Understand Capitalism’s Qualitative Change and Enhance Sustainable Growth and Corporate Value Based on the Group’s Purpose

Since 2018, the CEO of BlackRock Inc., Lawrence D. Fink, has been emphasizing the importance of business management with a purpose at its core. BlackRock’s purpose is to help move and more people experience financial wellbeing, and on this foundation the company has established a mission and principles. Within the group, the CEO communicates a message based on the “One BlackRock” concept and cultivates a groupwide focus on realizing its new purpose.

Companies are expected to sustain growth from a long-term perspective and enhance corporate value in line with the satisfaction of shareholders, employees, customers, local communities, and other stakeholders. As well as investment in equipment, facilities, and R&D, sustained growth requires investment in personnel, including the development of environments that enable employees to improve their capabilities and lead fulfilling day-to-day lives. As a result of the COVID-19 crisis, it is becoming more difficult than ever for the shares of companies that are keen on implementing environmental, social, and governance (ESG) measures to receive favorable evaluations from investors. I feel that the establishment of a purpose by Fujitsu will steer it in a favorable direction with respect to long-term growth.

Digital transformation on a scale assumed to take years to achieve has taken place in just the past few months. For instance, Fujitsu made remote working a reality for its employees only after getting the consent of customers and then devising mechanisms for involving partners. Fujitsu has grown as a business that has competence in particular industries. In the world of the “new normal,” Fujitsu will revolutionize business and business portfolio.

Our Purpose includes the word “trust.” The customers of Fujitsu will not follow it unless the Company itself sets an example. Putting our concepts into practice in our own operations will place us in a position to provide leadership to both customers and partners. Guided by the same purpose worldwide, as One Fujitsu, we will establish product commercialization processes that take into account core competence as well as our business strategies and business portfolio.

Proceed through Cycles of Action Based on Our Values to Realize Our Purpose

We have set out aspiration, trust, and empathy as important values for all employees as they pursue initiatives to realize Our Purpose. In regard to the Fujitsu Way, Dr. Nonaka expressed the importance of existing the past in order to create new paradigms. Retrospective examination reveals that these three values are at the core of our DNA. In a new era, inking this set of values as a guide for cycles of our action, we will be accepted by society and this will lead us to the realization of Our Purpose.

As remote working has become the mainstay workstyle due to COVID-19, striking a balance between the values of the real world, including trust between people built upon the five senses, and of the digital world is important. I believe that digital transformation should be carried out in conjunction with the acceleration of a sustainable DNA. In a new era, invoking this set of values as a guide for cycles of our action, we will be accepted by society and this will lead us to the realization of Our Purpose.

Sustainability Management for the Realization of Our Purpose

In the Fujitsu Group, we host dialogues comprising external experts and members of our senior management team with the aim of utilizing diverse stakeholders’ opinions to enhance business management. In May 2020, we announced that Our Purpose is “to make the world more sustainable by building trust in society through innovation.” Two months later, we revised the Fujitsu Way, which establishes the values and code of conduct that serve as a compass for all of our employees worldwide. In our most recent dialogue with external experts, we received valuable suggestions concerning the indispensability of empathy for the realization of Our Purpose, the importance of taking into consideration all types of stakeholders, and how best to contribute to digital transformation in the context of the “new normal.”

Create a Reference Model, Listen to Feedback from Customers and Society, and Make Society More Sustainable

With the COVID-19 crisis prompting the Fujitsu Group to make numerous changes to its businesses, all senior management team members and employees are united in their commitment to realizing Our Purpose by forming the Group itself into a reference model for society. One of our initiatives to fundamentally change business management will entail transforming into a company that seeks feedback from customers and society and takes action based on the facts. Fujitsu has grown as a business that has competence in particular industries. In realizing digital transformation, however, conducting business in a cross-industry fashion is essential. Two experts have provided many valuable suggestions regarding what we must do. With these insights in mind, we will share our target profile Groupwide and launch a concerted effort to make society more sustainable.

Practice Narrative Strategy with an Empathetic Mind to Realize the Purpose

In an era of volatility and uncertainty, we should not be excessively mathematizing our daily lives. We all create meanings and value from direct experiences. To create organizational knowledge demands the exercise of our subjectivity and corporeality. We aim at realizing a purpose based on the common good and begin to practice a certain “way of life” based on empathy arising from the interaction among us, things, and the environment.

The SECI* theory describes how organizational knowledge is created. This requires intellectual sparring based on the mutual and empathetic relationships with others with different qualities. Through truly earnest, meticulous discussion, organizational members perceive the concept of what is essential and put such concepts into practice. If something doesn’t work, they reflect and try once again. This strategy is not about discussing certain key performance indicators and other numbers or figures based on typical, logical analysis, but rather about a “narrative” that dynamically gives context to a life story. A narrative strategy consists of a set of plots for creating the future and behavioral scripts for telling what to do. Unlike the plot feels exciting and the script makes sense visually, the strategy will not inspire empathy and action in the organizational members. The current Fujitsu Way has these attributes.

To realize organizational innovation, I would like the Fujitsu Group to see analog and digital as a duality, rather than as a binary opposition, and pursue an overall harmony in a flexible way. The dynamic balance can be found through holistic and diligent thinking, rigorous intellectual dialogues, and relentless cycles of trial and error. These should be no negative second guessing one another’s intention, but the group ought to maximize the organizational agility in taking on challenges. Despite that we are living in the era of a “new normal,” I would like Fujitsu to remain the vital force to energize Japan, passing on intellectual assets from the generations before and amplifying Fujitsu’s knowledge spiral base to realizing its new purpose.

* SECI stands for Socialization, Externalization, Combination, and Internalization, which are the four recurring phases of knowledge conversion between tacit knowledge and explicit knowledge in the theory of organizational knowledge creation.