



**On April 1, 2009, Sony's transformation into a more innovative, integrated and agile entity began with the reorganization of its core businesses. Here, two key members of Sony's leadership team discuss the Company's "uniquely Sony" approach to CSR from a business perspective.**

What we mean by a "uniquely Sony" approach to CSR

**Hirai:** I think it has a lot to do with the Company's image, but Sony employees everywhere believe that the world expects something a little different, something "uniquely Sony," from them: a certain sophistication, perhaps, or a certain finesse. Everyone expects us to be driven by the need to discover something new. We must have a broad outlook, a nimbleness, a truly global character. All of these are aspects of Sony's identity that we share and that we must continue to cherish and protect.

**Yoshioka:** I agree. I actually went around once and asked a number of different people what the phrase "uniquely Sony" meant to them. Everyone gave a different answer—our ability to

propose new lifestyles; our technological prowess; the fact that we do things that nobody else does; our global nature. When I was younger, Sony co-founder Masaru Ibuka once said to me, "Sony is a company that has the freedom to do anything it sets its mind to. The important thing is to avoid trying to pigeonhole it." I remember that even now. I've concluded that "uniquely Sony" is not defined by one particular concept or thing, nor should it be. Diversity in our thinking is what gives Sony its dynamic edge, and each of us should encourage and be proud of that.

**Hirai:** I like that way of looking at it.

**Yoshioka:** As you've said, though, there are certain aspects of Sony's identity that we all share and must continue to share. Sony's global character, for one. I previously served on the management team at Sony Ericsson in Sweden, and it was an experience that reminded me of how important it is to experience challenges in a foreign setting. Cultivating strengths that will have currency no matter what country or organization one is in is something each of us needs to work

at day in and day out.

**Hirai:** I agree completely. I often tell young employees that they must be responsible for managing their own careers. Understanding this helps them to maximize their abilities. The role of the Company is to support everyone in these endeavors by providing training and a variety of systems designed to improve their skills.

**Yoshioka:** What is also really important is for employees to actively seek out and address challenges. Young people in particular must not be afraid of taking on the unknown. One thing that really surprised me in Sweden was how adaptable people were. We'd have engineers suddenly finding themselves transferred into the procurement department, or people from the procurement department being sent to the product planning section. These are completely different functions requiring radically different skill sets, right? The idea was that through these experiences, each individual can add depth to the greater whole. This is something important to remember, I think.

**Hirai:** I was in the United States for a fairly long period of time, and something that always impressed me about employees there was their enthusiasm for participating in community service activities. For example, when I personally decided to support a particular charity event and casually asked whether anyone was interested in joining me, a few dozen employees immediately volunteered, and we all had a great time at the event. I always remind everyone that we are members of society first and employees of Sony second, so in addition to contributing to society through our work, it is important for us to take part in at least one activity outside of the workplace that benefits everyone. I think a lot of Sony folks understand this and do their part to make a difference.

**Yoshioka:** How do you see your role as someone who has been charged with leading such employees?

**Hirai:** Drawing from my experiences in the music business, I see my role as being somewhat like an artist's producer. A music producer is responsible for providing an environment in which the artist can fully focus on the creative process without any distractions. In the same way, I believe that management's job

is to provide a safe, nurturing environment where everyone can be happy and where they can fully devote themselves to their roles without worry.

### Emphasis on Quality

**Yoshioka:** I have always placed a high priority on management transparency. My awareness of this was further reinforced after I became president of Sony Ericsson Japan in 2001. A select group of individuals shouldn't be deciding things behind closed doors. Rather, we should be making decisions openly and as a team. We must always be fair and disclose information to the best of our ability. Management processes at Sony are not undertaken by a privileged group of people of one nationality or similar work backgrounds. Individuals of various backgrounds are always involved. Respecting diversity ensures a fair and transparent decision-making process.

**Hirai:** I have made it a habit to consciously take a brief moment before finalizing any important decision. Whether on my own or in a meeting, right before I make a decision, I go through a mental checklist and ask myself, "How will this decision work from a compliance perspective?" "How about in terms of tax laws?" "What about social considerations?" If I am uncomfortable for any reason, I get an expert in legal affairs or whatever department is appropriate to look it over. In creative areas like the Game business, for example, it is particularly important not to limit one's focus to the purely creative aspects, but also to take other perspectives into account.

**Yoshioka:** So you agree that management decision making requires a broad outlook?

**Hirai:** It is the same in manufacturing. Providing world-class products is of the utmost importance, but I believe that there is more to quality than that. If, for instance, one of our products unfortunately breaks or malfunctions, how we respond is also a crucial aspect of quality. Having systems in place that enable us to respond courteously and effectively and provide prompt repairs will determine how our customers evaluate our quality. I believe in, and speak often about, the importance of the user experience in products and services—how we respond in this type of situation is a big part of overall customer satisfaction.

## Enhancing Usability and Lifestyles

**Yoshioka:** We've reached a time where we need to completely revamp the way we think about our products. More and more products today are network-compatible. While people in their teens, 20s and 30s are proficient with such products and networks, the same cannot be said for the older generation. Faced with a rapidly aging society, we must completely and carefully reexamine our views on what makes a product easy to use. More than ever before, we need to rethink what really constitutes accessibility.

