

# Turning Ubiquitous Networks into the Source of Value Emergence

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Nomura Research Institute (NRI), founded in 1965, has been creating brand new values, then providing them to society and to our clients, upholding our corporate philosophy of "Dream up the future." Our strength lies in capability to provide "Total Solutions," consisting of Consulting & Knowledge Services and Systems Solution Services. Our clients use the former one, which could also be called Navigation Services, to find their directions properly, based upon our insight into a new social paradigm, clarifying the clients' current and potential problems. The latter one combines the capabilities of system design, development and operations, in order to make the result of Navigation Services become a reality through use of IT. We are capable of integrating a variety of service components into optimized solutions, making best use of both our own human resources and technologies, in response to the needs of society, markets and our clients.

NRI advocated the concept of a "ubiquitous network" in 2000, which is at present widely used throughout Japan. The word "ubiquitous" was used in the U.S. for the first time in 1988, as the next-generation computer utilization in the phrase "ubiquitous computing." We foresaw that the Internet would gain a stable position as a social infrastructure, and acknowledged that an environment where "at anytime, from and to anywhere, everyone would be enabled to have access to networks" would become more significant in the near future. Thus, we have issued the concept of the "ubiquitous network" to society.

In Japan, a national ICT strategy, a five-year plan "e-Japan Strategy," completed in 2005. This plan resulted in the great success making Japan one of the world's most advanced ICT nations where "high-quality, high-speed Internet services are being offered at lowest prices." Under the "e-Japan Strategy-II" started from July 2003, goals were set forth at several leading fields, such as medical services, food, lifestyle, small- and medium-sized enterprises financing, knowledge, employment and labor and so on, to be improved by effective utilization of ICT and implementation of a "ubiquitous network" as the next-generation infrastructure. In response to the strategy, MIC developed an ICT vision and "u-Japan Policy Package," which upholds the "value emergence" with the purpose of making use of the ubiquitous network to address various issues such as crime-prevention systems, food safety, education, environmental preservation, which Japan currently faces, and sooner or later, many other countries would face.

In order to encourage the "value emergence" on ubiquitous networks, it is essential to establish an environment where users can take the initiative of their own, in solving problems from their own viewpoint. We recognize that various "networked communities" on the ubiquitous network society will play a key role. For corporations, new sources of the "value emergence" could be i) a "user community," where external users or consumers evaluate services and products under their own names, and exchange opinions thereon, and ii) an "employee community," which collects, stores and utilizes soft assets internally. In addition, innovations could be expected upon delivery of the over-the-counter (OTC) customer service,

so far provided in an artistic manner, through the use of the ubiquitous network. For instance, since tax consultations require a high degree of expertise, it is difficult to offer them at each branch office. However, if a salesperson could handle customer questions at a branch office, by accessing a tax accountant at a remote area through the ubiquitous network, where a multimedia environment is also provided, unprecedented and sophisticated collaboration services would be realized in an "OTC community." With respect to the fields of education and medicine, it is anticipated that highly value-added and low-cost services will emerge in each community, as well.

"Confidence" is a key to create a community from where new values spring. Corporations must build sufficient trust between their stakeholders, in order for consumers to speak responsible opinions under their own names, for clients to disclose their assets and for employees to post their own know-how on networks. Corporations shall recognize CSR, personal information protection and security, earlier regarded as symptomatic treatment, be instruments for winning creditability in the ubiquitous network society.

NRI has been proposing policies and providing our clients with consultation services through active engagement in national projects, such as the "e-Japan Strategy" and the "u-Japan Policy Package." Furthermore, from September 2005, we started a corporate-wide campaign project called "Proposing Japan's Future — toward 2010." Under this campaign, by concentrating NRI's expertise and views, we have been implementing studies as well as surveys on value creation toward the future. We will release a series of results derived from those research activities targeting various industries, ranging over finance, distribution, manufacturing and announce our proposals of the way Japanese industry and society are supposed to be.

On the other hand, in order to offer a specific environment for new applications on the ubiquitous network, it is vital to appropriately integrate innovative and diversified technological elements into solutions. For example, IC tags (RFID tags), one of such technological elements, are expected to create new values through information exchanges between "objects." In order to create effective supply-chain management (SCM) never seen before in the distribution industry, NRI has been carrying out studies on RFID middleware and promoting verification experiments on an industry-wide common database that will become an infrastructure for the industry, jointly with relevant ministries, in addition to user groups, in Japan.

The ubiquitous network society is a kind of a paradigm shift originated and prevailed from Japan to the world. Japan, as a leading country in many technologies, is obliged to resolve various problems from both aspects of technology and society ahead of the world, and thereby open a path to the brighter future. We will seriously acknowledge expectations to NRI, develop "value emergence" through making the best use of "navigation & solution" capability, and fulfill our social mission.

