

# Customer Success / Regional Strategy

**Fujitsu Limited**

May 30, 2023



# Customer Success Strategy

Corporate Executive Officer  
SEVP, CRO

Shunsuke Onishi

# Onishi Shunsuke

CRO, SEVP Head of Global Customer Success

For over 35 years, he has worked for Japanese and international IT services and consulting companies. For the last 20 years, he has supported the globalization of Japanese companies and cross-border PMI in a multinational environment. Before joining Fujitsu, he was President and CEO of NTT Data Global Solution, where he supported the global business development of Japanese companies using SAP. As the Country Head/Vice President of Infosys, he led business development and M&A in the Japanese market.

He joined Fujitsu in 2019 as Vice Head of Enterprise Business Group. In 2020, he served as Head of Enterprise Business Group and led the launch of JGG (Japan Global Gateway), which paved the way for the One Global Delivery strategy. In 2021, he led the overall planning of the Uvance Sustainable Manufacturing area.

From 2022, he served as the head of the Global Customer Success Business Group, integrating the manufacturing, distribution, and financial units to drive business with approximately 1,300 large enterprise customers.

Appointed CRO and Head of Global Customer Success Business Group in 2023. He will be responsible for maximizing the revenue by driving the growth strategy globally based on customer focus.

# Global execution of customer success strategy **FUJITSU**

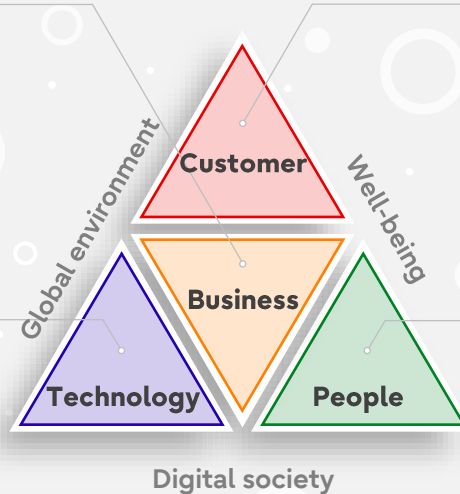
- Ensure global consistency and drive strategies for customer success, resulting in increased revenues for the entire group

## **Business Model and Portfolio Strategy**

- Business segments and portfolio
- Shift to growth areas
- Customer engagement model

## **Technology Strategy**

- Develop core technologies
- Business utilization of technologies (Enhance value delivered)



## **Customer Success / Regional Strategy**

- Expand consulting
- Modernization
- International focus on services
- Strategic alliances
- Further stability of customers' business

## **People Strategy**

- Globally unified roles
- Improve productivity (per employee)
- Strengthen management foundation

# Strategy and Governance of the CRO

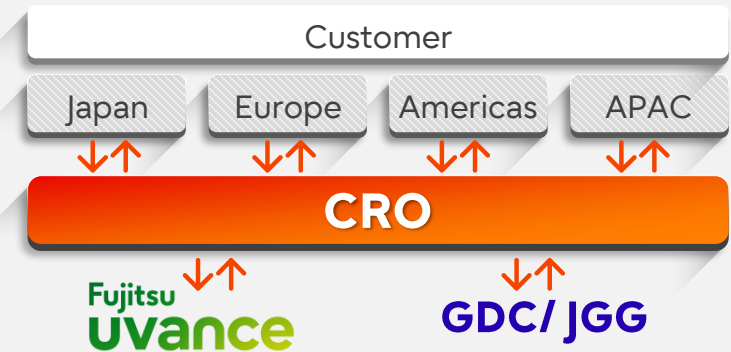
## ● CRO(Chief Revenue Officer) Mission

Responsible for and authorized to expand Fujitsu's business revenues and grow Front BG and all regions' businesses by developing and executing strategies to maximize revenues from a global perspective, without being restricted to specific areas or functions.



