The International Journal of Ethical Leadership

Volume 1 Article 17

2012

Ethical Leadership: Driving Force for Business Ethics

Hiroyuki Fujita

Ethical Leadership

Driving Force for Business Excellence

Hiroyuki Fujita
Founder, President and Chief Executive Officer,
Quality Electrodynamics (QED) and *e*QED[1]

My account begins in 1987, when I was an engineering student at Waseda University in Tokyo, Japan. One summer I had an opportunity to attend the University of California at San Diego (UCSD) to enroll in an intensive English program. Throughout my childhood years and into my time at Waseda, I was a strong and competitive student but only saw the world from the perspective of my Japanese world. Upon immersing myself into campus life at UCSD, I had culture shock. As many say, America is the land of opportunities, and yes, I met many students at UCSD who were majoring in more than one field of study, which was not possible to do in Japan. Here in America, it is completely up to each of us to decide what we want to do, who we want to be, and how we shape our lifetime career. I already sensed that "sky is the limit" attitude back then.

As an undergraduate engineering student at Waseda University, I was eager to learn and do many different things, from science to engineering to diplomacy to politics, and I struggled within a protocol in my own country in which one does not deviate from a path that has been defined by society. What I saw at UCSD was an eye-opener: everybody was doing something different and unique to their own interests. As I was leaving UCSD for Japan at the end of the summer program, I told myself that I would return to America to establish myself and develop my career because I could shape my own path here. I returned one year later to attend Monmouth College in Illinois to complete my undergraduate degree in physics and mathematics. I went on to pursue my PhD in physics at Case Western Reserve University (CWRU) in Cleveland, Ohio, receiving my doctorate degree in 1998.

1. The Quality Electrodynamics (QED) companies research, develop, design, and manufacture highly complex electrical subsystems for technologies that substantively impact the quality of human life. QED serves the global medical imaging equipment industry, and *e*QED serves the clean energy industry.

Although I had some opportunities to stay focused on high-energy physics and develop my career as a physicist in that field, I was more interested in areas where physics, engineering, mathematics, chemistry, biology, and medicine converge. Magnetic resonance imaging (MRI) was truly perfect to satisfy my appetite: the technology and its applications require the physical principles of sophisticated engineering and mathematics of image reconstruction as well as the medicine of clinical applications. All of these come together to make an MRI work.

While I was finishing my PhD in 1997 I joined Picker International, a medical imaging equipment developer and manufacturer (later acquired by Philips Healthcare), as a staff scientist in the field of MRI radiofrequency (RF) coil research and development. A few years later, I was recruited to join USA Instruments (USAI), a startup company that specialized in RF coil development and manufacturing. While USAI was much smaller than Picker, I was able to do more because the company was an emerging venture that did not have the bureaucracy that larger companies would have. USAI became a big success as a leading developer and supplier of RF coils to all major original equipment manufacturers, such as GE Healthcare, Siemens Healthcare, Philips Healthcare, Toshiba Medical Systems, and Hitachi Medical.

At the end of 2001 GE Healthcare acquired USAI, and I remained with GE Healthcare. GE, one of the largest and most respected global companies in the world, was a very dynamic, fast-paced, diversified company; it provided me with the deep insight to appreciate how a large global company operates effectively in real time. In 2005 I was promoted to assume responsibility for all RF coil product development and deployment within GE Healthcare. Shortly after that I was given a very unique opportunity from my former PhD advisor at CWRU to return to the physics department to become director of imaging physics, which I accepted. This position was supported and funded by the State of Ohio. While there, I was able to spend time thinking of starting my own company based upon my philosophy that had been developed and shaped by connecting the dots in my life.

In 2006, in a small leased office in Mayfield Village, Ohio, I began a company called Quality Electrodynamics (QED), a medical device developer and manufacturer. The creation of the company was a result of many years of thinking about what I could do and what I will do with my life. The founding principles of QED were the result of taking the best of what I have seen during my academic experiences, my work for different companies, and my

life in different countries, and putting them all together. I was also thinking about who within my career had inspired me and could share my dream, and some of the best of these people were able to join me. While our team has accomplished a significant amount within the company's short life, we are collectively humble about the fact that what we have accomplished to date is just a part of what we ultimately can do. It is within this context that I offer some of the thoughts that now drive me and our business.

