4,948.80	5,060.70	5,202.30	5,368.20	5,536.20
E-8						4,050.90	4,230.00	4,341.00	4,473.90	4,618.20	4,878.00
E-7	2,816.10	3,073.50	3,191.40	3,347.10	3,468.90	3,678.00	3,795.60	4,004.70	4,178.70	4,297.50	4,423.80
E-6	2,435.70	2,680.20	2,798.40	2,913.60	3,033.60	3,303.30	3,408.60	3,612.30	3,674.40	3,719.70	3,772.50
E-5	2,231.40	2,381.40	2,496.60	2,614.20	2,797.80	2,989.80	3,147.60	3,166.20	3,166.20	3,166.20	3,166.20
E-4	2,046.00	2,150.40	2,267.10	2,382.00	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40
E-3	1,847.10	1,963.20	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00
E-2	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50
E-1 ⁵	1566.90										

Notes:

- Basic pay for an O-7 to O-10 is limited by Level II of the Executive Schedule which is **\$15,125.10**. Basic pay for O-6 and below is limited by Level V of the Executive Schedule in effect during 2016, which is **\$12,516.60**.
- While serving as Chairman, Joint Chief of Staff/Vice Chairman, Joint Chief of Staff, Chief of Navy Operations, Commandant of the Marine Corps, Army/Air Force Chief of Staff, Chief of the National Guard Bureau Commander of a unified or specified combatant command, basic pay is **\$21,147.30**. (See note 1 above).
- Applicable to O-1 to O-3 with at least 4 years and 1 day of active duty or more than 1460 points as a warrant and/or enlisted member. See Department of Defense Financial Management Regulations for more detailed explanation on who is eligible for this special basic pay rate.
- For the Master Chief Petty Officer of the Navy, Chief Master Sergeant of the AF, Sergeant Major of the Army or Marine Corps or Senior Enlisted Advisor of the JCS, basic pay is **\$7,997.10**. Combat Zone Tax Exclusion for O-1 and above is based on this basic pay rate plus Hostile Fire Pay/Imminent Danger Pay which is \$225.00.
- Applicable to E-1 with 4 months or more of active duty. Basic pay for an E-1 with less than 4 months of active duty is **\$1,449.00**.
- Basic pay rate for Academy Cadets/Midshipmen and ROTC members/applicants is **\$1,040.70**.

