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Hitachi Center for Technology and International Affairs Speaker Series

Japan Business and Technology Roundtable: Japanese Corporations and Bottom-of-the-Pyramid Business

Conference Summary

3:00 – 5:30pm Friday, April 2, 2010

ASEAN Auditorium, The Fletcher School

160 Packard Avenue, Medford, MA 02155

Organized by: Japanese Student Group, The Fletcher School of Law and Diplomacy

Sponsored by: The Hitachi Center, The Fletcher School of Law and Diplomacy

Supported by: Consulate-General of Japan in Boston, The Center for Emerging Market Enterprises,
The International Business Center and Tufts Gordon Institute

Website: <http://fletcher.tufts.edu/hitachi/events/2010/roundtable/>



Agenda

Bottom-of-the-Pyramid (BOP) business has recently gained much attention as a way for Japanese Corporations to expand its global market share through including 4 billion of the world's poorest population as a new consumer.

BOP business is a new type of business strategy that tries to combine shareholder value creation and grass-roots solution to the various problems faced by developing countries, such as lack of access to water, electricity and financial services. It targets the world's poorest population as potential consumers of technology products and services that also alleviate their social, economic and environmental issues. In addition, through an innovative business strategy, including training the poor as a sales person, BOP business approach can also includes the poor as a producer and supplier of goods and service.

One of the exceptional examples of successful BOP business is Philips' introduction of low-cost smokeless stoves designed by its "Philanthropy by Design" initiative into Indian market. The introduction of cheap and affordable stoves to India's rural population helped to curb the rampant deforestation that was going on.

Japanese corporations, while possessing advanced technology, have been very timid in their attempts to enter these markets despite its potential. The primary reason claimed by Japanese corporation is the limited local knowledge and lack of local partnerships to access these markets.

In order to reveal issues, potential solutions, and further business opportunities for BOP business, the students at the Fletcher School held this conference. Fletcher School offers vast experience and expertise in development and NGO work in developing countries that can be leveraged to create a forum for cross-sector discussion on how Japanese companies can enter the BOP market.

Many researchers and students with interests in NGOs, Business, Technology, Development and Sustainability joined the conference, as well as professionals from Japanese companies engaged in technology transfer activities for BOP markets. Through the conference and reception, the event provided an ideal opportunity for the participants to interact with Japanese Corporations, have an exposure to affordable technologies for BOP customers, and gain further knowledge on issues and potential solutions to conduct BOP business more successfully.



Schedule

Time	Activity
1430 – 1500	Registration
1500 – 1515	Opening Remark Prof. Carolyn Gideon, Deputy Director of the Hitachi Center at the Fletcher School
	Keynote Speech Prof. Partha Ghosh, Visiting Professor of Strategic Management at the Fletcher School
1515 – 1530	Presentation 1: What is BOP market? And What can NGO do for BOP business? Mr. Toshihiro Nakamura, Co-founder, NGO Kopernik, an on-line store of appropriate technology for the developing world
1530 – 1545	Presentation 2: BOP experience by Japanese companies Mr. Yushi Akiyama, Senior Manager and Representative, Hitachi Corporate Office in Washington F.C.
1545 – 1600	Presentation 3: What is the benefit of BOP business for developing countries? Professor Jenny Aker, Assistant Professor of Development Economics at the Fletcher School
1600 – 1630	Networking Coffee Break
1630 – 1715	Panel Discussion Prof. Ghosh, Mr. Nakamura, Mr. Akiyama, Prof. Aker and the audience
1715 – 1730	Conclusion and Closing Remark Prof. Ghosh
1730 – 1800	Networking Reception



Speaker Biographies

Partha Ghosh

Professor Partha Ghosh is a visiting Professor of Strategic Management in the Fletcher School and a renowned management consultant and policy advisor with an extensive record of solving strategic, operational and complex organizational issues in technology-based industries. He is currently in an advisory role with multiple organizations worldwide, and runs his own boutique advisory firm Partha S Ghosh & Associates focused on policy and strategic issues. Previously, Ghosh was a partner at McKinsey & Company. Ghosh has two advanced degrees from the Massachusetts Institute of Technology, where he studied from 1975 to 1977. He holds Master's Degrees in (i) Chemical Engineering with emphasis on New Energy Systems & Biotechnologies, and (ii) Business Administration. He earned his Bachelor of Technology in Chemical Engineering with honors at the Indian Institute of Technology (IIT) in Kharagpur, India, and won the Institute medal as Number One graduating student of his class.

