

Employee Roundtable Discussion

Discussion about Olympus' Corporate Culture

Following the formulation of our new corporate philosophy defining Our Purpose and Our Core Values in May 2018, Olympus announced the transformation plan *Transform Olympus* in January 2019 aimed at leaping forward into a truly global medical technology company. In line with this plan, we have commenced full-fledged efforts to drive sustainable growth. How do employees perceive the corporate culture built up over the years and how is it changing? To find out, we conducted a roundtable discussion on the topic between mid-career employees working on the front lines of the Endoscopic Solutions Division, Therapeutic Solutions Division, Scientific Solutions Division, and Imaging Division.



*Affiliations as of May 2019

OUR PURPOSE
**Making people's lives healthier,
 safer and more fulfilling**



The Key Is Balancing the Five Core Values.

T. Watanabe Which component of Our Core Values do you think has truly permeated the Company over the years? Also, more than a year has passed since the corporate philosophy was revised. What has changed in your respective workplaces?
Taniguchi In sales, there's a tendency to take a short-term perspective with a focus on immediate sales, so we are taking care to put aside this mindset and take a *long-term view*.
Tadakoshi Around 10 years ago, I hesitated about whether to inform a customer about a new product prior to the official announcement or remain silent and continue selling the same model. When I turned to a senior colleague for advice, I was told that 10 years of trust outweighed one year of sales, which really made a deep impression on me. I ended up waiting for the new product release and selling the customer the latest model. I've been conscious of the need for *integrity* ever since.
Miyoshi We pay close attention to the requirements of different doctors when developing medical devices. Olympus employees have a strong sense of *empathy* and so are inclined to acknowledge all customer demands. But we have to move with *agility* for patients in need and do so without compromising quality. Each of the five core values is important and it's essential that we find the right balance in work.
Ishikawa Our department has kept the need for *agility* foremost in mind for a long time. To really permeate the core values, it's first necessary to enhance *agility* because everything else springs from there. That's the approach I'd like to take.
T. Watanabe I'm sure more time is required for all employees to fully understand and really acknowledge the core values, but I believe that actually saying the words aloud helps reflect them in behavior.
Taniguchi That's true. There are times I feel unsure in a sales setting in the face of a sales target, but this feeling dissipates when I consider the concepts *integrity* and *long-term view*. These are common expressions used at Olympus, so nobody feels strange uttering the words. When a colleague speaks of *integrity*, I am often in agreement.
Miyoshi Do your colleagues refer to the core values when they talk to you?
Taniguchi Yes, they do. Somebody may ask me to work with more *agility*, for example. The terminology is common throughout, so employees sometimes even use the concepts as ammunition with a superior, in a good way of course.

The Importance of Consistency in Brand Image

T. Watanabe In the Imaging Division, we started implementing measures to promote the essence of the brand prior to a revision of the corporate philosophy. How do you connect brand essence with the core values?
S. Watanabe Brand essence encapsulates the unique Olympus products and services that make people's lives more fulfilling and the value that we can provide to customers through business. The core values spell out the approach required at work and what we need to be aware of in order to achieve this.
T. Watanabe What are you doing to permeate brand essence?
S. Watanabe We hold briefings and offer e-learning, for example, but that alone may not guarantee understanding among employees. What's important is connecting one's work with the brand. To do this, we have management and cooperating members discuss brand essence directly with employees on the front line and in each workplace while getting each employee to think about what the brand means. Currently, around 80% of all Imaging Division members give consideration to the value they provide to customers.
Taniguchi What are you doing to create a unified global brand image?
S. Watanabe We formulated a guideline on marketing for promoting products and services in Japan and on communication specifically for members at sites overseas. This has enabled us to promote products and services that portray to customers a unified global brand image.
Ishikawa We follow guidelines when exhibiting our products and services in Asia, but in all honesty it's difficult to be completely consistent. Other global companies, a status we strive for, have a common approach to exhibitions that doesn't require any extra thought on the ground. I believe it's vital that the Headquarters shows strong leadership in working to create a uniform brand image to realize our aim of becoming a truly global medical technology company.

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Enhance Agility by Delegating Authority.

T. Watanabe Trying to portray a uniform image is indeed important and we are considering how to incorporate that into the *Transform Olympus* plan. However, even if everyone has the same mindset, this comes to nothing in the end if the necessary company frameworks aren't put in place. I believe this to be the first step on our quest to becoming a truly global medical technology company.

Miyoshi This time we can really feel how committed the Company is to change.

