

**Experience is the best teacher !**

RIETI/METI

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# *Solving real world problems cultivates nature of entrepreneur-ship*

**Studying on capitalization, how to write up a business plan, personnel management, etc. is helpful but not essential**

**Solving real world problems instructs what real value is**

**Thus, matching between real world problems and would-be entrepreneurs is highly important and should be accelerated**



## *Situation in Japan*

**Traditional corporations hold most of talented people**

**Emerging of spin-out type startups is expected being poured from traditional corporations especially in hi-tech fields, which revitalizes Japanese economy**



# Number of employment from University

## (Electric region: April, 2002)

	University	Tokyo	Kyoto	Tohoku	Nagoya	Osaka	Kyusyu	Hitotsu bashi	TIT	Waseda	Keio
	Total number of employment (University)	2943	1842	731	1728	2602	2036	902	1140	5861	4182
Company	Number of employment (Company)										
HITACHI	900	52	20	5	30	28	30	4	31	63	65
TOSHIBA	500	27	17	1	12	20	22	6	29	48	39
Mitsubishi Electric Japan	480	18	12	3	19	45	24	6	14	28	16
Fuji Electric	100	3	1	2	2	0	3	0	5	1	0
N E C	700	28	20	4	30	25	23	9	28	43	49
Fujitsu	700	41	22	7	21	31	20	7	37	50	52
OKI	172	2	2	3	4	3	4	0	4	12	9
MATSUSHITA (Panasonic)	750	12	34	1	21	43	16	4	20	28	19
SHARP	271	4	12	5	10	37	5	0	10	12	6
SONY	500	45	19	1	8	25	13	3	35	33	43
SANYO	200	1	4	1	9	13	0	0	4	3	1
KENWOOD	56	0	0	0	0	0	1	0	0	1	2
ALPS Electric	80	0	1	0	0	0	2	0	0	2	0
YOKOGAWA Electric	71	2	2	0	1	1	1	0	2	3	4
DENSO	180	3	3	4	21	12	8	1	6	6	6
NCR Japan	86	2	1	0	1	0	0	0	1	6	6
ROHM	197	1	4	0	2	7	3	0	3	10	3
Murata Manufacturing	290	2	9	0	9	21	2	1	6	8	10
Matsushita Electric Works (National)	118	0	7	1	6	16	1	0	1	5	5
IBM Japan	616	47	26	1	11	14	8	15	25	60	86
Hewlett-Packard Japan	154	12	3	1	1	5	1	2	4	12	16

(ECONOMIST, 9.Apr.2002)



## *Problems to be solved*

**Obese administration and management**

**Sectionalism within a corporation preventing instant and precise understanding of real world problems**

**Seniority systems pushing capable persons to be at administrative positions far from real business**

**Traditional corporations need to improve B/S and concentrate their core business**



# *Prescription*

**Decreasing the gap of business cultures between traditional corporations and startups by inducing startups' business cultures into traditional corporations**

**Establishing project teams**

- **Consisting of heterogeneous specialties with passion**
- **Collaborating with knowledgeable teams outside as necessary**
- **Trying to grab the essence of real world problem accurately**
- **Providing a possible solution to be executed quickly**



## *Implementation*

**If a project is core business and bears free cash flow**

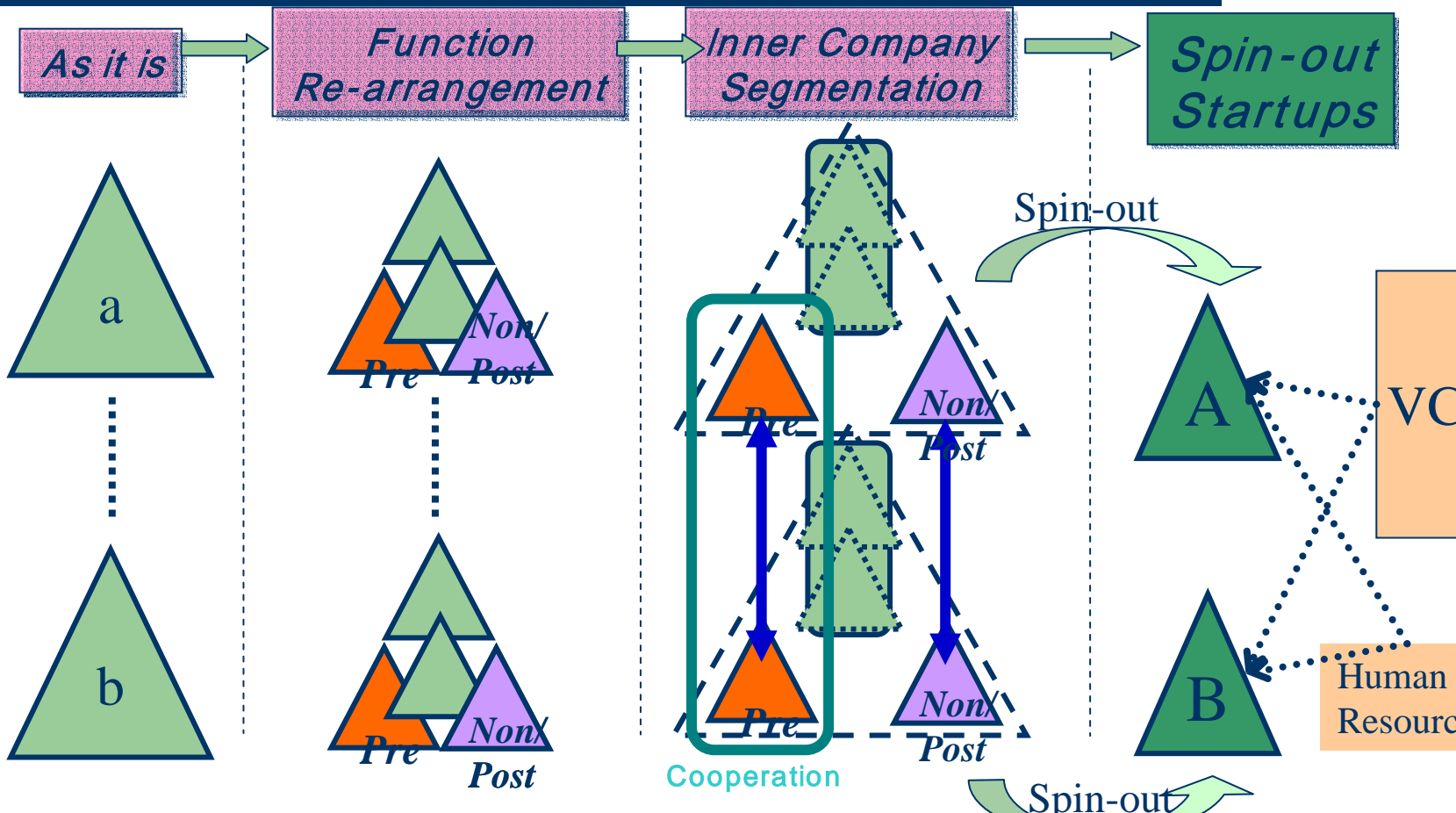
- **It should carry out at the corporation**
  - \* **Example: i-mode, Prius, cellular with a camera, etc.**
- **The project team should have an incentive to work hard**