BASIC PAY—EFFECTIVE JANUARY 1, 2016

Pay Grade	Over 20	Over 22	Over 24	Over 26	Over 28	Over 30	Over 32	Over 34	Over 36	Over 38	Over 40
O-10 ¹	16,072.20	16,150.50	16,486.80	17,071.50	17,071.50	17,925.30	17,925.30	18,821.10	18,821.10	19,762.50	19,762.50
O-9 ²	14,056.80	14,259.90	14,552.10	15,062.40	15,062.40	15,816.00	15,816.00	16,606.80	16,606.80	17,436.90	17,436.90
O-8 ²	13,319.10	13,647.30	13,647.30	13,647.30	13,647.30	13,989.00	13,989.00	14,338.50	14,338.50	14,338.50	14,338.50
O-7 ²	12,043.80	12,043.80	12,043.80	12,105.60	12,105.60	12,347.70	12,347.70	12,347.70	12,347.70	12,347.70	12,347.70
O-6 ²	9,847.80	10,106.70	10,369.20	10,877.70	10,877.70	11,094.90	11,094.90	11,094.90	11,094.90	11,094.90	11,094.90
O-5	8,617.20	8,876.40	8,876.40	8,876.40	8,876.40	8,876.40	8,876.40	8,876.40	8,876.40	8,876.40	8,876.40
O-4	7,526.70	7,526.70	7,526.70	7,526.70	7,526.70	7,526.70	7,526.70	7,526.70	7,526.70	7,526.70	7,526.70
O-3	6,448.20	6,448.20	6,448.20	6,448.20	6,448.20	6,448.20	6,448.20	6,448.20	6,448.20	6,448.20	6,448.20
O-2	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40	4,739.40
O-1	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10	3,740.10
O-3 ³	6,881.40	6,881.40	6,881.40	6,881.40	6,881.40	6,881.40	6,881.40	6,881.40	6,881.40	6,881.40	6,881.40
O-2 ³	5,488.50	5,488.50	5,488.50	5,488.50	5,488.50	5,488.50	5,488.50	5,488.50	5,488.50	5,488.50	5,488.50
O-1 ³	4,643.70	4,643.70	4,643.70	4,643.70	4,643.70	4,643.70	4,643.70	4,643.70	4,643.70	4,643.70	4,643.70
W-5	7,283.10	7,652.40	7,927.50	8,232.30	8,232.30	8,644.50	8,644.50	9,076.20	9,076.20	9,530.70	9,530.70
W-4	6,608.70	6,924.60	7,184.10	7,480.20	7,480.20	7,629.60	7,629.60	7,629.60	7,629.60	7,629.60	7,629.60
W-3	6,070.50	6,210.30	6,359.10	6,561.60	6,561.60	6,561.60	6,561.60	6,561.60	6,561.60	6,561.60	6,561.60
W-2	5,325.90	5,436.60	5,524.50	5,524.50	5,524.50	5,524.50	5,524.50	5,524.50	5,524.50	5,524.50	5,524.50
W-1	5,020.50	5,020.50	5,020.50	5,020.50	5,020.50	5,020.50	5,020.50	5,020.50	5,020.50	5,020.50	5,020.50
E-9 ⁴	5,804.70	6,032.10	6,270.90	6,636.90	6,636.90	6,968.40	6,968.40	7,317.00	7,317.00	7,683.30	7,683.30
E-8	5,009.40	5,233.80	5,358.00	5,664.00	5,664.00	5,777.70	5,777.70	5,777.70	5,777.70	5,777.70	5,777.70
E-7	4,472.70	4,637.10	4,725.30	5,061.30	5,061.30	5,061.30	5,061.30	5,061.30	5,061.30	5,061.30	5,061.30
E-6	3,772.50	3,772.50	3,772.50	3,772.50	3,772.50	3,772.50	3,772.50	3,772.50	3,772.50	3,772.50	3,772.50
E-5	3,166.20	3,166.20	3,166.20	3,166.20	3,166.20	3,166.20	3,166.20	3,166.20	3,166.20	3,166.20	3,166.20
E-4	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40	2,483.40
E-3	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00	2,082.00
E-2	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50	1,756.50

Notes:

1. Basic pay for an O-7 to O-10 is limited by Level II of the Executive Schedule which is **\$15,125.10**. Basic pay for O-6 and below is limited by Level V of the Executive Schedule in effect during 2016, which is **\$12,516.60**.
2. While serving as Chairman, Joint Chief of Staff/Vice Chairman, Joint Chief of Staff, Chief of Navy Operations, Commandant of the Marine Corps, Army/Air Force Chief of Staff, Chief of the National Guard Bureau, or Commander of a unified or specified combatant command, basic pay is **\$21,147.30**. (See note 1 above).
3. Applicable to O-1 to O-3 with at least 4 years and 1 day of active duty or more than 1460 points as a warrant and/or enlisted member. See Department of Defense Financial Management Regulations for more detailed explanation on who is eligible for this special basic pay rate.
4. For the Master Chief Petty Officer of the Navy, Chief Master Sergeant of the AF, Sergeant Major of the Army or Marine Corps, Senior Enlisted Advisor to the Chief of the National Guard Bureau, or Senior Enlisted Advisor of the JCS, basic pay is **\$7,997.10**. Combat Zone Tax Exclusion for O-1 and above is based on this basic pay rate plus Hostile Fire Pay/Imminent Danger Pay which is \$225.00.
5. Applicable to E-1 with 4 months or more of active duty. Basic pay for an E-1 with less than 4 months of active duty is **\$1,449.00**.
6. Basic pay rate for Academy Cadets/Midshipmen and ROTC members/applicants is **\$1,040.70**.

Anyone know the ratio for
Fortune 500 companies?

