

10/07/1999

Dr M: Learn from Japanese companies

DATUK Seri Dr Mahathir Mohamad yesterday called on MSC-status companies, especially local ones, to learn from the experiences of successful Japanese companies to become world-class companies themselves.

The Prime Minister said they could learn much from such Japanese entities who had moved away from the old mode of thinking that knowledge "could be acquired, taught and trained through manuals, books or lectures".

Quoting writers Ikujiro Nonaka and Hirotashi Takeuchi, Dr Mahathir said what set Japanese companies apart from the rest in bringing about continuous innovation was the linkage between "the outside and the inside of the organisation".

"Knowledge that is accumulated from the outside is shared widely within the organisation, stored as part of the company's knowledge base and utilised by those engaged in developing new technologies and products," he said.

A conversion process then takes place whereby the knowledge from outside is converted and emerges in the form of new products, services or systems.

It was the effectiveness of this conversion process, he said, that fuelled continuous innovation within Japanese companies, which in turn led to competitive advantage.

Dr Mahathir said this in his speech at the opening of the NTT MSC Sdn Bhd, the first full-fledged R&D centre of its kind to be built in the MSC's flagship intelligent city.

NTT MSC is a subsidiary of NTT Communications of Japan, the largest telecommunications company in the world.

This is NTT's second largest overseas R&D centre and regional hub for Asia.

Also present was NTT Corporation president Junichiro Miyazu.

Dr Mahathir said Malaysian companies had plenty to learn from a corporation like NTT, which was not only a global leader in telecommunications but also a successful business entity.

He said another of his observation was that the Japanese viewed knowledge as being primarily "tacit" or something that was not easily visible and expressible.

They have also mastered the science or process of making tacit knowledge explicit by moving away from the old mode of thinking.

"Instead, they pay more attention to the less formal and systematic side of knowledge and focus on highly subjective insights, intuitions and hunches that are gained through the use of metaphors, pictures or experiences," he said.

Another unique feature of Japanese companies is the fact that no one group of experts is exclusively responsible for creating new knowledge.

Front-line employees, middle managers and senior managers all play a part although their roles are different.

Dr Mahathir said the creation of new knowledge was the product of the dynamic interaction among them.

On NTT, he said the decision by the company to build its second largest overseas R&D centre in Cyberjaya was testimony of its confidence in the MSC.

He said at the MSC, the Government hoped to promote the development of next-generation multimedia technologies by forging collaborative R&D

efforts among leading edge companies, public research institutions and universities.

"Our vision is to create the first internationally focused R&D cluster in Asia driven by strong government support and guarantees, so that the MSC will lead the region's initiative into the information technology age.

"In doing so, we hope to be able to learn from the experiences of other successful clusters around the world," he said.

Dr Mahathir said in an environment where collaboration, creativity, innovation and risk-sharing was fostered, companies would find the MSC the place to experiment with new ideas and partnership models.

Miyazu, in his speech earlier, said NTT MSC's R&D department would focus on applications such as multi-lingual web, artificial translation in order to realise the multi-culture based e-commerce in the region.

"Besides that, we will work closely with universities and technical institutions to lead and boost multimedia-related R&D activities," he said.

(END)