

# Business Model Transformation through Consulting Approach

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# Shunsuke Onishi

- With over 35 years of experience in both Japanese and international IT services and consulting companies, Shunsuke has held various leadership positions. He served as President and CEO of NTT Data Global Solutions and as Japan Representative of Infosys before joining Fujitsu in 2019 as Vice Head of the Enterprise Business Group.
- From 2020 to 2023, he led the Enterprise Business Group, spearheading the establishment of an organization that executes One Delivery on a global scale. Following this, as Head of the Global Customer Success Business Group, he integrated the manufacturing, distribution, and financial sectors, driving business growth with over 1,300 major companies.
- In 2023, he was appointed as Chief Revenue Officer (CRO). Since 2024, he has been serving as Executive Vice President, Chief Operating Officer (COO), and CRO, driving global growth strategies based on customer focus and an aim to maximize revenue.



# 1. Market Trends and the Environment Surrounding Our Company

# Background of Strengthening the Consulting Business **FUJITSU**

We launched the new brand Uvance Wayfinders on February 22 to drive the consulting business leveraging our technology and implementation capabilities.

## Why We Are Pursuing the Consulting Business

- To address complex societal issues, we aim to chart a path that ensures economic viability for both our customers and Fujitsu, leading transformations that transcend industry boundaries.
- To implement innovative business models in society using cutting-edge technologies such as AI and quantum computing.



### Case Study 1

**Leading transformation in the manufacturing industry through supply chain risk visualization**

Fujitsu and Tokio Marine Group collaborated to provide a supply chain risk visualization service, aiming to build resilient supply chains for customers.

### Case Study 2

**Applying and commercializing generative AI and large language models in industrial systems**

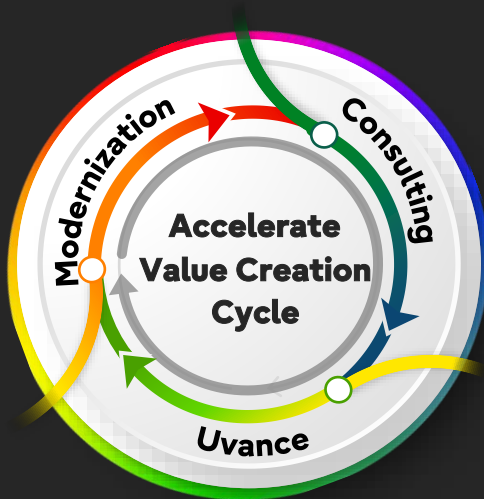
Fujitsu and Mizuho Financial Group initiated a joint proof-of-concept project to utilize generative AI in system development and maintenance.



## 2. Our Competitive Advantages

# Consulting-Led Approach

## Revamp to a Consulting-Led Customer Approach



1. Approach CEOs, CxOs, and LoB leaders to identify critical societal, management, and business challenges.
2. Chart the course for business structure transformation with consulting supported by technology and execution capabilities.
3. Facilitate issue-solving with impactful technology solutions like Uvance and Modernization.

**Transform the way we engage with society and customers to achieve fundamental issue-solving**

# Value Proposition of Uvance Wayfinders Leveraging Fujitsu's Strengths



Leveraging extensive experience in cutting-edge technology and a strong customer base, we comprehensively lead from agenda setting to rapid implementation.



## Technology

- Fujitsu's unique specialized generative AI
- Generative AI Trust
- Cohere Inc.
- GK Software

### Value Proposition

Utilizing transformative technologies (AI, Quantum, etc.) and global partnerships, we create business models that enhance profitability for both customers and Fujitsu.

\* Ranked #1 in Japan for AI-related patent publications with 970 patents (Japan Patent Office, 2022).



## Practical Knowledge of Transformation

- Job-based talent management
- Data-driven management with OneERP+
- Work Life Shift: Reforming work styles and enhancing job satisfaction

### Value Proposition

Leveraging the knowledge gained from Fujitsu's own diverse transformation practices, we effectively guide our customers' transformations.

\* Honored with the "HR Award 2023" for Best Individual in the Corporate HR Division by Japan's HR Department (*Nihon no Jinjibu*).



## Customer Base in Japan and Europe

- No.1 in IT services revenue in Japan
- Deploying AI across various industries worldwide for over 30 years

### Value Proposition

Leveraging strong connections to major clients across various industries in Japan and Europe, and our ability to implement innovative business models, we aim to establish an industry-leading ecosystem.

