For more than half a century, Kubota’s construction machinery has been instrumental in developing urban infrastructure, with its knowhow and mastery in full swing. A pioneering supplier of compact excavators—a must-have for urban construction—Kubota has since come to supply a variety of compact construction machinery to the markets around the world, including Japan, Europe, and North America. This solution from Kubota—urban development using compact machinery—is perfectly aligned with the philosophy at the core of the Sustainable Development Goals (SDGs), which are included in the 2030 Development Agenda adopted at the UN Sustainable Development Summit in September 2015. The SDGs are comprised of 17 global goals designed as a blueprint to realize a sustainable world. Goal 11 is “sustainable cities and communities,” with its overriding objective being to “make cities and human settlements inclusive, safe, resilient, and sustainable.” Kubota’s endeavors to contribute to housing and infrastructure development with its compact construction machinery have a high potential of facilitating the achievement of this goal. In recent years, Kubota has underpinned the rapid urbanization in countries in Asia, South America, and Africa. At the same time, Kubota’s construction machinery has gained an excellent reputation in North America, which is experiencing robust construction investment in housing and social infrastructure. Featured in this issue of GLOBAL INDEX is a progress report on Kubota’s construction machinery business, with a focus on the U.S. market.
Revolutionizing infrastructure development in Japan

Kubota made its first entry into the construction machinery business with the establishment of Kubota Construction Machinery Co., Ltd. in 1939, when it started the design and sale of power shovels and other construction equipment. In those days, in Japan was doing its utmost to recover from the trauma of World War II, the development of electrical power began in earnest. Inspired by the impressive performance of large construction machinery imported from Europe and North America to build a hydroelectric dam, calls for domestic production of construction machinery grew louder in the country. It was at a time when "big projects" for improvement of industrial infrastructure were starting up in rapid succession, so it for the development of highways and traffic, and communication networks, the enlargement of port and harbor facilities, in addition to development of electrical power. It was against this historical backdrop that Kubota kicked off its construction machinery business.

At large construction sites in urban settings, mobile cranes became the preferred machinery for handling large materials, as their movements are not restricted. In a bid to capitalize on the growing demand at the time, Kubota developed its 4-ton Mobile Crane KB4010 to enter the market, which was followed by the 8-ton Mobile Crane KB4010 to expand the mobile crane series. These efforts helped Kubota to attain the leading position in the cargo handling equipment market in Japan, and thus Kubota made its presence felt in the industry. One of the key factors that accelerated the development of the construction machinery industry in Japan was the fast-advancing hydraulic technologies, which was first introduced from Europe in the 1960s. Compact and lightweight, yet powerful and easy to operate, hydraulic machinery was suited for a broad range of applications, in terms of improved performance and safety compared to steam and gas machinery. Again, Kubota was quick to take advantage of this emerging technology. After signing a technical partnership with Hidrâulica Wacker KG of former West Germany in 1966, it was decided to market the first hydraulic shovel from Kubota, "Atlas," as a core model, and production subsequently began.

As the construction market matured in the country, it became necessary to build a new manufacturing plant in order to keep up with the demand. Thus was born the "Building a New Era" plan proposed by the then Japanese Prime Minister Kakuei Tanaka, the competition in the manufacturing industry intensified. Kubota sought out, securing a stable flow of orders, but at the same time, it was a time of immense struggle as competition raged.

In retrospect, large construction machinery such as mobile cranes and excavators marked the "prehistory" of Kubota's construction machinery business. With the aim of surviving the tough competition in the area of large construction machinery, Kubota made the bold move to recognize its construction machinery business by "launching on compact machinery" in 1973. This was their decision that led to the creation of the current line of compact construction machinery and, from that point on, history was made.

