

From:

Top Management Forum: Innovative Corporate Strategy in Global Competition

©APO 2008, ISBN: 92-833-7072-4

**Report of the APO Top Management Forum on
Innovative Corporate Strategy in Global
Competition (08-RP-16-GE-FRM-A)**



Published by the Asian Productivity Organization

1-2-10 Hirakawacho, Chiyoda-ku, Tokyo 102-0093, Japan

Tel: (81-3) 5226 3920 • **Fax:** (81-3) 5226 3950

E-mail: apo@apo-tokyo.org • **URL:** www.apo-tokyo.org

Disclaimer and Permission to Use

This document is a part of the above-titled publication, and is provided in PDF format for educational use. It may be copied and reproduced for personal use only. For all other purposes, the APO's permission must first be obtained.

The responsibility for opinions and factual matter as expressed in this document rests solely with its author(s), and its publication does not constitute an endorsement by the APO of any such expressed opinion, nor is it affirmation of the accuracy of information herein provided.

Note: This title is available over the Internet as an APO e-book, and has not been published as a bound edition.

TOP MANAGEMENT FORUM

Innovative Corporate Strategy in Global Competition



ASIAN PRODUCTIVITY ORGANIZATION

Report of the APO Top Management Forum on Innovative Corporate Strategy in Global Competition (08-RP-16-GE-FRM-A)

The opinions expressed in this publication do not necessarily reflect the official view of the APO. For reproduction of the contents in part or in full, the APO's prior permission is required.

©Asian Productivity Organization, 2008
ISBN: 92-833-7072-4

Contents

Foreword

I. Summary of Presentations

An Age of Competition between Business Models	<i>Hideo Yamada</i>	3
Aiming to become Asia's No. 1 Airline	<i>Keisuke Okada</i>	6
Sticking to <i>Monozukuri</i> and Global Top Strategy	<i>Atsuyoshi Nakamura</i>	10
World's most wanted Japanese Blue Denim	<i>Yoshiharu Kaihara</i>	13
Strategic Alliance and Capability Learning in the Global Automobile Industry	<i>Tatsuo Tanigawa</i>	15
Towards the Global Food Industry— Challenge for Ajinomoto	<i>Koichi Maeda</i>	18
To Realize Customer Value through Providing Applied Innovation— Global Management Strategy to be the World IT Leader	<i>Bhat Harikrishna</i>	21
Competitive Strategy of Emerging Asian Companies	<i>Shigemi Yoneyama</i>	23

II. Appendixes

1. List of Participants and Resource Speakers	29
2. Program	35

An Age of Competition between Business Models

Dr. Hideo Yamada

Professor

Waseda Business School

Waseda University

Tokyo, Japan

In the age of competition between business models, the triggers for competition are technological innovation, deregulation and increasingly knowledgeable users. With respect to technological innovation, it is a trigger for inter-business model competition and it has dramatically changed the kinds of new entrants into industrial sectors. Moreover, technological innovation has allowed some companies to sell their core competences to rivals, thereby generating revenue and lowering the exit barrier for small-scale manufacturers from particular sectors. Concerning deregulation, some industries that have been heavily regulated in the past are now going through dramatic changes of structure and reducing or eliminating barriers. For increasingly knowledgeable users, with the advent of personal computers, the technology level of users is equal to that of manufacturers and consumers are better positioned to know exactly what they want instead of buying more expensive fully packaged products. As such, companies need to manage their businesses on the basis that the users are much more knowledgeable these days.

There is a trade-off between an “open” business, which enables market expansion, and a “closed” business, which secures profits. As an example, Phillips in the past waived royalties for a compact cassette device it had developed. Thanks to this, the device sold very broadly throughout the world but no royalties came to Phillips as a result of the development. Hence, to resolve this trade-off, instead of a company keeping its business closed with an aim of retaining customers, the business should be left open so as to enhance its attraction while the company also seeks other sources of revenue. Nevertheless, it is important to note that not all of a company’s operations should be open; some should be closed while others should be bundled.

There are four ways for a company to earn profits (see Figure 1). The first way can be labeled method A and it involves entry into the market with a main unit at a low price. This is done to achieve a high market share quickly. There are very few industries where companies can achieve profitability by adopting model A, however, since rapid technology innovations often lead to rival products entering the market before the company’s product has had time to establish its position. In addition, in attempting to gain market share rapidly, the company must secure many partners to sell its product, thereby limiting its ability to negotiate high royalties with licensees.

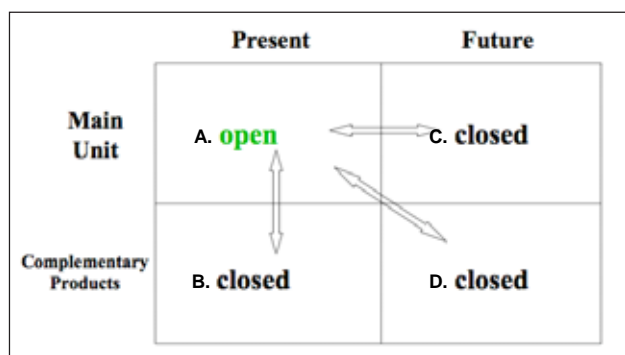


Figure 1. Diversified Sources of Revenue

Companies instead are trying to combine method A with other methods. In this regard, method B involves selling a main unit at a low price so that more profitable sales of optional complementary products can be achieved. Here, an example is the Sony PlayStation, where the machine itself is not so highly priced but the games are effective complementary products for which Sony can obtain a high profitability.

The next model is C and it is increasingly used in the software business today. Under this model, a company offers the first version of an application for free to gain the interest and loyalty of customers and then later once the application is upgraded it can begin to charge a licensing fee for its use.

Finally, model D seeks to achieve profits through the sale of necessary complementary products in the future. The best example here is with the company Gillette, where consumers have to buy Gillette's blades to continue to use its razor, and often it is the case that those new blades are more expensive than the razor itself. As such, Gillette is able to earn a good profit from replacement sales of blades even if the main unit is sold at a very cheap price. Model D is more immune to business cycle fluctuations than others.

In cases where different company divisions or even different group companies adopt differing models from among the four types (i.e., models A, B, C and D), care must be taken to ensure that the approaches do not conflict with one another and overall company profits suffer as a result.

Overall, the best course of action for companies is to focus on competition between business models rather than competition between products. Product competition leads to exhaustion through endless price wars. The key rather lies in not trying to keep pace with competitors, but in building a company business model that includes a profitable mechanism from the development stage.

Questions and Answers

Question: Does a company without its own sales and marketing team become too dependant on an outside selling agency? As well, how does a company check whether its products are being copied in other countries?

Dr. Yamada: On the issue of dependency, a company first requires a policy on whether to conduct sales and marketing independently or whether it will outsource part of its activities. In other words, the way of allocating cost is at issue. If a company just wants to permeate an already known and established product, it may simply prefer to hire outside agencies to conduct its sales and marketing.

With respect to copying and counterfeiting, countries are trying to control such acts under intellectual property law but the difficulty is that such cases are not always frank and clear. Sometimes manufacturers try to "black box" parts of their product design so as to avoid counterfeiting but today so many products are modular that it has become difficult to put certain key technologies in a black box. Also, for chemical products, intellectual property alone is not sufficient to prevent counterfeiting since scientists may be able to reach the same results through the development of alternate chemical compositions. Hence, the perfect elimination of counterfeiting and copying seems to be impossible.

Question: In the world today, a fair amount of emphasis has been put on branding and many companies spend large sums of money trying to develop and thereafter retain a brand. How can a company retain its brand while looking at the best possible business model?

Dr. Yamada: In the past in Japan, there were companies with great brands names. A good example was Sony. However, in the case of Sony, its products with high added values did not generate high sales volume and thus the company could not grow. Under the leadership of president Norio Ogha, the business model was changed to one of visibility, in which products with clear differentiation from others were developed so as to establish a high brand image. However, as per this business strategy, any parts of the product that were invisible to the consumer consisted of mainly standardized OEM products.