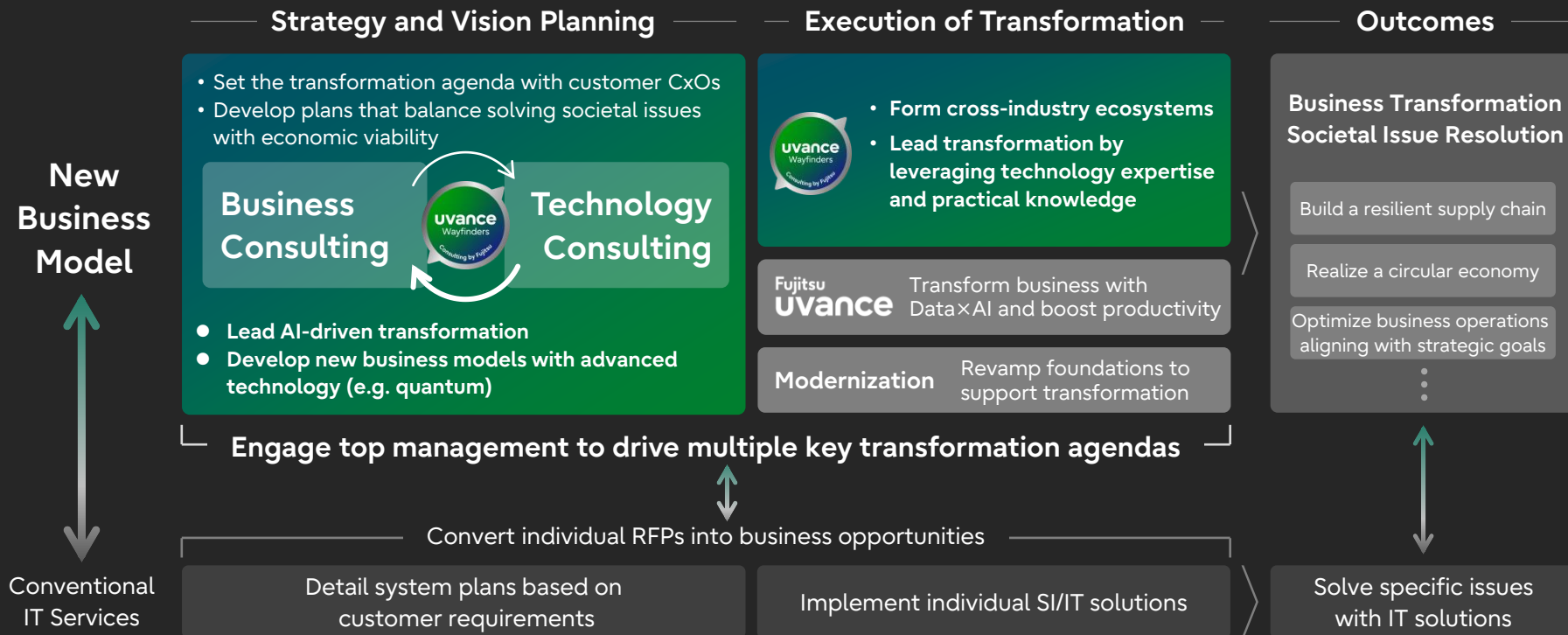
\* Over 2,300 customers globally  
\* More than 7,000 AI implementation cases

# 3. Mid-Term Goals and Business Plan



# Business Model Transformation

We develop overall vision through consulting-led approach and deploy comprehensive measures to realize management and business transformation of customers



# Shifting Profit Structure

Through the consulting-led approach, we aim to enhance gross margins across all stages of projects.

## Strategy and Vision Planning

FY2022 Conventional IT Services > FY2025 Consulting Business



Clarify the value provided to customers as a consulting business

+ 15 %

35%

50%

Requirements definition revenue only

Consulting revenue

Consultants labor costs

SE labor costs  
Proposal activity expenses

## Execution of Transformation

FY2022 Conventional IT Services > FY2025 Consulting Business / Consulting-Led Business



