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Architect of Transformation

Ajinomoto Co., Inc, a leading food products manufacturer in Japan has partnered with Dentsu Group to realize its vision of group-wide transformation.

Mr. Nishii, President & CEO of the Ajinomoto Group, has committed to transforming the Group into “a solution-providing group of companies for food and health issues by 2030,” spearheaded a number of reforms, and launched the “Business Model Transformation Task Force.”

Dentsu Group was selected as a partner of the Task Force. Shingo Yamahara, General Manager of Dentsu Business Design Square, who leads the Dentsu Group team discusses the Ajinomoto Group’s themes of transformation, collaboration with business partners, and future visions with Mr. Nishii.

Important Themes of Transformation

Yamahara: Your commitment to transformation has been impressive and the Task Force has devised a variety of measures to support it. What are the important themes of transformation?

Mr. Nishii: There are two important themes to provide solutions for food and health issues whilst contributing to the wellness of one billion people.

The first involves “personalized nutrition.” To help solve individual health issues in the future, it will be essential to provide solutions tailored to the lifestyles of individual consumers.

The second challenge concerns “food resources.” In the future, the currently available sources of protein may not be sustainable, while supplies of food may be adversely affected as water resources risk becoming increasingly depleted. In addition, there are issues surrounding food loss and waste, both of which must be reduced by 50% to realize a sustainable society. We recognize that solutions will not come from our expertise alone.

Never Forget the “Picture of the Future”

Yamahara: I often hear you talk about ventures in connection with the venture capital arm set up by Ajinomoto. Do you believe that instilling a venture spirit is required to deliver transformation?

Mr. Nishii: Yes. Ventures are one important component of our transformation. A venture spirit is indispensable for creating new businesses and generating new value beyond the boundaries of our existing businesses.

We also cannot ignore the power of digital communication to deliver new value to consumers and society. To achieve our goal to change our architecture, I believe we need to have the venture spirit and collaborate with similar-minded firms.

For example, in the area of personalized nutrition, we already have competitive solutions around food—however,

that is not enough to create new value.

To drive innovation, we must partner with innovators who explore ways to capture and convey data about people’s health, or with companies that have expertise to create solutions based on the visualized data.

Yamahara: New value can be created by joining forces with people and companies in different business fields. Promoting such collaboration could be a driving force for your business vision.

Mr. Nishii: If innovations happened in cooking methods and ideas for preparing food and menu items were produced by artificial intelligence, the human input would need to be reimagined. Likewise, if innovations were to arise in systems for delivering items to customers, we would need to develop products that could be easily transported by those systems. Through collaboration with partners who welcome new challenges, I believe new business fields can be created.

When creating a new business or a new business model, it is important to look 10 years into the future. So, for example, the food we are focused on now, such as plant-based proteins and meat substitutes, may be replaced by yet other new food items within the next decade. Therefore, when considering innovation, we should never forget the “Picture of the Future.”

Yamahara: You have an increasingly broader vision for the future. However, if the scope of the activities becomes too wide, human resources and assets may need to become more concentrated?

Mr. Nishii: I am aware we will need to make choices as we expand our business. Ideally, we want to continuously replace 10% of our sales with new businesses. As a leader, however, I also hope to choose businesses that not only contribute to financial results, but also benefit ever greater numbers of people.