

**For the realization of Mono-Koto Zukuri
that achieves success in the global business
--- In order to implement mono-koto zukuri from a market perspective ---**

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Committee on Manufacturing and Product-driven Innovations

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Introduction

In order to reinvigorate the Japanese manufacturing industry amid the diversifying global market, it is vital to reconstruct business from the thorough market perspective. As a result of discussions at the committee, three innovations were identified as necessary for Japanese manufacturing industry to undertake at this moment --- *kotozukuri* (creation of systems, stories and services from the viewpoint of the market that surrounds manufacturing), *monozukuri* (new Japanese-style manufacturing = creation, innovation and improvement of the products), and *hitozukuri* (development of human resources for monozukuri and hitozukuri).

Kotozukuri

The first element of innovation that must be incorporated in Japanese manufacturing is the concept of *kotozukuri*. *Kotozukuri* refers to a business exit theory that reexamines manufacturing products, delivering and achieving high product quality, and creating business models from the market side, as opposed to the perspective of manufacturers. We should understand that conventional Japanese manufacturing focused solely on product performance and its reliability does not necessarily meet the true demands in the current diversifying market. Against this background, we propose that corporate managers “establish and implement *kotozukuri* based on thorough market perspective.”

New Japanese Style of Monozukuri

The second element of innovation is the evolution of manufacturing/ *monozukuri*. Strong attention to details by Japanese manufacturers itself is excellent and it should be encouraged to evolve. Along with the strength, we believe that there are four elements that are essential to the evolution: pursuing more advanced technologies, capturing diverse markets, capturing trends such as environmental issues, and responding to

increasingly complex *manufacturing*. Thus, we propose “realizing a new Japanese-style manufacturing, drawing on evolution through the introduction of new concepts, and the deepening of existing strengths.”

Hitozukuri

Human resources are what support *kotozukuri* and *new Japanese-style monozukuri*, and to that end, *hitozukuri* is the third element of innovation. We defined the leaders who can create the total business scenario by capturing the real customer demand, as *producer talents*. We also defined the leaders who realize the scenarios created by these producers through *monozukuri*; the *new Japanese-style manufacturing*, as *director talents*. We propose the development of these talents be promoted as “a challenge toward enhancing the power of *mono-koto zukuri* (integrated concept of Monozukuri, Kotozukuri and Hitozukuri) Continued consideration and discussion is under way regarding concrete training methods.

Closing

As described above, we have proposed *mono-koto zukuri* as an integrated concept comprising the concepts of *kotozukuri*, *new Japanese-style monozukuri*, and *hitozukuri*. We hope that Japanese manufacturing industry will regain its original strength, and demonstrate competitive advantage in the global competition, by exercising *mono-koto zukuri*.

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