**Each region and delivery unit works individually**

- Individualized/non-structured



**Execute the front office strategy on a global basis**

- Driving a strong portfolio transformation to Uvance
- Focus on Strategic Partner Offerings
- Global Account Management

Old Structure

New Structure

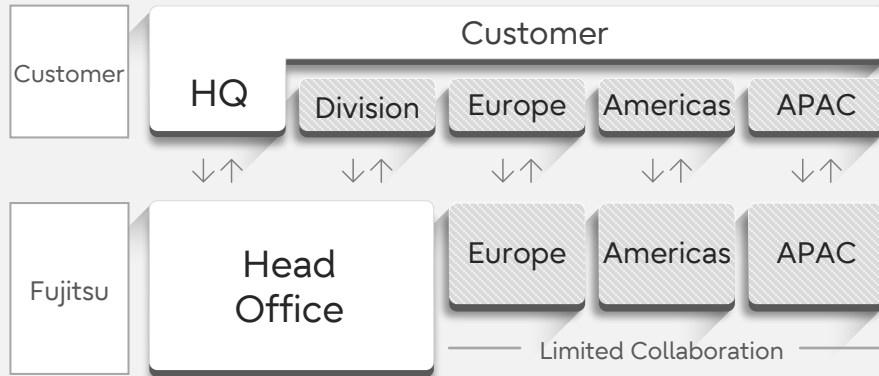
# Key Strategies and Measures



GAD\* : Global Account Director、詳細は次スライド

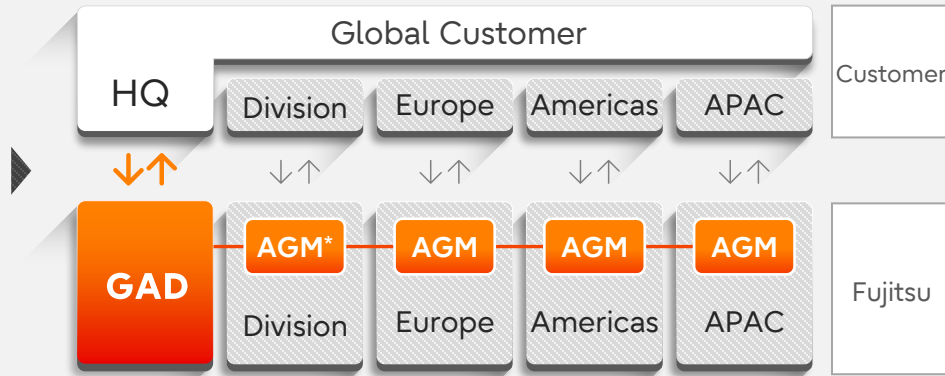
# Operational Model Transformation

- Appoint a Global Account Director (GAD) with revenue responsibility for all regions and businesses for clients with global operations.
- Working in unison to help customers further expand their global business and solve social issues that transcend national and regional boundaries



- Head office-regional communication only when necessary
- Limited governance over interregional accounts
- Operating model per region

Old Operating model



- \*Account General Manager (AGM) in each region
- Operating model that ensures global consistency

New Operating model

# Regional Strategies – Regions (Japan)

Corporate Executive Officer  
SEVP, Japan Region CEO

Hiroyuki Tsutsumi



# Hiroyuki Tsutsumi

## SEVP, Japan Region CEO



Hiroyuki Tsutsumi has many years of experience in the ICT and healthcare industries. He has global management experience and has worked in a managerial role in Japanese, European, and American companies, as well as companies from other Asian countries. He also has experience in leading operations for B2B, B2C and B2B2C business models, and concentrates his efforts in the digital transformation business and value creation.

Hiroyuki Tsutsumi was appointed as SEVP and Japan Region CEO in April, 2022. He is currently in charge of Fujitsu's public sector & social infrastructure business in Japan, mission critical business, business with local governments along with private sector demand, healthcare, and educational institutions, as well as partnership policies.

