
Editorial

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Biographical notes: Michiya Morita is Professor of the Faculty of Economics and the graduate course of Management of Gakushuin University. He teaches on Supply Chain Management, Business Strategy and Management Science. He is engaged in High Performance Manufacturing Project started from 1992 that includes ten countries' academic researchers now. He writes several books and many papers in the fields.

The Japanese manufacturing has intensively searched for a new direction after the corruption of the bubble economy around early 1990s. In a sense, the bubble economy was a result of the market constraint that had crept in the Japanese economy after the high economic growth of late 1960s to 1980s. The market constraint comes up when we slow to create new values for people and society. After the corruption, many Japanese manufacturing companies have restructured their processes by deleting waste capacities and product lines or businesses that could not generate new values. Also they have headed for off shoring to expand their markets abroad and seek for advantageous production. But some of them have been successful and some not. In essence, it depends on how successfully the company has renovated value creation process for market. The company should clearly define appropriate values she should create and specify ideal processes to do it.

Another bubble corruption has been ignited again. This time, it is not in Japan but in USA. As the capability of creating another value is in the wane, the opportunity of the bubble creeps in. The decline of the capability emerges as a phenomenon when resource constraints become tight and competition hikes vehemently, even if each company sustains its value creation capability as it is. In other words, the company should assume the requirement of another value creation is intensified perpetually and prepare for the need to attain corresponding capability.

The revitalisation of the Japanese manufacturing company relies on the effectiveness of value creation. It can be possible in many ways. Here five directions are introduced that are adoptable concurrently. The first direction is to strengthen the capability of employees by new technological developments such as digitalisation. The Japanese society faces a critical social issue, namely, the decline of younger population and the increasing ratio of older people. Furthermore young people are losing an interest in working on the floor. Provision of work-supporting systems including skill-training and comfortable working environments for both of aged and young employees is required

domestically first of all. As going international, the company needs to sustain the capability of foreign workers uniformly throughout her factories. The support by digitalisation is effective for the purpose as well.

The second direction is to unify total competencies of the company to develop the capability of value creation. It has remained as a big agenda since the introduction of division of labour. Easy and ineffective usage of outsourcing manufacturing process is a result of the incompetence to do it. The sharing of information among all functional units or people within the company as well as practices such as concurrent engineering is not enough to achieve the real effective integration of functions. Clear goals understood by them and their willing and synchronised behaviours to achieve the goals should be secured. System supports should be designed and implemented to secure them. Manufacturing is important part of value creation. But it should be integrated into the whole process of the company to give the feeling of value creation directly to workers on the floor and boost the capability of value creation dramatically. Isolated effort only on the floor easily becomes in vain for the company to be competitive in value creation nowadays. The effective total linkage of all processes from development to sales amplifies the contribution of manufacturing to value creation.

The third direction is to construct an effective alliance network of various organisations or businesses to strengthen the capability of value creation. As creation of real new values requires a newer combination of resources and competition extends international, it's very difficult for a company or an organisation to develop the competitive capability of value creation from scratch nowadays. Not only traditional supplier relationships such as those in the automotive industry, that used to form competitive supply chain networks, regain their potentiality with strategic reconfigurations of autonomously nurtured competencies of suppliers, but also new types of allied networks emerge to create more attractive values through the fusion of different technologies in various industry areas such as electronics, medicine, and automobile. When we look back the transitive process from the Edo era to the Meiji era where Japan needed comparative industrial powers to compete with European countries in the 19th century, the Meiji government led the reconfiguration of industrial resources nationally. Instead, the business world itself leads the reconfiguration to survive severe global competition nowadays.

The fourth direction is to plow deep in improving existing tools and systems and also developing more sophisticated and advanced ones to be more competitive. The refinement of scheduling techniques is one potential area in the field of operation management. Traditionally in the Japanese manufacturing they developed unique production management methods besides JIT such as serial number and order control systems during the Second World War. These are now considered fitting to present operational situations such as small lot size and a variety of production. The renovation of them is possible with newly developed algorithms and huge computational technologies, besides newly developed techniques. Such refinement of techniques helps people work better than otherwise in the age of complexity and high requirement.

The last but not least direction is to strengthen insight into real values. This is most basic effort. Impending global competition forces the Japanese manufacturing company to seek for the value it should create by its total commitment. Distinctiveness and uniqueness are indispensable attributes of the value in addition to meeting potential wants of society. Vague or unclear value drives people no way. Inappropriate value eliminates any niche for the company under global competition now.

In this special issue titled 'Strategic issues of the Japanese manufacturing', eight papers are presented. Each paper is concerned with either one of the directions. But what the papers report is only part of the whole story of present Japanese manufacturing companies' efforts. Any effort, however, brings no new development perspective if they miss real value creation.