Compact Excavator winning overwhelming support

Kubota's first compact excavator was a result of its savvy approach to the needs of the time and the market. During the period of rapid economic growth, the focal point of social infrastructure development shifted to construction work in urban settings, most of which was to improve living environments, and the need for small-scale construction work increased with continued urbanization. Municipal car-park and transportation on the field had reached their limits, giving rise to demand for compact construction machinery such as "hand shovels" (hand-operated shovels). Sensing this burgeoning market trend, Kubota developed the Mini Hydraulic Excavator KH1 with 30-degree rotating structure, which provided the base for the current compact excavator line that followed.

The market responded eagerly and praised Kubota's compact excavator that the ripples it made eventually spread to the global market. The first destinations included Europe and North America, exports to which began in 1979. Then, with the 1989 establishment of Kubota Baumaschinen-GmbH (KBM), an excavator production center in Zwischenreichenbach, Germany, fueled supply to the European market. By the mid-1990s, however, late comers had caught up quickly, with the result that Kubota's compact excavator became mired in a slump. Something had to be done to escape from this predicament. Enter Katsuhiko Yukawa, currently Executive General Manager of the Construction Machinery Division, who, as one of the product development teams, was tasked with turning the tables back on Kubota's excavator.

"The market already trusted our compact excavator line for its superior operability and durability – something that our customers really want to see in our offerings to this day, and is the nail worth of Kubota's approach to manufacturing. But there was one clear reason why competition outshone us – our compact excavator had a higher price. It was to combat this mix of affairs that we kicked off a construction machinery business several years in

Kubota's Quietly Excellent Construction Machinery

A focused Product Group Shaped by the Needs of the Times - Driving the whole wide world with compact construction machinery -

In 1997, Kubota’s compact excavator line achieved radical cost reductions. Before, our design development team technically scrutinized each compact excavator model – a standard model, a mini tail swing model, and a mini and light tail swing model – for each different market in Europe, Europe, and North America. Through the use of common parts, components, and materials across different models, we were able to reduce costs significantly while maintaining high quality and keeping performance intact. As we worked hard to overcome the crises at the time, we were laying the groundwork for today's construction machinery business.

Equipped with premium quality and cost competitiveness, Kubota's compact excavator are now making inroads in sales in the European market. In 2002, it topped the global market for under-six-ton compact excavators in terms of unit sales, a position that has never been equalled by any other competitor to this day.

Regional characteristics of the compact construction machinery market

Leveraging the walk way through the scope of Kubota’s construction machinery, it is comprised of four categories: wheel loaders (WL), compact track loaders (CTL), skid steer loaders (SSL), and compact excavators. By definition, the term “compact excavators” refers to a class of construction machinery called hydraulic shovels, each of which weighs less than ten tons. Main applications are excavation and moving loose materials and, because of its small turning radius, it is frequently used for embankments on Japan. WL is a special vehicle with a power shovels in bucket on its front. Kubota’s strength in this class of construction machinery is in compact size, and WL has a solid presence in the European market. CTL and SSL, on the other hand, are popular in the North American market. Approximate-nine, are very similar to such other. In terms of mechanisms, however, the former comes with a "snail shell" tail with a wide foot, whereas the latter is equipped with wheels. Running on soft terrain with ease, CTL allows high-stability and excavating force. SSL can access hard-to-reach areas and turn in an area with a small radius, making it ideal for jobs in tight space. Both are high-volume applications, such as the moving and loading of materials and, as well as roadbuilding and landscaping in urban areas. In the past, SSL was the dominant champion in the North American market, created and made in America, but has been a favorite among many overseas users. More recently, however, CTL has slowly gained an edge over SSL, because of its greater stability and ease with which it can be used for jobs on soft terrain, slopes, and muddy areas, as CTL does not have wheels.

As detailed above, very different set of models of compact construction machinery has been well received, depending on the factor and environment in each region. It is thus crucial to release products that match regional characteristics if we are to conduct business successfully on a global scale.
FEATURE: “Kubota Construction Machinery in the U.S.”

A Strong Dealer Network and Product Line – That’s What Market Expansion Takes

Kubota’s Approach to Cracking the U.S. Market

The fast-growing construction machinery market in the U.S.

