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.
• ~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

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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:

- Reduce # of Operators
- Reduce Floor Space
- Reduce Processes
- Reduce total capital investment
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)
Step 1: 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
Step 2: 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?