Prior to joining Fujitsu, Hiroyuki Tsutsumi served as President and Representative Director of Philips Japan/SVP of Royal Philips, President of Samsung Electronics Japan/EVP of Samsung Electronics, VP of Cisco Systems, and a Senior Manager/Secretary to the President in the NEC Corporation.

He is passionate about the promotion of digital transformation, education, and sustainability. He has been invited to various summits and forums as a guest speaker, as well as to universities as a visiting professor. In addition, he serves as an ambassador of Yamanashi Prefecture, an External Director of ALLM, Director of Temple University, Japan Campus, Director of the general incorporated association Japan Sports Health Care Design Alliance, and a member of the Sports Future Development Conference.

# Reflecting on Fiscal Years 2020 through 2022



## Full-scale Start of Fujitsu Japan

**Strengthening the services frontlines  
in Japan**

Establishing a dominant position in the Japanese marketplace

**Increasing profitability in  
regional Japan markets**

## Restructuring of System Integration Group Companies

**Transformation in the delivery of services**

Bringing together the knowledge and strengths dispersed throughout  
Fujitsu and mobilizing our collective capabilities

**Improving profitability through  
our new system integration organization**

## Business Producer Transformation

**Increasing our consulting capabilities  
through reskilling sales personnel**

Completed reskilling training for approximately 8,000 sales personnel

**Collaborating with customers to  
promote digital transformation**

## Establishment of Ridgelinez

**Becoming a transformation partner/strengthening  
our ability to handle upstream processes**

Supporting the transformation of our customers and creating a new and  
disruptive future that is not an extension of the past

**Improving the quality of business deals**

# The Current Status of Regions (Japan)

## Enterprise

(Manufacturing/ Retailing and Distribution/Finance)

- Offering Japan-wide support to customers, from global major players to regional and medium-sized companies
- Providing a wide range of services from the application of global solutions to individual system integration
- Providing a wide range of support for manufacturing, retail and distribution, and finance companies

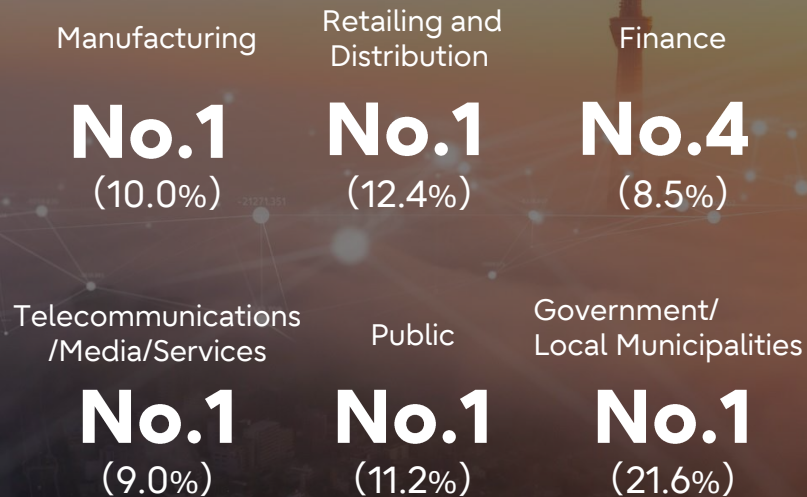
## Public Sector

(Telecommunications/Media/Services/Public\*/Government/Local Municipalities)

- We have built social infrastructure and systems in Japan, and have operated them for many years
- Supporting mission-critical operations with high quality and high level-technical capabilities
- Driving the modernization of legacy systems
- Excelling in services for large-scale hospitals, such as university hospitals
- (Market shares of electronic medical records: over 65% of private universities and over 40% of public universities)