Aiming to become Asia's No. 1 Airline

Keisuke Okada
*Member of the Board of Directors
Executive Vice President
All Nippon Airways Co., Ltd.
Tokyo, Japan*

All Nippon Airlines (ANA) has a strategic goal of becoming the number one airline in Asia, leading the way in quality, customer satisfaction and value creation (see Figure 1). Behind this management vision are five key drivers: human resources; aircraft; a carefully designed network; strong alliances; and IT infrastructure.

The ANA Group is a network consisting of the ANA fleet and a series of subsidiary airlines and maintenance and catering service companies. Such segmentation has allowed ANA to promote efficiency, keep costs down and maximize profitability. In addition, ANA has a number of alliance partners in Japan such as Air Do, Skynet Asia and Star Flier, and internationally it is a member of the Star Alliance (see Figure 2).

From Japan, ANA flies to approximately 40 international destinations. Through an extensive system of code-sharing within the Star Alliance and with other bilateral partners, ANA has extended its reach to 900 airports in 160 countries. In fact, ANA sees the key to making its international business profitable as being through alliances with high quality and safe airlines like United, Lufthansa, Thai and Singapore, through which code-sharing generated revenue is shared and customer convenience is improved.

Air traffic demand in Japan is not so promising due to the country's declining population and severe competition from bullet trains, but internationally, especially in Asia, it is promising. For this reason, ANA's strategic focus has become very international for both passenger and cargo services.

Among the challenges facing the air industry today are the rapid increases in fuel prices. Compared to 2005, fuel prices have soared and now account for 6 percent of total costs and



Figure 1. ANA's Strategic Goal

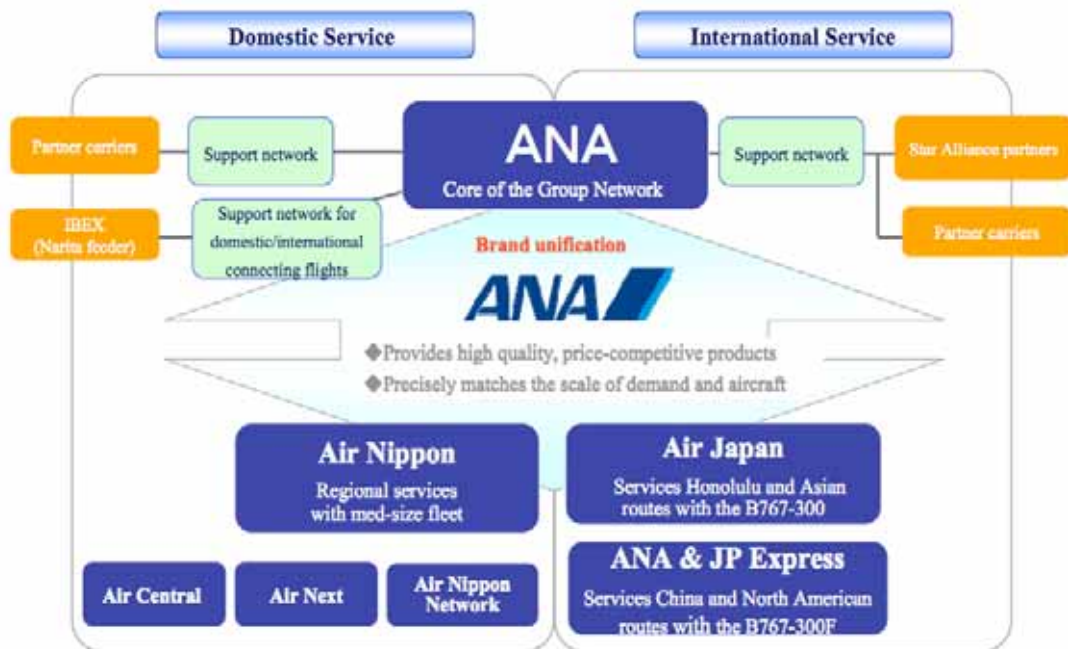


Figure 2. ANA Group Network

are threatening the profit margins of airlines. Another challenge is the emergence of low-cost carriers (LCCs), which are becoming more active across Asia. While Japan's high-cost structure makes it more difficult for LCCs to enter the Japanese market, they are nevertheless a concern for ANA.

A real understanding of aircraft performance and real thinking in marketing and networking are very important for ANA to realize its goal of becoming number one in Asia. In this regard, ANA is looking at using its new fleet of 787s, which are well designed, very fuel efficient and have a long range for mid-size aircraft, to fly direct from Japan to new destinations. The company is also conscious about not having too many kinds of aircraft to better control ownerships costs, although to accommodate market needs it may have to introduce new or updated versions of aircraft.

ANA also made a very big decision to sell its hotel business to Intercontinental due to severe competition in the domestic Japanese market. ANA branding in the hotel business will still continue with Intercontinental, thus giving the company a stronger market presence without the risk.

ANA is working to embrace information technology to advance its efficiency and level of customer service. To compete with the ease of taking bullet trains in Japan, ANA has introduced various electronic methods to simplify check-in procedures for customers. This procedure has greatly improved service at Haneda airport and many airlines are coming to ANA to learn from its experiences.

Overall, within the airline business, the most important thing is to make sure that operations are safe and that value creation is being pursued.

Questions and Answers

Question: What is ANA's strategy for dealing with LCCs, particularly at the regional and domestic levels?

Mr. Okada: There is real competition with LCCs in Europe and Asia, and even in Japan. Domestically, there are new entrants like Skynet Asia, Airdo and Skymark, although expensive local airports and employees make LCCs less of an issue for us. However, LCCs coming to Japan may in the near future become a very important issue.

Question: Does ANA have any plans to begin flying to the Philippines?

Mr. Okada: I received this invitation from the Chairman also. For ANA, the past 10 years have been a continuous battle to ensure the company's international operations were profitable. We are now in a position to look at expansion opportunities and we are growing our network within China. Within Japan, there is no such room to expand, but there is a lot of potential in the ASEAN region so we will review it.

Question: You are not looking at the emerging markets, one of the biggest of which is the Indian subcontinent? Also, your connectivity to Latin America seems to be absent. Can you comment on that?

Mr. Okada: Networking to India is important, as is beyond India to the Middle East. Asia is not only Japan and China. It stretches from Russia in the north to the ASEAN region to India and beyond. Talking about Latin America, ANA as well as some of our partners see this as a very important market. With technical innovations, Latin America now is not as far a destination from Japan as it once was.

Question: Is ANA thinking of merging with any other airlines?

Mr. Okada: We are not thinking of any merger or consolidation with any other carrier right now.

Question: How, with 32,000 employees, does ANA create a common vision?

Mr. Okada: We are doing a lot of things, but one typical answer would be direct talks with employees. Our president, chairman and board members visit front-line people to ensure we can communicate without any hesitation. Another unique aspect of our communications is our Star Alliance gatherings, whereby not only Japanese but also Star members gather to exchange ideas. Through this we aim to encourage our Japanese staff to reach a more global standard.

Question: Is there anything beyond acquiring more fuel-efficient aircraft that ANA can do to deal with rising fuel prices? Is ANA thinking of asking for government subsidies?

Mr. Okada: ANA's procurement division is making a good effort to make strategic purchases of fuel to reduce the risk of having to buy it when prices are highest. Another effort is to ask pilots not to burn fuel unnecessarily. As well, we are making careful efforts to achieve the optimal weight balancing of cargo on planes and to maintain flight altitude without any pitch stream or down trim. We are also proud of our maintenance capability to ensure that with a small amount of investment, engines are maintained in very good shape and deliver fuel-efficient operations every day.

Question: Concerning the future, do you expect the entrance of more companies into the business or more compact alliances between companies becoming the norm?

Mr. Okada: I think both will occur. Consolidation will continue to be a trend but there will always be new entrants to the market.

