

The Challenge of a Global Business

Oxford Instruments began life over 40 years ago in Oxford, England as the first commercial 'spin-out' from Oxford University. Today there are many high technology businesses founded on the basis of university research but in those days there were very few examples to follow. Right from the start we knew that our small island could not sustain a large enough market for our ambition. Hence since our earliest days, the management vision, focus and direction have been aimed at the business opportunities outside the natural geographic borders of Great Britain and we export 87% of our \$300 million annual turnover. As example of our commitment to our worldwide markets we have more than 50 employees in Japan.

As our markets have grown they also matured. For all businesses like ours, the rate of technological change and investment required to compete at the leading edge of technology are increasing each year. This means that while our global vision remains valid and we remain one of the UK's most successful exporters, we need to seek new ways of refreshing that vision and enlist new partners to help us achieve ongoing success.

As part of this process, Oxford Instruments has been through some of important internal changes in its history during two years. These have all been aimed at fulfilling our objective of improving our service to customers in a sustainable way. This way enable our business to be a stronger and more flexible partner in a range of new alliances which will be a part of our international future.

The alliance between Horiba and Oxford Instruments can be understood within this context. Even rival companies can agree on cooperation for mutual benefit and this can happen in the field of analytical instruments just as usefully as in large markets which get more space in the newspaper.

An example is an important alliance between Siemens and Oxford Instruments in the field of medical instruments, which has been running successfully over 10 years.

The relationship between Horiba and Oxford Instruments has developed over a long period of time. Both businesses have allowed for a long-term, maturing process. We have found that our cultures are similar, and our staffs at any different levels have put a lot of work in to understand and improve relationship with each other.

This is very important. I myself lived in Japan in my youth, and worked at Kyoto University caring out post-doctoral research where I developed close working relationships with Japanese colleagues. Since then I have come to Japan every year and have met many business leaders. Some say that doing business with customers in Japan is more difficult than in other countries, and it is true that the means to achieve success may be different markets. But I have found that a key factor for success in Japan is to build up good relationships through regular personal communication over a long period time. For this reason I always encourage direct conversation between people, even through e-mails may often easier!



A handwritten signature in black ink, appearing to read 'A. Mackintosh'.

Dr. Andrew MACKINTOSH

Chief Executive

Oxford Instruments plc.

The relationship between Horiba and Oxford Instruments is growing as a result of cooperation in various ways. The collaborative activities started in the field of X-ray microscopes, developed by Horiba, where there was no direct competition between our business and Oxford Instruments helped to investigate the market for these product outside Japan. The next stage was to look at an area where we had some overlapping technology. The consequence of this was to transfer a line of X-ray fluorescence products in an OEM relationship with Horiba. More recently and based on a growing mutual confidence and desire to expand the relationship, our companies began to cooperate in the apparently competitive field of energy dispersive x-ray analyzer.

We have gone through these stages over rapid of years and at all times we have had the commitment of senior manager in each business. In particular our Oxford Instruments Japan office, which has been successfully promoting our business in Japan for 10 years, has played an important role in helping to redefine our strategy in Japan in the context of our developing relationship with Horiba.

We have been happy to find that Horiba's management and staff, like Oxford Instruments, also have a distinguished history of success through collaboration with oversea companies. We both come from islands with a culture of looking outside the natural boundaries for new markets and opportunities. This gives us confidence to continue and develop the relation ship, which will only succeed if we continue to invest time and effort in improving the mutual understanding our countries and business cultures. We appreciate the opportunity to learn from Horiba.

There is a well-known proverb: "A flog in a well dose not know of the ocean". This alliance is helping to take us outside the well by helping to develop new ways of doing business. I believe that new business models such as these in this new century will help both Horiba and Oxford Instruments achieve profitable growth and sustainable leading positions in our chosen markets.

I appreciate this opportunity to express our views.