Many people reach adulthood, complete their education, and then go to work. They no doubt work for many reasons, but the most important one is for them to make a living. They may be inspired or excited by what they are being paid to do, or they may simply see what they are doing as tasks to be completed in order to earn their paycheck and live their lives. They may make the distinction that they "work to live." All of us know people who do this. The only issue is that our time on earth is finite, and our professional life occupies a significant percentage of the time that we have. As so many wise people have said before, we have to think about the question of what is most important to us versus how we actually spend our time on a daily, weekly, and annual basis. These things must converge or we are out of balance.

So what is the purpose of our life? While we have many different answers, we will not answer that we live simply because we want to breathe. We all know that breathing is absolutely necessary and essential to our life, but we live because we want to do something meaningful for our family/society/nation/world by our existence. I have met people who say they are leaving their current corporate jobs because they want to have more of an impact, do something more meaningful, or make more of a difference. Why do some view making a difference in society as a separate concept from building a business? It is not. Business is at the core of our society and provides the foundation for everything else.

Our first products for QED are products my team and I know well: technologies that enable diagnostic imaging equipment to make better, faster, more sophisticated images—that is, technologies that impact the quality of human life every day. Our technology can provide critical, early-stage cancer detection that may save the life of a parent, the life a child, the life of any human being that is vitally connected to the lives of others. As we think about expanding our business and developing new businesses, we know that we will focus on the design, development, and manufacturing of technologies that make a positive difference in the human condition. While the development

and sale of consumer commodity products may be profitable and of use to consumers, we seek to work in areas that have the ability to substantively impact a life.

Perhaps more important than the products, we are creating the lasting culture of belief in our corporate vision that influences how we interact with our colleagues, vendors, customers, and community as we go about our daily work. We spend a significant amount of our waking hours together working toward a common cause, and the culture within which we do our work is of critical importance. Culture is not something we can buy; it is a priceless value and asset to mankind that we must grow and foster. Whenever I have an opportunity, I share the belief I learned from Dr. Kazuo Inamori: "People have no higher calling than to serve the greatest good of humankind and society, and the future of humanity can be assured only through the balance of scientific progress and spiritual maturity." This is also the cornerstone of QED's operating philosophy.

I thought long and hard about core operating principles around which to build our company. They are summarized in the following:

Integrity. I have studied Dr. Inamori's philosophies for years. When I was eighteen, my father gave me a book that described Japanese business leaders, including Panasonic founder Konosuke Matsushita, Sony founders Masaru Ibuka and Akio Morita, and Honda founder Soichiro Honda. That book also included then-young Kazuo Inamori, who was described by the author as a promising future business leader with a profound ethical approach and philosophy to mankind as the basis of Kyocera's corporate culture. Perhaps the most important statement he has repeatedly made, and I have adopted, is the statement, "Do the right thing as a human being." This clear and simple phrase is the principle on which Dr. Inamori founded Kyocera Corporation, and it is now the driving principle for our business. Every task, every encounter, every team should operate with this thought in mind, and the principle enables one to make good decisions even at times without full knowledge or experience in how to make them. While businesses of course must execute legal agreements at times between vendors, customers, and others, our actions and how we relate to one another transcend the words on a document. We work hard to understand our customers and do the best we can for them in partnering for success.