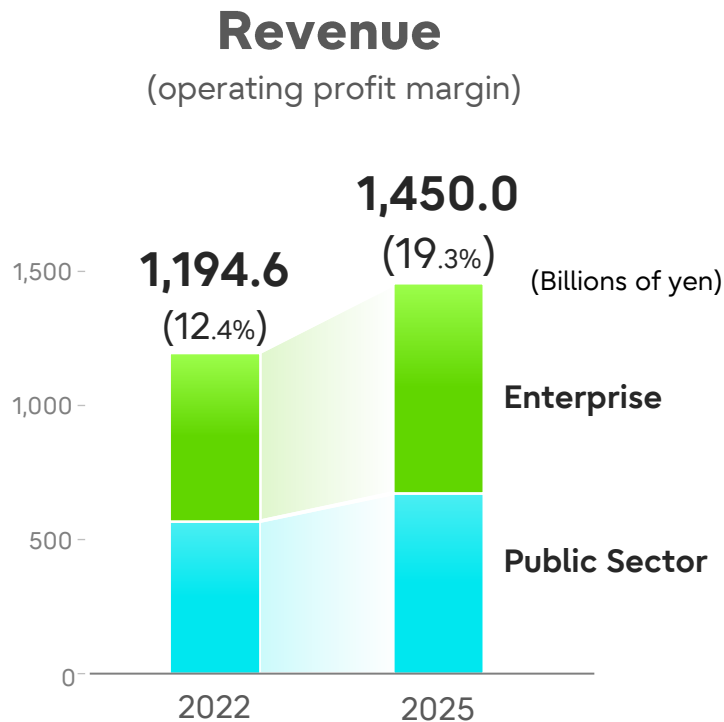
\*Public: petroleum/gas, electricity/water, medical/life sciences/education

## Our shares by market in fiscal 2022



This graph was created by Fujitsu based on Gartner research. The figures shown here were calculated by Fujitsu.  
Source: Gartner®, Gartner, Market Share: IT Services, Worldwide, 2022, Neha Sethi et al., 14 April 2023. Vendor Revenue for 2022, Japan (Region), Manufacturing = Manufacturing and Natural Resources; Finance = Insurance + Banking & Investment Services; Retailing and Distribution = Retail, Wholesale Trade, Transportation; Telecommunications/Media/Services = Communications/Media and Services; Public = Power and Utilities, Oil and Gas, Healthcare, Life Sciences, and Education; Government/Local Municipalities = Government.  
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# Our Targets for Fiscal 2025 and Measures for Achieving Them **FUJITSU**



- (Billions of yen)
- **01 Fujitsu UVance** **210.0**  
Fiscal 2025
  - **02 Modernization** **250.0**  
Fiscal 2025
  - **03 Transforming front function**
  - **04 Optimizing development**  
(Gross margin +1%/year)
  - **05 Strengthening quality management**
- Expanding revenue
- Improving productivity

