

IT Requires Essential Changes for Company Management

Low-cost and high-speed, barrier-free information access

- Please talk about the key points of the Plant IT business you are now working on.

Nishi: The spread of information technology (IT), including the Internet, has brought our society to a new level, changing the framework of our daily lives as well as the framework of industry and business. The world of engineering is no exception. In recent years, factors like diminishing telecommunications costs have increased the customer's ability to gather information. It can even be said that the information gap, both in quality and quantity, that once existed between the client and manufacturer hardly exists today. Of course, the fundamentals of business as we know them, including conventional marketing techniques and distribution methods, must be reconsidered and reconstructed. Indeed, as clients become more and more armed with crucial information, the role of middlemen in business transactions is also facing changes.

Although the term of IT brings to mind technological issues, it is more important to consider the innovations IT brings to company management, not only for production and logistics but also for fundamental changes for finance and accounting. Companies today are expected to take on new business challenges based on three key points:

- 1) Open management for stockholders based on international business management standards;
 - 2) Implementation of partnership across business fields and national boundaries;
 - 3) Implementation of outsourcing to enhance competence in core business areas.
- At the same time, IT will become the essential tool for sharing information, both in quality and quantity, to ensure successful business management.

However, precisely because this is the age of IT, we must remember not to simply accept any and all information that we gather easily and with low cost, but rather we must



filter it (organize huge amounts of data using accumulated knowledge based on human experience) and sort it. In a sense, shouldn't IT solution businesses avoid depending solely on promoting improvements in efficiency, and instead be strengthening company competence by using the organic relationship between humans and the business system?

Sharing companywide information generates a completely new value-added service

- What are TEC's strong points for taking Plant IT business opportunities?

Nishi: Plant EPC business and system integration business share a common feature: the turnkey /lump-sum characteristic. In both fields, the development of an optimum workable system based on initial product specifications, while fully considering hardware performance and characteristics, would be a key success factor. The TEC advantages are: 1) Providing effective "team-formation know-how" to the client, resulting in the successful execution of each project; and 2) Providing global strength in terms of communications in English as well as a knowledge of local business customs. These two factors will prove to be TEC's key advantages also in the field of system integration.

In the actual operation of plant facilities, the need for computerization and system integration is rapidly increasing. TEC's leading business area provides a system that, first and foremost, promotes effective information sharing between company headquarters, vari-

ous industry partners, and factory floors, while providing a computerized maintenance system, operation management system, and even employee education system. The "e-Global PS" procurement service, which is the "P" part of our EPSource.com, started in March and has a unique e-commerce service that uses our alliance procurement network. EPSource.com, an engineering ASP (application service provider) site, gradually becomes rich in contents. I believe the distinguishing feature of TEC is its ability to provide the best IT solutions, including know-how from various fields related to its main EPC services.

Technological innovation is a given. Management innovation is a challenge.

- What are the common features as well as differences in the work process between plant engineering and IT system integration?

Nishi: In both the process of plant design and IT system integration, the request from the customer is first carefully reviewed, the actual scope of the work is then clearly determined, and, finally, the overall system is optimized and implemented accordingly. The difference shows up in business discussions, in which, at the plant level, are mainly centered on the technology itself. Whereas in the IT world, it is actually knowledge about company strategy and finances, including the theory of capital, that is indispensable. Of course, keeping up with rapidly advancing technological innovations is crucial, but I strongly feel that accumulating key knowledge and capturing the latest economic and business management trends are essential to success.



Yoichi Nishi

Yoichi Nishi joined TEC in 1978. He was originally involved in process design and design system integration for petrochemical/refinery fields. He then studied for his masters at Carnegie-Mellon University from 1991 to 1992, majoring in CAE (Computer Aided

Engineering), after which he was involved in developing design management systems. He has been the ASP team leader at the Plant IT Center since April 2000 and was promoted to group manager of Plant IT Center Business Development as of January 2001.