Again, you are not Delta Force

- Putting employees first makes both ethical and, research suggests, business sense. However it doesn't happen that often. Pfeffer, p. 156-7
- “In this new model of work, employees are expected to feel complete devotion and loyalty to their companies, even while the boss feels no such obligation in return.”

Dan Lyons, “Congratulations! You’ve Been Fired!”
New York Times, April 9, 2016

Agenda

- What you should do.
- *probably* Why you ~~would~~ do it.
^
- **What you can do. Really.**



First: Let's not lie to ourselves

Do you really want to be like the military?

Or is the real purpose of your organization to make as much money as possible, especially for the very senior leaders?

There's nothing wrong with either one

Problems occur when you convince yourself you're in the first type of organization when you're actually in the second.

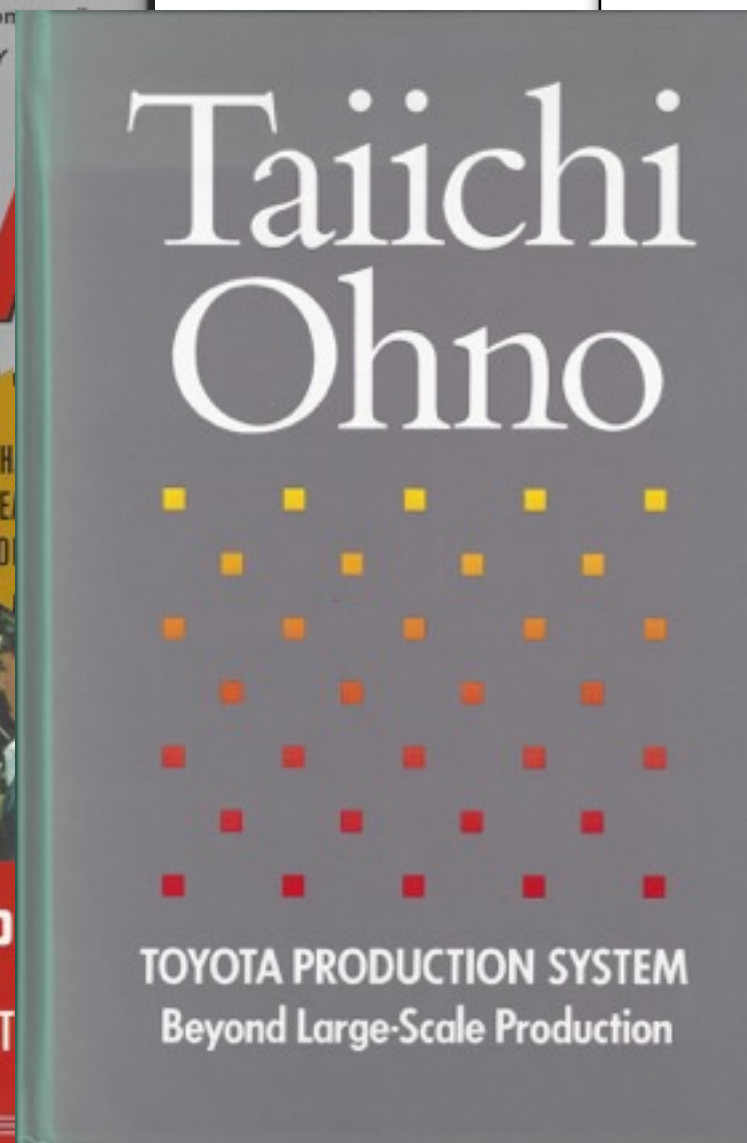
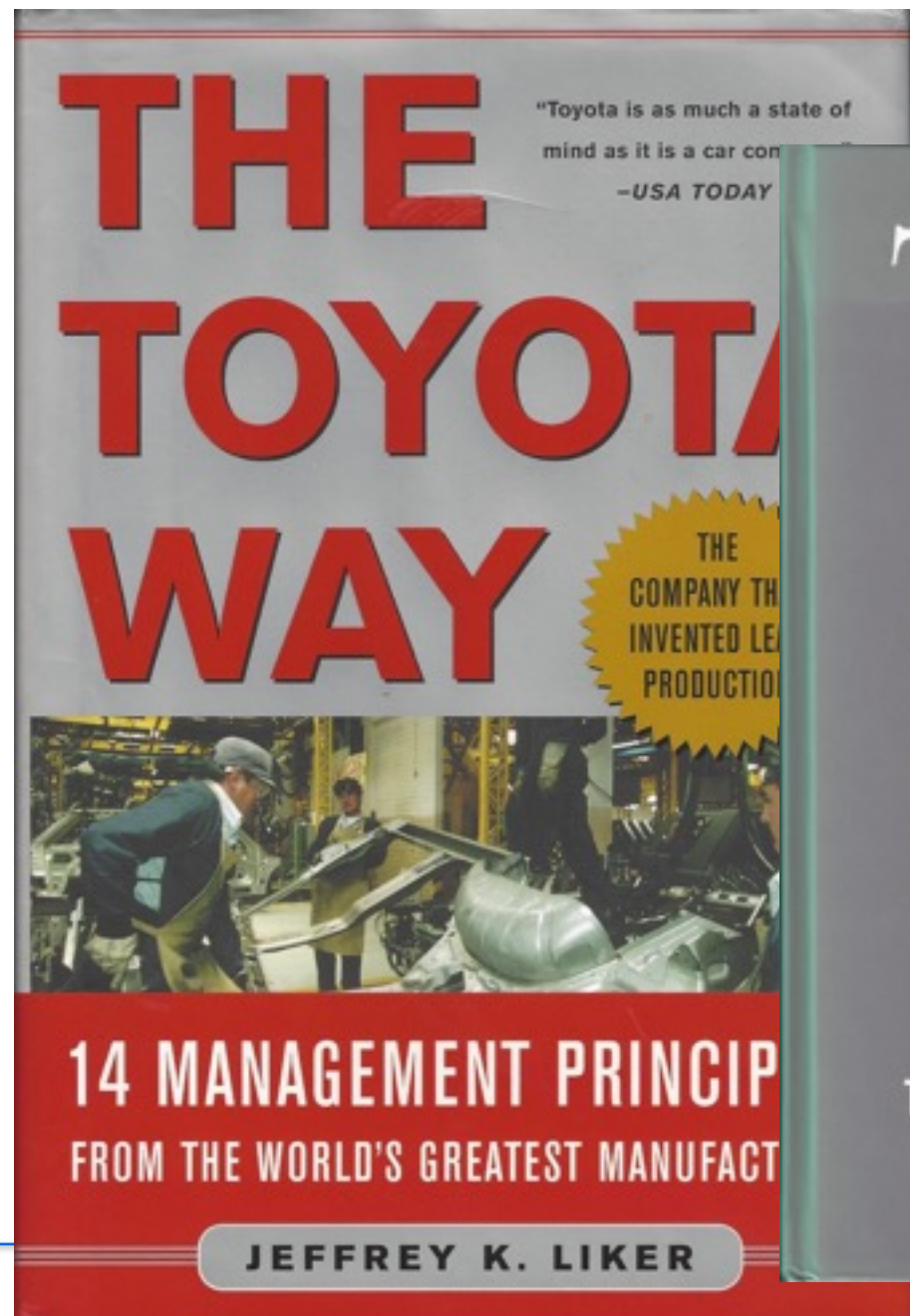
And truthfully, you may not need it

Most organizations operate quite nicely, even though research shows that trust is in short supply.

So not only is trust not necessary—although it may be helpful if leaders can foster it—but there seem to be only limited consequences for betraying it.