Sticking to *Monozukuri* and Global Top Strategy

Atsuyoshi Nakamura
Division General Manager
Production Technology Development Center
Production Technology Development Group
Sharp Corporation
Nara, Japan

Sharp was founded in 1912 and operates under a business creed developed by its founder Tokuji Hayakawa of sincerity and creativity. As a manufacturing company, Sharp's development activities are conducted from the perspective of the customer and it seeks to create products that will be imitated by competitors.

A key aspect of Sharp's business is its "only-one" and "spiral" strategy. Under the "only-one" side of the strategy, Sharp seeks to develop electronic devices from proprietary technology, which it then further develops as products to be enjoyed by customers and users. Next, the under the "spiral" side, any problems or further customer needs are fed back to the stage of technology development to create a new product.

Sharp's corporate vision and strategy is defined by a concentration in core competencies, in particular to realize a true and ubiquitous network society with the world's best LCDs and to contribute to society through environment and health-related businesses with energy-saving and energy-creating equipment as the core.

From the stage of design to development to manufacturing, the entire workflow is termed *monozukuri*. In achieving *monozukuri*, it is necessary to be very thorough in two particular aspects. First is to produce products that will impress people and second is that to produce such products the requisite technology must be developed for both the production and manufacturing processes. For example, even if Sharp possessed the technology to create a life-sized LCD television set, unless efficient production processes were similarly developed to produce the television at a low cost, it could not be feasibly manufactured.

Under the flow of *monozukuri*, first there is R&D, followed by product development, and then design and procurement, production and sales. Each point in time has a specific focus, such as for production the lead-time needs to be shorter and for design the period of time should be reduced (see Figure 1).

For the home appliances industry, Sharp faces several challenges to putting its products on the market, namely a fluctuating amount, short lifecycle, variation and falling market prices. This is the environment in which it does business. To remain competitive, Sharp must make strong choices in the global environment, produce good quality products, act quickly in response to the market and advance human resource development and the transfer of know-how within the production field.

Sharp is constantly pursuing better and better *monozukuri*. In so doing, it first needs to understand its unique strengths and from there improve on them. Second is the need for teamwork in producing products or designing and developing products. Concerning unique

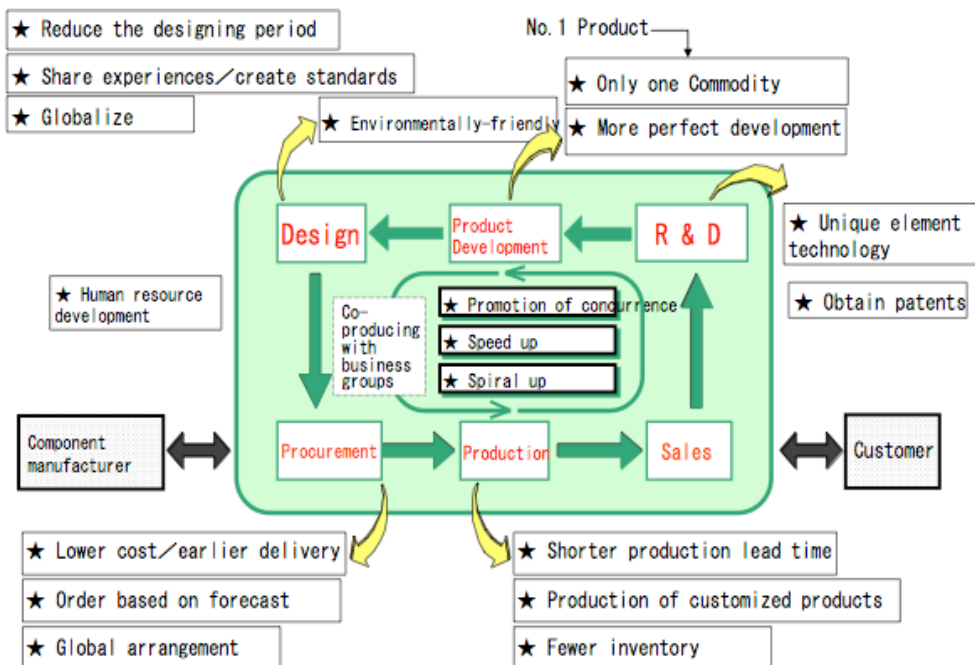


Figure 1. Flow of *Monozukuri*

strength and teamwork, Sharp has strengths in certain devices and they are the bases for its products. This is necessary to create something unique and there should be good teamwork between the device engineers and product engineers so that the company has a good basis for technologies in these fields. This is the reason Sharp can enjoy a synergistic effect.

There are certainly different ways to take advantage of teamwork, but one way used by Sharp is a very unique system called Project Team for Quick Action. This is a team for product development to commercialize Sharp's original products based on the company's unique technology as soon as possible.

Sharp adopts a global perspective in deciding where to locate its factories, but what factors decide which plants are to be located domestically in Japan? Basically, high value-added core devices are necessary to create products, so Sharp believes that that function should be carried out domestically. Super-short-term production for quick delivery should also be undertaken in Japan. Finally, as *monozukuri* requires very refined know-how together with human resource development, a kind of model factory is necessary somewhere and Sharp believes that as it is a Japanese company *monozukuri* know-how and the human resource bases should also be located in Japan.

Overall, with *monozukuri* it is important to share excellent skills and expertise and to combine them so that they can be further enhanced. Today, it is quite difficult for one company to do everything, so a variety of technologies must be put into one place to allow a company to enjoy the further evolution of its technology with better products and higher competitiveness. Sharp is a manufacturer, and technological strength and *monozukuri* power are the keys to determine success. Even with good capabilities to develop good products, the production

costs will be too high if a company lacks production capability. In that case, it may end up being a supplier to other companies if it cannot come up with unique high added-value products. In short, both technological strength as well as *monozukuri* power need to be embraced by companies.

Question and Answers

Question: What is Sharp's strategy in the development of human resources? It is an accepted fact that Japan is now experiencing a shortage of manpower, especially on the high end such as software engineers. Is Sharp open to training or securing resources from other Asian countries?

Mr. Nakamura: Sharp has a training program but we regret that people's interest in science and technology is gradually declining. It is unlikely that Sharp will be able to secure sufficient engineers only from within Japan. Therefore, Sharp recently set up an R&D base in China where it is training engineers. Also, as the skill level of people who work on the production lines has to be raised, Sharp is bringing engineers to Japan for training sessions. From now on, these engineers from Asia will be working not only in the region; instead, Sharp will come up with a system so that they are active at bases throughout the world as well.

Question: In *monozukuri*, how do you communicate your product with the market? Is it by developing the product first and then getting the marketing people and commercial people to work after that, or do you include them from the beginning, or even from the design?

Mr. Nakamura: To state the current situation, marketing people do not have very close contact with the engineers and production engineers, at least at the R&D phase. However, under the Quick Action Projects, sales and marketing people as well as planning people join from the very beginning of the process, all coming together to consider what the product should be like. Teamwork is key here and marketing and sales people and engineers have to have very close communication.

Question: Other than 3D simulation, what kinds of IT technology is Sharp using to link a chain together and support a global operation?

Mr. Nakamura: Concerning IT, the biggest strength is being real-time and high speed. In addition to simulation, within the factory Sharp tries to make visible and real time the quality situation and the product situation, including the amount of production. It is quite important that top management has real-time information about production ongoing in the factory. There is a variety of know-how to make the data information visible, but we are trying to enhance our capability. Another thing is that to improve quality, we have a variety of systems data. For the device production system, we have data generated every day, and as we only have to use part of the data generated from the line, there are unused data. This may be where we can find good hints to improve the yields and productivity, so we have to find better ways to use existing data.

World's most wanted Japanese Blue Denim

Yoshiharu Kaihara
Chairman & CEO
Kaihara Corporation
Hiroshima, Japan

In 1893 Kaihara was founded as a *kasuri* fabric manufacturer in eastern Hiroshima. It has continued to bring about technological innovations, and this commitment to innovation has laid the foundation for its denim business today.