Jenny C. Aker

Jenny C. Aker is an Assistant Professor of Economics at the Fletcher School and Department of Economics at Tufts University. She is also a Non-Resident Fellow at the Center for Global Development and a member of the Advisory Board for Frontline SMS. After working for Catholic Relief Services as Deputy Regional Director in West and Central Africa between 1998 and 2003, Jenny returned to complete her PhD in agricultural economics at the University of California-Berkeley. Jenny works on economic development in Africa, with a primary focus on the impact of information technology (mobile phones) on development outcomes, namely agriculture, education and health; the impact of drought on agricultural food market performance and famine; the determinants of agricultural technology adoption; and impact evaluations of NGO projects. Jenny has conducted fieldwork in many countries in West and Central Africa, including Benin, Burkina Faso, Burundi, DRC, The Gambia, Ghana, Liberia, Mali, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone and Sudan, as well as Haiti and Guatemala.

Toshihiro Nakamura

Mr. Toshihiro Nakamura is a co-founder of an NGO Kopernik, an on-line store of appropriate technology for the developing world. After worked for McKinsey in Tokyo, he joined UNDP in Timor-Leste, where he was engaged in the nation building process and later moved to UNDP Indonesia to work on post-Tsunami recovery. Thereafter, he served UNDP Sierra Leone as Assistant Country Director, and supported the nation's peace building initiatives. Having grown up in Osaka in Japan, he received LLB



from Kyoto University, and Master's Degree from the London School of Economics and Political Science.

Yushi Akiyama

Yushi Akiyama assumed the position of representative and senior manager of Hitachi Corporate Office, D.C. in November 2007. His responsibilities include overseeing the Hitachi group's corporate public affairs and government relations programs in the United States, monitoring current legislative trends in areas linked to Hitachi's business such as energy, climate change and U.S. Japan relations, and promoting CSR and corporate citizenship activities together with the Hitachi Foundation and other Hitachi group affiliates in North America.

Yushi joined Hitachi, Ltd. in April 1995, and has over 10 years of experience working at the company's Tokyo head office. He specializes in public affairs, with extensive work in designing and facilitating Hitachi's corporate community relations programs worldwide. An example of one of his current projects is the AAAS Hitachi Lecture Series, a joint program with the American Association for the Advancement of Science, which aims to promote the understanding of science in the community through science diplomacy. His past projects include educational exchange programs among teachers in the US, EU and Japan, and company sponsored fellowships in Japan for young opinion leaders in the US and China, both aimed at promoting international understanding between Japan and its global partners. In addition to his corporate citizenship activities, Yushi also specializes in corporate diplomacy, with experience in the administration of several bilateral and multilateral business associations between Japan and its foreign partners. Between March 2005 and November 2007, Yushi was manager of the Executive Office at Hitachi America, Ltd., the group's sales and marketing headquarters in the United States. There, he also served as a staff member of Hitachi's Chief Executive for North America Office, which acts as an oversight organization for the 77 Hitachi subsidiaries in North America. In that capacity, he was deeply involved in the formulation of the company's regional strategy in North America as well as promotion of global business throughout the group. In 2000, Yushi was selected for a one year business research assignment at Hitachi Europe's Corporate Planning & Communications in Maidenhead, UK and Hitachi Corporate Office, Europe in Brussels, Belgium where he organized group-wide activities to promote group synergy within the region.

Yushi was raised in Orange County, California and returned to his home in Japan to attend high school. He graduated from Nanzan University in Nagoya, Aichi with a Bachelor Degree in International Management.



*Conference Summary**



On a sunny day that reminded many of the approaching summer, people began filtering in to the Hall of Flags at The Fletcher School. The inaugural Japan Business and Technology Roundtable attracted close to 100 people. Attendees varied from students at various academic institutions to professionals across industries, showing the great interest for this topic.

The event was officially opened with a welcome speech by a second year MALD student and one of the organizers, Saori Imaizumi. She explained how concept for this conference had come up over a meal among the Japanese students at Fletcher on what Japan can offer to the Global community. Professor Carolyn Gideon then spoke on behalf of the Hitachi Center for Technology and International Affairs, which had generously sponsored this event. After giving some background of the center, she explained how this conference epitomized the principles of the center before introducing the opening key-note speaker, Professor Partha Ghosh.

Key-note Speaker - Professor Partha Ghosh

His opening remark was a great prelude to the event as he discussed the importance of the timing of the conference and what he coins, the inverse pyramid. The inverse pyramid emphasizes the need for a new paradigm where the top-of-the-pyramid to look at the base-of-the-pyramid as providers and not just as consumers.

* This conference summary does not represent the opinions of any organizations that participated in the conference.



