

Bi-Culturalism as Competitive Advantage

A Case Study of
Genesis Systems Group LLC
March 26, 2010

Organization

- Description of Genesis Business
 - Joel (15 min)
- Genesis' Japanese Automotive Strategy
 - Makoto (15 min)
- Anecdotes (10 min)
- Questions and Answers (10 min)

Genesis Systems Group

- Robotic Systems Integrator
 - “Genesis is the premier global robotic automation partner to its clients”
- Founded 1983
- HQ in Davenport, Iowa
- Peak Revenues - \$50M; (2009 – \$26M)
- Peak Employment – 200; (2009 – 125)

Industry Structure

Each year, ~2000 Arc-Welding Robots are put into service in North America on average.

ROBOT END USERS

90% of NA Arc-Weld Robots are used by less than 1,000 Companies
Mostly Multi-Nationals
Many are Foreign Enterprises!



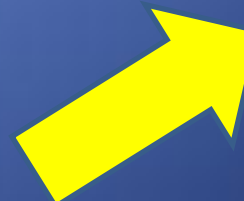
ROBOT INTEGRATORS

75% of NA Arc-Weld Robots are sold through ~20 Integrators
Mostly Small Businesses



ROBOT MANUFACTURERS

90% of Robots are produced by ~6 manufacturers
Mostly Multi-Nationals



Globalization

- **Robot End Users are moving manufacturing more to the point of use of their products.**
 - **Robot End Users seek support for the manufacturing equipment in local markets.**
- 
- A world map with a blue background and yellow landmasses, showing the continents of North America, South America, Europe, Africa, Asia, and Australia. The map is centered on the Atlantic Ocean.

- ~10 years ago, Genesis recognized that “globalization” of manufacturing could create an opportunity for our company to serve Japanese Transplant car companies.
 - At Genesis, we refer to them as “New Domestic” automotive.
- We called upon a long-standing relationship with Makoto Matsuoka – which was a unique opportunity for Genesis (important point!).
 - Makoto brought understanding of differences in Japanese automotive.

How the Japanese Automotive Industry became strong in the world

Accumulate special business culture with original business principles and organization over years:

1. People and Partners---Respect and Grow them
2. Keiretsu
3. Philosophy---Long Term Thinking
4. Process----Eliminate Waste
5. Problem Solving



Best Quality, Lowest Cost, Shortest Lead Time,
Best Safety, High Morale

People and Partners

- Respect your extended network of partners and suppliers by challenging them and helping them improve (Ex: Aisin and their supplier relationship)
- Develop people and teams who can follow company's philosophy (Ex. Share Honda way within Honda Keiretsu Company)

Japanese Automotive Keiretsu Companies

A set of companies with interlocking business relationships and shareholdings

	Toyota Motor	Hond Motor	Nissan Motor	Matsuda/Mitsubishi
Seat Assembly Tier1	Toyota Boshoku	TS Tech	Ikeda Bussan	General Seating
		Tachi-S (Setex)	Tachi-S	Toyo Seat
Seat Component Tier 2	Aisin	I B Tech	Fuji Auto	FAU
	Shiroki	Toyo Seat		Toyo Seat
Undercarriage	Toyotetsu	F Tech	Yorozu	Toa
	Hino			Heritage
Damper	KYB	Showa	Hitachi	
	DTR	KYB		
Body Structure	Futaba	KTH	Unipress	Eagle Wings
	Toyotetsu	Kikukchi	Topre	
Door	Aisin	Sankei	Aishin	Katayama
	Shiroki		Hashimoto	
Exhaust	Futaba	Yutaka	Calsonic	Elsa
	Sango	Sankei		

