

# **OMRON's Long - Term Strategy: Value Generation 2020 (VG2020) - 10 years strategy with future trend**

**Thorsten Schlüter**  
**Area Sales Manager at Omron Electronics GmbH**  
**Elisabeth-Selbert-Strasse 17, D-40764 Langenfeld, Germany**  
**thorsten.schlueter@eu.omron.com**

## ***Forword***

This year, Omron celebrates its 80th anniversary. This event marks a new start for us as we are now taking on the challenge of applying our automation know-how to new areas such as environmental technology, social infrastructure and improving the quality of people's lives.

The following slides inform you about the long term strategy of Omron. To allow us to reach the set targets we focus on two perspectives: The GLOBE Stage and the EARTH Stage.

In addition to working with our partners and customers to explore new possibilities and bring form to ideas, we hold a strong desire to help each partner and customer "innovate their product creation." This is our identity and our promise to them.

In July 2011, Omron announced Value Generation 2020, its new long-term strategy. To become a truly global enterprise underpinned by robust growth, the new strategy aims at the following goals:

- strengthen the industrial automation business with emphasis on the automation business;
- aggressively develop business in emerging markets, particularly in Asia;
- concentrate on environmental businesses, particularly energy conservation and generation;
- enhance Omron's product mix, and reform its profit structure by reducing variable costs; and
- accelerate the globalization of human resources and reform Omron's corporate culture.

The name "Value Generation 2020" reflects our commitment to achieving growth by generating value for all of our stakeholders.

## **The VG2020 Scenario**

We have divided the decade from 2011 to 2020 into two separate stages reflecting the two perspectives: the GLOBE Stage and the EARTH Stage.

### ***The "Globe Perspective"***

We will use this perspective as we pursue global growth opportunities for our existing business fields. Population growth, and grow-ing middle and higher socioeconomic groups are expected to bring about economic growth to emerging markets. Since the expected growth of consumption in emerging markets will increase demand for the global manufac-turing industry, the markets of our industrial automation-related business fields (factory automation devices and electronic compo-nents) are expected to expand. In addition to providing value to our stakeholders through our industrial automation-related business fields, we will also strive to do so with our consumer-goods-based healthcare business.

The GLOBE Stage covers the three years from FY2011 through FY2013 and during this stage we will build a global earnings structure, pursue growth in the global market, and create a foundation that will allow us to reach the VG2020 target of sales revenue exceeding one trillion yen.

### ***The "Earth Perspective"***

We will use this perspective as we attempt to meet social needs relating to the sustainability of our planet. More specifically, we will strive to meet growing worldwide needs relating to global warming, resource depletion, and energy issues and also work to enhance the environmental responsibility of our own business activities.

The EARTH Stage will cover the seven years from FY2014 through FY2020. We will build on what we achieve during the GLOBE Stage and work on creating new business fields that will generate new value for the Earth.

### **Achieving long-term growth will help us to achieve our VG2020 goals.**

In order to bring next-generation technology to European customers, Hiroyuki Usui, Chief Executive Office of Omron Europe, said that he wants to shape the Omron Europe organi-sation in such a way that European customers can benefit from the undoubted leadership and proven infrastructure that Omron has in Asian countries such as China, India and Ja-pan. Machine builders who have Asia as their strategic route for growth, can benefit from Omron's decades of experience, know-how and our deep understanding of the culture.

"These are exciting and challenging times. Omron is in good shape, and we are now leaner and keener than ever before. We are here to build on these solid foundations as a world-leader and global pace-setter for automation and control."

### **Strengthening existing business**

We will be focusing on our existing core business field of industrial automation in order to achieve growth and high earning power.

By reinforcing our industrial automation business during the "GLOBE Stage" and "EARTH Stage," we aim to increase our market share in developed nations and use this strength to expand in emerging markets.

### **Business expansion in emerging markets**

We will aim to achieve growth as quickly as possible by expanding our business in emerging markets - the explosive growth of which is now driving the global economy.

During the "GLOBE Stage" we will focus on China, where factory automation needs are expanding. We will also strengthen our industrial automation, healthcare and automotive electronics business fields in Asia and South America.

During the "EARTH Stage" we will continue expanding business in Asia but we will also have to achieve further growth by moving into emerging markets in other areas.

### **Creating, fostering and reinforcing new business**

At OMRON, we refer to the trend from the pursuit of economic efficiency, business efficiency and productivity to the pursuit of environmental considerations and mental / spiritual wealth as the "Optimization Society."