Kubota distributes its construction machinery in three key markets: Japan, Europe, and North America. The demand for construction machinery is surging across the globe, but Kubota has set its sights on one national market in particular – the U.S. – because of its huge potential as a construction machinery consuming country. Backed by the fact that it is the world’s largest and most powerful economy, the U.S. has a nominal GDP of approximately 21 trillion and 440 billion dollars and its 2019 projected real GDP growth is 2.4% year-on-year.*1 Behind this break economic growth are robust employment and private consumption, which are stimulating investment in construction. In particular, investment in private housing, which accounts for roughly 40% of construction investment, has shown a strong comeback following the steep plunge in the aftermath of the “Lehman shock” of 2008. A close look at the compact construction machinery market (including for compact excavator, CTL, SSL, and compact WL) in which Kubota is involved shows that unit sales in North America grew from 352,000 in 2007 to 135,000 in 2017, and the figure looks set to reach 195,000 by 2022,*2 while the numbers remained almost flat in Japan and Europe.

So, how should Kubota go about increasing its presence in this market climate? We invited Paul Manger from Kubota Tractor Corporation (KTC), the organization responsible for marketing Kubota’s construction machinery in the U.S., to comment on the current situation.

“The construction machinery business is vulnerable to general economic trends, such as new housing starts and capital expenditures by private enterprises, as well as road construction and other public works. In recent years, Kubota’s construction machinery business has continued to grow in tandem with the strong performance of the U.S. economy, and further growth is expected over the longer term,” said Manger. “Construction is a key industry in that it underpins social growth by creating comfortable urban spaces. As a member of this vital industry, we are required to meet social requirements through the supply of reliable products, and this necessitates us to keep tracking social issues in the present and the future, hand in hand with our dealers and customers.”

*Kubota launched CTL – the mainstay in the U.S. compact construction machinery market – in 2001, followed by SSL in 2002. Unlike compact excavator, for which Kubota created a new market, CTL and SSL had long been available in the U.S., and their markets were crowded with forerunners. Competing in such an environment was no easy task, so how did Kubota overcome this seemingly insurmountable barrier to entry? This challenging task was assigned to Tetsu Kojima, now General Manager, Sales and Marketing Department, Construction Machinery Division.

“Because rental companies need to stock a wide variety of machinery, Kubota can gain greater recognition from them if we have a large selection in our catalogue. We had some success example to open the door of new rental company with Kubota utility vehicle which is popular in U.S., than we could expanded the sales of construction machinery. Teamwork with dealers is also important in after-sale service. Using this collective strength of Kubota to make a breakthrough, we made sure that newly headed into the rental market of compact construction machinery,” concluded Kojima.

*1 IMF (October 2019)
*2 Projected by the Company

Expanding our product line desired in the U.S. market

Kubota gained a foothold in American soil when it started distributing its tractors and other agricultural machinery by establishing a sales company, Kubota Tractor Corporation, in California in 1972 (later relocated to Texas). Its sales network has since grown to include some 1,100 dealers coast to coast. The brilliant success of compact excavator – Kubota’s “business card.” Buoyed by an outstanding appeal of our construction machinery to the dealers,” explained Kojima. “A good partnership with our dealers assures top priority in our marketing strategy, because they are the ones who meet our users in person and passionately talk about how good Kubota’s products are. In this sense, it is absolutely crucial for us to draw their salespeople’s attention to our products and make them genuine Kubota fans. To this end, we introduced all sorts of programs, which included boosting of overall sales by offering benefits of compact excavator, CTL, and SSL, implementation of the most flexible forms of sales promotion, and improvement of dealer training and quality assurance services.”

Another channel for marketing construction machinery in the U.S. that is also important is the rental market. Typically run by dealers or independent rental companies, the rental business provides Kubota with an opportunity to demonstrate its products to potential users and a tool for effective sales promotion. Also, independent rental companies make bulk purchases regularly, thereby significantly impacting the expansion of Kubota’s sales.

