

What you like creates entrepreneurship (Part 1)



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Starting in fiscal 2024, Entrepreneurship will be added to our corporate philosophy values (T-E-A-M).

Why is entrepreneurship, which embodies the idea of "creating new value and businesses without fear of risk based on one's own desires and ideas," so necessary for JATCO right now? What is the vision they are aiming for?

We interviewed Nakagawa, Matsushita, and Hirai from the Management Planning Department, which serves as the secretariat. The first part is about the background behind the additions to our values.



First of all, what is entrepreneurship?

Nakagawa: Simply put, it is the attitude of creating new value and businesses and taking on challenges without fear of risk. It is said that this is a necessary attitude not only for entrepreneurs, but also for anyone who creates new value or businesses.

Why does JATCO need entrepreneurship now?

Nakagawa: As President Sato has repeatedly stated, everyone knows that the automotive industry is undergoing a major transformation, and JATCO is also shifting from AT/CVT to electrification. In this kind of world, to achieve our corporate purpose of "expanding the possibilities of mobility through technology and passion," we naturally need to create new value and businesses. To do this, I believe we need entrepreneurship, a willingness to take on challenges without fear of risk.

Matsushita: I feel like working at JATCO is relatively stable, and I wonder if I can continue to have a stable job and life like this. That's what I thought. However, when I read books and listen to various people's stories, it is said that a company must constantly evolve, or it will decline. If that happens, we too will have to take some kind of action. People are beginning to realize that we are living in a VUCA*1 era where it is becoming increasingly difficult to know what will happen, and I think Mr. Sato feels a particularly strong sense of crisis. I believe that an entrepreneurial mindset is what JATCO needs right now.

*1 Volatility, Uncertainty, Complexity, Ambiguity

Hirai: I think the automobile industry has been seen as a core industry that supported Japan's high economic growth, but the value of an automobile has changed dramatically from being based on hardware to being based on software, so we can no longer continue on the same path. I feel that this is both a crisis and an opportunity. In such situations, I think it is important to adopt the positive attitude of entrepreneurship as a value and face the challenges head on.



Why did you include entrepreneurship in your shared values?

Nakagawa: Originally, the Human Resources Department was working towards including entrepreneurship as a competency, but we ultimately decided to add it to our corporate philosophy. By that point, there had been considerable discussion, including among executives. When we originally decided on our purpose (in April 2022), there was a discussion about whether or not to change these values. After discussing this for about three years, including the period when we were planning our purpose, we ultimately came to the conclusion that we could not realize our purpose unless all employees shared the idea of entrepreneurship as a common

value.

Were there any companies you benchmarked?

Nakagawa: There are a lot. I looked into everything I could find out. Companies that are trying to do something creative in the world have common values such as not being afraid to take risks and take on new challenges, being open to different things, and paying attention to social issues. In comparison, I felt that I was pretty much within JATCO's values, but it still wasn't enough.

I had heard that students looking for jobs often decide to join a company after looking at its corporate philosophy, so I asked a dozen people about their previous values, and many of them said things like, "They're rigid," and "I don't feel like they're creating anything new." We heard similar opinions from overseas AFL and younger members.

The values had already been ingrained among the people in the company, so I didn't think there was any need to change them initially, but compared to other companies, it didn't feel like new values were emerging.

Matsushita: I think it contains some good words, but honestly, about 10 years have passed since then, and I feel that some of the words have become a bit empty. "External mindset" says we should go and see things outside, but I think there are very few people who actually listen to or look at things outside. So, I think one of the goals of this event is to move the focus a little more in the direction of entrepreneurship. This includes re-examining the idea of an external mindset.

What is the meaning behind the + (plus) in T-E+-A-M?

Nakagawa: There was a relatively strong correlation between team leadership and external mindset, so I placed it between them. As a result, it has become a little difficult to say T-E-E-A-M. However, because we wanted to emphasize entrepreneurship, we put an accent on the E. It's not a major change, but rather we've added one more element, entrepreneurship, so it's written as T-E+A-M and pronounced T-E-A-M. Ultimately, management agreed.

How to demonstrate entrepreneurship?

Nakagawa: Of course, in order to create new value, it is necessary not only to create new business ventures, but also to create new value in existing businesses and daily operations. You won't know if you can create new value until you try. There is a risk

of failure, but you won't get anywhere if you have an "it's no good if you fail" mindset, so I think it's important to challenge yourself without being afraid of risks.

Matsushita: A new business may seem special, but it's all about fully understanding what we can do now, what our competencies are, and how we can apply them to the world. To do that, we need to know more about the world around us and we need to promote what our strengths are. I think that this is where business opportunities lie. If you look at it only as a new business, it certainly seems like a pretty high hurdle, but think of it as the value of your own work, think about who your customer is, think about initiatives that you haven't tried before, and keep going without giving up. I think that's also a great example of entrepreneurship.

Entrepreneurship also includes passion.

Hirai: I think that if you don't have the desire, you might not be able to achieve what you want to do. There is an expression called "having ambition," which means "what you personally want to do" and "how you want to contribute within the company." The overlap of these two becomes extremely important. The desire to do something is what motivates me.

The sequel is coming in June! looking forward to!