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# Expanding revenue

01. Uvance

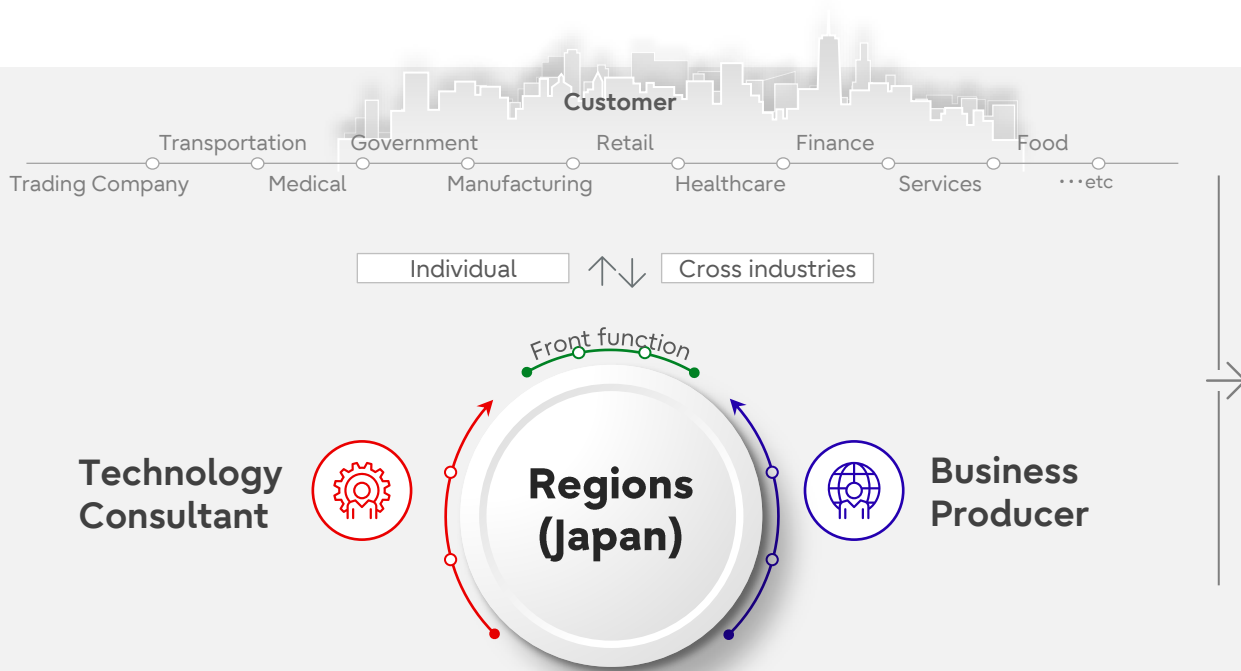
02. Modernization



# Fujitsu Uvance



As part of our mission to solve societal issues, we will shift our focus away from individual companies to industries and cross-industries. The sales frontlines, together with the technology consultants, will aggregate market needs, test and verify business models, and realign our offerings.



**Fujitsu  
Uvance**

Revenue in 2025

**210.0** (Billions of yen)

Pipeline  
(2023- 2025)

**Horizontal 300.0**

**Vertical 200.0** (Billions of yen)

# Modernization

We will guide our mainframe and UNIX customers toward modernization, consolidate the knowledge we have gained into our modernization knowledge center, and also approach non-Fujitsu mainframe users by utilizing this knowhow.

## Modernization

Revenue in 2025

**250.0** Billion yen

Reference  
(Current operating assets)

### Mainframe

FY22 700 units / 350 customers

### UNIX

FY22 9,400 units / 730 customers

## Large-scale cases of Modernization (Cloud) orders

A Government agencies	83.0
B Government agencies	31.0
C Mobile carrier	8.0
D Financial institution	37.0
E Electronics company	50.0
F Food manufacturer	11.0
G Pharmaceutical company	12.0

Billion yen

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# Transforming front function

- 01. Consulting approach
- 02. Offering Sales and Digital Sales
- 02. Engagement with our partners

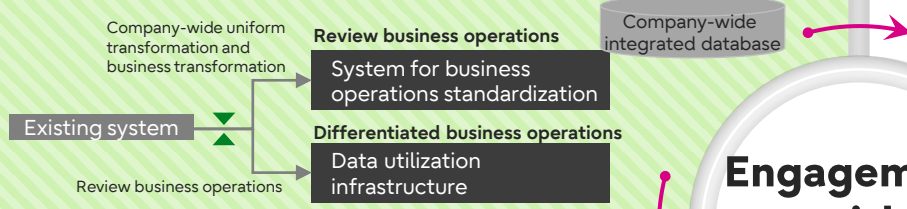


# Integrated consulting approach with Ridgelinez

Case study of top executive approach : An electronics company

## Program management for business transformation

Ridgelinez will promote the overall management of the transformation, including building consensus with management



## Building a core standard for ERP

- Utilization of internal system implementation initiatives
- Creation of a system that utilizes our knowledge
- Modernization through S4 HANA Bluefield conversion

## Creating data utilization infrastructure

- Concept plan for executing core infrastructure strategies other than ERP
- Data utilization consulting and creation of data-driven management structure
- Creation of data analysis infrastructure

