

Information Gathering as the Key to Good Decision Making— Creating New Value for a Smart Life

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Overview

Today, the mobile phone is becoming a central part of everyone's life, and NTT DOCOMO, a pioneer and innovator in mobile communications, seeks to become a *Smart Life Partner* to customers and create new value for their benefit. We asked Fumio Iwasaki, NTT DOCOMO Senior Executive Vice President, to tell us where the key to a successful growth strategy can be found.

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NTT DOCOMO: Becoming a Smart Life Partner to customers in 2014

—Mr. Iwasaki, from a position at the core of NTT DOCOMO management, how do you see the current ICT market?

It's been about four years since I first took on management responsibilities covering the whole of NTT DOCOMO. As you know, technical innovation in the mobile-communications-related market is very intense. The latent business value in this market is very high, and like other companies, we are always looking to enter new business areas. It's a market that makes my work very enjoyable and that also makes me stay sharp.

On returning to the NTT DOCOMO head office in 2010, my first task was to oversee the launch of Long Term Evolution (LTE) services. Given that we were the first in Japan—and one of the leading groups in the world—to introduce LTE, there were many things that we had to overcome. Frankly speaking, the con-

ditions were such that we could not foresee the growth in the smartphone market and did not think that the LTE penetration rate would rise to what it is now in such a short time. Nevertheless, looking at today's figures of 18 million LTE subscribers (as of the end of November 2013), I feel that our decisions in that period about three years ago were the right ones.

—Smartphones and mobile phones have certainly become a big part of our lives.

That's right. Several years ago, the mobile phone was a product that everyone had to have, but the widespread penetration of the smartphone has made mobile devices an even bigger part of our everyday lives. Up to now, however, we have been focused on voice and packet communications, and we have come to see that growth in these areas has its limits. Consequently, on considering how we could increase our revenues as a mobile operator, we examined what our strong features were, and we came up with our

terminals, networks, a very high quality customer base that includes customer names, addresses, paying accounts, and other useful information, and our docomo shops throughout Japan that provide many opportunities for face-to-face contact with customers.

We therefore decided to leverage this core competence with the aim of creating and providing safe and secure and highly convenient services in areas that we expect to have a high level of innovation geared to mobile communications.

By the way, have you seen the NTT DOCOMO commercials with Ken Watanabe? In these commercials, he is made to personify a smartphone that the user can go to for help similar to the way that one would use Aladdin's magic lamp to make a wish. NTT DOCOMO wants to become the customer's partner via the smartphone in turning one's life into a "smart life."

Winning trust in existing business is
a stepping stone to entering new areas.

—What does NTT DOCOMO have to do to become a Smart Life Partner? And what areas are you setting your sights on?

To enter new business areas, we must first win a high level of trust in the mobile area that lies at the core of NTT DOCOMO business. Mobile communications and new business areas are like a pair of wheels—I want both of them to move together, in unison.

Specifically, we can divide new business areas into eight types of business: media content, commerce, finance and payments, medical and healthcare, environment and ecology, machine-to-machine (M2M), aggregation and platforms, and safety and security. Of these, it is in the media content business that we have so far poured much effort since the beginning of the i-mode era. Now, with the coming of smartphones, screens have become larger and network speeds higher, which bodes well for growth in the video, animation, and music markets. In fact, *dvideo*, NTT DOCOMO's fee-based video delivery service, is now commanding a leading position in this area. It is extremely important to form partnerships with outside companies upon entering new business areas. In this regard, it is hardly our desire to be viewed as a company that wrestles one existing business area from another. What we want to do is to create a synergistic effect with our mobile technologies to open up



new business areas in a win-win manner.

In the media content business, I believe we have a fairly good selection of content covering video, books, and other media, but going forward, we need to increase the number of content offerings even further and get more people to use our content.

Another field that we are in the process of developing is commerce. Our aim here is to generate purchases of real-to-life products in the manner of *dfashion* and *dtravel*, which are different from conventional digital content. I would like to see NTT DOCOMO's *dmarket* become a smartphone-centered shopping mall with products ranging from media content to real commercial products.

—Could this undertaking be reflected in the "Big Event" of 2020?

I think that we can contribute in some way to the Big Event. In particular, the fact that we have our own research and development department is unique among mobile operators, and I would like to make the most of this advantage.