“A good product is the main reason for the success of our dealers and rental companies. The dealers of our agricultural machinery included boosting of overall sales by offering benefits of compact excavator, CTL, and SSL, implementation of the most flexible forms of sales promotion, and improvement of dealer training and quality assurance services.”

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Kubota offers infallible maintenance
Be it repairing or part replacements,
dealers. (Florida Coast Equipment)
Frequent communication fosters a
segment. We will remain aggressive in our
development directly back to product
changes in the market, such as the ongoing
market, but I don’t think we should be
overly optimistic about this. In the past
driving force for our business in the U.S.
is the linchpin of the Kubota Group’s
KTC gathers information on market
trends, sales situations, developments of
competitors, and product evaluations from
users. Nishinobu’s team, on the other hand,
uses such information to devise strategies
that paves the company’s business perspective,
while at the same time serving as a
bridge between KTC and production and
development bases in Japan.

“We look at the sales data since 2010, we
see that CTL has been a major
selling force for our business in the U.S.
market, but I don’t think we should be
overly optimistic about this. In the past
several years, there have been unexpected
changes in the market, such as the ongoing
draft from SSL to CTL, which is
a new category of compact construction
machinery. Being a latecomer, I believe
that we should always take the offensive.
Some of the things we are planning in order
to expand our business in the U.S. include
adding to the product line by introducing
new products, reinforcing sales and service
channels, and strengthening the relationship
with dealers, and extending the customer base. We
can also shift business in rental
business. We will remain aggressive in our
endeavors without letting our guard down,”
explained Nishinobu.

Kubota is currently busy conducting market
surveys with local dealers to gain input on
its future offerings. They commit into the
field to hear what construction machinery
users have to say about these products and
needs. The voices of users thus gathered are
directly reflected in product development and
model changes, as well as product
quality. KTC’s Shoji Kitano is responsible
for this vital mission.

“To line up the mid- and long-term
product development plan, we involve
our dealers and engineers from Kubota to
conduct the survey. If, for example, we plan
to expand the CTL line, we visit users of the
previous CTL model to hear what aspects of
the model they think need to be improved
or they rate highly. Some questions go
deep into detailed specifications. Then,
we share the information thus collected
with a development team in Japan, so they
can use it for new product development,”
commented Kitano. “I really feel that the
market is changing quickly. To keep ahead
with the speed of change, we are required
to observe the development trend line. I
personally believe that I should have more
contact with users to gather an abundance
of information, so that I can have a better
understanding than anyone else about how
Kubota’s construction machinery is used in
the field and what users really want.”

Also from KTC, Tomoyuki Umekawa
wishes to meet market needs, but he uses a
different approach from Kitano. Umekawa
is responsible for sales management; that is,
he is the one who places production orders
by producing the supply and demand of
the near future based on current market
trends. If his predictions turn out to be
significantly divergent from reality, there
ends up being excess production or product
shortage circumstances. Another important
responsibility of Umekawa’s is drawing up
a sales promotion plan for dealers
“Simply put, my job is to conceive a
strategy for keeping dealers motivated, so
they can put all their energy into selling
Kubota’s construction machinery. To this
end, I usually offer them incentives, such
as special pricing and preferential interest
rates, so our dealers have some tools to
boost their sales. It is also important that we
offer flexible solutions. For example, when
a certain individual dealer or region is in a
dump, we offer sales programs to address
common causes.” (Umekawa)

“Kubota’s construction machinery is used
in the field and what users really want.”
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Staying abreast of the Field – The Heart and Soul of Kubota’s Construction Machinery Business

Feedback from dealers and end users

**User’s voice**

Dennis Hall, owner of a road paving business

“All of the construction machines that we now own are supplied by Kubota. It’s clear that their support and service translates into higher productivity.”

Skip Minton, owner of a construction business

“Kubota’s dealer always provides quick support. That prompted me to switch to a Kubota machine.”

