FUJITSU

shaping tomorrow with you

Kaizen Culture:

A Continuous Improvement Story of Manufacturing, an Earthquake, and Me

Kevin King

Head of CAM & PDG

Fujitsu Network Communications

26 March 2021

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Fujitsu – Who We Are

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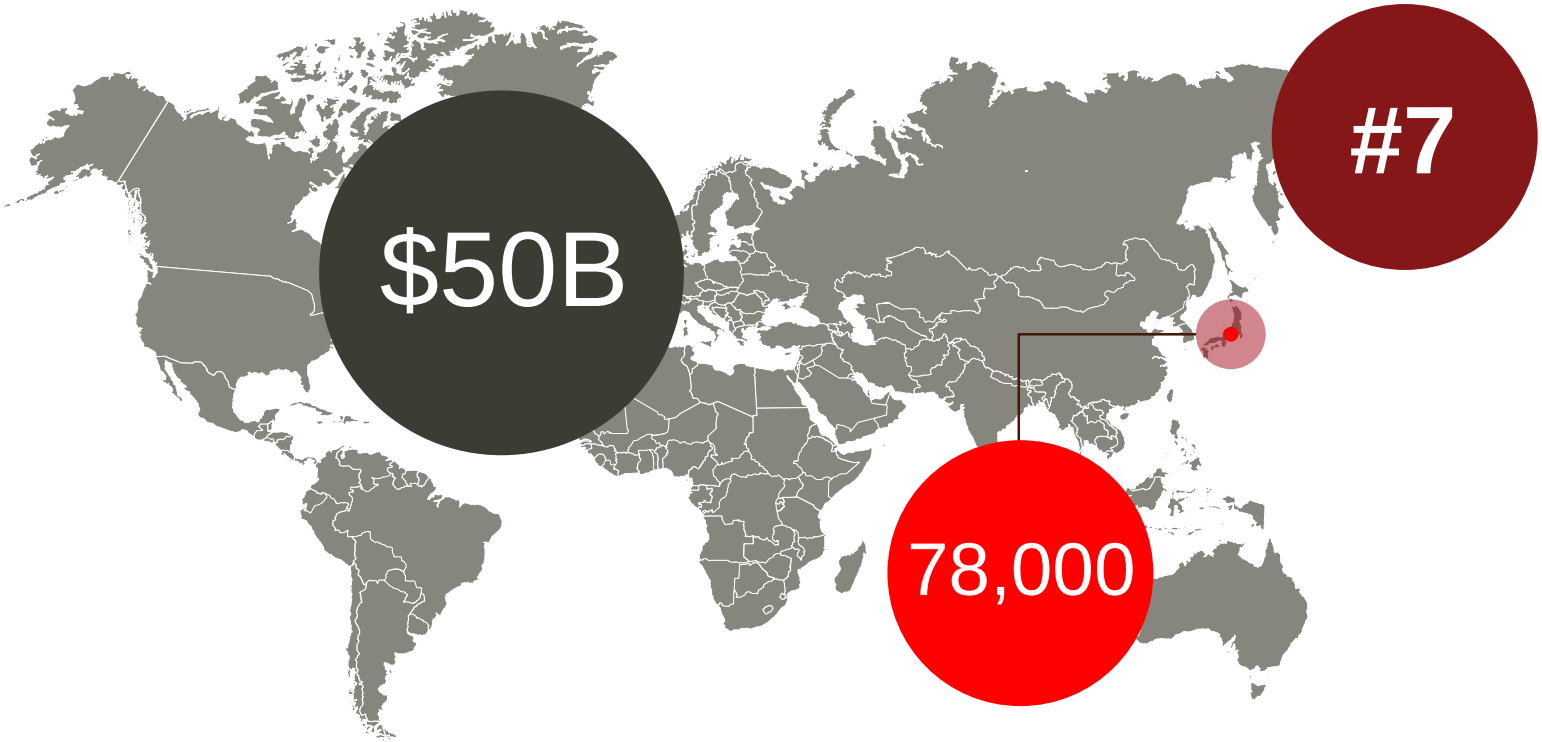
Corporate Facts & Figures