**If a project is post-core business but could well be a successful**

- **The project team should spin out and be a startup with capable people outside and VC finance**
- **The project team has an incentive according to its market value**

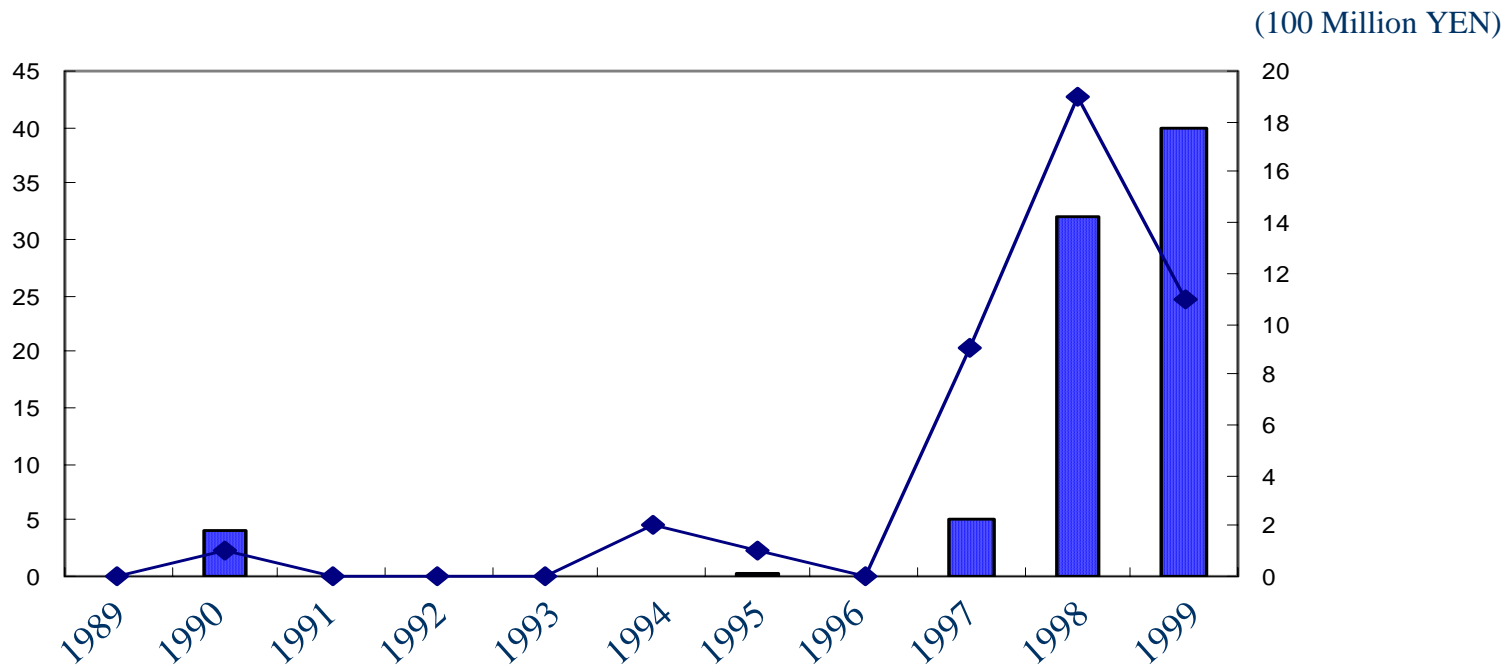


# Restructuring and forming spin-outs





# *MBO Market in Japan*



## *Expectation for universities*

**Enrichment of university curriculums dealing with real world problems**

- By collaboration with small-medium sized companies and startups**
- By promoting a business plan contest among students**
- By hiring professors with rich business experience and inviting business executives as lecturers**

**Setting up a merit system and promoting competitive society among universities, colleges, schools, faculties**



# *Conclusion*

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*Let's Get Started !*