The Japanese textile industry now depends heavily on imports from other countries. There has been much a great reduction in plants and equipment in Japan. The dyeing process is facing very serious competition in Japan, and many dyeing companies as well as other companies in the textile sector have gone out of business. However, Japan is doing a lot of outward processing trade. That is, the products or fabrics are manufactured in Japan and then exported to China and elsewhere, where they are made into finished products and re-exported into Japan.

Kaihara continues to produce denim in an integrated production manner. While many companies have moved their production facilities offshore, Kaihara has a firm belief in continuing production in Japan. The reasons for this are firstly, Japanese people are demanding about quality, forcing manufacturers in Japan to maintain high quality, and secondly, Kaihara conducts in-house training to constantly upgrade the skills and capabilities of our workers.

Kaihara regards quality very highly. Employees really work hard on *monozukuri* product manufacturing. *Monozukuri* is making goods with a focus on excellence and skill. In the case of the United States or other countries these jeans are just an average commodity product, so their price would have to be as low as possible, and they would have to be produced in larger quantities. That cannot be done in Japan, because labor and other costs are high. Jeans are not a commodity product in Japan, so Kaihara needs to produce premium jeans.

In doing *monozukuri* product manufacturing in Japan, in order to become the highest ranking company you have to continue to develop new products. When new products are imitated by others, you then have to develop another new product. If you continue with only existing standard items then you are bound to compete at the level of price. We should never compete with others at the level of the price of the product and volume of sales.

In order to compete evenly with competitors, it is necessary to install state of the art equipment and software in the plants and renew the equipment continuously. About 30 years ago, Kaihara was designing a new weaving factory. It wanted to design a state of the art weaving plant that would be competitive even 10 years later. In researching the design, it visited the plants of various industries and studied the use of robots for material handling and transportation. Kaihara is still making investments today. It has made a tremendous amount of investment in spinning in the past three years so that it can be competitive in the global market. It has been quite thorough in streamlining operations, and has made a lot of

investment in plants and equipment in order to increase efficiency. Human errors can be minimized by introducing automation and robotics.

Finally, Kaihara makes its procurements from and sells its products to the top-ranking companies. If you want to work with top-ranking companies they place a lot of requirements on you. You have to meet those requirements so that you yourself can become a top-ranking company.

Questions and Answers

Question: What is the budget spent on human resource development? What kind of training programs do you run in the company?

Mr. Kaihara: Today 50 million yen is spent on training and development for different levels of workers, and they are retrained in follow-up training in the following year. Some training is done in-house and some is done outside. Employees receive seminars from outside lecturers. We also invite consultants from elsewhere to come to our factories and identify if there are any areas for further improvement in the efficiency of our operations.

Question: What is the high-level quality management called “Kaihara specifications” that you conduct throughout the whole organization?

Mr. Kaihara: We have some ideas about the quality of denim, such as tear strength, breakage strength or clocking. Customers may come to us with their ideas of specifications or specific requirements for denim, but often the case is that our customers do not have clear requirements or ideas about the quality. In that case we develop and propose specifications, especially the physical properties of the denim product.

Question: Do you sell the dyeing machines that you develop and manufacture in-house to other companies in Japan or other countries?

Mr. Kaihara: We purchase spinning and weaving machines from outside, and we design and manufacture dyeing machines in-house. If you apply for patents for all the machines, it will become public, so we make patent applications, and if they are accepted by the patent office then we immediately withdraw the application. That means that if another company subsequently applies for a patent with the same technology, we will still be able to use that technology. So for our dyeing process we make them in house and apply for patents.

Question: Do you import raw materials for production from outside Japan? If so, do you get any subsidy from the government of Japan?

Mr. Kaihara: We have no subsidy at all from the government of Japan. Currently we are importing the raw materials from the United States, Brazil, Australia and other countries, and we purchase them at the international price for raw cotton. From April 2008, there are going to be no subsidies any more for textiles, so we are on par with other industries.

Strategic Alliance and Capability Learning in the Global Automobile Industry

Tatsuo Tanigawa
Visiting Lecturer
Ritsumeikan Asia Pacific University
Oita, Japan

The automotive industry is always in very keen competition. More than 10 years ago the hypothesis of a global automobile oligopoly suggested that only five to six companies could survive and that the minimum volume an automotive company could produce was 4 million units annually. Competition focused on trying to maximize the scale of production.

The nature of the competition between automotive companies has shifted away from pursuing mass production and toward building production capability. The production capacity of automotive manufacturers primarily derives from pursuing productivity, durability and short lead time for production. It is said that it is now possible for Japanese manufacturers to launch a new model only 1.5 years after conceptualization.

The third and currently strongest motivation for reorganization in the automotive industry is cooperation between companies in the development of technology in environmental and IT areas. The condition of the environment is a very important issue, and automotive companies are trying to develop their own technologies and strategies to address the issue, such as hybrid systems or fuel cell-powered vehicles.

Regardless of the strategy automotive companies may pursue, a huge investment is necessary, and the human resources for development are quite limited. It is therefore better to have alliances in these areas. More than 100 alliances and joint ventures exist in the automotive industry at present, and the trend is toward more and stronger alliances. Alliances may be company to company in all areas of operation or in one or many limited areas of operation.

A global alliance aids competitiveness in capability building, through capability learning between the allied companies. The key for success is the learning cycle between the companies. Human relationships and long-lasting relationships are the key factors for two companies to be successful in an alliance.

It is said that the global alliance between Mazda and Ford is one of the most successful alliances between the United States and Japan. The relationship between Mazda and Ford started 40 years ago, and the strategic alliance was formed 15 years ago. From 1997, Mazda and Ford synchronized their product cycle and developed common automobile platforms. An automobile platform is a shared set of components common to a number of different automobiles. Mazda states that more than 70% of the platforms are now common between Ford and Mazda. Development of a new automobile platform requires an extremely large financial investment, so the ability to share automobile platforms leads to large financial savings for the companies.

Capability learning and capability teaching are two sides of the same coin. Over the course of their alliance, Ford learned from Mazda the design and production of small-sized cars,

flexible manufacturing methods for producing several models on one assembly line, knowledge of Asian markets, and the severe quality demands imposed on Japanese automotive manufacturers by Japanese consumers. Simultaneously, Mazda learned from Ford product and brand strategy such as pursuing niche markets, as well as human resource management such as nominating very young middle management and working to promote female middle management to upper management positions.

As a result of the alliance and exchange of capability Mazda now enjoys the best results from operations. Over the course of the alliance individuals and teams have been exchanged very frequently. Many Mazda employees visited Detroit for discussions, teaching and exchanging information and know-how. Mazda also continuously received people at every level from factory level through middle-management level to the top management level. Top executives conducted committee meetings every six months. As a result, in both companies there were people who willingly learned from and taught each other. The existence of such individuals as well as small groups or organizations is very important in such a global alliance.

Finally, Ford executives who stayed at Mazda are now promoted to the top levels of the global operations of Ford in the United States and the European Union. Mazda's status is rising day by day. Through capability learning, both organizations get good results from the alliance. This is an innovative and strategic approach to global competition.

Questions and Answers

Question: Are the two companies breaching international laws if they are in some way trying to control the market through price fixing or reducing the level of competition?

Mr. Tanigawa: If you have such a concern then you can forge the alliance in only a limited area. If your interest is to obtain know-how or technology in a limited area, then you can negotiate with a counterpart for a limited area. However, limiting areas of alliance may reduce the effectiveness of the alliance.

Question: What is the meaning of the term “knock-down production”?

Mr. Tanigawa: Knock-down production brings components from Japan to the market country, where they are assembled into complete automobiles. If the complete vehicle is exported then at the destination there is nothing further to be done. But in the case of knock-down, local components can also be used.

Question: Do the other 10 carmakers in Japan have any alliances with domestic or foreign companies?