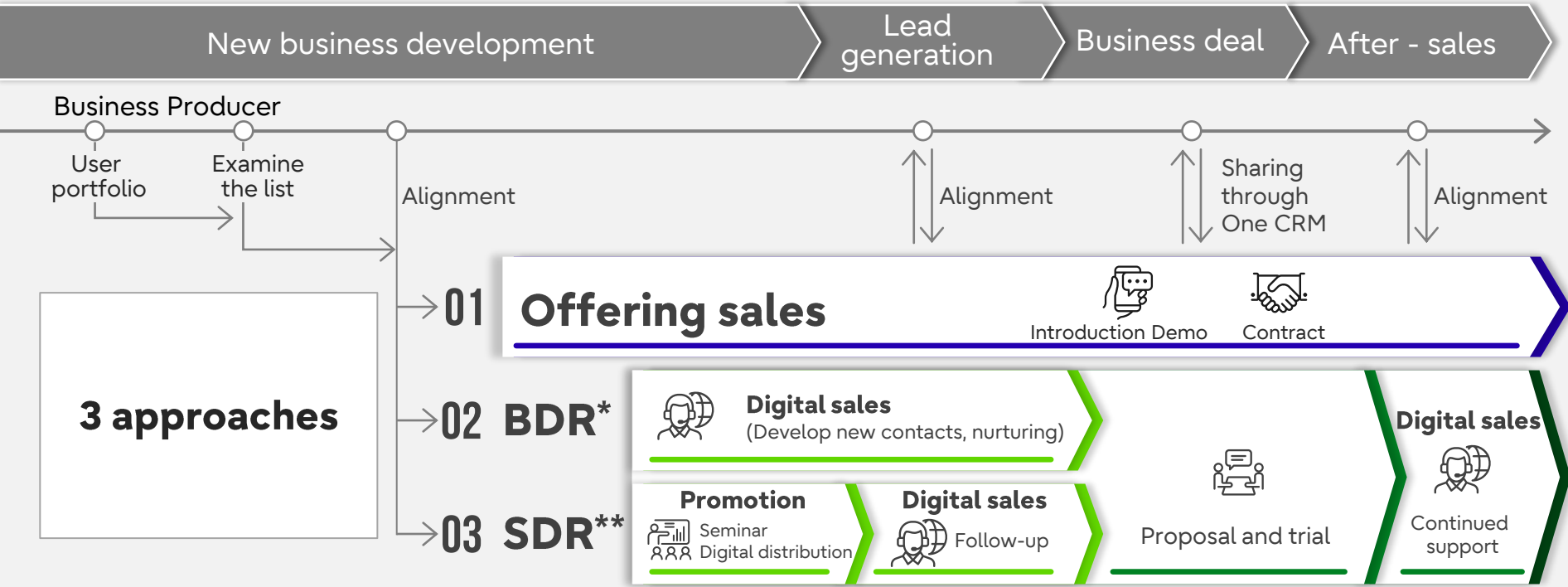
**Engagement with C-suite/LoB**

## Creating further opportunities

- Development of a system of business operation standards for other business divisions and locations
- Fujitara practical knowledge of transformation
- Transformation of digital marketing and sales
- Strategic collaboration with information technology subsidiaries

# Offerings Sales and Digital Sales

Market development through new approach



\*BDR : Business Development Representative  
 \*\*SDR : Sales Development Representative

# Engagement with our partners



Expanding our business  
by further strengthening  
our engagement  
with our partners in Japan

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01

A single point of contact for partners

02

Core business transformation from  
Products to Digital Service expansion,  
Uvance as the center

## Solution dealers

Sales partners

Partners throughout all of Japan 8

Partners in regions in Japan 450

**FCA\*** 108

\* The name of Fujitsu's partners association

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# **Development Efficiencies Enhancement of Quality Management**

