MIND PODCAST

Episode 2: India's Digital Support: The Harbinger of a Digital Revolution in Japan's Manufacturing Industry

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Host: Hello and welcome to the MIND PODCAST, a network where we drive inspiration from the information. This is your host Divya Krishnan. In this series, we will talk with MIND and industry experts to understand the latest trends and how it influences your organization's journey to becoming a truly next-gen enterprise. The Podcast starts now.

Guest: Hi I'm **Yash Bhatnagar, VP & Business Head – Japan & Far East, MothersonSumi INfotech and Designs Limited (MIND)**

In 2018, India's Prime Minister Narendra Modi on a two-day visit to Tokyo recounted the need for cooperation between India and Japan while reiterating that that the former's software can complement the latter's hardware to create wonders. With complementary strengths in the digital sphere, India and Japan are indeed well-positioned to find mutual value in new partnerships. The smart manufacturing solutions developed in India can add more value to Japan's hardware expertise and enhance its journey toward driving large scale innovation, digital transformation and globalization efforts.

With the COVID-19 outbreak, Japan's manufacturing industry revealed numerous structural and digital deficits. In May 2020, the nation's factory output index declined by 8 pc from April to 79.1 as activities started slowing down across the manufacturing sector including steel and auto. While the working methods fast adapted to the changing environment, the rate of digital adoption was considerably lower if compared to peer countries that leveraged digital or telework services to minimize human contact. The reason? – Poor information security measures, usability issues with IT tools for collaboration, lack of internet access and data sharing challenges.

To survive, thrive, and gain a competitive advantage in the new normal, Japanese manufacturing companies must now focus on ramping up their core technology infrastructure besides strengthening their hardware repository. The question that comes to my mind is whether Japan's leaders are willing and ready to embrace the move.

I believe, such paradigm shifts are fundamentally different from traditional IT investments and require profound changes in core business functions, models, and resource allocation. This can

prove to be an insurmountable feat considering that Japan's investments in the digital sphere have not grown since the past few decades which is further matched by their lack of in-house digital talent, higher than the average age of CEOs and their tenures, traditional organizational cultures and a poor start-up ecosystem. The cumulative effect of these roadblocks results in staggering losses and slows down progress.

In order to drive largescale digitalization initiatives, Japan needs to leverage the capabilities of an exponentially growing IT industry like that of India's to enhance and streamline their manufacturing operations. Reports suggest the Indian IT industry is expected to touch the 350 billion USD revenue mark in the next five years with an annual growth rate of 10%. This growth will be primarily underpinned by digital services which presently accounts for almost 30 percent of the industry's revenue.

From AI, machine learning, and big data analytics, to the Industrial Internet of Things (IIoT), 3-D printing, advanced robotics and virtual reality, the game-changing benefits of these modern technologies that have been developed and harnessed in the Indian marketplace also hold potential to streamline Japan's manufacturing industry.

My excitement is similar to that of most leaders when it comes to the technology-powered vision laid out for manufacturers and industries in both countries. In my opinion, Japan's digital transformation will prove to be most impactful once its companies begin to integrate India's technology into their operations to create not just digital operations, but a new model of manufacturing.

Though I think we still have a long way to go to achieve the vision, the implementation of Industry 4.0 in Japan can unarguably revolutionize manufacturing and distribution processes. It will offer the much-needed speed and scale, enabling organizations to make better decisions based on data allowing them to remain operationally resilient in the face of any unusual disruption.

While emerging technologies are powered to drive new levels of innovation, productivity, growth, and sustainability, their implementation scope is broader than simply digitizing the front and back office. It calls for a strategic reinvention of processes to better meet customer demands and expectations. To succeed, organizations must transform their core operations and create a vibrant digital backbone that connects every element of the value chain. I find it impossible for organizations to achieve this without the support of a leading change enabler.
We at MIND empower businesses by using the transformative capabilities of data and technology. With our solutions, services, and industry expertise, we can help organizations redefine products, quickly adapt to changing conditions, and build intelligent workflows, driving them closer to their Industry 4.0 goals. Regardless of where you are on your digital journey, we will partner with you to provide insights and consultative services backed by our futuristic technological support to make your business more resilient.

So those where my thoughts. Thanks.

Host: Thanks for listening to this episode. Please be sure to subscribe and share.