Will Mason, owner of a landscaping business

“Once, another brand’s construction machine got stuck in the soft ground and was stuck, and we used a Kubota machine to pull it up. Their ready-made support machine made me realize how powerful the suspension of Kubota machinery is.”

Jack Carmichael, landscaping business

“On top of the unsurpassable support, Kubota is looking forward to Kubota’s next action. “There’s no denying that Kubota’s construction machinery is renowned for its high reliability, but we want to see their new range that satisfies the market demand. For instance, competitors have already launched high-tech construction machinery that employs IoT (Internet of Things) smart sensors to prevent problems and failures. Kubota’s confidence in product quality makes them a longstanding dealer of agricultural and construction machinery.” (Bachman)

Growth expectations for advanced technology, as well as high reliability, are high in this warm tropical city. Florida Coast Equipment (FCE), one of the leading dealers in the State of Florida, is active both in defense and offense. The key to this approach is on-the-job service, as it will eventually differentiate us from competitors. We are hoping to further expand our user services with support from Kubota.”

Todd Bachman

President, Florida Coast Equipment

On top of the unsurpassable support, Kubota is looking forward to Kubota’s next action. “There is no denying that Kubota’s construction machinery is renowned for its high reliability, but we want to see their new range that satisfies the market demand. For instance, competitors have already launched high-tech construction machinery that employs IoT (Internet of Things) smart sensors to prevent problems and failures. The combination of high reliability and cutting-edge technology would provide us dealers with renewed sales opportunities.”

Dennis Davis

Founder, Florida Coast Equipment

The combination of high reliability and cutting-edge technology would provide us dealers with renewed sales opportunities.”

Jason Watson

Vice President, Florida Coast Equipment

Mason Tractor Co.

A dealer in the State of Georgia

“Aggressive” products and staff serve customers well

B used in Blue Ridge, near Atlanta, Georgia, Mason Tractor Co. is among the top dealers of Kubota’s construction machinery. As the 80-year-old dealer of agricultural and construction machinery, they cater to the northern central part of Georgia, where they have four locations, including their head office. Their business in Kubota started in 1977 with many years, during which we have been able to foster a partnership with mutual trust. Our customers place a lot of faith in the superior quality and durability of Kubota’s tractors. We were thus convinced that Kubota would deliver excellent construction machinery, just as they do for agricultural machines. Also, Kubota’s dealer network offers considerable acclaim from our customers. The fact that a machine comes with a Kubota engine is a big plus for our sales. For those reasons, we decided to switch to Kubota’s construction machinery.”

Will Mason

General Manager, McDonough Office, Mason Tractor Co.

Mason Tractor Co. began their dealership with agricultural machinery, but now nearly 60% of their business comes from construction machinery, with Kubota-branded machines accounting for 100% of their compact construction machinery business. They have had a remarkable track record of sales thus far, and Mason attributes this success to their “aggressive” stance on sales, advertising strategies, recruitment of talented employees, and employee skill building programs, all of which, he believes, underpin our strong sales. Another thing that excites the number of Kubota fans is the high regard that users have for Kubota’s answer to this stellar sales record is: “We have always been striving to offer the best support and service to our customers. Our team members are passionate about delivering the highest quality products and services to our clients. We have a strong track record of exceeding customer expectations and delivering outstanding results.”

Bill Mason

Owner, Mason Tractor Co.
Unfaltering Commitment to Manufacturing Excellence

Kubota’s sole construction machinery production site in the U.S.

The only location of Kubota’s construction machinery production in North America

A bout 100 km to the northeast of Atlanta, the largest city in the southeastern state of Georgia, the U.S., the city of Jefferson is home to Kubota Industrial Equipment Corporation (KIE), which is solely responsible for production of Kubota’s construction machinery in North America. Together with Kubota Manufacturing of America Corporation nearby, KIE exemplifies Kubota’s manufacturing in the U.S.