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# Development Efficiencies

Gross Margin +1%/year

## Delivery Transformation

One CRM  
Proper allocation  
of resources



GDC/JGG  
Thorough usage



Development  
standardization

Remote/  
Concentration



Agile development



# Enhancement of Quality Management



- Chief Quality Officer Governance
- Information Security
- One Delivery Process
- Fujitsu Developers Platform

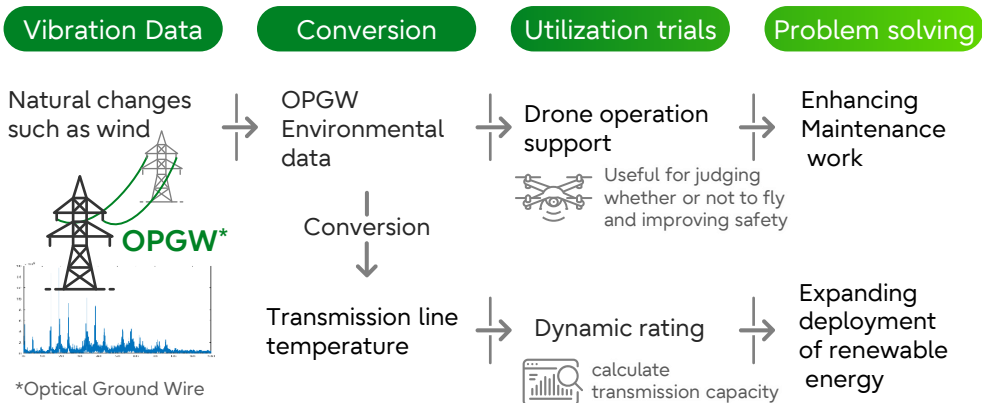
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# New Initiative in Innovation

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# Expanding Deployment of Renewable Energy and Improving the Maintenance of Transmission Equipment

