

Applying Startup Experience with Silicon Valley Spirit to Make the NTT Group Universally Known

Srini Koushik
Chief Executive Officer
NTT Innovation Institute, Inc.



Overview

NTT I³ (NTT Innovation Institute, Inc.) is an innovative enterprise with global aspirations that seeks to leverage its Silicon Valley location and core strengths in original cloud and security technologies. We asked newly appointed Chief Executive Officer (CEO) Srini Koushik to tell us more about NTT I³'s core strengths, and as someone who has had a long career in the IT industry, to talk about NTT Group's current standing in the world and NTT I³'s outlook for the future.

Off to a good start: NTT I³ aims to become a multifaceted NTT Group hub

—Mr. Koushik, what are your feelings now that the opening reception has been completed?

Well, I feel quite excited that the reception went very well and that it succeeded in getting others to know NTT I³ and its people. I was very happy to see that participants included dignitaries not only from Silicon Valley companies like Cisco and Salesforce.com but also from renowned global companies.

I remember one particular compliment from a Washington, D.C. reporter who said that our ceremony was the best of all receptions held by Japanese companies that he had seen.

In the light of all this encouragement, I would like to merge NTT's long history and solid traditions with Silicon Valley's startup culture to make the NTT Group name well-known throughout North America.

I plan, in particular, to focus our energies on three key strategies.

The first is to form close partnerships with leading companies and universities. Our second strategy is to

invite talented people from NTT Group companies that have bases in North America to stimulate research activities. My aim here is to create a microcosm of the NTT Group and its strengths within NTT I³ and to promulgate an image of NTT I³ as a group hub. Finally, our third strategy is to pursue appropriate activities as a global market leader. We will work, in particular, on promoting research and developing services and products that can be used by our customers in the United States where NTT I³ is located. Of course, our objective is not just the United States—we plan a global rollout that will include emerging countries.

Let me elaborate on our first strategy of partnering with major companies and universities.

We have already tied up with Georgia Institute of Technology (Georgia Tech) and Stanford University, and we are now looking for other universities to form connections with.

Forming tie-ups with academic organizations is extremely important. Such partnerships can be a source of new ideas and creativity, but they can also serve another important purpose: university students who participate in research activities at NTT I³ may

see for themselves how attractive research and development (R&D) work at our institute can be. This would be one way for us to secure top-notch, talented people for the future.

In addition, we already have good partnerships with prominent corporations like Cisco, Salesforce.com, and Oracle, and we will continue to build upon those partnerships.

In terms of our second strategy, let me say that the success of NTT I³ is dependent on the success of the NTT Group, so I will promote the participation of personnel from NTT Group operating companies. In fact, we have already obtained the participation of COO (Chief Operating Officer) Eiji Kuwana from NTT laboratories and other talented individuals, and from here on, I would like to bring in more talent from such group companies as Dimension Data, NTT DATA, and NTT Communications (NTT Com).

Finally, with respect to our third strategy, we already have three projects underway geared to putting NTT on a path to becoming a driver in the global market. One is research and development in the security field, another is the development of software defined networking in the cloud computing field, and the third one is the development of frameworks for migrating applications to the cloud.

So we're off to a good start. I think that NTT Group, the parent company, has done all they need to do to help us achieve a smooth launch. Looking forward, we can see that there is great interest in cloud services in the American market, and we are working to introduce our services and penetrate this market. Products like Infrastructure as a Service (IaaS) and Software as a Service (SaaS) are also used quite extensively in the United States. So, as I just mentioned, I think that the next step in cloud services is the migration of business applications to the cloud, which is a good business opportunity for us.

To become a global leader with this vision in mind, we have to show enterprises that we can provide a cloud environment that is secure and available 24 hours a day.

NTT is one of three companies that can expand such business in a global manner. The job of NTT I³ is to provide support from the R&D side so that the NTT Group can roll out these services in the global market in a smooth and steady manner.

R&D hub where people have a strong desire to work above and beyond remuneration

—Can you give us some more specifics on capabilities,



ties, talented staff, and anything else that you are focusing on to provide this support?

Well, to begin with, we already have a strong foundation of technical engineers and designers, but it's important that we continue to welcome highly capable people to NTT I³. Over the next few months, we will be solidifying our direction and projects even further, and we will need engineers and architects with a variety of capabilities and individuals with project-management skills as well.

We need project managers who understand business requirements and who know how to provide our products to our customers on a regular, stable basis.

Architects, meanwhile, must get the technologies from the various NTT operating companies to work together to enable the solutions we want to offer.

To this end, I think having a hub like NTT I³ in North America and particularly in Silicon Valley is very beneficial. To develop compelling products and build attractive solutions, we need strong technology partnerships in addition to our joint development efforts within the NTT Group.

—By the way, how do you plan to apply your past CEO experience to your present position?

As a result of accumulating more than 28 years of experience in the technology industry, including about 16 years in technology companies and more than 10 years in the financial services and insurance industry, I have been able to be involved in the information technology (IT) industry in a variety of ways, including gaining experience in infrastructure and applications and as a service provider and user.

I feel that my business experience at technology

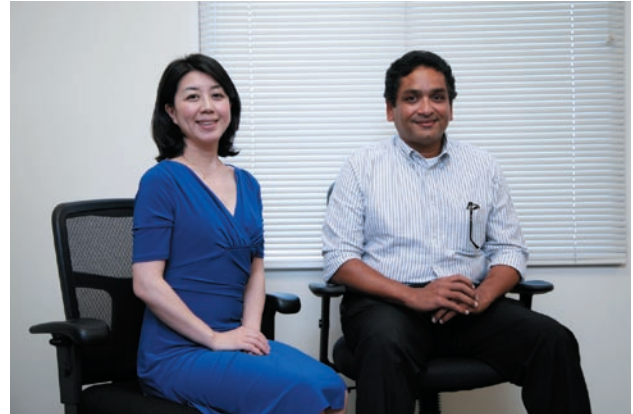
companies like IBM and HP, which are nearly as big as NTT, will prove useful not only in understanding technology but also in working with a big, complex company and managing NTT I³. I also believe that my experience in the financial services and insurance industry will help me in understanding what consumers want. It is probably a common characteristic of technology companies that they want to sell the technologies that they develop, but it is important that they obtain a good understanding of what consumers want to buy. In this regard, I think that penetrating the buyer's mind is one ability that I can bring to NTT I³.

