

Start with Yourself, Improve Together, and Contribute to Society

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Overview

Digital transformation is accelerating in a society that has changed dramatically due to the spread of the novel coronavirus. NTT Communications, which recently celebrated its 20th anniversary, has reorganized with the aim of providing a safe and secure platform for data utilization to customers around the world. The company is striving to contribute to building a data-driven society on the basis of the concept called 3S (simple, smart, speedy) + S (secure) while developing technology and systems to implement the Innovative Optical and Wireless Network (IOWN). We asked Hidemune Sugahara, senior executive vice president of NTT Communications, about his enthusiasm and philosophy as a member of senior management.

Keywords: digital transformation, data utilization, IOWN

Growing into a company that can deepen and expand its business and contribute to society

—How do you approach business as senior executive vice president?

I would like NTT Communications to become a company that excites our employees, customers, and partners. We would like to use our technology to create value and an exciting future for all stakeholders. We would like to grow into a company that can deepen and expand its business and contribute to society.

In July 2019, the overseas business unit of NTT Communications, Dimension Data, and NTT Security, were integrated to become NTT Ltd. While seamlessly collaborating with NTT Ltd. inside and outside Japan, NTT Communications has resolved to respond firmly to Japanese customers operating global business.

In Japan, under the circumstances embodied by the keywords *data utilization*, *digitization*, and *data-driven*, the management and business of our customers have entered a period of major transformation, and digital transformation (DX) has been attracting attention. To respond to these trends with the concept called 3S (simple, smart, speedy) + S (secure), we reorganized the company in April 2020 to focus on an industry-specific solution-provision system and platform-service provision system. I am supervising platform service, technological innovation, information security, and DX areas.

—So, what is 3S + S?

The concept of 3S + S was created to accelerate efforts toward the actualization of a *smart world*, and it means delivering simpler and smarter services and solutions than other companies at the customers' desired pace with more secureness. On the basis of



this concept, we are developing our business as *one team* centered on the following four major organizations.

At the Business Solutions Headquarters, we are aiming to create a smart world and support DX of our customers. In particular, through industry-specific consulting-type sales focused on the financial, public, manufacturing, distribution, and foreign-capital/information-technology (IT)-service industries, we provide optimal solutions that match the needs of our customers' business, industry, and society. We have set up the Smart World Promotion Office to envision a new world—focusing on data utilization—together with our customers and partners. We are working to solve social problems by using data from fields such as education and manufacturing. In fiscal 2020, we plan to start full-scale activities with a team of 200 people and gradually expand into new fields. To be a *true partner* who is closest to the customer, the Business Solutions Headquarters is promoting collaboration with customers and other NTT Group companies with the aim of maximizing our capabilities and expanding B2B2X (business-to-business-to-X) business.

The Platform Services Headquarters will add more value to our core competencies of networks and data-centers and will be responsible for developing and providing safe and secure services demanded by the digital society. We will continue to enhance functions, such as data collection, connection, storage,

and analysis, on our Smart Data Platform (SDPF). In particular, we are developing access network-related services such as the introduction of a zero-trust Secure Access Service Edge model and local fifth-generation mobile communication networks (5G). Moreover, we plan to create a new service that offers network operations while strengthening security of IT and operational technology (OT) and to provide these as one-stop managed services. To develop services from the perspective of user experience, it is important to have a mechanism to ensure the smart world and SDPF work in unison and to maintain a market-oriented mindset.

At the Innovation Center, we are creating new value and view of the world—based on technology—that are not bound by conventional business domains. The four divisions of technology, namely, strategy, management, technology, and design, are creating and promoting new business through open innovation with an eye toward the future, five to ten years from now. Gathering 200 people, including business planners, digital engineers, and designers as a center of excellence (CoE), the Innovation Center supports the above-mentioned Business Solutions Division and Platform Services Division for proposing and providing services to customers. The Innovation Center is also promoting open innovation to create a not-yet-seen exciting future together with our partners and customers while providing a venue for fostering a co-creation community called C4BASE.

The Digital Reform Promotion Department will provide customers with successful use cases regarding our own DX and expertise in data-driven management. The Innovation Center helps customers develop the data infrastructure, implement data-driven management through our CoE for data science and information security, reform work styles, and improve operational efficiency and productivity. To create a smart world, DX must be promoted throughout society. We believe that showcasing our DX efforts will help drive DX and eventually contribute to society. The spread of the novel coronavirus has changed society completely, and we are all trying to do our best to meet the expectations of the so-called *new normal* society.

Prepare an environment in which employees can do their best

—There is a great responsibility behind the phrase “Let’s do our best.” What are your thoughts on this phrase?