Philosophy

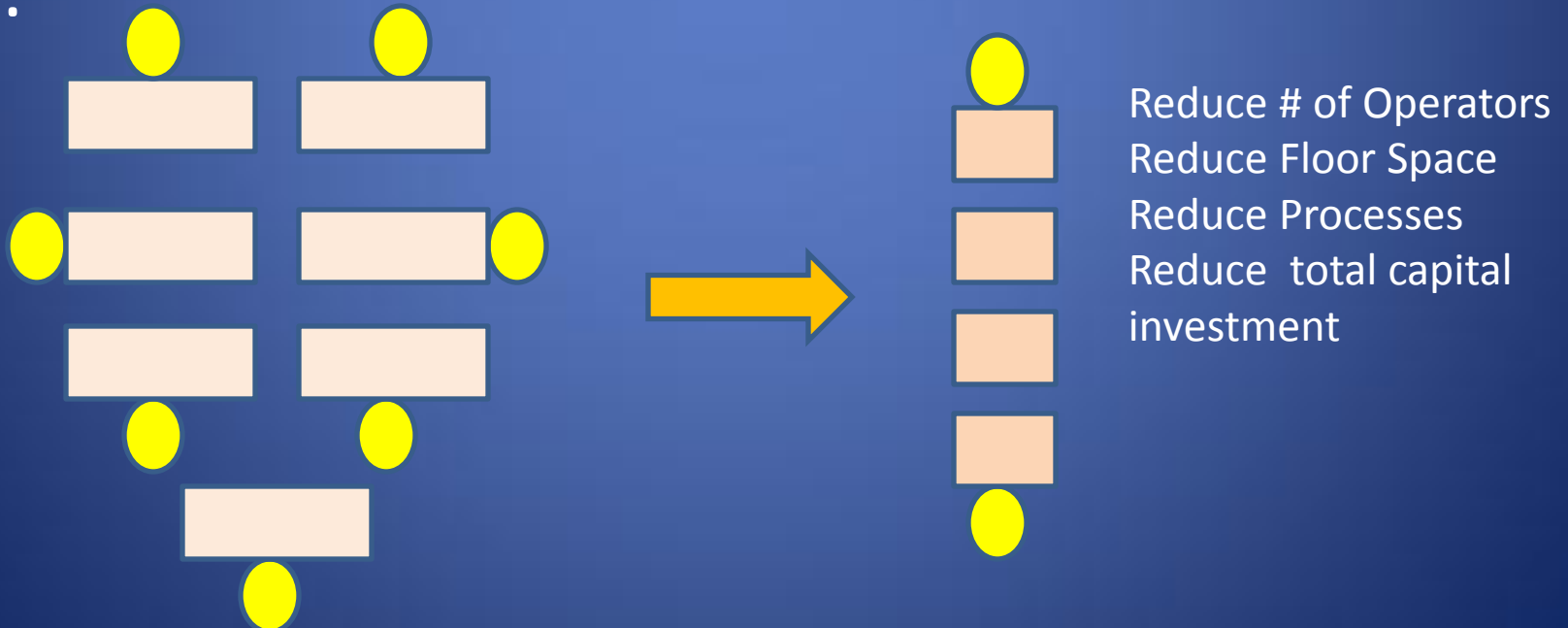
- Business Decision with Trust and Mutual Respect
- Management Decision based on Long Term Philosophy

Ex: Genesis' relationship with Japanese customers based on long term relationship

Process

- Eliminate Waste (“Muda”)
 - “Cost down” versus “Price down”
 - Compact size, standardizing task, processes and components are the foundation of continuous improvement, employee empowerment and minimizing gameplaying

Ex:



Problem Solving

- Go see for yourself to thoroughly understand the situation (Genchi Genbutsu)
- Become a learning organization through reflection (Hansei) and continuous improvement (Kaizen)
- 5 Why investigation to find deeper countermeasures

How to Make Successful Business with Japanese Customers

(Leading into Anecdotes)

Step1: Understand Cultural Difference

- Language Difference

Ex: Saying “No” in Japan is interpreted as very negative and “No” is the word that should be away from the business meetings

- Work Ethic Difference

Ex: Japanese have very strong loyalty for a company and people are strongly committed with company philosophy. Some people live for working, instead work for living

- Relationship Difference

Ex: Personal trusting relationship is directly related to business relationship in Japan

Step2: Adapt Differences and Learn Each Other

- Establish relationship on both sides of the ocean!
- Establish the competitive business strategy that can be accepted by local customers
- Do not force them to follow one-way side culture and corporate philosophy
- Being welcomed by different cultures can be critical to make successful business in global business environment

Questions ?????

Comments >>>

Did you learn anything?