Established in 2004, KIE began operation as a producer of implements for tractors. In lockstep with the subsequent expansion of Kubota’s North American business, however, its list of production items has grown longer and longer to include the mid-size tractor and the skid steer loader (SSL). One thing that is common to these aforementioned machines is that they are all favorites among local users in North America. Wherever it is, Kubota makes it a rule to produce locally for local consumption, that is, to build a plant as close as possible to a consumption area to produce what they want. This is the core of a bottom-up approach—monitoring how products are being used to find what can be improved in real time and feeding back any findings to the production floor. In fact, it was through this process that KIE began producing SSLs. When Kubota first released its SSL in North America in 2015, it still had to import them from Japan. Given the difficulty in responding promptly to any change in demand in the growing market by expediting the products from Japan, however, Kubota decided to start operating an SSL production line in the U.S., transferring part of production to KIE in 2016. SSLs have since been produced both at KIE and in Japan, ensuring high-quality products to the satisfaction of local users.

On a mission to achieve stable supply and superior quality

One of the most important tasks any production site is given is to accomplish stable and efficient production. To fulfill this all-important task, KIE is currently focusing on the reduction of order delivery lead-time. Any reduction in the lead-time from getting order to produce and deliver one unit of a product directly leads to increased customer satisfaction and lower cost, which then significantly enhances the product’s competitive edge. This is especially true for construction machinery, whose demand fluctuates depending on economic trends, thus giving rise to the need for a flexible production setup. By continuous effort, they allocate surplus capacity, then it is possible to expand their business. Meanwhile, KIE is also prepared and willing to increase their local content. Since their inception, most components have been procured from overseas, but plans to replace imports with made-in-America components are in progress. At KIE, they define “manufacturing” as a broad spectrum of business activities that range “from procurement to consumption,” rather than merely what happens on the production floor. In keeping with this mentality, they are making frequent visits to suppliers in the U.S., while at the same time creating a system for assisting them in improving their manufacturing, so as to realize “local production for local consumption” in the truest sense of the phrase.

Another important task for a production center is to maintain a high level of quality. “High quality” is synonymous with Kubota, and to maintain such a prestigious status requires something that Kubota sees as critical in order to retain its pride as a time-honored manufacturer. “It all boils down to human resource development,” says Omero Renteria, KIE’s Manager in charge of manufacturing.

“For us to work on challenges such as shortening lead-times and ensuring quality, we must improve the skills of our employees and provide them with training opportunities. To build an SSL, we have to assemble numerous components, which is rather complicated, and so operators need to be sufficiently skilled. It is thanks to quality training to develop a person into a full-fledged operator. So, we develop work instructions and other textbooks which feature many photographs and illustrations, in a repeated attempt to develop our employees efficiently. We are also trying to share the mindset among our team members—say, when we encounter an issue, everyone is encouraged to investigate its true cause and seek solutions. Our persisting desire is to develop an organization where people are highly motivated to make things better” (Omero Renteria)

At every production site of Kubota, KIE included, is the way of thinking of the Kubota Production System (KPS), in which the principle is “Aiming to realize inspiring manufacturing by offering products and services surpassing customers’ requirements” at speeds beyond expectations.” It is this dedication to manufacturing that allows Kubota to deliver products that the market truly desires.

Plans for a brand-new plant in the U.S.

With KIE paving the way, Kubota’s local production of construction machinery moves on to the next phase, and there is no doubt that further acceleration of the construction machinery business in North America is simply a matter of time.
Kubota’s Construction Machinery Business Accelerating Multi-Dimensional Expansion
A new partnership delivers added momentum.

