

Foreword

Coordinating Research, Development, Manufacturing and Marketing

- Don't Forget about the People Who Dug the Well -



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In order for our company to make a profit, it is indispensable to well coordinate Research, which comes up with new technologies from a long-range standpoint, Development and Manufacturing, which make the most effective use of those technologies to develop new products and add extra value to existing products and thereby improve their cost performance, and Marketing, which introduces new products to the market at the right time to achieve successful results. On the other hand, there is a tendency that many, if not all, of successful achievements are attributed to the recent efforts of Development, Manufacturing and Marketing, while the past efforts of Research are underestimated.

For example, “Twister” (fine plasma cutting machine) of the Sheet Metal Division of Komatsu Industries Corp., is a sophisticated product which is unrivaled by any other competition. This product has become one of the biggest profit makers of the company. The technology that underlies this product was developed by the research division about 15 years ago and commercialized by the industrial machinery division in 1990. For quite a while after the product was introduced to the market, it was not bringing in any profits. So, even the people in charge of the development and selling of the product thought in earnest that it would sooner or later be driven away by the laser cutting machine. In July 1999, when newly organized Komatsu Industries Corp. was born as a result of reorganization of the industrial machinery business of Komatsu, the fine plasma cutting machine was named “Twister” and positioned as a strategic product of the sheet metal business. Then, the company launched promotion of the product through carefully-planned market segmentation. Today, as mentioned above, it has become one of the best revenue-earning products of the company. This is an example in which a technology that was developed by the research division more than 10 years ago has borne fruit.

Another example is the success of “Hybrid AC Servopress.”

Komatsu Industries Corp. completed its Hybrid AC Servopress series and put it on the market at the beginning of last year. Since then, sales of the series have increased sharply. As a result, the company's stamping press division has been continually expanding its share of the market. Thus, the Hybrid AC Servopress series that boasts outstanding cost performance ratio has contributed much to the earnings of the company. It should be noted, however, that Hybrid AC Servopress is based on the controller technology that was developed by the former electronic device development department more than two decades ago. Capitalizing on that technology, the company came up with AC Servofeeder for the first time in the world and has won the reputation: “Komatsu, the world leader in AC servo-technology.” This example shows that basic technologies the company has accumulated in many years underlie its unparalleled AC Servopress series.

Many of the company's successful products, such as the ones mentioned above, are based on technologies which were developed so many years ago that even the people who developed them may not remember that they did (some of them might have already retired under the age limit).

I would like you, who are engaged in research and development, not to get frustrated simply because your efforts do not always produce tangible results soon. There are many instances in which seeds you have sown grow into big flowers sometime later. I strongly hope that the people of Development, Manufacturing and Marketing will contribute much to the company's earnings by continuing strenuous efforts. And, when your efforts bear fruit, let us thank to our predecessors for their painstaking efforts.