INNOVATION MANAGEMENT REFORMS

Since fiscal year 2017, OKI has been developing and introducing its new innovation management system (IMS) within the Group under the leadership of President Kamagami. Our intention here is to establish and entrench the IMS ahead of the adoption of the ISO 56002 international standard in June 2019.
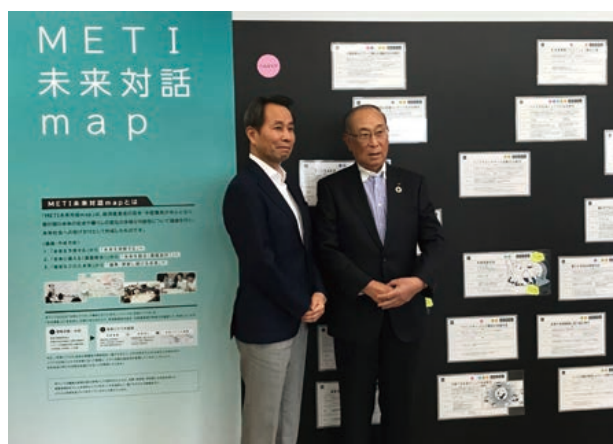
OKI Innovation Management System (Yume Pro)

The OKI Innovation Management System is named "Yume Pro" after its brand slogan, "Open up your dreams." To develop Yume* Pro, we established a project team in fiscal year 2017, and then conducted interviews with all executives and people who are or were once in charge of new businesses to identify the OKI Group's current status and issues to address. This process falls under Clause 4 of ISO 56002 "Context of Organization."

*"Yume" is a Japanese word meaning dream.

Structure of ISO 56002 (Innovation Management System)	
Clauses 0 to 3	Introduction, Scope, Normative references, Terms and definitions
Clause 4	Context of Organization
Clause 5	Leadership
Clause 6	Planning
Clause 7	Support
Clause 8	Operation
Clause 9	Performance evaluation
Clause 10	Improvement

Yamana, President and CEO of Konica Minolta (left) and Kawasaki, Chairman of OKI at the Innovation 100 Committee

These OKI-driven efforts are regarded as advanced even in Japan. Indeed, the Ministry of Economy, Trade and Industry (METI) introduced Yume Pro as an example of efforts by Japanese companies in its "Guidelines of Value Creation Management for Japanese Corporations," which is a set of guidelines published by METI in October 2019 for companies planning to adopt the ISO 56002 standard. Prior to this, in April 2019 Hideichi Kawasaki, Chairman of OKI, participated in METI's Innovation 100 Committee. At that forum, he, together with Shoei Yamana, President and CEO of Konica Minolta, Inc., expressed their expert opinions on such guidelines that were then under consideration.

Below is an overview of our Yume Pro initiatives in accordance with the ISO 56002 protocol.

Leadership and Vision of Top Management (Clause 5, ISO 56002)

Resolving social issues has been a pillar of the OKI Group's operations since its establishment in 1881. Similarly, our vision under Yume Pro is to help realize the Sustainable Development Goals (SDGs) set by the United Nations.

As pointed out in ISO 56002 as well, reforming our internal culture is key to promoting innovation activities.

With Yume Pro, our policy is to build an internal culture in which innovation is a daily activity, in addition to establishing a brand image as an innovation partner, over a five-year period from fiscal year 2018. This heralds a return to the "enterprising spirit" of our founder.

Planning, Support, and Innovation Creation Activities (Clauses 6-8, ISO 56002)

■ Organization and Planning (Clause 6, ISO 56002)

In fiscal year 2017, OKI formulated the aforementioned vision, as well as plans to realize strategies and policies based on that vision. To spearhead this initiative, in April 2018 we appointed a Chief Innovation Officer and set up the Innovation Promotion Division within the Corporate Infrastructure Group. In fiscal year 2019, we plan to build on the activities of fiscal year 2018, with a focus on three pillars: (1) New business creation, (2) Internal cultural reforms, and (3) Promotional activities as general over-view of innovation within the Group.

■ Support (Internal Cultural Reforms) (Clause 7, ISO 56002)

A distinguishing feature of Yume Pro is that it promotes innovation creation activities and internal cultural reforms as both sides of the same coin. As pointed out in ISO 56002, non-linear innovation activities are fundamentally different from normal business management, so conventional val-ues and business management practices and accepted idea tend to impede innovation. For this reason, we need to broaden recognition of innovation creation activities throughout the Group and establish a support system for those activities. Based on this concept, we established the "OKI Innovation Cram School" in fiscal year 2018 to spear-head innovation training and other initiatives.

In fiscal year 2018, 1,059 people participated in the innovation training, which first targeted executives then was expanded to cover division and section managers. We are also working to enhance our internal innovation education system. In addition to basic innovation training, for example, we have started innovation practice training and SDGs-related training.

In order to emphasize the need for Yume Pro, mean-while, President Kamagami engages in direct innovation dialogue with employees. In fiscal year 2018, he hosted an event for 20 times, with 232 employees participating in the dialogue. We are continuing this practice in fiscal year 2019. We are also proactively disseminating information via websites and the like to raise awareness both inside and outside the company.

■ Innovation Creation Activities (Yume Pro Process) (Clause 8, ISO 56002)

The Yume Pro process is our standard process for creating innovation. A distinguished feature of Yume Pro is that it is not an activity based on technology and products, but a social problem-solving and innovation creation activity that is mentioned in the SDGs. To achieve our goal of social issue resolution, we actively collaborate with co-creation partners who have key resources that the OKI Group can-not provide alone.

In April 2019, we held the "Yume Pro Challenge," an in-house ideas contest for creating innovation. The Grand Prize, Associate Grand Prize and Special Prizes were award to nine teams, who conducted hypothesis verifica-tion and business model development activities based on the Yume Pro process.

Yume Pro Challenge 2018 presentation ceremony (April 2019)

Performance Evaluation, Improvement (Clauses 9-10, ISO 56002)

We are making continuous improvements to the afore-mentioned activities. They include conducting evaluations based on pre-set KPIs and exchanging opinions with top management at regular reporting forums. We will work to further refine Yume Pro while continuing the PDCA cycle.

Based on a review of fiscal year 2018 initiatives, in fiscal year 2019 top management will host a "Yume Pro Forum" to further raise awareness and understand-ing about Yume Pro within the Group. In addition to launching the "Yume Hub System" to foster innovation evangelists in each division, we will also introduce idea visualization tools.