That’s a difficult question. It is easy to say, “Let’s do our best.” However, if I don’t do my best, I can hardly tell others to do their best. Even if a problem is difficult to solve from the standpoint of an employee, it might be possible to solve it from the standpoint

of senior management, like myself. We, senior management, should do our best to prepare an environment in which employees can do their best. Last year, we celebrated the 20th anniversary of the company’s founding and took that opportunity to advocate “Start with yourself, improve together, and contribute to society.” I want to foster an organizational culture that ensures employees can do their best (take on challenges), regardless of their positions.

I also think we should support our customers to take on new challenges. To achieve this, both pioneering efforts and reading technological and societal trends are important; however, we must not be too pioneering nor focus too much on the support side. Although this balancing act is very difficult, we must maintain it. I’m sure we can do it.

In terms of pioneering efforts, researchers at NTT laboratories are conducting basic research and technological development. I would like them to make pioneering efforts while listening to the voices at the front lines to anticipate business trends. If cutting-edge sales and cutting-edge researchers collaborate, we will have no rivals.

I was involved in the satellite-communication business in NTT and have a long-standing relationship with NTT laboratories, with whom I have worked on the development and launch of artificial satellites. I was also involved in the founding of NTT Resonant, at which time, I worked with about 200 people seconded from NTT laboratories. With this experience, I understand how fortunate we are to be able to use the resources of the laboratories in our business. By sharing the responsibility that was previously assigned to each laboratory, we support the commercialization of research results and deliver them to our customers so that researchers can focus on their research. I’d like them to make full use of their talents and create something new. Moreover, our employees assigned to the Innovation Center will probe the research results produced by researchers and set up systems to commercialize them.

—You have high expectations for NTT laboratories, right?

We are grateful for NTT laboratories, which have everything from the world’s most-advanced basic research to its application and practical implementation. I think that contributing to society by using their research results and converting them into products and services is our way of responding to those benefits. Going beyond that point, I think it is also





necessary to consider collaboration with customers at the research phase. To that end, I'd like to actively discuss such collaboration with the laboratories. Two of the key technologies that I have recently become interested in are cloud-based 5G and quantum cryptography. Regarding technology being researched at NTT laboratories, we are interested in security technology required for data utilization, especially the zero trust model, and are working on such technology at the Innovation Center.

Our efforts toward the implementation of the Innovative Optical and Wireless Network (IOWN) has also been underway, and we have created an IOWN-promotion project team at the Innovation Center to collaborate with NTT laboratories. In the project, we are focusing on implementing the All-Photonics Network and overlay networking solutions at an early stage. We first expect to apply them to the network in our datacenters. Moreover, we want to collaborate with NTT laboratories to create a showcase using IOWN technology at the NTT Musashino R&D Center in Tokyo. Considering the coming space era, we would like to explore space business in collaboration with NTT Space Environment and Energy Laboratories.

To implement Cognitive Foundation®, a key element of IOWN, it is important to share technology and architecture within the NTT Group. This sharing will help us build a foundation for providing one-stop services to customers. IOWN is a good target for

standardization, and I'd like to promote that standardization in cooperation with NTT laboratories.

One step forward, one step ahead, one step outside

—Lastly, would you tell us what you have valued in your work?

“One step forward, one step ahead, one step outside” is my motto. The same phrase is true for individuals and organizations, and the world you see when you go one step forward, ahead, or outside will differ. When you experience that difference, different ideas and actions are born. However, sometimes that step is not taken or cannot be taken. That's why I cherish this phrase.

Looking back on making mistakes and misjudgments, I should have taken a step forward. Such failure may cause problems for others and regret in myself. I sometimes think I was not prepared enough. Some of these problems can be beyond our control. It is necessary to read the trends in society; however, sometimes you can't obtain satisfactory results even if you are fully prepared. That's why I think it's important to believe in yourself and take that step forward.

Even if you make a mistake, you can always learn from it. It is important to think about how to learn from the experience and better prepare for your next

step. Regarding a recent inconvenience caused to our customers and other stakeholders due to unauthorized access, I regret that it occurred because we were convinced that we had taken all possible measures. From investigating the cause to dealing with it, however, many issues concerning this incident were addressed by the considerable efforts of our employees, reaffirming their high skill level. Taking advantage of the lessons learned at that time, we would like to support our customers through our skilled employees—who are our assets—and grow into a company that excites our customers and partners. To that end, I want us to be an attractive company where employees can play an active and exciting role.

Interviewee profile

■ Career highlights

Hidemune Sugahara joined Nippon Telegraph and Telephone Public Corporation (now NTT) in 1987. He became senior vice president of NTT Communications in 2016, president & CEO of NTT Com Solutions in 2018, and executive vice president of NTT Communications in 2019. He has been in his current position since June 2020.