



# APO NEWS

**Volume 38 Number 7**
**July 2008**


p. 6, Training Course, South Africa



p. 7, Meeting, Philippines



p. 8, Graduation, Philippines

## CONTENTS

- 2...p-Watch—USA
- 3...Comment board
- 4...Reading productivity and economic trends
- 5...National experts meet for the APO Productivity Databook 2009
- 6...Working hand in hand with African countries
- 6...Common sense talk
- 7...Program calendar
- 7...New APO publication
- 7...SG meets Philippine President
- 7...APO/NPO update
- 8...Developing a new breed of productivity specialists
- 8...APO Photo Contest 2008



Printed on Recycled Paper

## Maximizing R&D investment

**C**onsistent investment in R&D to develop new technologies and products is a necessity for survival in the globalized economy, where competition has no borders. However, the explicit danger of such a strategy is that technological advances are sometimes underutilized. Recognizing the need to maximize R&D benefits, leading enterprises have introduced the management of technology (MOT) concept as a strategic tool to improve company R&D performance by taking advantage of the full value of new technologies.

“MOT aims to maximize the cost-effectiveness of investments in technology development and ultimately contribute to enterprise value,” stated APO Secretariat Industry Department Director Takuki Murayama in his opening remarks at the MOT Seminar, 9–13 June, Tokyo, Japan. “MOT is a concept, a methodology, or a tool which enables effective, efficient use of new technology, an important management resource,” he added. The seminar was organized by the APO, Japanese Ministry of Economy, Trade and Industry,



Identifying major issues in product development

and Japan Productivity Center for Socio-Economic Development as part of continuous APO efforts to disseminate best practices of MOT in major companies including Japanese case studies and examinations. It also encouraged participants to exchange theories on advanced technology system applicability. Eighteen participants from 14 member countries attended, all of whom were senior R&D managers from SMEs and senior staff and consultants from NPOs and research institutions.

After the opening ceremony, participants split into four groups to identify major issues in company product development. All groups cited problems such as financial limitations, human resources shortfalls, and low levels of technology. Additionally, issues such as the difficulty in uncovering customers' needs and commercializing technologies were mentioned. Professor Hiroshi Osada, Tokyo Institute of Technology Graduate School of Innovation Management, Japan, agreed that companies faced difficulties due to mega-competition and suggested “innovation to cope with change and evolution” and “strategic and systems approaches.” He presented 14 best practice innovation strategies and seven strategic tools for planning, noting that, “The portion of SMEs in Japanese industry is 99%. All the big Japanese companies started from SMEs who had similar problems. In order to overcome their limitations and weakness, they created their own business growth models and carried out innovation.” He also emphasized the importance of both domestic and international collaboration to “catch up” with technological advances and improve global competitiveness.

The seminar also invited Professor Noboru Maeda, Aoyama Gakuin University. Professor Maeda, sharing his 30 years of experience in product and strategic planning at IBM and Sony, suggested that “corporate venturing” between big corporations and start-ups, especially high-tech start-ups, could be a win-win strategy and the key to MOT. He quoted Harvard

(Continued on page 5)

Professor Clayton Christensen, whose book *The Innovators' Dilemma* demonstrated that large corporations are not good at disruptive innovation. Professor Maeda explained that, "If big corporations have a win-win relationship with start-ups, they can receive entrepreneurship from the start-ups."

The best practice of an industrial association in technology development and transfer of technology (TOT) was introduced by Deputy Director General Dr. Mohd. Akbar Md. Said, Malaysia Rubber Board (MRB). The MRB, with the ultimate objectives of the domestic and international promotion of the Malaysian rubber industry, facilitates R&D, technology commercialization, industrial support services, technical support, human capital development, etc. Dr. Akbar detailed the MRB's upstream, midstream, and downstream R&D activities targeting technology development, process and management development, and product and materials production, respectively. He listed five key points in TOT management: government support, human resources, industry productivity, self-confidence, and efficient information management.

Visits to companies expert in MOT assisted the participants. Head of Department Too York Lou, SPRING Singapore, stated: "We've learned a lot from visiting Japanese companies. We learned the Nissan Motor kaizen

approach and the importance of having a clear vision for future concerns; long- and midterm plans for strategy development; and the continuous study of competitors. We also became acquainted with Shicoh Engineering Co., Ltd.'s original design and patented product strategy and Kao Corporation's basic R&D focus and ensuring value for money." Participants agreed that changing mindsets and attitudes is a necessary precursor to implementing plans. Chief Executive Abrar Ahmed, Shafi Reso-Chem, a chemical company in Pakistan, pointed out the problem of "an inferiority complex" and said, "It is not about our incapability stopping us from pursuing innovation but the fear of failure and lack of belief in ourselves."

In the final session, Professor Osada advised the participants to carry out innovation through the PDCA cycle and try to find their own innovation models. Dr. Akbar underscored the importance of determining customers' needs and said, "There is no question about the importance and necessity of R&D investment. Therefore the issue is not just about technology but the customer's needs." He commented that, "This kind of open forum among senior managers and consultants is very important to share information on current trends and activities in MOT." Director Murayama promised the APO's commitment to supporting the development of member countries through multi- and individual-country projects on MOT and other technology-related areas in his closing remarks. 