The Global Fujitsu Family



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Corporate Facts & Figures

The Global Fujitsu Family

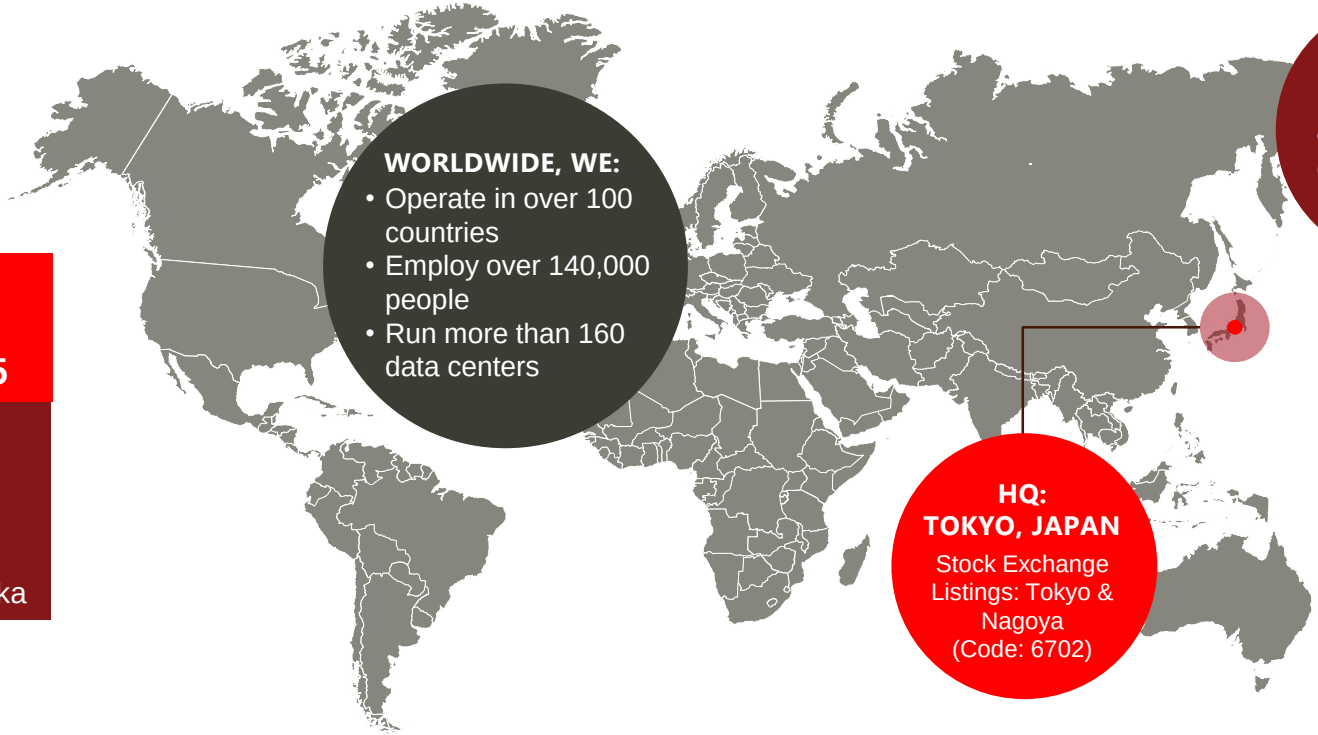
FUJITSU

FUJITSU

EST: 1935

President:
Takahito Tokaya

Chairman:
Tatsuya Tanaka



WORLDWIDE, WE:
- Operate in over 100 countries
- Employ over 140,000 people
- Run more than 160 data centers

$2.6B
annual R&D expenditure

HQ:
TOKYO, JAPAN
Stock Exchange Listings: Tokyo & Nagoya
(Code: 6702)

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Fujitsu Network Communications

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FNC Corporate Overview

- **Name:** Fujitsu Network Communications, Inc**.**
- **Headquarters**: Richardson, TX USA
- **President:** Doug Moore
- **Employees:** 1,175 (FNC); 497 (TrueNet)
- **R&D:** Richardson, TX

- **Facilities:** Factory, NOC*, ATSC**, ASIC***
- **Fujitsu Group Companies on campus:** FAI (IT), FLA(Laboratory), FDK, Denso-TEN
- **Land:** 70 Acre（283K ㎡)
- **Manufacturing Floor**: 79,806 ㎡

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Customers and Target Markets

Communications Service Providers

Additional **100+**

ICP / DCO

amazon.com · Google · NTT Communications · Microsoft · ZOOX · packetfabric · CyrusOne