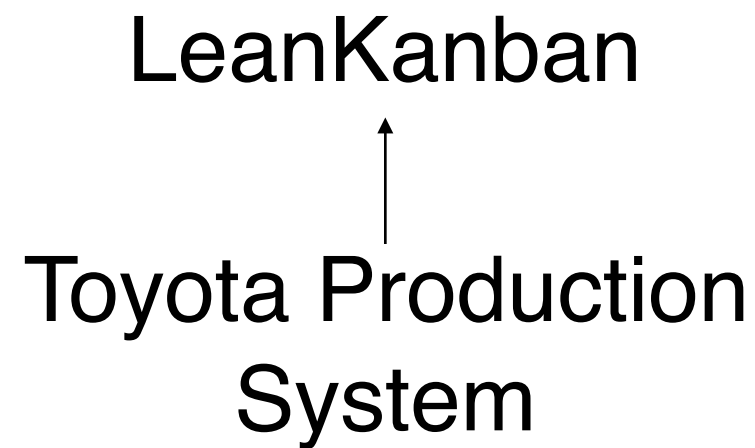
Pfeffer, 136, 138

If, however, you do want to continue down the lean path, the second step is to study successful lean commercial enterprises



**All lean organizations rest
on a common foundation**

All lean organizations rest on a common foundation



All lean organizations rest on a common foundation

LeanKanban
↑
Toyota Production
System

“Maneuver” Warfare
↑
John Boyd, USMC,
German experience in
WW II

All lean organizations rest on a common foundation

LeanKanban
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WW II

Common Foundation

Pump up the creativity and initiative of everybody in the organization and harmonize them to achieve the purposes of the organization.

Auftragstaktik



Kanban: The paperwork is minimal. The efficiency is maximal. And the employees themselves are completely in charge.

Toyota Motor Corporation,
Toyota Production System, p. 29



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Auftragstaktik

Employees undertake tremendous responsibilities in the Toyota Production System. At each worksite, a team of employees designs the standardized work procedures for their own jobs and strives to find ways to continuously improve those procedures.

Toyota Motor Corporation, *Toyota Production System*, p. 7

Schwerpunkt

The Toyota Production System, quite simply, is about shortening the time it takes to convert customer orders into vehicle deliveries.

Toyota Motor Co., *Toyota Production System*, p. 2

Schwerpunkt

The Toyota Production System, quite simply, is about shortening the time it takes to convert customer orders into products.

Easy: Let's just stock lots of different models, colors, etc. and when customers show up, we give them the ones they want!

Toyota Motor Co., Toy



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Einheit

We had to reduce production and were running at about 75% capacity, but we didn't lay anybody off. We put people on kaizen teams and found other useful work for them. Of all the things we did at NUMMI, that did the most to establish trust.

Dennis Cuneo, Toyota N.America SVP
in Liker, *The Toyota Way*, p. 75

Einheit

Teamwork is everything — Taiichi Ohno

to reduce production and were running at about 75% capacity, but we didn't lay anybody off. We put people on kaizen teams and found other useful work for them. Of all the things we did at NUMMI, that did the most to establish trust.