Mr. Tanigawa: Among the 11 Japanese companies, Suzuki has an alliance with General Motors, Nissan with Renault and Mitsubishi with Daimler-Benz. Toyota and General Motors previously had an alliance. General Motors supported Toyota in establishing factories in the United States, especially in the area of labor union issues. But this alliance was terminated. While it is said that Toyota could obtain good results from the alliance, General Motors did not learn anything from Toyota. Globally, Toyota out-sells General Motors. Although an alliance exists, the result must be created by the persons on both sides. If they have good intentions but if they do not make efforts, although the alliance exists, nothing will come out of the alliance.

Question: What are the key criteria that need to be considered in order for a company to select the right company for a strategic alliance?

Mr. Tanigawa: One example is the alliance between Nissan and Renault, in which Renault bought majority ownership of Nissan and now controls Nissan. The key point is that the new Nissan models have very attractive designs, particularly the interior design and body design. This is a part of the contribution by the Renault side to Nissan.

Question: You mentioned that key to the success of a strategic alliance is continuous learning or a learning cycle. What is the best way to ensure that a learning cycle takes place?

Mr. Tanigawa: If you create a good alliance, then quality know-how or support comes from the opposite side. Another key for success is a really long-term relationship. Allied companies should visit each other frequently, and a learning cycle should exist. After obtaining know-how from the opposite side, the know-how should be distributed inside the company.

Question: Would you elaborate on the concept of a learning cycle and the kind of challenges or difficulties you face because of different values between Japanese and American? How did Mazda and Ford really practice that concept of a learning cycle?

Mr. Tanigawa: Mazda and Ford had a rule of visiting each other periodically for thorough discussions. The top management visited each other every six months. They discussed difficulties the companies were having and tried to solve the problems. At the middle-management level, if there were issues in need of discussion they would meet with their counterparts. If learning begins then, the organization can be pushed in a good direction.

Towards the Global Food Industry— Challenge for Ajinomoto

Koichi Maeda
Corporate Vice President
General Manager
China Business Strategy & Planning Division
Ajinomoto Co., Inc.
Tokyo, Japan

In 1908, Dr. Kikunae Ikeda of Tokyo Imperial University discovered a taste which is called “umami” in Japanese. In 1909, Ajinomoto Co., Inc. developed a sodium glutamate-based seasoning produced on a commercial scale based upon this discovery. Supported by an unwavering resolution by the founder to achieve a global product and global brand for Ajinomoto, in 1917 we opened up an office in New York, an office in Shanghai in 1918 and Hong Kong and Singapore in 1927. The company moved heavily into foreign direct investment in the 1960s. The overseas expansion in the 1960s for the company was a shift from exports to the local production of Ajinomoto seasoning. In the 1970s, we expanded our product line in overseas businesses from Ajinomoto alone to amino acid-based products for animal feed and pharmaceutical products and also instant noodle products. For our instant noodle ramen business we form tripartite joint ventures or tie-ups with a Japanese instant noodle manufacturer and a local partner, in which our company contributes know-how and expertise in doing businesses overseas which compliment the product and technologies contributed from two partner companies.

We continued to do research and develop amino acids. We were able to expand our product lines to the food products based upon amino acids. For pharmaceuticals, we began to expand our businesses into new product lines. *This is a growth tree of our company’s business. This is how our overseas operations look today. Those are the overseas bases of operation and product lines.* The title says “working locally and thinking globally.” While thinking globally, we believe that we have to work locally with deep roots in the communities. All of those products are tailored to meet the preferences of local consumers. And those products are actually developed or adjusted by our local staff, and we have diversified our product lines in this manner.

As of fiscal 2006, our company has operations in 22 countries and regions, and we have 98 plants in total in 15 countries and regions, including Japan. We have a sales turnover of 345 billion yen, which is coming from overseas operations. This is about 30% of our total turnover which is about 1 trillion yen (see Figure 1). In the year 2010, which is the final year of the ongoing medium-term plan running from 2005 to 2010, we would like to achieve 1.5 trillion yen total sales.

Foundation	May 20, 1909
Paid-in Capital	¥79,863 million
Employees	24,733
Net sales	1,158,510 million
Operating income	¥61,589 million
Net income	¥30,229 million
Total assets	¥1,061,688 million

Figure 1. Ajinomoto Company Inc. Outline
March 2007

At the very basis of our overseas business expansion, there has been a very basic philosophy and we still hold on to it. To put it very simply, it means that a business will not be viable in the long term if it does not give merits for the nation and the people we invest in. In our company, we have worked out various ways and means so that we can provide a multifaceted contribution to society and the country that we invest in. First and foremost, we have to respond very precisely to the wishes and the requests of the local consumers and customers so that they will receive happiness out of our product. Secondly, we give the basis of livelihood to the employees in those countries, and we support the local employees so that they can be empowered and they can further develop themselves. Also it is important for us to create places where these people can work with a sense of satisfaction and motivation. As a result of these, we should work toward bettering the lives and ways of life of the employees and their families. Thirdly, we have to strike harmony with the communities and societies of other countries that we have business operations in.

Questions and Answers

Question: Is there any plan for you to expand to New Zealand, Australia and the South Pacific?

Mr. Maeda: We are currently purchasing dairy products from New Zealand, and we are importing some raw materials from Australia. The population of Australia is not large as compared with the size of the land mass, so while we can export from Indonesia or the Philippines to Australia, we currently do not have any plans to set up production bases in Australia.

Question: Beside aspartame, what products do you have for the pharmaceuticals?

Mr. Maeda: We do not have a wide variety of expertise to cover all pharmaceutical areas, but we do have around 60% of the global market share for pharmaceutical amino acids. In particular we provide amino acids for products such as fluid infusions, anti-cancer agents and hypoglycemia medication.

Question: It has been observed that by use of Ajinomoto in our country, people have side effects such as a high heart rate, and certain people get allergies. Is this your understanding? Do you caution people before using this product?

Mr. Maeda: In 1970, a doctor in the United States injected Ajinomoto into mice, at a dose dozens of times in concentration than the normal dosage. As a result, the mice showed side effects. The side effects were widely reported around the world, and considered a result of monosodium glutamate consumption.

Used normally as a food additive, MSG is safe. This has been the conclusion of the US FDA and relevant authorities in the UK and the EU.

Question: How do you address market competition?

Mr. Maeda: We should aim to reduce costs and develop even better products. We should fully demonstrate our capabilities. This would be beneficial to consumers. Consumers should decide what the market conditions are. Ajinomoto has around 1,100 researchers operating worldwide. In the years to come we would like to continue to develop products that are completely safe and loved by people.

Question: Would you please explain more about Ajinomoto's strong distribution system?

Mr. Maeda: We do not rely on dealers or wholesalers; rather we sell directly to users. We produce the products locally, take our products from the factories and sell them directly in the market. This creates a sense of responsibility on our part, and we are able to receive opinions and comments from the customers directly without any intermediaries. That is very important for us in improving the way we make our products and the way that we sell. We can also get direct input from the consumers and users in the market on what they want in the future. That is how we can continue to improve and manufacture better products.

Question: In helping Ajinomoto to better understand local markets and local needs, do you prefer to work together with a local company, do you use consultants or do you recruit local manpower?

Mr. Maeda: Rather than depending on consultants, we have to identify for ourselves whether there is a viable market in a country. Initially we would collaborate with a local partner. For recruitment, we aim for local manpower as much as possible. Our way of thinking should be shared by the local people, and that is the first step for manpower development. We transfer our knowledge and experience of technology, marketing and sales activities to the local employees, and eventually we depend upon them 100%. In sharing the corporate culture of Ajinomoto, local employees are invited to Japan for training, while Japanese expatriates are sent to local companies as messengers to convey the Ajinomoto corporate culture.

To Realize Customer Value through Providing Applied Innovation—Global Management Strategy to be the World IT Leader

Bhat Harikrishna

Vice President & Representative Director

Wipro Japan K.K.