Enhance value through consulting leadership in transformation execution

+ 6~7 %



Enhance offering value and develop cost reduction through standardization

+ 7~8 %

37%

50%<sup>+</sup>

SI sales

Centered on Uvance

Individual customization costs

Consulting cost  
Customization cost  
Offering development costs

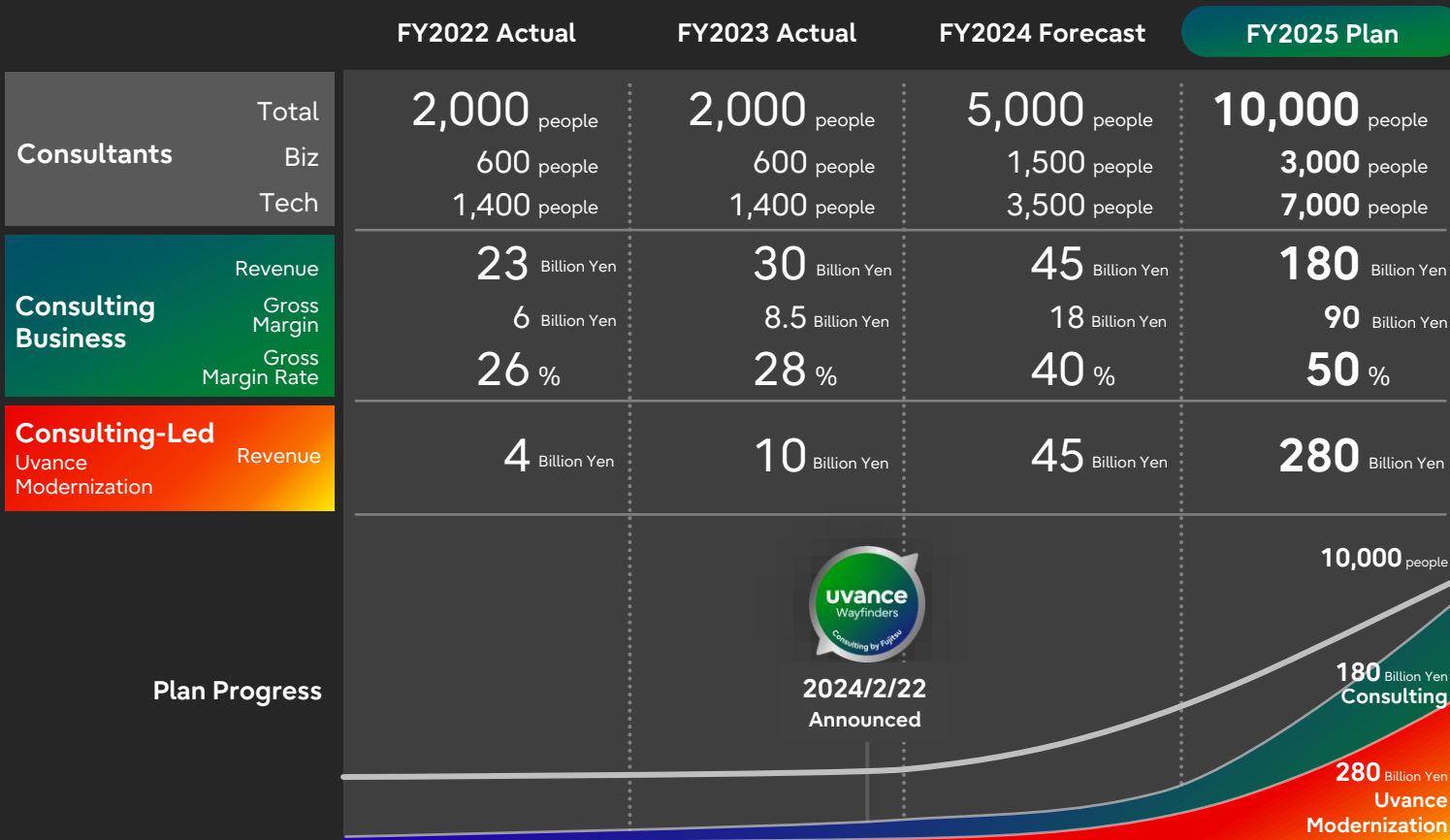
## Gross Margin Rate\*

\*Based on estimates from actual domestic business

Revenue

Cost

# Business Plan



Projected increased profitability through consulting-led approach  
(Cumulative Gross margin Increase)

**100<sup>+</sup>** Billion Yen

Cumulative total for FY2023-2025

Consulting business  
**90<sup>+</sup>** Billion Yen

Uvance, Modernization  
**15<sup>+</sup>** Billion Yen\*

\*Gross Margin increase attributable to consulting-led approach 6~7%

# Current Status

Some success has been achieved in increasing consultant numbers through reskilling. Competitive environment in the consulting market is severe, but there are opportunities to acquire human resources and expand business.

## Current status

Consultants	Actual for July 2024		<b>Consultants</b> <ul style="list-style-type: none"><li>Focus on reskilling in Q1</li><li>Difficult hiring conditions in the talent acquisition market</li><li>Currently, the number of consultants is comparable to KPMG (Japan) and NTT DATA*.</li></ul> <div>*KPMG (Japan) : About 2,000 NTT DATA G : About 2,400 (Refer to information published on each company's website)</div>
	Focus on reskilling	2,500 people	
	Revenue	8.7 Billion Yen	
	Japan GMR*	38 %	
Int'l Regions GMR*	14 %		
Consulting Business	<b>Consulting Business</b>		
	Revenue	6 Billion Yen	<ul style="list-style-type: none"><li>Start of market approach with certified consultants (over 100 projects)</li></ul>

