In April 2009, Laurent Abadie was appointed CEO and Chairman of Panasonic Europe, becoming the first non-Japanese head of Europe to take up this post in the group’s history. Laurent began his career at Sony France in 1981, joining the marketing department in 1988, and moving into the corporate management division in 1991. In 1997, he joined the management team of Sony’s consumer products division, and two years later became the managing director and European sales manager covering mass distribution. He left Sony in 2003 to become a consultant at Integrated Device Technology, Inc. Laurent first joined the organisation in 2004 as deputy managing director for Panasonic France, moving up to managing director in the following year.

Since his appointment as CEO of Panasonic Europe, Laurent has implemented a major transformation in Panasonic’s European organisation to ensure all business areas create customer value. This has included the company’s diversification into new markets in Europe, such as major domestic appliances and energy solutions. In April 2008, Laurent became a member of the Panasonic Corporation management as executive officer and on 1 April 2011, he was promoted to managing executive officer within the Panasonic Corporation.

While Laurent has worked with Panasonic to diversify the company’s operations and footprint, this growth has only been possible with the assistance of external suppliers and partners. “We work closely with external partners, but at the same time, we invest more in R&D and software development. We are moving from a pure hardware manufacturer, which used to be our core business, to a more solution type of company, which includes new competencies around service and software developments. In terms of suppliers, it’s mainly hardware suppliers. We tend to ask more from external suppliers.”

Panasonic’s collaborative nature is best exemplified by Fujisawa Sustainable Smart Town, which is a town project that the company leads in Japan with 11 partner companies including Mitsui Fudosan, Nippon Telegraph and Telephone East Company, Sumitomo Mitsui Trust Bank, Tokyo Gas Co., and Accenture, which is working as a consultant for the project. Laurent feels that every party brings certain strengths and capacities to Fujisawa as the companies collaborate to build an innovative smart town that deploys Panasonic’s services and products such as energy systems. The first families moved into their new homes in March this year.
“In the last five years the company has been under permanent transformation in terms of processes, organisation, and vision. This is an issue that all companies are facing: the environment is changing so fast.” - Laurent Abadie

Fujisawa Sustainable Smart Town highlights Panasonic’s vision of becoming a green innovative company through business growth and environmental consciousness. A new concept and process has been adopted to build Fujisawa by designing spaces with a primary focus on services based on people’s lifestyles and creating an optimal smart infrastructure. In this project, Panasonic offers its unique solutions from an eco-friendly and intelligent perspective by providing eight services that will comprise five categories for smart lifestyles (energy, security, mobility, health care, and community), plus club service, finance, and asset management. With “bringing energy to life” as the town concept, Panasonic provides photovoltaic power, security, mobility, community, and healthcare services that enhance residents’ lives.

Furthermore, a town management company was established to provide all stakeholders with one-stop services. A new scheme will be put in place to enable the town to continually evolve by inculcating new services based on feedback from residents and through industry–government–academia collaboration. The unparalleled town building, where as many as 1,200 families will live, will serve as a new business model within Japan and overseas.

Since the Fukushima Daiichi nuclear disaster of 2011, Japan has been reducing its dependence on nuclear power, searching for sustainable and less volatile energy sources. “In Japan, things are clear. Since Fukushima there is a massive issue around energy and how to change the society, the housing, the cars, the way that people behave, and to be much more efficient in terms of energy usage, energy management, and the environment. Panasonic really is at the centre of this.”

“The acquisition of Sanyo, we are leading the industry in terms of storage battery for residential and industrial usage, and also solar technology with an extremely efficient output factor. Fuel cells are another important technology for the future, and we are extremely strong in building actual houses in Japan—and automotive, working with most of the major global manufacturers. All those sectors are extremely strategic in Japan, and by chance, they are as well in Europe, since Europe is facing similar issues but also sees similar opportunities in terms of mobility and energy management.”

Smart grid solutions through photovoltaic power-generation systems and storage batteries have increased in demand globally. While Japan is an international leader in this technology space, concerns parts of the globe require smarter, greener, safer, and more efficient energy solutions. Panasonic stresses deploying solutions that are cost-effective and do not disturb the current infrastructure. Panasonic offers reliability capable of switching DC high voltages for a variety of equipment composing smart grid, and continues to pioneer in this vital area.