T. Watanabe What are you expecting of Olympus and what do you think could be changed to improve the organization?

Taniguchi It still takes time for approval to be granted, which means progress can be slow. I think we could heighten *agility* and make improvements if more authority was delegated to the lower ranks.

Tadakoshi I would worry about the result of transferring authority. If something problematic were to happen, how should the individual react and what does it actually mean to take responsibility?

Miyoshi In the medical field, there are a number of stakeholders and many of the matters requiring judgment are highly sensitive. To be honest, it would be difficult to delegate authority to a single person in such cases. It's hard to adjust the ideas of the various opinion leaders outside Olympus.

Taniguchi The latest revision to the HR system clarified authority with responsibility being taken at the individual level. If that actually comes to fruition, I expect the system to function well.

S. Watanabe Despite the need to perform numerous administrative tasks in the past, the new HR system has clarified my role, freeing me up to concentrate on my work. It has also facilitated smoother internal ties such as collaboration with other divisions so that managers can work based on their job description.

The Need for Diversity in Human Resources to Drive Change

T. Watanabe As part of the new HR system reforms, Olympus is considering a framework for assigning human resources from inside or outside the Company who clear certain qualification conditions when a position comes open to enable optimal talent allocation. How confident are you that this policy can be put into practice?

Miyoshi I'm half confident, half nervous. In the development of medical devices, we take our time communicating with doctors and factory workers to make sure we create empathy and a sense of unity. I think it would be difficult for someone assigned from outside to do it immediately.

T. Watanabe I want Olympus to appoint people who feel empathy with our purpose of "making people's lives healthier, safer and more fulfilling." We can't simply welcome anybody, and that's where the standard is required. I believe that the standard is whether or not the person can realize the core values.

Tadakoshi Since each employee offers work and receives a salary, it's imperative that each individual does his or her best and operates with a sense of urgency.

Taniguchi It will only cause problems with more managers simply seeking short-term results. It's common for a workplace to fall into disarray when a manager changes because the way they do things also changes. It would be a bit of a worry if that were to happen too often.

T. Watanabe The concept *long-term view* was incorporated into the core values to emphasize the idea that Olympus doesn't evaluate people based on short-term results alone but rather considers things from a long-term perspective.

Increase Cost Efficiency Instead of Reducing Costs.

T. Watanabe Do you keep in mind the need to raise operational efficiency, one of the themes of *Transform Olympus*? President Takeuchi always states that he wants each employee to think about how to work more efficiently and to ingrain this culture. He often talks of raising cost efficiency rather than reducing costs. It's important to fully understand the difference in meaning.

Ishikawa We used to make similar promotion materials in each region for our medical devices, but are now consolidating them to improve cost efficiency. We also try to do work with more efficiency, which includes clarifying tasks before taking a business trip and making output easier to visualize.

Tadakoshi Most people who work shorter hours have great concentration. They need to work extremely hard in order to get everything done quickly so they can pick up their kids, for example. I really want to learn such concentration and efficiency.

Taniguchi Efficiency comes when there's a goal. An awareness of that is crucial.

Miyoshi We have been striving for a long time to improve operating efficiency in development. We are making significant progress as well and have come to a point where we have to narrow down development themes in order to enhance cost efficiency further. As a developer, it's extremely disappointing to give up on development we have been engaged in for years, but it may be necessary to drive new growth.

S. Watanabe Since the lifecycle is fast and the development period short for imaging products, we have various technologies and know-how regarding operating efficiency. Recently, we have been transferring these resources to other divisions to help with development. We are pleased that we are able to contribute to other divisions.

Agility Is Vital to an Organization.

T. Watanabe What do you think is needed to drive sustainable growth at Olympus?

Miyoshi It's important not to fear change. Speaking from the standpoint of an engineer, although Olympus has conducted product development based on technology over the years, global companies expand business through M&A based on customer needs. There's a big difference.

T. Watanabe Sometimes we have an overwhelming desire to achieve things on our own and this can lead to a difference in the speed things move relative to other companies.

Ishikawa It's really important to know when to abandon aspects of a plan as well. Keeping things clear from the outset is critical to enable us to move with agility.

Taniguchi Change is now occurring faster than ever in the world, and if we don't have the agility as an organization to keep pace, we run the risk of losing out. This should generate a real sense of urgency.

Tadakoshi It's also risky to put labels on business domains. If we note a domain as a strong performer, it may breed complacency and inhibit the ability to keep pace with new innovation. It's critical that we keep evolving.

S. Watanabe I think we need to transcend business walls and broaden our horizons in terms of the market and internally to tactfully recognize where our value lies and continually challenge ourselves. I also think it's important to identify long-term risks and respond as required.



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