

# 15.965 Technology Strategy (Spring 2009)

Professor Michael A M Davies

## Class 21: 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?

Although you have the benefit of 20:20 hindsight, please focus on the landscape at the time of the case.

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