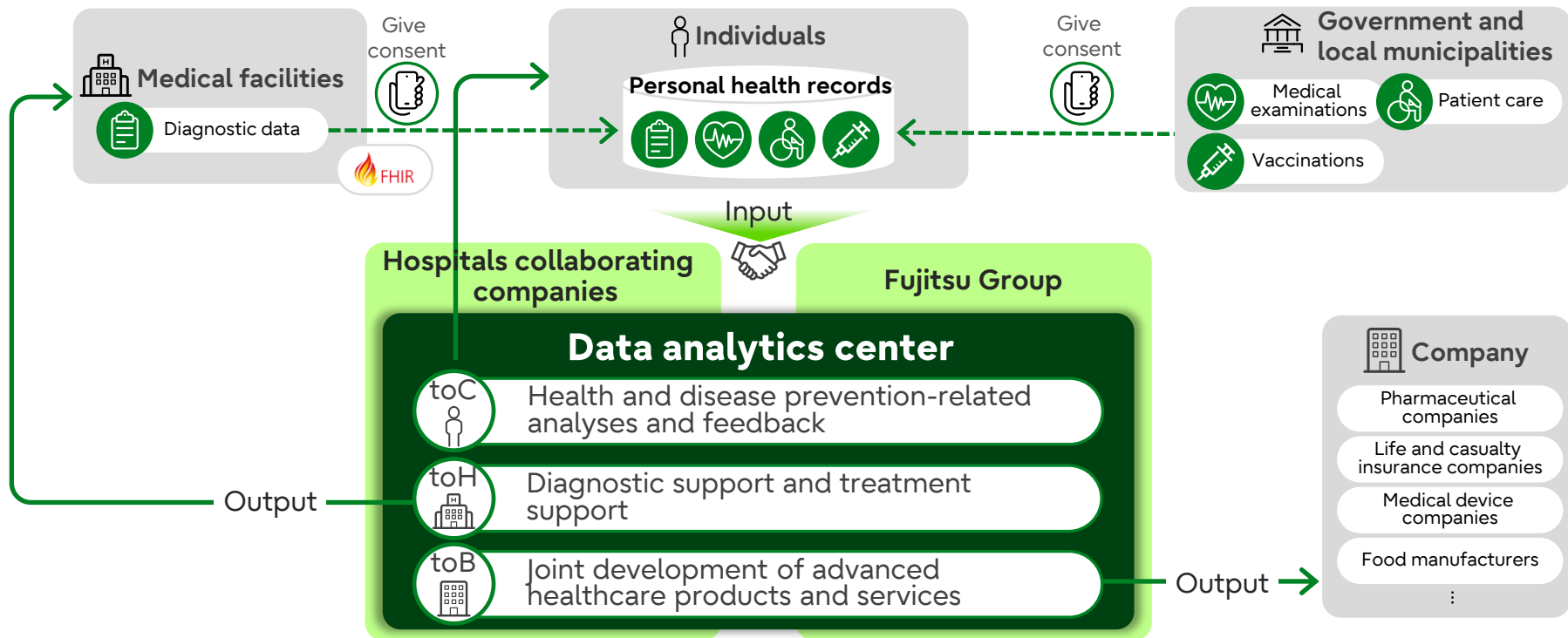




# Data driven business in the area of health care **FUJITSU**

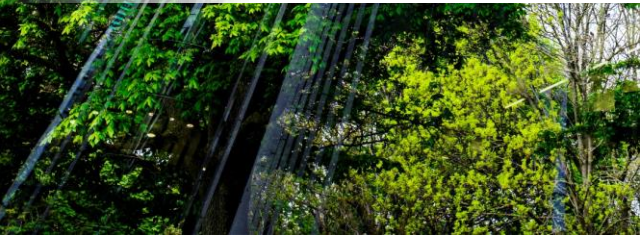
Implementing data standardization and consent-based data utilization infrastructure to create value through analytics

**Fujitsu**  
**UVance**





**Creating a prosperous future for Japan through Service Solutions**






# Regional Strategies – Regions (International)

Representative Director, COO

Hidenori Furuta



## Regions (International)

※FY22 Figures




 Revenue	<b>581.7</b> Billion yen
 Operating Profit (%)	<b>10.3</b> Billion yen (1.8%)
 Countries	<b>32</b> countries
 Employees	<b>22,700</b> people
 Services	<b>MIS, BAS*</b>






### Americas

 9 countries
 <b>1,600</b> people
 <b>BAS</b>

### Europe

 14 countries
 <b>16,300</b> people
 <b>MIS, BAS</b>

### Asia Pacific

 9 countries
 <b>4,800</b> people
 <b>MIS, BAS</b>

MIS Managed Infrastructure Services

BAS Business Applications Services

## Americas

### Business Portfolio Transformation

- Product
  - Hosting
  - Retail hardware
  - Break/Fix
- Closed

Focused on service business

Achieved Profitability

## Europe

### Select and Concentrate

- Closed non-profitable countries
- Separated product business
- Selected service business focused countries (14)

Shifted focus to high margin service business

Built foundation to expand services business

## Asia Pacific

### Business Model Transformation

Shift to industry business model and consulting led business

Acquired Versor, Oobe, Enable, InPhySec to enhance DX capabilities

Expanded/Strengthened DX capabilities

## Common Initiatives



### Offerings

Global offerings



### Accounts

Chose regional focused accounts



### Delivery

- GDC collaboration and usage
- Improved productivity




### Alliances

Strengthened partner business on a global and regional level with strategic alliance

# Key Strategies



## Business Model and Portfolio Strategy

- Accelerate shift from **MIS to BAS business** to improve profitability 
- Strengthen **alignment with global organization (\*BGs)** to expand business  
Governance over offering development/investment/delivery/sales, common KPI/incentive scheme



## Customer Success / Regional Strategy

- Develop and expand **consulting capabilities/approach methodologies**
- Standardized **customer facing organization structure**



## Technology Strategy

- Utilize new technology implementation framework
- **Build/Roll out lead customer and use cases**



## People Strategy

- **Reskill** people for growth
- Bring value via **strategic alliance & partnership** 

**Thank you**