## Threat / Opportunity

Consultants	
<b>Threat</b>	<b>Diversification of recruitment competition</b> <ul style="list-style-type: none"><li>Expansion of cloud adoption consulting by cloud companies</li><li>Expansion of AI consulting business by major consulting firms</li></ul>
<b>Opp</b>	<b>Increasing workforce mobility in Japan and int'l regions consulting markets*</b> <ul style="list-style-type: none"><li>Diversification of career aspirations in the mature consulting industry</li><li>Workforce reductions in consulting and IT firms<ul style="list-style-type: none"><li>✓ Accenture PLC 19,000 people (March 2023 Plan Announcement)</li><li>✓ IBM Corporation 3,900 people (January 2023 Plan Announcement)</li></ul></li></ul> <small>*Refer to the official announcement</small>
Consulting Business	
<b>Threat</b>	<b>Consulting firms' digital practice enhancement</b> <ul style="list-style-type: none"><li>McKinsey Digital</li><li>Boston Consulting Group</li></ul>
<b>Opp</b>	<b>Growth opportunities through M&amp;A in int'l regions</b> <ul style="list-style-type: none"><li>Implement as a global strategy, driven by the HQ</li></ul>



# Policy for Achieving the Goals for FY2025

Align consulting business strategy with talent strategy to enhance capabilities globally and establish fast business transformation models.

Number of Global Consultants

FY2023

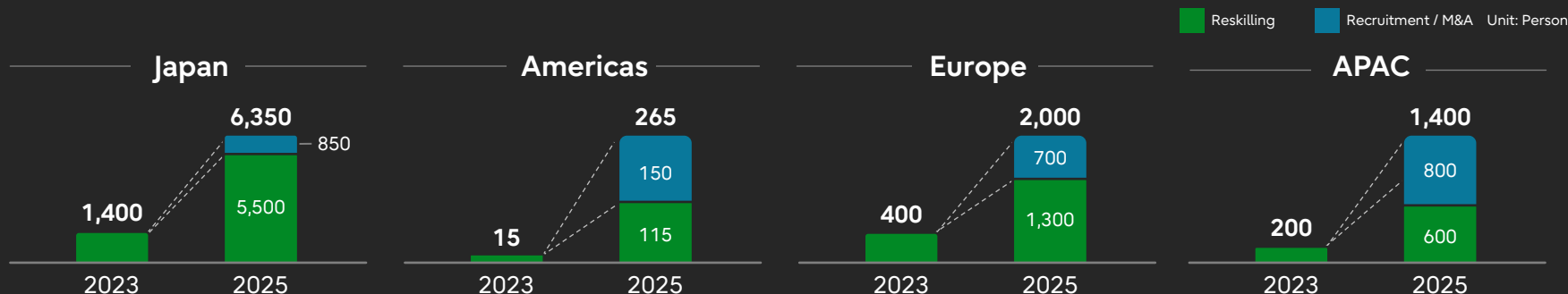
2,000

+8,000

Reskilling 5,500  
Recruitment / M&A 2,500

FY2025

10,000



- Change in our approaches including BP/SE and improvement of deal quality
- Business expansion with M&A in view

Actively promote the recruitment of partner-class/team to form the core of the consulting business

Actively promote M&A to strengthen consulting capabilities and accelerate deployment to Uvance

Expand consultant certification centered on acquired companies and globally deploy the know-how possessed (Security domain)

Building a business foundation  
(Consulting CoE)

Certification and  
evaluation system

Assignment

Knowledge management

Reskilling program

## 4. Future Outlook

## Creating innovative business models with customers

Bridging diverse values beyond industrial barriers and solving societal and business issues

**2030** — Lead the global market with a consulting offering firmly rooted in technological expertise

**2025** — Establish a competitive advantage by extensively promoting consulting services based on technical expertise and implementation capabilities.

**2024** — Establish a system for expanding consulting business





**Thank you**



## Cautionary Statement

These materials may contain forward-looking statements that are based on management's current information, views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors listed below.

- General economic and market conditions in key markets (particularly in Japan, Europe, North America, Oceania, and Asia, including China)
- Fluctuations in exchange rates or interest rates
- Fluctuations in capital markets
- Intensifying price competition
- Changes in market positioning due to competition in R&D
- Changes in the environment for the procurement of parts and components
- Changes in competitive relationships relating to collaborations, alliances and technical provisions
- Risks related to public regulations, public policy and tax matters
- Risks related to product or services defects
- Potential emergence of unprofitable projects
- Risks related to R&D investments, capital expenditures, business acquisitions, business restructuring, etc.
- Risks related to natural disasters and unforeseen events
- Changes in accounting policies