

German – Japanese Collaboration at Work

An example on mutual learning based on a decade-long exchange of excellence

By Jochen Legewie, Partner/Chairman Asia at Kekst CNC

Japan and Germany are the only highly developed countries, which still have a very strong manufacturing sector accounting for a GDP ratio of 21% and 20% respectively. The industrial structure is very similar with the automotive industry being the largest part of manufacturing in both countries

This global dominance of the automotive industry by Japanese and German players is however increasingly challenged by new competitors from the U.S., and China. Digitization and the introduction of IoT are having a huge impact on how products are developed, designed and manufactured. This has been often summarized as “fourth industrial revolution”. In the automotive industry, the very concept of mobility as well as the technology of its products is undergoing radical changes towards CASE: connected, autonomous, shared, electric.

Back in 2019, I suggested how to address this challenge on the macro-level by combining the Tokyo Motor Show (TMS) and Frankfurt Motor Show (IAA) into a new global mobility event.

In this article, I'm going to discuss this challenge on the micro-level. I will show a concrete example how Japanese-German industrial cooperation can help a Japanese automotive supplier during these times of change.

I am referring to the automotive supplier Keihin Seimitsu Kogyo Co., Ltd. (KSK) whose CEO, Mr. Komaba, is a good acquaintance of myself. KSK is a 500 employee 'owner company' with three production sites in Japan focusing on the production of aluminium diecast components. KSK has a very good reputation for their KAIZEN skills and innovative production technologies. Actually, KSK regularly welcomes visitors from abroad incl. Germany who want to learn about these specific strengths.

20 years ago, KSK was approached by fischer group of Germany, a major supplier for the construction industry, which was highly interested in KAIZEN. fischer is famous in Germany for its plugs, a product that its founder had invented. fischer group has more than 5,000 employees with subsidiaries in 35 countries.

fischer group wanted to learn more about KAIZEN and how to turn itself into a learning organization such as KSK forever improving processes, technologies and products. fischer itself is also an automotive supplier but as there was no conflict of interest between KSK and fischer, both firms started an exchange.

Since then, the companies have established regular visits to each other, and the best KAIZEN activities are shared among the partner companies. Experts have been dispatched to help with specific technical problems. Managers have been provided insight into the procedure for instance in the production preparation process.

In the beginning, the exchange centered on KAIZEN. But with the advance of the fourth industrial revolution this has changed and increasingly includes various aspects of digitization.

fischer group is very advanced in this area of “Industry 4.0” in Germany, and through the exchange with its German partner, KSK gets access to their experience.

In 2018, KSK opened its third domestic factory in Tochigi prefecture and did so benefitting a lot of its long-time exchange with fischer. Learnings from this exchange allowed KSK to reduce time, costs and complexity in the process of turning this new production site into 'smart factory' with robots, additive manufacturing, AI for data analysis and image recognition for quality control.

This example of KSK and fischer from Germany holds various lessons for many Japanese companies.

Stick to your original strengths, which was KAIZEN and MONOZUKURI in the case of KSK. This often can be very interesting for overseas partners and build the foundation for a mutually benefitting exchange.

Look for partners not only in your own industry and your country but also in related industries and overseas. You will have unexpected findings and learnings.

Collaboration is a must in the era of global competition. If Japanese companies embrace change and innovation, there is a good chance for them to stay competitive and even conquer new markets.

This article was first published in Japanese language in Nikkan Kogyo Shimbun on March 9 2020