Leveraging each other’s strengths
A major watershed in the recent development of Kubota’s construction machinery business came in 2016, when Great Plains Manufacturing, Inc. (GPM) joined the Kubota Group. Founded in 1976 in Salina, Kansas, U.S., GPM has since garnered a solid reputation in North America for its manufacturing of advanced farm implements and construction attachments, which perform all kinds of jobs by drawing power from agricultural and construction machinery. One can use a single construction machine to do more than a single job—digging, transporting, and drilling—by choosing from among a wide variety of attachments to perform the task at hand. As such, construction machinery and attachments are inseparable, and their specifications need to match perfectly to single construction machine to do more than one job.GPM was already one of the top manufacturers of agricultural implements and construction attachments, which perform all kinds of jobs by drawing power from agricultural and construction machinery. One can use a single construction machine to do more than a single job—digging, transporting, and drilling—by choosing from among a wide variety of attachments to perform the task at hand. As such, construction machinery and attachments are inseparable, and their specifications need to match perfectly to single construction machine to do more than one job.

Implementing each other’s strengths

Constructing a partnership

As soon as the idea of a partnership with GPM was floated, Kubota’s management team realized that the two companies have different sets of proprietary knowledge and abilities. Building one by one with utmost care, Kubota is an expert in manufacturing compact tractors (CTTs) and diesel multi-loaders (SSLs). Now, Kubota-branded attachments are available in the U.S. market, and GPM is part of Kubota’s dealer network. The two companies’ marketing alliances, agreements, and their specifications need to match perfectly to yield maximum performance, hence, Kubota and GPM agreed to join hands together.

This symbiotic relationship did not come about in a day—GPM was already one of the key business partners for Kubota back in the 1980s, and this working relationship deepened in 2007, when the two companies signed a marketing alliance agreement for farm implements. At that time, Kubota’s focus in the U.S. market was the marketing of its compact tractors. The alliance with GPM allowed Kubota to vastly increase its product offering. As before, sales and after-sales service and follow-ups for the GPM’s products are handled by Kubota’s dealer network. The two companies have since fostered an optimal working relationship that allows Kubota’s dealer network to handle the GPM’s products.

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Cultural affinity between GPM and Kubota
With the alliance between Kubota and GPM, it is a great fit for its track loaders (CTLs) and skid steer loaders (SSLs). Now, Kubota-branded attachments are available in the U.S. market, and followed sales of construction machines and attachments that cater to individual user needs have made a significant contribution to the growth of the construction machinery business. The same benefits soon became apparent in Kubota’s construction machinery business. In 2016, GPM began production of attachments for compact construction machinery, which coincided with the period when Kubota was about to take the initiative in the U.S. market with its newly developed compact track loaders (CTTs) and diesel multi-loaders (SSLs). Now, Kubota-branded attachments are available in the U.S. market, and GPM is part of Kubota’s dealer network. The two companies have since fostered an optimal working relationship that allows Kubota’s dealer network to handle the GPM’s products. As such, construction machinery and attachments are inseparable, and their specifications need to match perfectly to single construction machine to do more than one job.

The epitome of synergy

In terms of both quality and quantity, so much that our attachment sales are expanding rapidly,” said Linda Salem, President & CEO of Great Plains Manufacturing, Inc. “I feel that our customer base is highly satisfied because alongside Kubota, we deliver reliable products of good quality, together with a one-stop service from development to manufacturing and distribution, as well as after-sales service and follow-ups that make the most of Kubota’s extensive dealer network.”

As Takemura and engineers from GPM lost no time in analyzing competitors’ products on the market and carrying out repeated market surveys, a new product began to take shape. As a result, GPM introduced its new products from scratch outside of Japan. Now, the fundamental characteristic of Kubota’s construction machinery business in the U.S. is not like that. They respect GPM’s business and let us do things our way as much as possible. In fact, we don’t have any barriers between us, and we maintain close communications. Because Kubota ensures continuity of GPM’s business and invites us to identify “collaborators,” we have created a new ecosystem of achieving our respective businesses as we work together. I have to reiterate that this rarely happens in corporate acquisitions. Going forward, we will continue to deepen our relationship, so that we can achieve expansion of the Kubota Group’s construction machinery business together.” (Quinley)

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Joint project

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Eriko Ogawa
Assistant Manager
Group 4, Sales and Marketing Department, Construction Machinery Division
Kubota Corporation