**Hirai:** Sony has always endeavored to offer hardware and interfaces that are easy-to-use for everyone, but we now need to take that one step further. For example, we need to think about making products that everyone can use without having to go through a user's manual or a lot of explanation. The other side of the coin is to develop more products with features that can be updated by downloading information via the Internet. We have already begun addressing some of these challenges, as evidenced by the Walkman® X Series.



**Hiroshi Yoshioka**  
Executive Deputy President  
President of Consumer Products & Devices Group (CPDG)  
Sony Corporation

Joined Sony Corporation, transferred to Sony Ericsson Mobile Communications AB where he held the position of Corporate Vice President, returned to Sony Corporation where he served as President of the Audio Business Group and President of the TV Business Group, and currently serves in the two capacities listed above

**Yoshioka:** Such concerns are one reason behind the decision to reorganize electronics into “Personal” and “Home” categories. In the “Home” category, we need to focus more on making products easier to use. There is still a lot of room to improve our performance on this count.

**Hirai:** The same is true in the “Personal” category. There is still a lot more we can do. Network services, for example, represent an area with huge potential. When we talk about download services, some people are still worried because they think it means the end of packaged media. But that is not true at all. There are still many, many people who buy CDs, DVDs and Blu-ray Discs. What is most important is that we offer consumers different purchasing options. Download services are also environmentally conscious in that they do not involve the manufacturing or transport of products. Sony has a wealth of outstanding technologies. I think tremendous potential still exists for putting these technologies to work to benefit society.

**Yoshioka:** I agree. Providing Sony products that enrich people's lives is our most important contribution to society. Having customers tell us that our products have brought them joy, helped them to relax, made them feel spiritually and emotionally rich is the very essence of what will define Sony in the future. Not too long ago, simply having things was enough. Today, consumers are looking for products that increase enjoyment of their limited free time or enhance communication with family and friends. We need to determine what kinds of products will help people realize that feeling. This is the challenge currently facing Sony. The old approach of simply making products smaller and lighter is no longer enough. Our engineers must think outside the box. Rather than simply looking for ways to apply the technologies currently available to them, they must take advantage of every opportunity to gain direct feedback from customers.

**Hirai:** We also recognize that we must explore potential new applications for network services. At present, the business focuses on content, notably games, music and movies. Looking ahead, we will enhance these services to facilitate a broad array of new possibilities, including online communities and enhanced communication, among others.

## Realizing Sustainable Development through Technologies and Products

**Yoshioka:** An important keyword in this new era is surely going to be “environment.”

**Hirai:** Each new model of “VAIO” and PlayStation® uses less power than its predecessor; also, the reduction of the physical size of our products has played an important role in our efforts to respond to environmental issues. The current PlayStation®2 (PS2), for example, uses 30% less power than the first-generation PS2; it is also less than 1/4 of the size. The smaller a product, the fewer resources it uses, the less packaging it requires and the more efficiently it can be shipped to our markets around the world. It is important to remember that even small changes will have a positive follow-on effect.

**Yoshioka:** Sony has always been noted for the high level of environmental awareness of its employees. Making products smaller and lighter is something we have always been good at. Responding to environmental issues is a similar challenge. We are promoting ongoing efforts to reduce the power consumed by Sony televisions. Today, environmental concerns are part of the agenda right from the initial product planning meetings. The new BRAVIA™ series, equipped with an automatic on/off motion sensor, has attracted considerable attention, and is just one example of the benefits of this approach. Another recent development that has earned praise is our new mercury-free alkaline button battery.

**Hirai:** Environmental issues will continue to be a major factor influencing product selection by our consumers. Looking ahead, it is crucial for us to ensure that users identify “uniquely Sony” products and services as being environmentally conscious—that is, those produced by a manufacturer that works continuously and actively to address environmental concerns.

**Yoshioka:** I agree. We need to show even more initiative in helping to address environmental issues. In the United States, for example, new environmental venture businesses are appearing every day, underscoring the ability of people there to discover new and innovative applications for technologies that reduce environmental impact and enhance energy management



**Kazuo Hirai**  
Executive Vice President  
President of Networked Products & Services Group (NPSG)  
Sony Corporation  
President & Group CEO of Sony Computer Entertainment Inc.

Joined CBS Sony Inc. (currently Sony Music Entertainment Inc.), transferred to Sony Computer Entertainment America Inc. where he served as President & CEO, and currently serves in the three capacities listed above

practices. Rather than limiting our focus to making our existing products more environmentally conscious, we need to look at what products and technologies we can offer society that will help reduce our collective environmental impact.

**Hirai:** The resources of the Earth are finite. We are at a point where we need to think hard and make difficult choices to protect our planet. Sony needs to play a leading role in helping to realize a viable, sustainable ecosystem, not because we are being asked or are required by law, but simply because it is the right thing to do. We need to be a leading company in the fight to preserve the global environment.