Kanagawa, Japan

Wipro is an information technology services company that provides R&D services, technology infrastructure, testing, package implementation, consulting, business process outsourcing, and application development and maintenance. It was created in 1945, and in 2000 it was listed on the New York Stock Exchange. According to *Business Week* it is among the world's top 25 most innovative companies. Wipro's is growing at a compound annual growth rate of 36%. At the end of 2007 Wipro had 88,000 employees, and is growing by around 2,000 people every month.

Wipro's innovation eco-system employs a 360-degree business approach covering process innovation for sustainable cost and productivity benefits, technology innovation for reduced risk and higher reliability, process innovation for faster time-to-market, and delivery innovation for greater flexibility.

Regarding business innovation, Wipro has adapted Toyota's lean manufacturing process and Motorola's Six Sigma concept for software development. This results in a 10% increase in productivity using reusable components, tools and knowledge banks. Wipro also uses the factory model and other collaborative delivery models for 20% to 30% reduction in cycle time. Better infrastructure standardization and optimization offers 10—20% reduction in capital expenditure and operating expenditure. A centralized productivity office helps customers leverage these productivity benefits.

Regarding technology innovation, Wipro invests heavily in future technology. It has 500 professionals dedicated solely to innovation, managed by a central Innovation Council, and more than 30 innovation projects currently ongoing. The Innovation Council acts as an internal venture capital fund for investing in emerging areas ahead of the curves. The target is to realize 10% of revenues from innovation-led initiatives by 2010. New areas of investment are incubated as "Centers of Excellence" within a business unit. There are over 55 Centers of Excellence for research and development. Wipro also invests in incubating new service lines. New services lines accounted for 8% of total revenue in 2000—2001, rising to 43% in 2006—2007.

Regarding process innovation, Wipro has intellectual property and patents for process methodologies and "plug and play" ready-made technology to cut time-to-market for its customers. Wipro filed over 40 innovation disclosures on behalf of customers last year.

Regarding delivery innovation, Wipro is a pioneer in remote infrastructure management, the virtual distributed software and development model, platform business process outsourcing, outsourcing solutions based on service-oriented architecture, and better infrastructure standardization for 10% to 20% reduction in capital expenditure (see Figure 1).

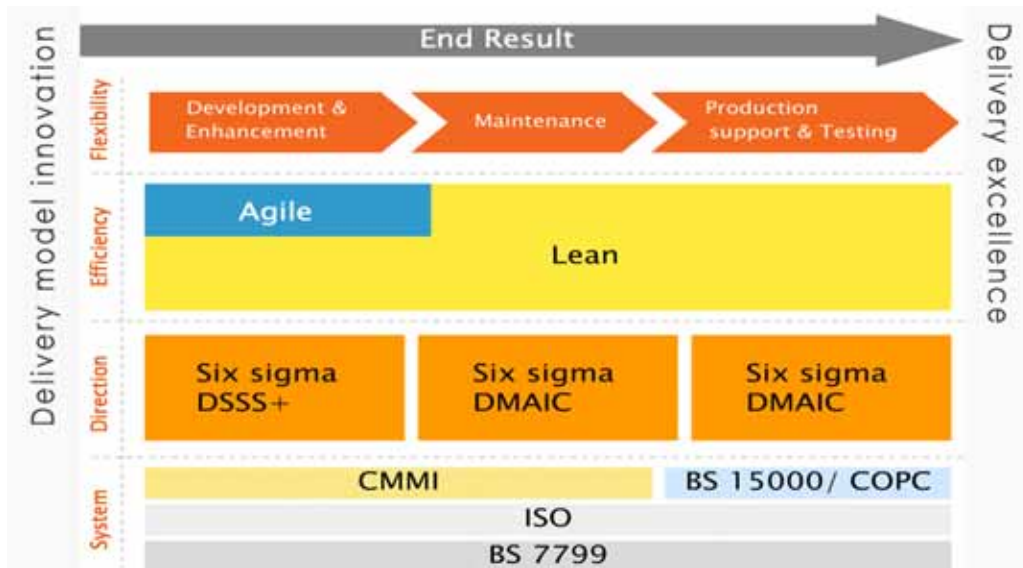


Figure 1. The Wipro Way—Delivery Model Innovation

Questions and Answers

Question: What are your strategic considerations when moving into a new country?

Mr. Harikrishna: We first investigate which industries and companies in a country could benefit from Wipro. This data is available on the Internet or from countries' government organizations. Once we determine that we can enter a country, we do so in a very limited manner. If we subsequently see significant growth then we will consider investing in that country.

Question: What is the Wipro strategy for the Japanese market?

Mr. Harikrishna: We began activities in 1995 with a very small market size, and grew very little until 2000. In 2000, our chairman asked why we were not growing. The reason was simply language and culture barriers. Over 90% of Japanese customers do not speak English. The chairman responded by employing Japanese teachers and bringing them to India to train engineers who want to work for Japanese customers. The engineers receive Japanese language and culture training full time for six months. This is how we have been able to grow and succeed.

Question: Will China become a competitor for India in the software market?

Mr. Harikrishna: China and India compete in low-level IT software services but we do not compete at a high level in research and development and intellectual properties.

Question: What strategy do you have in place to ensure that innovation continues among your staff and managers?

Mr. Harikrishna: We know that without innovation we will not grow, and that encourages us to continue innovating.

Competitive Strategy of Emerging Asian Companies

Dr. Shigemi Yoneyama
Professor of Innovation Management
Faculty of Economics
Musashi University
Tokyo, Japan

The objective of a company's competitive strategy is the maximization of sales and profits. The most widely considered means to achieving this end is a core competence approach in which a company builds a competitive advantage and develops and utilizes inimitable resources and capabilities to defeat rival companies. The other means to maximizing sales and profits is through a positioning approach that avoids competition altogether. In so doing, the company positions itself in a niche product market that is inherently less competitive and difficult for others to enter.

Emerging and growing markets in Asia are typically defined by four layers of customers: those who demand products and services with the same attributes and quality as products in developed countries; those who demand products and services with near-global standards yet with local features and lower prices; those who demand local products and services with local features at local prices; and those who can afford only the least expensive products and services (see Figure 1). For companies focused on adopting a positioning approach within the Asia's emerging and growing markets, the local-tier (third) layer offers the most opportunity for success due to the often reluctance of multinationals to cater their strategies

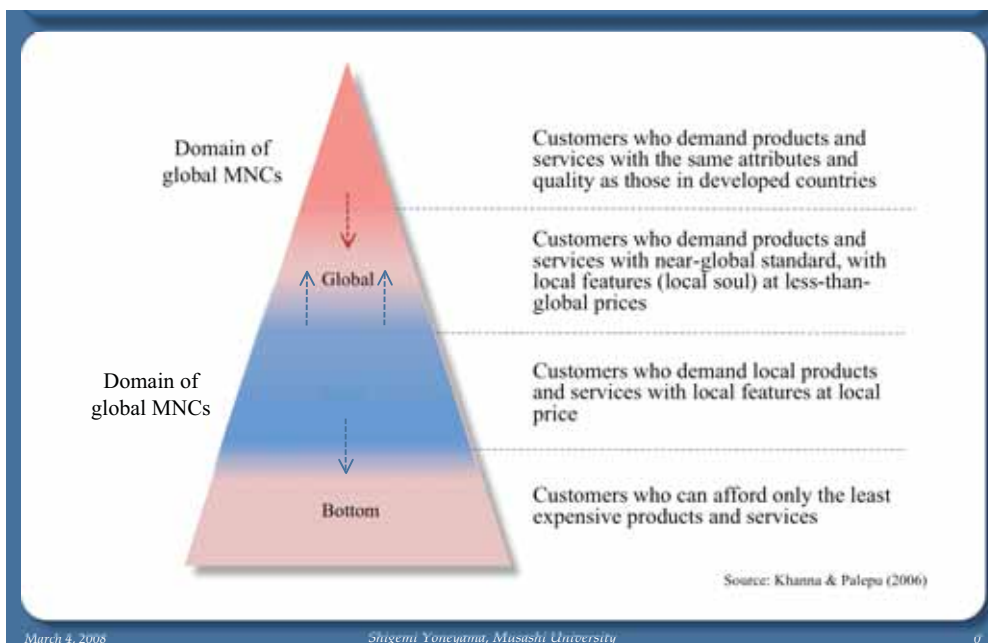


Figure 1. Structure of Emerging Market

to every emerging market. Companies such as Samsung Electronics in the 1980s, Haier and Tata Consultancy have all successfully adopted positioning approaches as their competitive strategy.

