What is DX, Digital transformation !

19th October of the 3rd year of Reiwa era
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We have often heard and seen the word which has been popular recently, DX (Digital transformation). The purpose of DX is just not the digitizing of business, but a big innovation of management of business & organization, and corporate culture. You couldn't understand it unless you learn it without interest. Because I am afraid you have been busy, please refer to the below contents that I had arranged.

The DX means digital transformation. The reason why it is shortened as "DX" instead of "DT" is that in English-speaking countries, "trans" of transformation is abbreviated as "X" and is generally called "X-formation".

The reason why "Transformation" is written as "X-formation" is because of the origin of the word "Trans". The word is derived from the Latin word "trans" and it has the meanings of "change" or "exceed". The "trans" in this case has the same meaning of the word "cross".

"Cross", whose meaning is "crossing", is abbreviated as "X", and "trans", which has the same meaning, is now replaced by "X".

In September 2018 the DX report was released by the Ministry of Economy, Trade and Industry. In the report we should overcome "the cliff in 2025" in the IT system and develop DX seriously. In particular, it has made people know that the existing system (analog and partial IT support) that has become obsolete, complicated, and obscure(black-boxification), will be the barrier against

promoting DX into full swing. The Ministry has aimed to complete changing companies into digitalized ones by 2025 and are planning to promote DX systematically. This is why the Japanese government established the Digital Agency in September, 2021.

In the report, legacy system problem and the cliff in 2025 were pointed out. The legacy system problem means that the existing system has become obsolete, enlarged & complicated, and obscure(black-boxification). In the DX report the following survey results are shown.

The concept is used in the sense that the penetration of IT into society will transform a company's business model by utilizing digital technology and enhance its competitiveness so that they can fully survive in the new digital era.

Through the utilization of cutting-edge digital technologies such as AI and IoT, we would transform products, services, and business models based on the new needs even in the advanced future markets where digitization has been advancing. At the same time, we would transform the business itself, organizations, processes, and corporate culture & ethos, and establish a competitive superiority.

At Uchiya, we are going to determine our policy for DX urgently and make a concrete introduction plan. DX is not IT itself. It is the transformation of products & service, business model & organization, furthermore society itself that we have aimed. IT is just the means for it.

I would like to explain about DX from the step-by-step flow of IT. Digitization means partial digitalization such as introducing digital tools to improve the efficiency of some processes and it can be said that it is just the first stage of digitization. For example, CRM (Customer Relationship Management System) tools are introduced to manage customer data. RPA (Robotic Process Automation) automates the work performed by humans and transforms traditional businesses and organizations to create a new added value.

Digitization means that a company should respond to drastic changes in the business environment and automate routine works between customers and companies on computers by making the most of data and digital technology. It is just the digitization.

Digitization is not a local approach like digitization, but an approach to digitize the entire process from a long-term perspective.