Teamwork. At times, you can look at a youth soccer league and view the concept of teamwork in disarray. While the kids are being trained to become a team and the coaches are encouraging the concept of working together,

something different may be happening on the field. Although everybody is part of a team, perhaps there is one star player who is the most likely to score. Without direction, the kids begin to disproportionately pass to that one player, who then increases his/her goal-scoring capability. If the team wins, the parents of all of the kids congratulate their players and the message of how to win is reinforced. But what happens next? At some point, that high-scoring player is injured, moves, or is not well positioned on a particular play. The other players have not fully developed their capabilities, so the entire team is weak. Within QED, teamwork is essential. Every member of our team plays a critical function. Research and development cannot create important technologies without strong strategic support linking them to customer input, and without guidance from our manufacturing team on how to create technologies that can be scaled. While we may have great products to ship, they do not go anywhere without a reliable shipping department. Nothing functions without a strong finance department to make sure that we are appropriately invoicing for our products and paying our vendors and employees on a timely basis. We are all together, and if one of us is weak, we are collectively weak.

Simplicity. When we create advanced technologies, the complexity of those technologies and the enormity of developing them from start to finish could easily become overwhelming. But even the most complex technologies are composed of many much smaller, simpler pieces. To accomplish great things, we must be able to take one step at a time. Anything can be overwhelming when viewed in the context of complexity, but anything can be accomplished when viewed as a series of steps. I am a physicist, and physics has trained me to simplify a problem and focus on the essence and core of the problem. While we must have a vision for our future, we must stay focused on today, and do our best today for tomorrow. As we all know, tomorrow only comes after today. The world's leading mountaineers have conquered Mt. Everest, the tallest mountain in the world, by taking a first step.

Impact. The purpose of doing business cannot solely be to make money, although we must make money to enable ourselves to do something great and useful in our society. Pursuing just money and treating it as our primary goal in life will not bring overall success and happiness. A business has an obligation to be profitable, but the fact that we are profitable simply tells us that we are doing what we must do as a responsible social entity. We pay our employees, vendors, suppliers, great cause institutions, and civil duties such as taxes. After taking care of all expenses from the revenue, our profit remains.

So a company with a positive profit is doing its job, and the company then uses the profit to grow the business by investing in research and development, buying new equipment, or expanding human resources to make a greater difference in the world. Thus, if you do business, you must make a positive profit or you are failing the business. However, to pursue money as the primary focus is ultimately empty, does not drive lasting business results, and encourages short-term decision making.

Clarity. In some ways, we may look at this concept as tied to the concept of simplicity, but the concept of clarity is important enough to stand on its own. The concept of multitasking in today's society has been carried to extremes. Simultaneously we email, talk on our phones, and think about several projects at once. It is my belief that less is accomplished in that type of environment, as one cannot focus on excellence in one area. From my perspective, clutter in a room or on a desk is indicative of a disorganized mind. I like to see focus on one step at a time—and just that step. And in an environment that enables you to only think about that step. Have clarity about the step. If the step includes a meeting with outside people, have clarity about why you are meeting, what you seek to achieve from the meeting, the intended and actual outcomes of the meeting, and the follow up from the meeting. You must make an effort to manage the outcome. One must always ask the following question. Is each thing we do a step toward the greater outcome, or is it just an activity?

Completion. It is exciting to start new projects and contemplate new technologies, but ideas are worthless if they are not backed up with execution. Within our companies, we stress ownership of individual tasks and teamwork in collective tasks with an emphasis on completing each task. A phrase we often use is that we need to finish with a period, not a comma.

Optimism. I often talk about attitude. Even if you do the same thing, your outcome is completely different (or opposite) depending upon your attitude. If your attitude is positive, your outcome is also positive. But if your attitude is negative, the outcome will be negative. You can draw many examples yourself. No matter what you do, ask yourself if your attitude is indeed positive. If we combine our strengths collectively and positively, the sky is the limit: the outcome goes far beyond what each of us can even dream of and do individually. There is no magic about it—it is the truth in life. Life is not a collection of what happens. Life is all about how we respond to each event. Whether we do it positively or negatively, it is up to us.

With these mindsets, we seek to be the world's leading advanced research, development, and manufacturing organization, specializing in technologies that have a positive impact on the quality of human life. We celebrate our successes as they come but know that our collective work and impact is far from complete. Our journey continues.