There are three major types of core competence for Asian companies. The first is the capability to deal with institutional voids such as the absence of business law, regulatory systems and supplier/distribution/sales networks. Multinationals are used to operating in economies with well-developed institutional infrastructures and are ill equipped to deal with institutional voids. This provides a good opportunity for local companies who have a developed capability to work around such voids. The second type of core competence is the capability to understand local product markets and customers' needs. Unlike local businesses, multinationals find it difficult to understand customer needs in emerging and developing markets and thus suffer a competitive disadvantage. Third is the capability to understand and have access to local resources. Multinationals often face difficulties in collecting talent in emerging markets where the level of people's skills and the quality of educational institutions vary widely and they also lack the knowledge of local production and supply chain networks. In each of these areas, it is quite important and beneficial for local companies to be aware of their own unique strengths.

India has many excellent companies in the software and service sector while the Republic of China has a number of excellent companies in the PC/mobile hardware and semiconductor sector. Central to the strength of those Indian and Taiwanese companies is their embrace of a modular, open type of product architecture, whereby purchased components are combined simply under a commonly shared platform to create end products (see Figure 2).

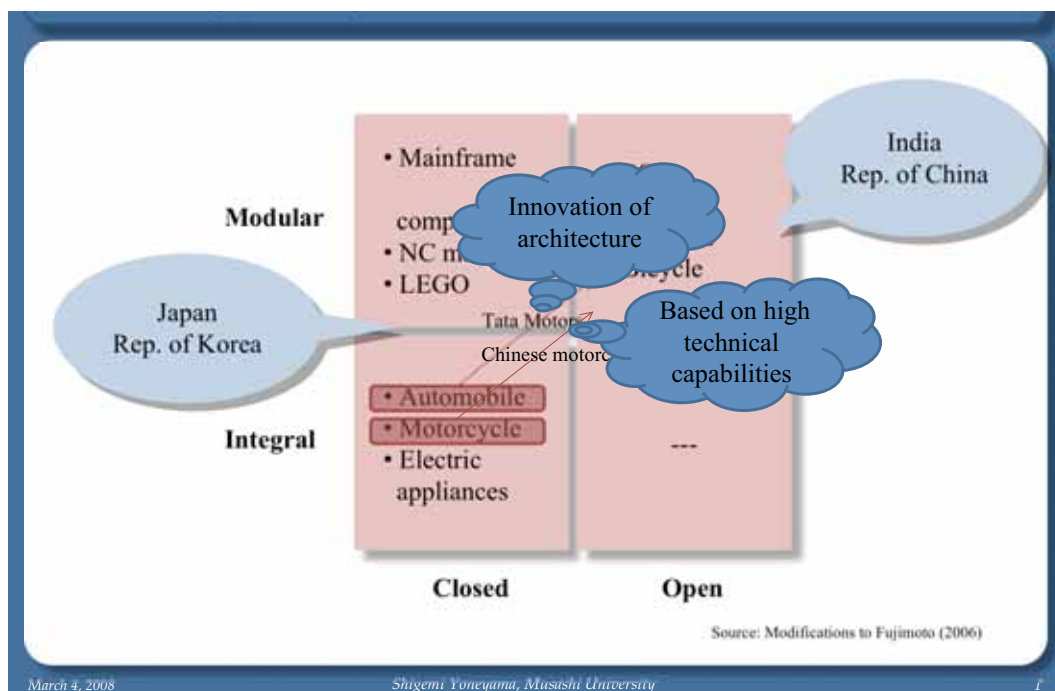


Figure 2. Types of Product Architecture

A final dimension of competitive strategy is the creation of new market spaces when none favorable to one's business exists. One strategy here is low-end disruption, in which a company develops and launches lower cost products with an appropriate level of performance. While successfully practiced by many Asian companies, this strategy may not be enough in the future. Hence, a second strategy is disruption caused by the creation of a new market, in which the disruption is the creation of new sets of values to be provided by a company's product. It is in this area that an opportunity exists for Asian companies to move from low-cost operators to value-adding companies.

Questions and Answers

Question: The strategies explained mostly relate to multinationals. What strategies should small and medium-sized enterprises adopt, including collective and individual strategies?

Dr. Yoneyama: A very important strategy for small and medium-sized enterprises is to avoid head-on competition with multinationals. Small and medium-sized companies should find niche markets and compete within these markets, coming up with strategies that cannot be adopted by bigger companies. By taking such a positioning strategy, small and medium-sized companies should increase their profits and gradually during the process create their own core competences. That is a very important strategy for the growth of small and medium-sized companies.

Question: Current intellectual property laws make it difficult for developing countries to follow the "adopt and copy" approach once practiced by countries like Japan, Korea, China and India. What should developing countries do in this regard?

Dr. Yoneyama: Japan, in the course of its development, did indeed practice a lot of imitation of US-made products. As for Asian companies, they should introduce the know-how and technologies of Japan, South Korea and European countries through partnerships and also take advantage of government-sponsored technology cooperation and support. Moreover, it is not enough to just introduce Western technology; value and originality must also be added to this technology for it to be successful. One of the strengths of Japanese companies is that they first imitated and then from that imitation came innovation.

Appendix 1

Top Management Forum: Innovative Corporate Strategy in Global Competition
(3—5 March 2008, Kyoto, Japan)

List of Participants and Resource Speakers

Participants

- Bangladesh
- Mr. Mohammad Mahbubur Rahman
Chairman
Bangladesh Small & Cottage Industries Corporation
137-138, Motijheel C/A
Dhaka
- Mr. Muhammad Mustafa
Joint Secretary
Ministry of Industries
Shilpa Bhaban, 91 Motijheel C/A
Dhaka
- Cambodia
- Mr. Chim Phalrith
Deputy Director General
Cambodia Chamber of Commerce
No. 7D, Russian Blvd (St. 110), Tek Laor Commune
Toul Kork District
Phnom Penh
- Mrs. Pheng Sothika
General Manager
Samudera Supermarket
7 Makara Street, Quarter 4, Mittapheap District
Sihanouk Ville
- Republic of China
- Mr. Chang, Jyun-Lurng
Senior Vice President & Chief Knowledge Office
Advanced TEK International Corp.
8F, No. 303, Sec. 1, Fusing S. Road
Taipei, Taiwan
- Mr. Hung, Chao-Yang
Technical Specialist
Department of Industrial Technology, MOEA
15, Fu-Zhou St.
Taipei
- Dr. Johnson H.C. Lin
Director, Planning & Training Division
China Productivity Center
2nd F., 79, Section 1, Hsin-Tai-Wu Road, Hsichi 221
Taipei Hsien

- Fiji
- Mrs. Elena Vaudroka Wakolo
General Manager Corporate Services
Training and Productivity Authority of Fiji
Box 6890
Nasinu
- Mr. Isireli Vananalagi Vesikula
Manager Legal
Housing Authority
GPO Box 1263
Suva
- India
- Mr. Bhartendra Singh Baswan
Director
Indian Institute of Public Administration
I. P. Estate, Ring Road
New Delhi
- Mr. Rohit Kumar
Vice President - Corporate Relations
Nicholas Piramal India Limited
40, Community Centre, Zamrudpur
New Delhi
- Indonesia
- Mr. Anggoro Kasyanto
Manager, Business Planning
HESS Indonesia
Sentral Senayan I, 5th Fl., Jl. Asia Afrika No. 8
Jakarta
- Mr. Nugroho Budisatrio Sukamdani
Chairman
Sahid Jaya Foundation
Sahid Building 2nd Floor, Jl. Jendral Sudirman, Kavling 86
Jakarta
- Iran, Islamic Republic of
- Mr. Hammed Roohani
Secretary-The WTO Commission
Iran Chamber of Commerce, Industries and Mines
254, Taleghani Avenue
Tehran
- Dr. Seyed Bagher Sharifzadeh
Managing Director & Vice Chairman
Havasan Co.
Rajaei IND Estate
Tabriz