On the other hand, digital transformation is thought to go beyond that framework and to transform all the aspects of society. Moreover, it means "digital disruption" which would cause drastic innovation by digital technology.
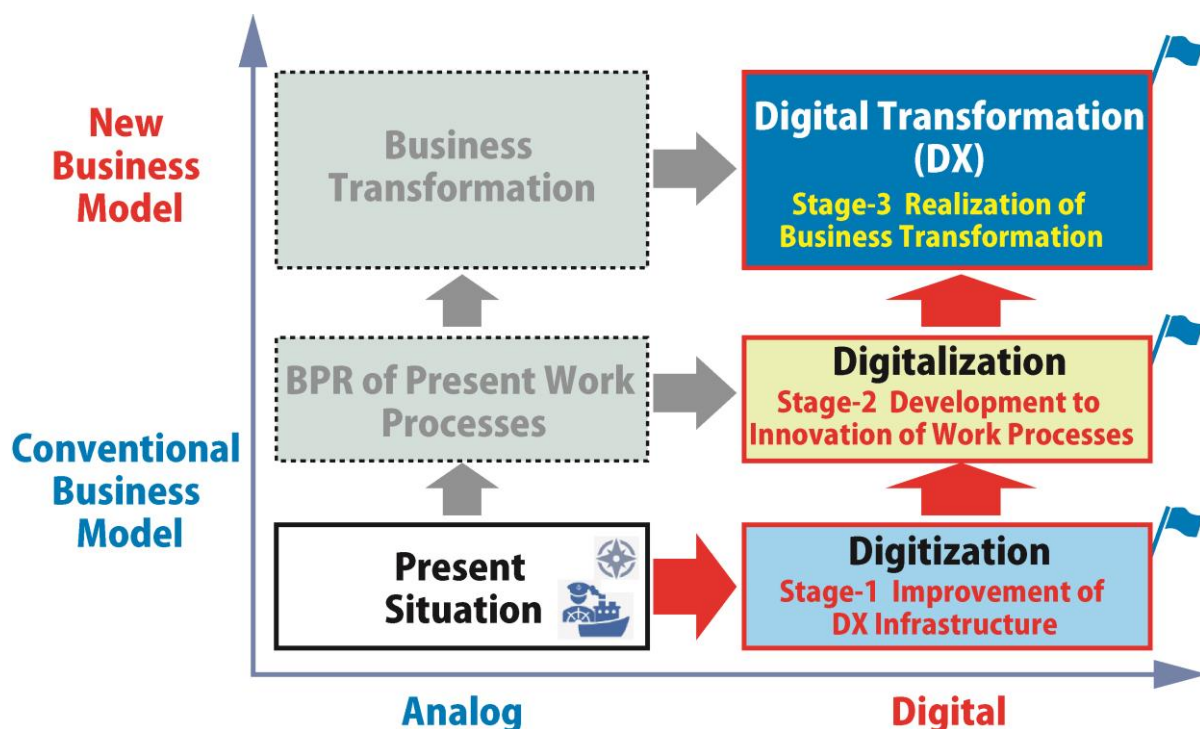
The basics of DX begin with sorting out all of the issues of your company and introducing & taking advantage of the best digital tools as solutions. Marketing Sales Chatbot, big data analysis by AI of various collected data CRM (Customer Relationship Management System), could provide customer support for 24 hours & 365 days. The introduction of the production management system ERP (Enterprise Resources Planning) is a development of MRP (Material Resource Planning) as a method for general corporate management. It is said that the idea of effectively utilizing resources without waste and improving production efficiency is applied to improve management efficiency. Recently, ERP has been widely adopted by companies in various industries and types of business as a system playing a central role in business management. Then companies could appropriately distribute and effectively utilize the resource elements (people, goods, money, information), which are the basis of corporate management, by making internal & external meetings and daily operations on-lined and cloud-based. Based on new digital technologies such as cloud, AI, IoT, 5G, mobile that have supported DX, so many companies have been trying to newly enter the market in every industry. Especially in Europe and the United States, we could find that many digital native companies have overturned the traditional market structure with different business models. In order to maintain, strengthen and expand the competitiveness of our products and servi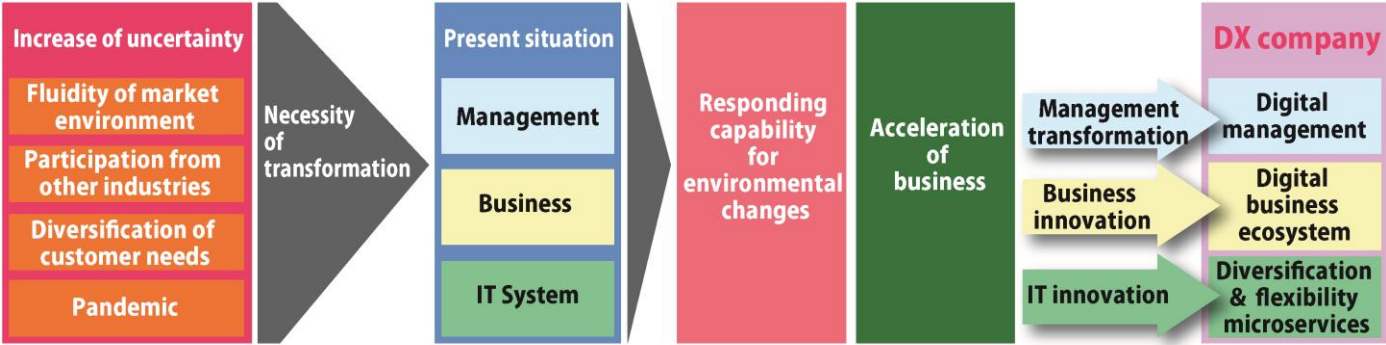ces, the introduction of digital technology is inevitable. Therefore, we can say that dealing with DX should be the urgent need for all of the companies

