

Schneider Electric Japan Inc. (Mr. Philippe Bouchet)

Schneider Electric SA has been doing business in Japan for approximately 50 years. We interviewed the Vice-President at its Japanese arm, Mr. Philippe Bouchet, and asked him about the company's business situation in Japan and their future prospects.

It has been approximately 50 years since a French industrial equipment manufacturer, Schneider Electric SA, has set up their first base in Japan. Since then, the company has been operating its Japan-rooted business while entering into partnerships with a number of Japanese companies. How do they consider the business environment in Japan and what are their future prospects? We interviewed the Vice-President, Strategy & Development at their Japanese arm, Schneider Electric Japan Inc. (hereinafter, Schneider Electric), Mr. Philippe Bouchet.



Mr. Philippe Bouchet, Vice-President, Strategy & Development of Schneider Electric

What are the strengths of Schneider Electric?

Our strengths are, in addition to “sophisticated engineering technology,” “multinationality, in other words, operations in regions such as Europe, America and Asia in a well-balanced manner,” “authority delegation within the Group that enables us to easily

communicate with each other” and “flexible organization that makes it possible for us to change focus areas depending on the market situation.”

Also, our global corporate customers can receive the same quality and standards of services from any of our bases around the world. We are one of the few companies with a global support system like this, so this is our major strength.

When and why did you start doing business in Japan?

It has been approximately 50 years since we started doing business in Japan. There are three reasons why we operate in Japan. Firstly, Japan has a large economy and a big demand for high-tech products. Secondly, there are wonderful partners that are operating domestically and internationally. And the third reason is that Japanese customers accept high-quality products and technologies.

What are the benefits of doing business in Japan?

The Japanese subsidiary is one of the top five companies within the Group in terms of sales, but this is not the only benefit that we receive by operating in Japan. First of all, we can improve the quality of our products and customer service as customers' demands are high in the Japanese market. What we experience in Japan becomes benchmarks in the global market. Also, partnering with technologically- accomplished Japanese companies enables us to expand the business into countries other than Japan, which is

another benefit of operating in Japan. Furthermore, talking about recent trends, benefits brought by Japan in the energy sector are also significant. For companies focusing on the energy sector such as smart grids and smart cities, business development in the Japanese market will be an important step towards entering the global market as Japan is one of the leading countries in terms of energy.

When localizing your products or services to suit the Japanese market, what problems did you have and what did you do to overcome them?

Meeting demands for high-quality products and services from Japanese customers is an issue specific to the Japanese market. Japanese customers demand professional responses from provision of information to provision of operational support, compared to customers in other countries. In order to respond to such customers, we have partnerships with Japanese companies. By entering partnerships with Japanese companies with excellent technologies and experiences, we can learn how to approach a mature market.

Do you have any examples of selling products or services developed in Japan, in the markets of other countries?

Industrial human-machine interfaces (HMI)* would be a good example (*a collective name for means, equipment, software, etc. with which humans and machines exchange information with each other).

This is a product designed and manufactured by Digital Electronics Corporation in Osaka. We entered into business tie-ups with this company in 2002. They have collected HMI-related expertise and serve as the control tower for development, production and sale for all the Schneider Group's bases around the world.

Did you have any problems when entering the Japanese market?

We did not have any big troubles but if I was asked to give one important point that you would need to consider to succeed in the Japanese market, it would be "securing human resources". This is not limited to the Japanese market, but when a corporation is newly established in a foreign country, it has no sufficient ability and know-how for recruitment activities and therefore, employing competent people will be a major challenge. Also, the Japanese new graduate market is highly competitive and we often have trouble finding young and competent people. "Securing human resources" is a very challenging issue.

What are the reasons/benefits of expanding business into local regions?

We established the Schneider Electric Osaka Building equipped with showroom functions as our base in the Kansai region in August 2014. Also, we are focusing on renewable energy, solar energy and mega solar plants, and doing business in the Tohoku region as well. Furthermore, we have plants, business offices and support centers in various regions in Japan, including those of our JV partners, and we are planning to continually improve our regional bases. The reason why we value these regional bases is that each region in Japan has a big economy. The Kansai region alone has an economy as large as that of many countries, a fact which is not known by many foreign companies, and the Kansai region is a very attractive market.

How are you going to expand business?

The sector we are focusing on in the Japanese market is comprehensive energy management. We can make contributions to many different areas in so-called "smart cities" such as public utility works, smart grid

management and methods for interconnecting data centers and so on. Also, we would like to utilize what we have experienced in Japan in our energy management business around the world.

How do you feel about the living environment in Japan?

Japan has a very high-quality living environment. There are many attractive places in the world, but living in Tokyo is a very unique experience. We have colleagues from many different countries and I think it seems they are all satisfied with their life in Japan, both singles and families.

(November 2014)

History of the company in Japan

- 1836 Schneider Electric SA established in France
- 1962 Liaison office opened in Japan

Schneider Electric Japan Inc.

- Establishment: April 1996
- Business: IT, solar power, smart buildings, energy, industry
- Parent company: Schneider Electric SA
- Address: (Head office) Shiba Park Building B-13F, 2-4-1, Shibakoen, Minato-ku, Tokyo
- URL: <http://www.schneider-electric.com/jp/>

Parts of this interview can be viewed on the 「CEO Voices in Japan」section of the Ministry of Economy, Trade and Industry website. [「CEO Voices in Japan」](#)