Dennis Cuneo, Toyota N.America SVP
in Liker, *The Toyota Way*, p. 75

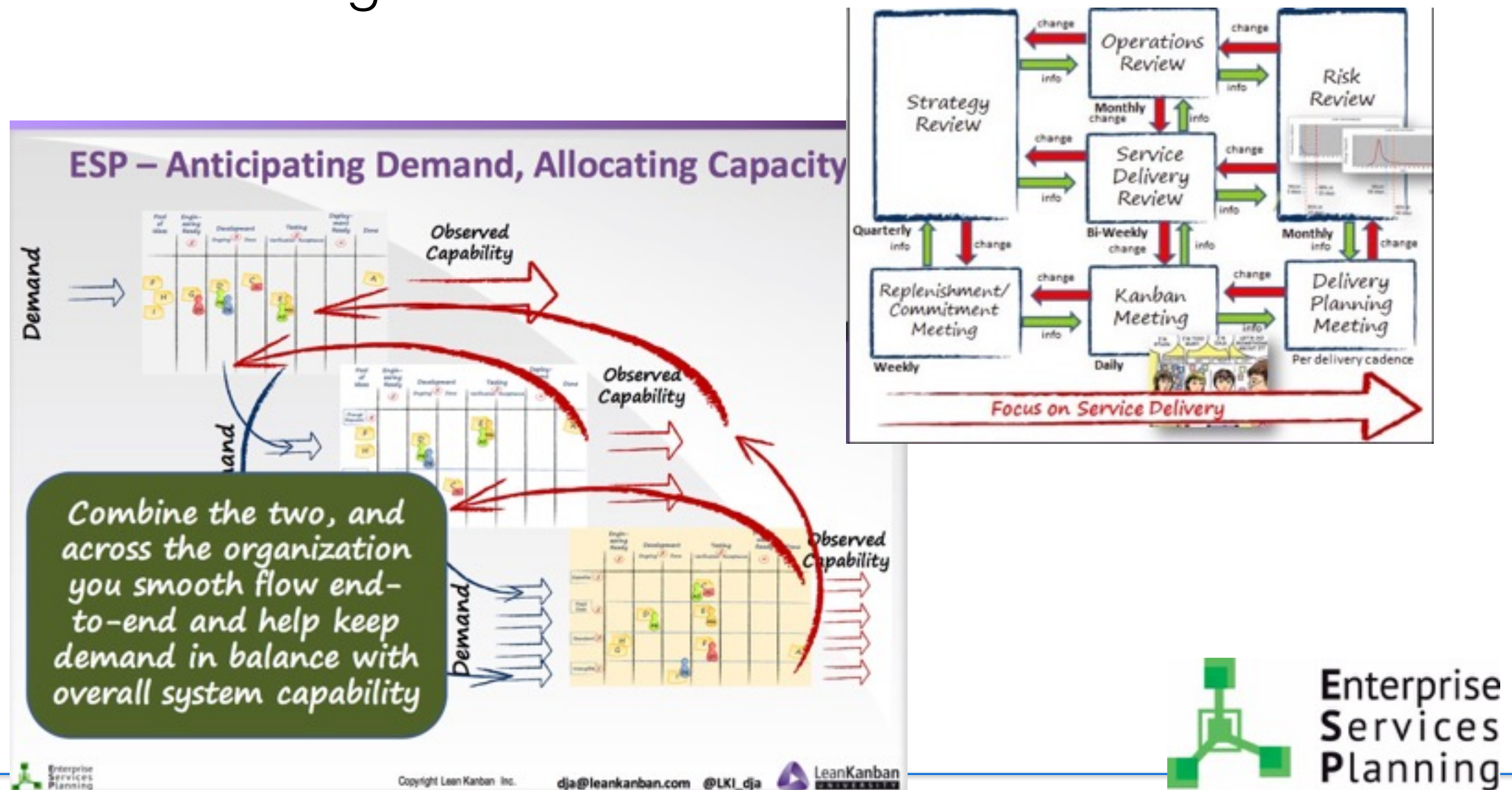


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Another is continue to evolve lean practices for your enterprise

Explicit agendas — reduce incentives to lie; foster *Einheit* within the organization



Finally, develop a deep understanding of the fundamentals, then evolve your own practices

- Trust, unity, cohesion (*Einheit*)
- Intuitive competence (*Fingerspitzengefühl*)
- The *Schwerpunkt* / main focus concept
- Mission orientation
- How all this contributes to agility, in the sense of responding to and better yet, driving the marketplace.

The magic of lean



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Trust



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Fingerspitzengefühl — intuitive competence
Einheit — cohesion
Schwerpunkt — focus of main effort
Auftragstaktik — mission orientation
Behendigkeit — mental agility

Trust

The magic of lean



The magic of lean

Lean Practices

Fingerspitzengefühl — intuitive competence
Einheit — cohesion
Schwerpunkt — focus of main effort
Auftragstaktik — mission orientation
Behendigkeit — mental agility

Trust



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The magic of lean



Most important: Never, ever think you're done.

Consumer Reports said that recent redesigns of the V6 Camry, 4WD V8 Tundra pickup, and Lexus GS luxury sedan were “bug-ridden.” Each earned an un-Toyota-like below-average reliability score and were dropped from the magazine’s list of recommended vehicles.