In Europe, a good example of collaboration is in the appliance business where we work with a company called Coreny, which took over the Swedish company Asko. We invested recently 100 million euros in Coreny and took a minority stake, and our investment will allow Coreny to build two new factories in Serbia: one for washers, and one for fridges.

“We have a long-term vision to grow our businesses together in Europe and Russia. Serbia is one of the best locations for production today because manpower costs are one of the lowest, even lower than China. Also the quality of manpower there is very good, plus there’s a free-trade agreement with Serbia and Europe as well as Serbia and Russia. When you manufacture in Serbia, you can benefit under certain conditions, from a duty-free treatment for products being exported to those countries. Since Panasonic offers a wide range of different industries and sectors, the company’s international presence is expansive and dynamic. In Europe, Panasonic currently has 19 factories. We merged with Sanyo a couple of years ago and there are still also some Sanyo factories. The integration of such a big company, like Sanyo, is not something that you do overnight. In terms of what material and production is related to, in some parts you still keep brands that you acquire somewhat separate because of their supplier relationships.”

“Most of the production on top of those 19 European Panasonic factories actually happens in Japan and China and other areas in the world. In automotive, for example, we deal with mainly 26 key customers, since the car-manufacturing industry is rather small; whereas if you look at the industrial component industry, it’s just so vast that it’s difficult to quantify.”

Panasonic’s push for collaboration is also a vital element of its European operations. The organisation has established several partnerships to improve its production capacity and footprint. “In Europe, a good example of collaboration is in the appliance business where we work with a company called Coreny, which took over the Swedish company Asko. We invested recently 100 million euros in Coreny and took a minority stake, and our investment will allow Coreny to build two new factories in Serbia: one for washers, and one for fridges.”

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Panasonic’s corporate social responsibilities see the company spearheading a variety of projects in underprivileged areas. The Kamonohashi Project has been working on eradicating child trafficking. Panasonic is providing solar lanterns used at the project’s workshops in rural Cambodia.

This initiative is part of Panasonic Corporation’s 100 Thousand Solar Lanterns Project, which aims to contribute 100,000 solar LED lanterns to people without access to electricity by 2018, the year of Panasonic’s 100th anniversary. The first steps of this project saw Panasonic donate 8,000 compact solar lights to non-profit, non-governmental humanitarian organisations working to solve social challenges in Myanmar (1,000 units) and India (3,000 units), along with 2,000 lights to refugee camps in Africa last year.

Last year, Panasonic Corporation’s President, Kazuhiro Tsuga, highlighted his mid-term management plan for the company. His first call to action was to improve operating profits and restructure unprofitable business divisions. Particularly Panasonic’s screen business, semiconductor and mobile phone business. The new president’s plan was to expand the business and improve efficiency, shifting from an in-house approach. This meant external capital injections to Panasonic’s healthcare division, selling the majority stake of this company and a transfer of Panasonic’s logistics division to Nippon Express Co. to improve services and business operation efficiency.

The next call to action was to improve Panasonic’s financial structure by improving the company’s equity ratio and return on equity through restructuring. This would require Panasonic’s deferred tax assets and see a complete financial restructuring by 2015 financial year. The measures of Boise have already shown positive results with a third straight year of operating profit growth expected this year. And the final step in Kashiwara ‘Bugā’ plan is to implement a growth strategy from the customer’s viewpoint. Panasonic aims to offer a better life to its customers by partnering with individuals such as automotive, aviation, logistics, retail, residential, and beauty and healthcare. By taking this course of action, Panasonic will become a more holistic provider of lifestyle products that will play a vital role in the future of technology.

Panasonic is going through some developmental changes and restructuring numerous parts of the organisation. Increasing environmental awareness and the heating speed of business means the company has to remain agile in order to maintain its leading position in the market. “In the last five years the company has been under permanent transformation in terms of processes, organisation, and vision. This is an issue that all companies are facing: the environment is changing so fast. As a company, because we look mid-term to long-term, it’s a matter of anticipation of the changes and how, as a big company, we can move this company quickly to stay ahead of the changing environment, to be ahead of the field. That’s the main challenge for all big companies. “I think Panasonic has a really good story to tell. It’s very unique and not too many people know that because we tried to be a shy company, a little modest or humble. However, we are a major player for core technologies that will very much impact on our future.”

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