



Change Seen from the Digital Innovation Front Lines

What is customer-centric digital innovation? What are Fujitsu's competitive advantages in creating value together with customers? Members of our frontline sales team and a system engineer providing services discuss digital innovation at work and the co-creation of value from their different perspectives.



Akira Kamioka
Logistics Solution Development Dept.
Manufacturing & Distribution Business Div.
Fujitsu Limited



Makoto Shibata
Director
Business Strategy Unit
Social Innovation Promotion Office
Fujitsu Kyushu Systems Limited



Satoshi Imai
Manager
Kansai Sales Dept. 1
Sales Division, Kansai
Distribution Industry Business Unit
Fujitsu Limited

Launch of a project bringing together members with diverse specialist skills

—Mr. Akira Kamioka, Mr. Makoto Shibata, and Mr. Satoshi Imai, you are three members of a project that began trials in June 2016 with an aim to reform distribution in Vietnam. What are your different roles in the project?

Kamioka: My role is to provide support in the Fujitsu Group’s operations nationwide as part of the industry-specific sales team covering distribution solutions. I am also responsible for planning new services, a task that requires evaluating customer needs. The Vietnam project is aimed at exploring business opportunities in the country. It kicked off with Mr. Shibata and myself sounding out the needs of customers undertaking business in the local market.

Shibata: As a system engineer, I take a big-picture view of distribution solutions as what we call a “technology leader.” When we began studying the Vietnamese market, I was part of Fujitsu’s Manufacturing & Distribution Industry Systems Business Unit. Since before the launch of the Vietnam

project, Mr. Kamioka has been handling planning while I have been responsible for tailoring solutions to match on-site needs.

Imai: With this project, I act as the contact point with our partner Acecook Co., Ltd., as a member of the account sales team. In that capacity, I seek to showcase the distinctive benefits of our solutions to people involved in the Vietnam business within Acecook, from the company president down. I also support Fujitsu Vietnam Limited in its local projects in Vietnam. Actually, when Mr. Kamioka and Mr. Shibata were assessing the position on the ground, Acecook was using only Fujitsu’s hardware in Vietnam, not our other products and services. It was at the point when Acecook announced its partnership in the project that I came on board.

Kamioka: When I first visited Vietnam in July 2014, we had no firm customers lined up. Japanese companies—particularly manufacturers—had been actively

moving into the country. Vietnam’s economy was taking off in the run-up to the December 2015 launch of the ASEAN* Economic Community, of which Vietnam was a member. But there was a striking lack of local distribution infrastructure such as had become the norm in Japan. As we saw it, all of this added up to a whole range of unmet needs at Japanese food and retailing companies in the region.

Shibata: When we were in the early phase of market research, Acecook suggested that it might be possible to create new value by using its know-how in delivering products throughout Vietnam. We saw that as an opening to establish a system for the joint use of multiple companies, applying our experience in distribution solutions accumulated over two decades.

* Association of Southeast Asian Nations, consisting of the 10 countries of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Fujitsu and Acecook Join Forces to Transform Distribution in Vietnam

In October 2015, Fujitsu and Acecook launched a joint project to build a shared distribution-information system that Japanese companies doing business in Vietnam could use for improved local distribution. With Acecook as a model user, Fujitsu aims to provide systems as a service that enhances distribution efficiency by improving vehicle utilization and vehicle capacity utilization. Acecook Vietnam JSC boasts the largest share of the Vietnamese instant noodle market; as of June 2016, it operated 11 plants in the country and had almost 300 distributors.

<http://www.fujitsu.com/global/about/resources/news/press-releases/2016/0329-01.html>



Acecook products displayed at a retail store in Vietnam

Imai: Customers in the manufacturing sector had long been making efforts to cut costs both at production sites and in indirect operations through raising utilization rates. That left distribution as really the only untouched area, and it has become a key focal point in recent years.

Shibata: In Japan, there have been cases of a company building a distribution system on its own. Overseas, things are different. Customer companies must cut costs while limiting risks, because even though they can



Overseas projects have been opening up business opportunities in Japan as well.

experience rapid expansion of their business, there is also the possibility of having to pull out of a business. Building a joint-use system and offering it through software as a service

(SaaS) is a way of responding quickly to such needs. The aim of this project is to create business for customer companies and ourselves by working hand-in-hand.

Looking to innovate together with customers by identifying issues on the ground

—Resolving customers’ management problems has become a key theme for many IT service companies. What competitive edge does Fujitsu have in this area?