- Lao PDR
Mr. Manohack Rasachack
Deputy Director General
Small and Medium Enterprise Promotion and Development Office
Ministry of Industry and Commerce
Nongbone Road, P.O. Box: 474
Vientiane
- Malaysia
Mr. Dzulkifli Sipon
Senior Manager
National Productivity Corporation
P.O. Box 64, Jalan Sultan, 46904, Petaling Jaya
Selangor Darul Ehsan
- Ms. Jasmine Binti Abdullah Heng
General Manager
Malaysian Association of Hotels
Jalan SS12/1, 47500
Subang Jaya
- Mr. Kamaruddin Mohamad
Senior Manager, Organizational Excellence Award Unit
National Productivity Corporation
P.O. Box 64, Jalan Sultan, 46904 Petaling Jaya
Selangor Darul Ehsan
- Mongolia
Mrs. Enkhbayar Tsendendorj
CEO
Mongolian Mortgage Corporation
Sukhbaatar District, Ikh Toiruu, Penthouse Building 1-1
Ulaanbaatar
- Mrs. Zagdkhuu Narantuya
Executive Vice-President
Mongol Post Bank
Mongol Post Bank Building, Kholboochdyn Str-4
Ulaanbaatar
- Nepal
Mr. Binod Babu Kafle
Under Secretary
Ministry of Finance, Corporation Coordination &
Privatization Division
Singha Durbar
Kathmandu
- Mr. Narad Gautam
Account Officer
Ministry of Industry, Commerce & Supplies
Singhadarbar
Kathmandu

Mr. Yuddha Bahadur Pant Chhetri
General Manager
National Productivity & Economic Development Centre (NPEDC)
P.O. Box 1318, Balaju
Kathmandu

Pakistan

Mr. Zafar-Iqbal
Senior Joint Secretary
Ministry of Industries, Production & Special Initiatives
Pak Secretariat, Block-D
Islamabad

Mr. Zahid Arif
Chairman
Rakaposhi Pharma (Pvt) Ltd.
97-K Jamrud Industrial Estate, Hayatabad
Peshawar

Philippines

Mr. Aranton, Robert Lester Fermin
President
Global Trade Asia Services, Inc.
W-1C Blossoms Estate, KM25 West Service Road, Alabang
Muntinlupa City

Ms. Dael, Melencia Urma
Vice President/Treasurer/Marketing Manager
Sealand Realty Construction and Development Corp./
Quezon-Lucena Chamber of Commerce and Industry
1868 Capistrano Subdivision, Lucena City
Quezon Province

Mr. Monera, Francis Omol
President
Cebu Holdings, Inc.
7/F, Cebu Holdings Center, Cebu Business Park
Cebu City

Singapore

Ms. Chew Mok Lee
Group Director, Enterprise Promotion
Standards, Productivity and Innovation Board
2 Bukit Merah Central, SPRING
Singapore

Ms. Elim CHEW Soo Gim
President/Founder
77th Street (S) Pte Ltd
21 Serangoon North Ave. 5, Ban Tech Han Building, #04-04
Singapore

Sri Lanka	Mr. Malwattege Harisutha Chathurabuddhi Malwatte Chief Operating Officer The Ceylon Chamber of Commerce No. 50, Navam Mawatha Colombo
Thailand	Mr. Chaiwat Damrongmongkolgul Managing Director Thai Lube Base Public Company 163/19 Moo 7, Thungsukla, Sriracha Chonburi Mrs. Sriwan Eamrunroj Executive Vice President, Corporate Strategy & Planning PTT Public Company Limited 555 Vibhavadi Rangsit Road, Chatuchak Bangkok Mr. Supachai Muangrux Organizational Management Division Director Thailand Productivity Institute 1025 12-15th Fl., Yakult Building, Samsennai, Phayathai Bangkok
Vietnam	Mr. Hoang Minh President Post and Telecommunications Institute of Technology 122 Hoang Quoc Viet Road Hanoi

Resource Speakers (in order of presentations)

Dr. Hideo Yamada
Professor
Waseda Business School
Waseda University
Tokyo

Mr. Keisuke Okada
Member of the Board of Directors
Executive Vice President
All Nippon Airways Co., Ltd.
Tokyo

Mr. Atsuyoshi Nakamura
Division General Manager, Production Technology Development Center
Production Technology Development Group
Sharp Corporation
Nara

Mr. Yoshiharu Kaihara
Chairman & CEO
Kaihara Corporation
Hiroshima

Mr. Tatsuo Tanigawa
Visiting Lecturer
Ritsumeikan Asia Pacific University
Oita

Mr. Koichi Maeda
Corporate Vice President, General Manager
China Business Strategy & Planning Division
Ajinomoto Co., Inc.
Tokyo

Mr. Bhat Harikrishna
Vice President & Representative Director
Wipro Japan K.K.
Kanagawa

Dr. Shigemi Yoneyama
Professor of Innovation Management
Faculty of Economics
Musashi University
Tokyo

(Note: Designations at the time of the project implementation)

Appendix 2

Top Management Forum: Innovative Corporate Strategy in Global Competition
(3—5 March 2008, Kyoto, Japan)

Program and Itinerary

Monday, 3 March 2008

- 09:00—09:30 Opening Ceremony
- 10:00—11:15 Session I: *“An Age of Competition between Business Models”*
by Dr. Hideo Yamada, Professor, Waseda Business School, Waseda University
- 11:30—12:45 Session II: *“Aiming to become Asia’s No. 1 Airline”*
by Mr. Keisuke Okada, Member of the Board of Directors, Executive Vice President, All Nippon Airways Co., Ltd.
- 14:30—15:45 Session III: *“Sticking to Monozukuri and Global Top Strategy”*
by Mr. Atsuyoshi Nakamura, Division General Manager, Production Technology Development Center, Production Technology Development Group, Sharp Corporation
- 16:00—17:15 Session IV: *“World’s most wanted Japanese Blue Denim”*
by Mr. Yoshiharu Kaihara, Chairman & CEO, Kaihara Corporation
- 17:30—18:15 Session V: *“Strategic Alliance and Capability Learning in the Global Automobile Industry”*
by Mr. Tatsuo Tanigawa, Visiting Lecturer, Ritsumeikan Asia Pacific University

Tuesday, 4 March 2008

- 09:30—10:45 Session VI: *“Towards the Global Food Industry— Challenge for Ajinomoto”*
by Mr. Koichi Maeda, Corporate Vice President, General Manager, China Business Strategy & Planning Division, Ajinomoto Co., Inc.
- 11:00—12:15 Session VII: *“To Realize Customer Value through Providing Applied Innovation—Global Management Strategy to be the World IT Leader”*
by Mr. Bhat Harikrishna, Vice President & Representative Director, Wipro Japan KK
- 13:45—14:45 Session VIII: *“Competitive Strategy of Emerging Asian Companies”*
by Dr. Shigemi Yoneyama, Professor of Innovation Management, Faculty of Economics, Musashi University
- 14:45—16:00 Session IX: Group Discussion
“Application of Results Learnt to Each APO Member Countries”
Coordinated by Dr. Shigemi Yoneyama

Innovative Corporate Strategy in Global Competition

16:15—17:15 Session X: Presentation
Coordinated by Dr. Shigemi Yoneyama

Wednesday, 5 March 2008

09:30—11:30 Company Visit: Shimadzu Corporation (Sanjo Works)

13:00—14:30 Closing Session

(The program has been revised from that distributed at the forum.)