First guest speaker - Mr. Toshihiro Nakamura

He began by explaining the traditional overseas development aid structure and how it had grown cumbersome and ineffective. This was felt strongly by him during the Indonesian tsunami reconstruction, where he worked as part of UNDP to estimate the economic cost of the reconstruction effort and how much aid was needed. To his surprise, he found that there were \$2~3 billion that came from private donations and NGOs. This was his inspiration for a new business model which he is pursuing with Kopernik. The new business model was to connect the technology products directly with local entrepreneurs and to help subsidize this with cloud funding from the online market.





Second guest speaker - Mr. Yushi Akiyama

He provided the multinational corporation's perspective to this roundtable. Hitachi has a long standing corporate philosophy of giving to the community and therefore CSR has always been an integral part of the culture at Hitachi. To illustrate this, he gave two examples. One was the solar generation project in Indonesia and the other example was the agricultural information system in Vietnam. He then went on to explain the difficulties faced by Hitachi in pursuing these projects. Aspects such as lack of local knowledge and data collection capabilities, difficulty in finding appropriate local partners, and lack of a long-term commitment, makes a difficult business proposal.



Third guest speaker - Professor Jenny Aker

Her talk focused on how technology can be taken to low-income countries to add social welfare. However, technology can be beneficial or questionable and end users must weigh the cost and its potential benefits. Two contrasting examples were given to highlight successful and unsuccessful introduction of technology. The improved cooking oven was the unsuccessful one and the successful one was the mobile phone. The key to successful adoption is tangible benefits, ease-of-use, adapted to local needs, information externalities, cost-sharing and cultural acceptable. It is also important to have engagement of the key players such as the local entrepreneurs, national corporations, multinational corporations as they all have different competencies that they contribute to the successful deployment of welfare enhancing technology.



Networking Coffee Break

A brief intermission was held after the presentations. This time was used to allow audience to network with speakers as well as other attendees. There were many lively discussions held over drinks and refreshments.





Round Table Discussion

After the intermission, the attendees returned to start the interactive roundtable with the speakers-turned-panelists. There were many engaging questions from the audience to which the panelists answered in a lively dialogue.



Closing Remarks

Closing remark was by Professor Ghosh, who concluded with a brief speech on how the world's poverty problem is too big to be tackled in the current paradigm. He reiterated the inverse pyramid and that at a high-level of abstraction a new 'ism' was needed to replace the current defunct capitalism while at the low-level abstraction it was important for us to think what can we do as micro-volunteers.



It is the organizers' consensus that the day was a resounding success overall and is a promising inaugural event that can be institutionalized at The Fletcher School.



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Leadership

Organizers: Japanese Student Group at The Fletcher School of Law and Diplomacy - Mayumi Beppu (MALD11), Saori Imaizumi (MALD10), Yohei Ogawa (MALD11), Daisuke Takahashi (LLM10), Atsushi Tanizawa (MALD11), Daiji Tateishi (MALD11), Jun Tazawa (MIB11), and other Fletcher Japanese students.

Sponsor: The Hitachi Center, The Fletcher School of Law and Diplomacy

Supporters: Consulate-General of Japan in Boston, The Center for Emerging Market Enterprises (CEME), The International Business Center, and Tufts Gordon Institute

Supervising Faculty: Prof. Partha S. Ghosh (Visiting Professor of Strategic Management, The Fletcher School of Law and Diplomacy), Prof. Joel P. Trachtman (Director of The Hitachi Center, The Fletcher School of Law and Diplomacy), Prof. Carolyn Gideon (Deputy Director of The Hitachi Center, The Fletcher School of Law and Diplomacy), Dorothy Orszulak (Director of Corporate Outreach, The Fletcher School of Law and Diplomacy)

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Website

<http://fletcher.tufts.edu/hitachi/events/2010/roundtable/>

Contact

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The Fletcher School of Law and Diplomacy, Tufts University

As the first professional graduate school of international affairs in the United States, [The Fletcher School, Tufts University](#) has prepared the world's leaders to become innovative problem solvers in business, government and non-governmental organizations. Since 1933, Fletcher's multidisciplinary education in business, law, international relations, and regional studies has offered individuals and organizations a unique global perspective on the day's most pressing issues. The Fletcher School's curriculum includes coursework on finance, economics, law, business, politics and negotiation.

The Hitachi Center

[The Hitachi Center](#) is a part of The Fletcher School at Tufts University. Its mission is to sponsor advanced research and instruction, demonstrate intellectual and professional leadership, and encourage and facilitate a global exchange of ideas on the management of innovation and technological change and the advancement of economic and financial integration. Over the years, the Hitachi Center has helped to promote Fletcher's mission of teaching, research, and service through its support and promotion of internships, research on important issues of global technology management, international finance, and international economic integration, conferences bringing together scholars and policy-makers, and other educational activities.

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