Moreover, the editors at *Consumer Reports* were so concerned about the poor showing of the three models that they decided to stop recommending new Toyota models unless their reliability was proven with a year or more of data. In the past, *Consumer Reports* gave Toyota the benefit of the doubt, placing new Toyota models on the recommended list before reliability data was available—based on Toyota’s strong reputation for quality.

hybridcars.com, October 19, 2007

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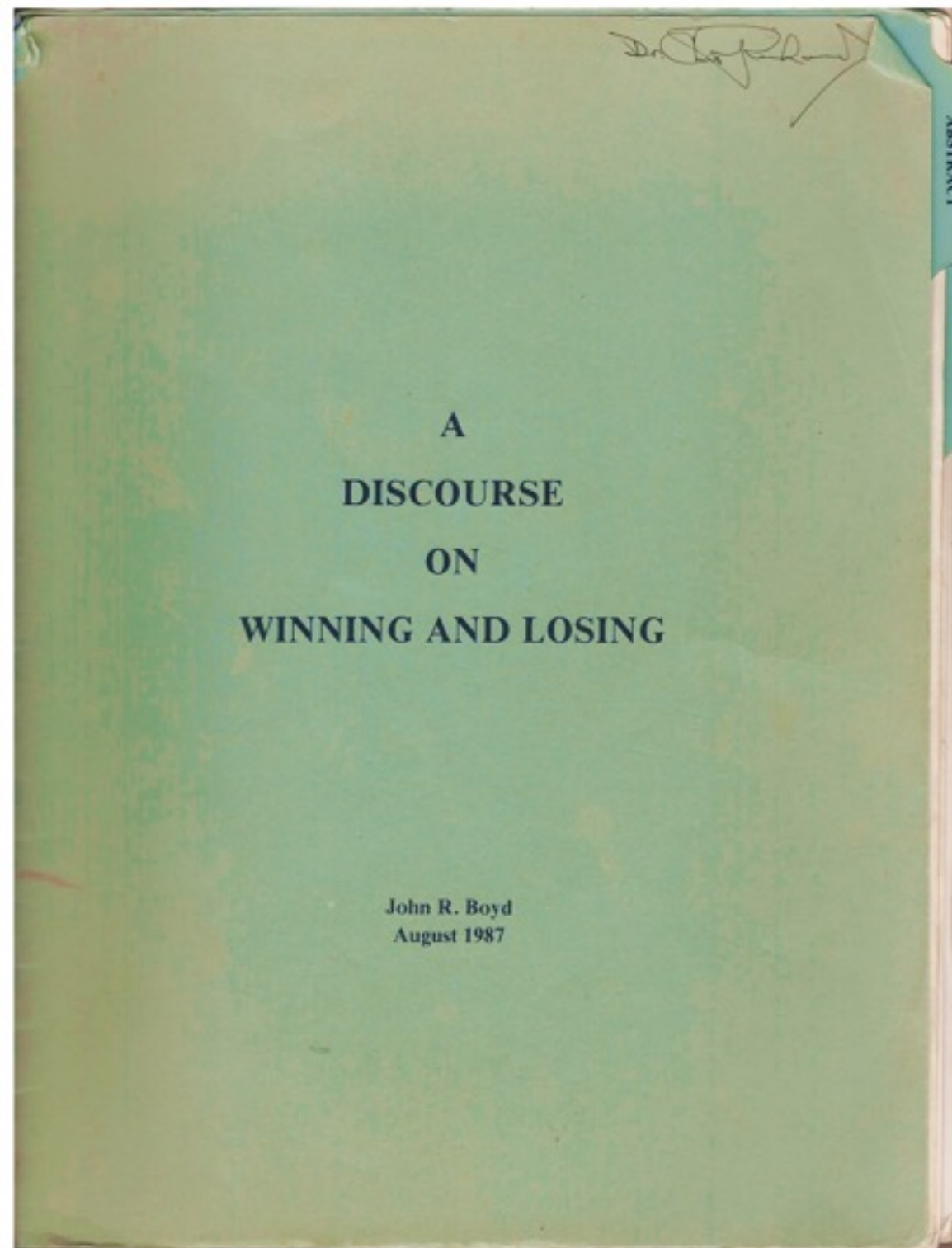
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