My vision of success at NTT I³ is that the industry accepts our innovative ideas, and that these ideas add value and drive growth for NTT's operating companies in North America. Another goal is to create an outstanding work environment so that anyone who comes to work at NTT I³ does so because they truly enjoy working here above and beyond their paycheck. I will spare no effort in achieving such a workplace, and one year from now, I believe I will have new dreams as we move forward.

Transforming one's weakness into strength
in the spirit of judo:
flexibility over stiffness

—Why did you select NTT I³ when there are other organizations like it in the IT industry? How do you think NTT is viewed in the world market?

Well, I wanted to work for a technology-related company but not for a company that pursues technology for technology's sake. Of course, NTT I³ is also involved in technology research, but I believe that its goal is to change society through technology. This is



what I find to be important!

Despite NTT's long history of success, NTT I³ is a new participant in the R&D field in the United States market, but given my history of solving IT problems through innovative products and services, this presents me with a great challenge that I am eager to undertake.

So how is the NTT Group positioned in the world market right now? I would say that NTT Com is recognized first and foremost as a network carrier, that NTT DATA, while having gained a certain amount of recognition, is still viewed as one of the smaller service providers, and that Dimension Data is a company that is just now starting to make an impact.

I think that these company attributes can also be viewed as strengths. For example, ordinary companies are sometimes reluctant to partner with huge providers because they fear that they will not be able to receive suitable and effective services tailored to their needs. So I think that NTT DATA can offer great flexibility precisely because of its small-scale stature. This is a great business opportunity for NTT.

By the way, two of my hobbies are skydiving and hang gliding. If there is something that is new and exciting that I might be afraid to do, I make sure to try it so that I am no longer afraid of it.

I also have a black belt in judo, and I think there is something in common here between judo and NTT I³. No matter how small one's body may be, it's possible to transform one's weak point into a strength to use against your opponent.

In the cloud market, I think that NTT is in a very good position. NTT Com is viewed as a company that provides one of the most advanced carrier-enabled clouds. The advantage of a carrier-enabled cloud is that it can truly spread the workload across the globe

in a much easier way.

Dimension Data, meanwhile, is viewed as a company that can provide powerful functions for private clouds and that has very strong capabilities in implementing managed services on top of private clouds in the infrastructure space.

And NTT DATA and NTT Centerstance have very good capabilities in implementing SaaS and integrating it with legacy applications.

In this way, the NTT Group has laid out the framework to promote business support through a full lineup of services, from cloud services, managed services, and advisory services to application services too.

So what we have to do at NTT I³ is to help our customers understand that we can tie all these group-company strengths together.

Furthermore, we can provide security in a comprehensive manner for a full range of services from applications to infrastructures and clouds. We are one of only a few companies—maybe two or three in the world—that can do so.

—*How do you plan to work with R&D in Japan?*

Needless to say, NTT has top-class R&D even from a global perspective. The R&D team is producing extraordinary intellectual property, and they have been helping us to understand what they have. Looking to the future, I want to do three things with NTT R&D.

The first is to commercialize NTT R&D results for the American market and to expand them into a tangible business. The second is to do further research in specific fields. And the third is to maintain a close relationship with NTT R&D, to know what NTT researchers are working on at any given time, and to help the NTT operating companies in North America to understand the content of that R&D work.

*It's OK to fail! Acting like a
startup to make NTT a global name*

—*Mr. Koushik, could you leave us with a message for all your colleagues at NTT I³?*

First of all, I would like to tell all my colleagues that I am very excited to be here and very proud to be a part of NTT I³. I would like them to know that I am

here to support them and to be a part of NTT I³ as a key startup in the United States. This is the stance that I believe is important in getting the NTT name widely known throughout the United States market and in being a part of NTT growth. I also want every one at NTT I³ to know how great a company NTT is, and how we can leverage that to “put a dent in the universe,” as Steve Jobs was fond of saying.

You can hear many stories about people launching new companies and rising to the top, but those people often fail many times before succeeding. Generating new ideas and being innovative is the essence of NTT I³. If only three of our ideas out of ten are successful, there is no need for us to lose sleep over the seven failures. What we need to do is focus our efforts on the three successful ideas.

I have attempted a number of startups in the past, and some of them worked and some of them didn't. Failure is never easy, but it is also the time when you learn the most. In other words, it is OK to fail, but repeating the same mistake is not so good!

There is some similarity between Japanese and Indian culture in that there is a tendency to look upon failure as a bad thing. In the United States, however, failure is OK—you learn from failures and you get better, and that is part of being a startup.

This kind of mind frame is essential at the startup stage, and I would ask our Japanese researchers to adopt this attitude as well.

Interviewee profile

■ Career highlights

Srini Koushik joined IBM in 1994 and became head of e-business development in 2000. He joined Nationwide Insurance in 2001 and became its CTO (chief technology officer) in 2009. In 2011, he joined HP and took up the post of chief development officer spearheading the development of global applications. He founded Right Brain Systems, a consulting company, in 2012, serving as president and CEO. He took up his present position at NTT Innovation Institute, Inc. in May 2013.