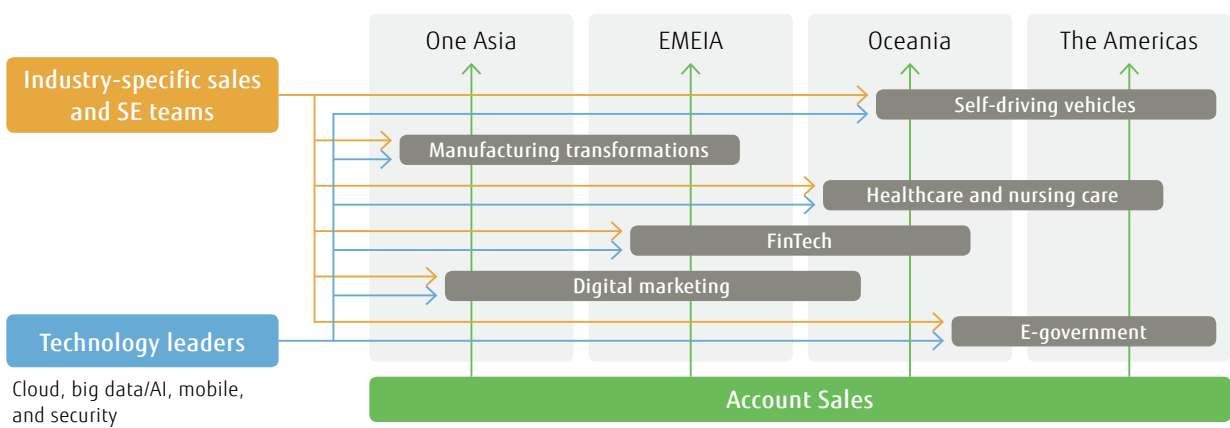
Kamioka: One is our Field Innovation activities. With distribution, for example, the Fujitsu Group has a large pool of staff with wide-ranging experience in various related areas. They visit customer companies as “Field

Innovators”—essentially facilitators. Through a series of discussions, they clarify customers’ business processes and management issues. They present these in schematic form and help customers themselves identify the measures they need to take to resolve the challenges they face.

Imai: With the Vietnam project, Mr. Shibata’s participation as a specialist in the distribution field and offering

consulting services has been a real boon in gaining the confidence of Acecook Vietnam. Mr. Shibata’s specialist expertise is recognized as one of Fujitsu’s strengths, and that—along with close cooperation between the account sales, industry-specific sales, and systems engineer sides—has led to more business opportunities, starting in Vietnam and in Japan as well.

Industry-Specific Sales and SE Teams Operating across Regional Boundaries (Examples are for illustrative purposes only)



Shibata: Management problems come in different shapes. There are problems about which customers are already aware. And there are problems that customers have not yet pinpointed. It is essential to uncover real issues that customers themselves have yet to identify by looking closely at how things are on the ground and, together with customers, to co-create the innovation needed to tackle them. In this process, there are huge benefits to be tapped from taking multiple perspectives, including those of Field Innovators, system engineers, account sales, and those involved in promoting solutions.

Imai: In the past, our counterparts were customer companies' information systems units. Now they tend to be divisions or promotion offices within broader business departments. Increasingly, in the process of considering

It is essential to uncover real issues that customers themselves have yet to identify by looking closely at how things are on the ground.



business strategies, we have been putting forward proposals to help customers realize their visions of where they want to be in the future. Multifaceted approaches are essential to co-creating value in partnership with customers in this way.

Kamioka: While keeping close tabs on changes at customers, we also need to be at the leading edge of innovation if we are to demonstrate our competitive advantage. With user companies keen to embrace business


model reform using ICT, it's our job to offer added value that the systems divisions of customer companies cannot come up with on their own.

Shibata: To further raise our profile as a valuable partner for our customers, we need more than specialist business knowledge. We also need to be able to project how things will evolve using advanced digital technology, including algorithms and AI.

Imai: And we need to go beyond resolving customers' management problems to create new business models together through that problem-solving process.

Kamioka: While envisaging what the future holds, we need to constantly take up the challenge of creating new value in unique ways.

It's our job to offer added value that others cannot come up with through working together with customers.



Strengthening the IoT Infrastructure for "Connected Services"

Fujitsu is combining the in-depth expertise we have cultivated in various industries and businesses, including logistics, manufacturing, mobility, FinTech, and healthcare, with digital technology to provide "connected services." With a view to expanding these operations, we are strengthening the IoT infrastructure that forms the core of our data accumulation setup. Based on knowledge about big data and its utilization gathered through more than 300 field trials and external alliances, we are enhancing services operating on the "FUJITSU Digital Business Platform MetaArc" for different industries and businesses as we broaden the global reach of our customer-driven digital innovation.