Additional **200+**

Verticals

Additional **500+**

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Kevin King – Who I Am

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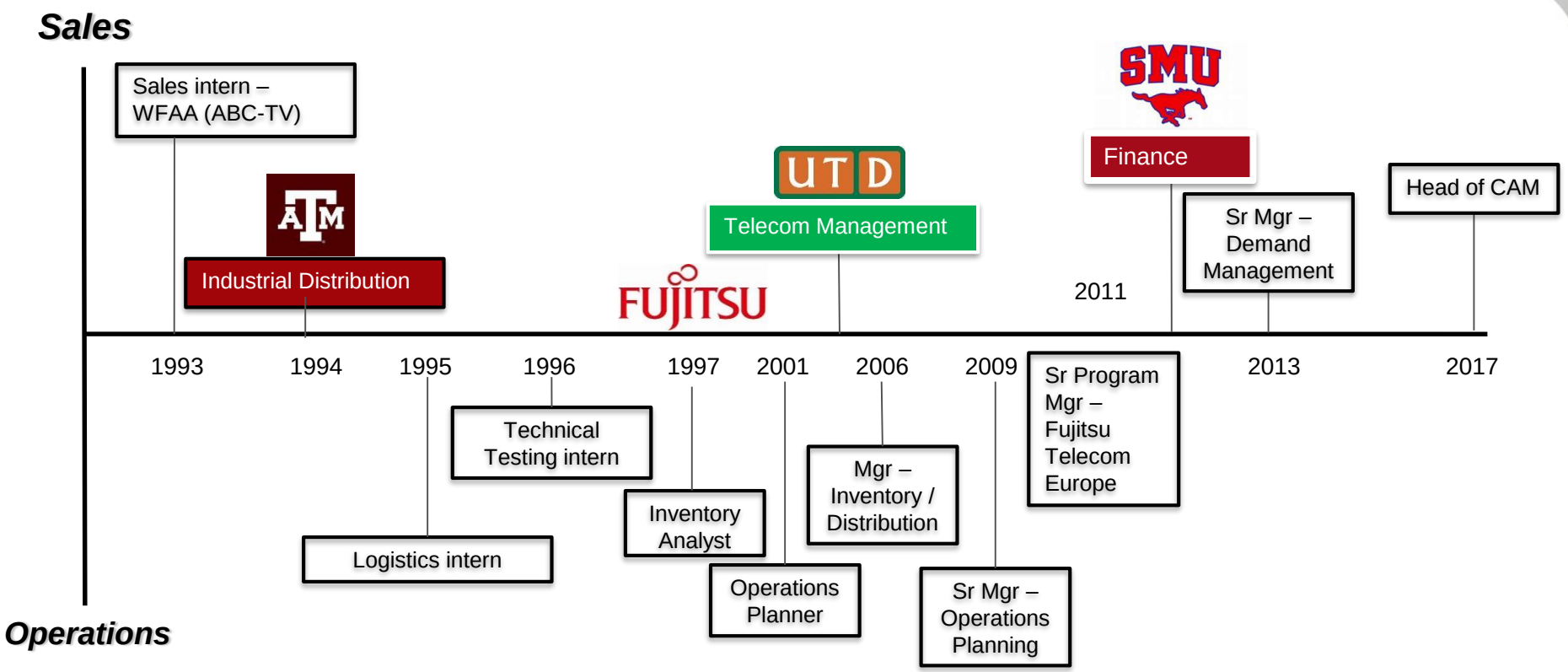
Career Development



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Differences Between Sales & Operations

- **An afternoon of golf…**
  - Is not considered critical job-skill development
- **Turns out forecasting…**
  - Has little to do with the weather
- **We actually have to buy our own meals**
- **Simply having a PowerPoint presentation…**
  - Does NOT mean a product is ready to ship

Sales

Manufacturing

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The Kaizen Philosophy

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FNC Manufacturing Strategy

- **The Fujitsu manufacturing philosophy is based on the kaizen philosophy of continuous improvement**
  - Kaizen means "change for the better". It is a Japanese business philosophy regarding the processes that continuously improve operations and involve all employees. Kaizen sees improvement in productivity as a gradual and methodical process.
  - Simple, elegant, and effective solutions
- **Manufacturing as a core competency**
  - It’s in our genes – we’ve done it from the start
- **Providing a competitive advantage through:**
  - Industry leading *responsiveness* to customer orders
  - Continuous *cost reductions* through tight supply chain control
  - Maintaining “best in class” *quality* through fanatical process control
  - Leverage global purchasing power

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Continuous Improvement Requires A Constructive Sense of Dissatisfaction

Tools to develop this mindset…

…Attitude

- Today's performance isn't good enough
- A good improvement today is better than a perfect improvement next month
- "A revolution in consciousness is indispensable" (Taiichi Ohno)

…Clear Objectives & Follow-Up

…Knowing Reality

Genchi Genbutsu - Seeing reality first hand and asking why

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Culture of Continuous Improvement