We will identify the emerging needs of the Optimization Society relating to security, safety, health and the environment; and create new business to respond to these needs in order to achieve long-term growth. During the "GLOBE Stage," we will expand and reinforce environment-related business fields, fields which are experiencing strong growth in demand.

During the "EARTH Stage," we will further focus environment-related business and simultaneously focus on new business relating to fields such as societal infrastructure and health to respond to the needs of "Optimization Society."

Over the next ten years, OMRON will accelerate business growth with the "Globe" and "Earth" perspectives and provide customers around the world new value. We will take on the challenge of achieving robust global growth.

## Next Generation Technology called SYS-MAC

It is one year ago that Omron launched the SYSMAC platform globally to the market. A fully integrated platform under the simple concept of One controller, One connection and One software. Parallel with the SYSMAC development we refocused our business aiming to provide our customers the best support. Our application engineers and partner companies are constantly improving their knowledge with intensive training on new technologies, products and applications. Omron Europe now has more than 700 field and sales engineers in 19 countries to add value to machine builders in terms of advanced and integrated machine control.



## Future trend „Motion meets Vision“

One of the Core-Ideas of Omron’s new Automation Platform Sysmac is integration. Integration in several meanings!

It is integrating

- all steps of designing,
- creating and running a system,
- beginning for hardware configuration,
- programming the functionality,
- providing a simulator for the controller and 3D motion and
- supporting the setup process and giv-ing various maintenance tools.

May be more important, than these design re-lated integration, is the integration of all the disciplines of Automation. The SYSMAC Platform combines Control, Motion, Vision, Safety and HMI parts of Machines. All these areas are using the same Network, the same Variables and as the same Development Environment, called Sysmac Studio.

From the technology point of view, the most interesting topic is the integration of Motion and Vision in one solution. That leads from separated, independent devices in conventional solutions to guided motion in modern applications. Vision and Motion have to be on one common Controller. So it's like the eyes and the arms of human beings... a natural combination.

The Omron NJ-Controller can run up to 8 del-ta robots in 2ms cycle time. All the position data are coming from the Omron Vision Sensor FQM that detects goods even on a moving conveyor. If there are several moving pieces in the cameras field of view, the sensor detects every piece only once.

The SYSMAC Automation Platform delivers everything to install a modern machine on it.

### **Omron is future proof through the support of the Automation Center Europe**

The key tasks of the Automation centers is to provide the best technical and application support for the SYSMAC platform and all the devices (software and hardware) related to it. The field of expertise of the ATC includes networking, software, safety, advanced motion control, robotics and CNC.

#### **Automation Center: a global network of competence centers**

Omron's commitment to the machine builders goes beyond product and technology, it also embraces advanced technical and application support. All four global automation centers are coordinated by the Automation Division located in the headquarter in Japan. They work close together with our partner companies in the South East Europe, like Miel in Slovenia.

#### **The current Automation Centers in the world:**

ATC-Japan opened in August 2011.

ATC-China opened in June 2011.

ATC-USA opened in April 2012.

ATC-Europe opened in November 2012.

#### **Barcelona: the logical host place for the Automation Center Europe**

Omron Europe has its Motion Application Center in Barcelona since 1999. This center hosts more than 40 experts in software, hardware and application specialists. It is there where all the software and motion application libraries are developed. Therefore it was just a matter of continuity to have the ATC in

AIG'13

Barcelona. The ATC will represent a real competence where customers can see, test and have a real life experience of the most advanced technology.

We invite you to visit our partner in Slovenia!



## About OMRON

Headquartered in Kyoto, Japan, OMRON Corporation is a global leader in the field of automation. Established in 1933 and headed by President Yoshihito Yamada, OMRON has more than 36,000 employees in over 35 countries working to provide products and services to customers in a variety of fields including:

- Industrial Automation Business.

Systems equipment and advanced networking technology supporting automated production in manufacturing sites all over the world

- Electronic Components Business.

Electronic components used in house-hold appliances, mobile devices, and information equipment

- Automotive Electronics Business.

Electronic components built into vehicles, providing safety, security and comfort for drivers

- Social Systems Business.

Automatic fare collection systems used in financial and public transportation fields

- Healthcare Business.

Blood pressure monitors and other healthcare and fitness products

The company has regional head offices in Singapore (Asia Pacific), Shanghai (Greater China), Amsterdam (Europe, Africa and the Middle East), Chicago (USA) and Gurgaon (India).