(1) Improving productivity : As an attempt to adopt DX in manufacturing products, for example, it makes production control easier and productivity improved to total up automatically the incidence of defective products at the manufacturing site, It is also DX.

On the other hand, we could automatically collect and classify the sales data & data concerning customer service, and by analyzing them through AI we could manufacture products meeting customer needs. It is another effect of DX.

(2) Improving work efficiency : DX also contributes significantly to improving sales efficiency. For example, we switch from the traditional individual approach of listing up business card information to web-based sales and making a communication flow according to the customer journey for each customer target. As a result, we can take an approach that meets customer's purchase timing, which leads to an increase of a contract rate.

(3) Continuous growth of company : DX is also very important from the perspective of BCP (Business Continuity Plan). DX required for business continuity causes the activity base of the company to be digitalized. Even in situations where expense processing and contracts with customers occur, it is important to create a foundation on a daily basis that enables business continuity.

By making full use of digital technology, we are going to transform our company to the DX one that can respond quickly to any changes.

Increase of uncertainty						DX company
Fluidity of market environment	Necessity of transformation	Present situation	Responding capability for environmental changes	Acceleration of business	Management transformation	Digital management
Participation from other industries		Management			Business innovation	Digital business ecosystem
Diversification of customer needs		Business			IT innovation	Diversification & flexibility microservices
Pandemic		IT System				

Management Philosophy

Management Objective:
"Providing Safety to Society through Products and Services."

Uchiya continually provides high quality products and services, including information, to all interested parties who interact with our company, including our employees. As a manufacturer of products designed to protect people's safety and are useful for society, Uchiya strives to provide safety, security, and continual happiness. Uchiya carries out our business activities to complement the natural environment (including human beings) and continue adding to the preservation of biodiversity.

Environment Quality Policy

1. We comply with the requirements of international safety standards, related laws, and regulations of each country – for products safety, consumer protection, fair transaction, environmental conservation, labor safety, and human rights protection. As part of our corporate social responsibility, Uchiya continually improves to meet the needs of change and requirements of society.

2. For the safety, security and continual happiness of all interested parties involved with Uchiya, we research, develop, and manufacture appropriate product solutions. To protect the natural environment, Uchiya continually improves our business processes in design, manufacturing, purchasing, quality assurance, and sales activities. Together with our employees and business partners, we aim to provide reliable products and services to the world.

3. Uchiya has established goals, and plans for environmental improvement, and we implement these initiatives across our company. We regularly review progress and continue to try our best to meet and improve our targets and objectives.

4. We actively promote reduction of the natural environmental load (such as CO_2), by regulating the use of hazardous chemical materials in our products and production processes, by saving resources & energy, and by recycling & reducing waste.

5. As a responsible corporate citizen, Uchiya and our employees have a strong awareness for conservation in the natural environment and in biodiversity. In our business activities, Uchiya supports the conservation of the natural environmental through communication and harmonization with people and society.

6. For all interested parties (including our employees) who interact with Uchiya, we actively promote the happiness and peace of all concerned. Uchiya makes our Management Philosophy, Management Objective and Environmental Quality Policy available to all interested parties through our in-house magazine, our website homepage and by use of other communication methods as they become available.

Revised: December 12, 2019

UCHIYA THERMOSTAT CO., LTD.
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