- We implement thousands of Kaizens each year

$1 Kaizen tokens for each implemented idea

Quarterly Kaizen Awards

- Most are small improvements…

BUT

- The combined impact of thousands of small ideas delivers impressive results

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Earthquake Recovery Effort

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What Happened

- **On March 11, 2011 a magnitude 9.0 earthquake struck off the coast of Japan, 231 miles NE of Tokyo and 80 miles E of Sendai**
  - Energy released was approximately 100 Megatons of TNT – 5,000x the energy of the first atomic bomb!
- **Shortly after the earthquake, parts of the Japanese coast were hit by a tsunami up to 30 ft high**
- **Damage from that tsunami is responsible for the on-going crisis at the Fukushima Daiichi nuclear power plant**
  - A 30km exclusion zone still exists around the plant
- **There were 75 aftershocks of magnitude 6.0 or greater, including a 7.1 on April 7, 2011 which had a profound effect on recovery efforts**
- **The human toll was very severe as is the damage to basic infrastructure**

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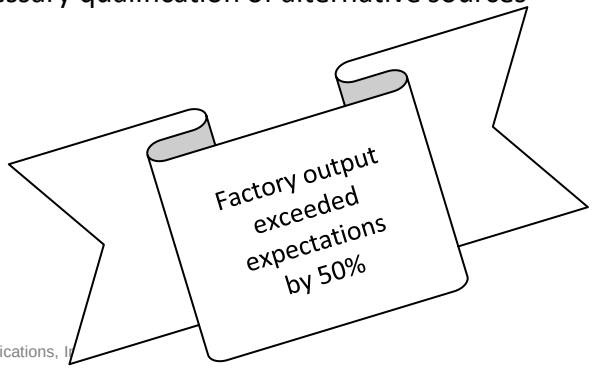
Actions Taken

Supply Chain Recovery Process

- **FOCUS & GATHER INFORMATION**
  - Special Supply Chain Recovery Office (SCRO) established to manage, synchronize and resolve all issues critical to continued production (across all organizations)
  - Identify impacted suppliers & extent of exposures
  - Identify affected components & finished goods
- **SOLVE KNOWN ISSUES**
  - Transfer demand requirements to second sources (not always fastest path to resolution)
  - Work with primary sources through *their* recovery – Including fast-tracking any necessary qualification of alternative sources
  - Re-design assembly where required
  - Review demand requirement/priorities (in collaboration with customers)
- **COMMUNICATE**
  - Regular updates to customers
  - Regular updates to Fujitsu executives



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Pretty pictures,
But…*so what?*

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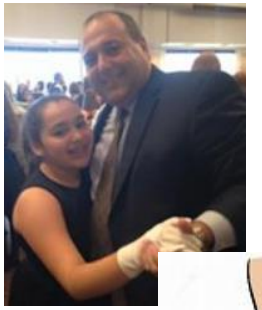
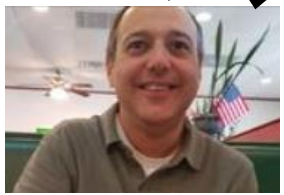
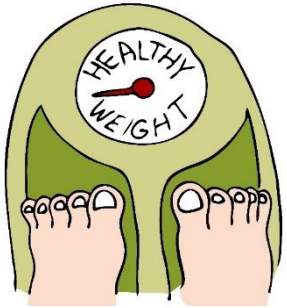
Personal Weight Loss Journey

- *"Slow and steady wins the race!"*
  - Small, quick changes
  - Radical is not sustainable
- Daily, weekly, monthly goals







60 lbs!!!
in 24 months!

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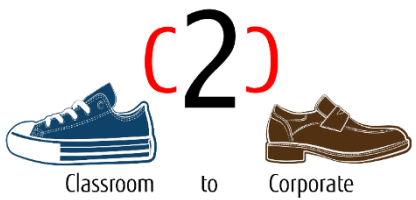
Meet People, Get Involved, Contribute, Learn

- FNC Organizations
  - GAT,WIN, C2C
- Dallas Cup
- Boys and Girls Club
- University of North Texas
- Reddit – News, Dallas, Personal F
  FC Dallas
- Travel - New Orleans, Las Vegas, Destin, London, Turkey
- Financial Awareness



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Items of Consideration For Your Career

- **Socrates – “Know Thyself”**
  - What industry do I want to be in?
  - What size/age company do I want to work for?
  - What skills do I need?
  - Development opportunities
  - Do expectations of career growth match?
  - Could I be satisfied with the company culture?
  - Do benefit plans meet my needs?
  - Competitive salary

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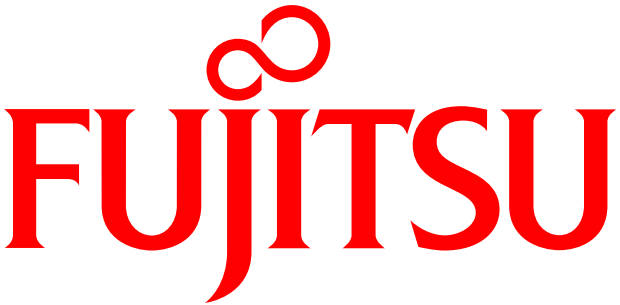

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