As you know, trends in society move fast, and it is essential that we create and provide services just as quickly. NTT DOCOMO's voice-agent application called *Shabette Concier* (Talking Concierge) is a good example of a service that was developed and provided very quickly.

At the same time, it is also important to look a bit forward and to develop services with a medium- and long-term point of view. In anticipation of an increasing demand for data communications, we are working on the next generation of LTE-Advanced, or 5G, as a new wireless communication system, with the aim of providing 5G services around 2020.

Information originates from people.
It is important to grasp not just the data
but the originator too.

—You must be making management- and business-related decisions all the time. As Vice President, what kind of materials do you base your decisions on?

In making decisions, it is essential that I gather a great deal of accurate information in some way, and it is important that I obtain some information during my daily work routine, which includes communicating with employees. However, it often happens that I have to make a decision based on limited information. In such cases, I may not be sure how to proceed, but depending on the product or area of business, I choose to execute some plan of action.

This may result in a trial and error scenario, but I believe that the corporate culture of NTT DOCOMO is to overcome such errors and succeed in the end.

Of course, some information that I obtain will be on paper, but even information of this type will at some point originate from human beings. It's important here to determine who is behind this information and why that person has issued it. The same applies to even dry numerical data; who issued it and how enthusiastic that person is about it can add nuance to



that information.

Communication is a baton pass.

—You are part of the top management supporting the president. What is it like to be in a position to know what goes on above and below you?

To begin with, part of my job is to communicate with many employees, and I welcome that. But I'm always struggling on how to allocate the 24 hours of each day for that purpose. I feel that I am not scoring as high as I could in this regard.

NTT DOCOMO has a system in which each senior executive oversees a regional office, and I follow a tight schedule for visiting my regional office, as I believe that it takes priority. On the other hand, I try to make enough time for walking through different sections in the home office so that employees can talk to me freely. Additionally, in a place like the employee cafeteria, which is also known as the “communication lounge,” I can talk freely with anyone regardless of our job titles or affiliations, and I try to attend year-end and New Year parties as much as possible to increase my opportunities to talk with employees. I also enjoy “non-shop-talk” with my colleagues and employees “after five.”

In short, I endeavor to create an atmosphere in which any employee can have the opportunity to talk with me freely.

In addition, I have lunch with the company president and other vice presidents several times a month to talk business and, time permitting, to have some light conversation too. In this type of setting, it is essential to talk about things that may be uncomfortable to hear so that problems can be dealt with before they get out of hand. But I also think it is important to use this time in creating a good relationship by exchanging jokes and just having a good laugh.

By the way, if I were to speak for more than half of the time during a conversation with someone, I don't think that could really be called “communication.” I try to avoid one-way conversations as much as possible so that employees feel like they really can talk to me.

When I was young, I had the unfortunate experience of leaving a conversation with a superior without understanding what was said to me. If a superior and subordinate cannot communicate to the point that the superior's advice can be understood, it is a sad result for both.

Communication can be likened to a baton pass,

where there is a limited amount of time in which both the passing hand and receiving hand are holding on to the baton. When communicating with someone, I want to exchange information in much the same way that a baton is passed between two runners.

—*What do you think the role of NTT DOCOMO is as an NTT Group company?*

It's been more than 20 years since NTT DOCOMO was spun off from NTT, and I think that the role of the company has changed since then.

In fact, I believe that we are entering a period that demands the unified power of the entire NTT Group including NTT DOCOMO. We touched upon the role of NTT DOCOMO in our talk about the Big Event of 2020, but I am keenly aware that mobile services are built upon a variety of NTT networks.

I have recently come to feel that the business of NTT DOCOMO will come to be supported by the NTT Group in a behind-the-scenes manner. I would like to make our connection with the NTT Group even more important going forward.

—*Mr. Iwasaki, please leave us with a few words for researchers in the R&D department.*

Of course. In an era that demands speed, we need you to create compelling products that “shake up” the world. Please create an atmosphere conducive to innovation—and lots of it—by launching joint ventures using NTT DOCOMO technology and incorpo-



rating ideas from the outside.

Interviewee profile

■ Career highlights

Fumio Iwasaki joined Nippon Telegraph and Telephone Public Corporation (now NTT) in 1977. He served as a Senior Vice President of NTT DOCOMO and Managing Director of its Kyushu Regional Office from 2008. He became an Executive Vice President responsible for Networks and a member of the Board of Directors of NTT DOCOMO in 2010. He took up his present position in June 2012.