On experiencing a high regard for things made in Japan in South America

majored in Spanish at university. While at school, I studied abroad in Peru for a year and had the opportunity to travel around South America. At each place that I visited, I found many people talk about the high trust they put in Japanese goods. This experience led me to wish for a position at a Japanese company manufacturing industrial goods that are loved around the world. From among many products, construction machinery caught my attention, as I could easily relate to construction machinery – playing an essential role in building a city and a nation – and had been working on major markets, including those in Japan, North America, and Europe. Now I belong to a team developing new markets beyond these major markets. My current responsibilities are rather broad, spanning from Asian countries to Latin America and Africa.

The importance of taking action after favourable experiences

What I find particularly challenging in the Asian market, which is one of our priorities, is that the level of demand currently falls significantly from country to country, in tandem with the scale and development level of each economy. Take India and Indonesia as examples. These countries are just getting into the final stages of developing social infrastructures and urban founda tions. Faced with the fact that we need to develop a strong and comprehensive understanding of the local market, I am often asked to travel to India or Indonesia to understand the local market. I am looking for salespersons who can help me understand what our customers really want and who can help me form a basic approach as a Kubota person.

Kengo Ota
Assistant Manager
Group 4, Sales and Marketing Department, Construction Machinery Division
Kubota Corporation

Joining the company in 2009

Kubota Corporation

Global Work Style 1

From Asia to Latin America – Changing the World with Kubota’s Construction Machinery

The Kubota Construction Machinery Conference in Asia – A fulfilling and self-enlightening experience

By working as a staff member of the Construction Machinery Conference in Asia, I was able to gain a greater understanding of how an industry conference is planned. I was also able to coordinate with the relevant departments to organize the event. This experience has been a great source of inspiration for me.

Falling in love with Germany while studying there

As I studied at a university in Germany, I was strongly impressed by the German culture. From the beginning, I was deeply moved by the dedication of the German people to the pursuit of excellence. I was impressed by the hard work and dedication of the people I met there. This experience has left a lasting impression on me.

Global Work Style 2

Five-and-a-Half Years’ Assignment in Germany Taught Me Much

Introducingwheel loaders to the European market: Fielding customer complaints with the entire team working as one

In 2014, KUBOTA released a new wheel loader model in Europe, which marked the first full-model change in 20 years of this earthmoving machine used primarily to load loose materials. Before I was transferred to Germany, I had been involved in the development of this model in Japan, and I was charged with the important task of identifying the market needs and showing them back to the engineering team in Japan in order to shape a product concept. The concept behind this particular model of wheel loaders demanded a significant enhancement in load and operator comfort, that is, it had to be capable of loading and moving as much as two tons of materials, while at the same time offering operator comfort with an expanded cabin. It was with significant expectations that this new model was released on the German market, where demand is the largest in the European market.

It was around this time that I arrived in Germany, and in my first responsibility there, I was in charge of sales of Kubota’s machines. Soon after the launch, however, discrepancies between the product specifications and market requirements were revealed. This led to frequent complaints from those purchasing the model. It was a state of emergency in which the brand credibility of Kubota was being questioned. With COMPACT EXCAVATOR being in danger of being jeopardized, prompt action was required.

One such professional talks about their challenges in the global arena.

In the end, it was the determination of the sales team that turned the situation around. We decided to take the initiative and work through the issues rather quickly. This series of actions by Kubota was highly acclaimed by the customers. It left me with the lasting impression that teamwork among all departments turned what could have been a disaster into a beneficial result.

Eriko Ogawa (fourth from the left in back row) posing with his peers in Germany, who majored in the German language and literature at university. Looking back, the experience of studying in Germany for a year determined the course I would pursue. While mingling with students from other countries in Europe, I began to feel familiar with andhmoved by the importance of trying to find what is really wanted. When I was in charge of the Chinese market, someone informed me that a need existed for 2-ton machines, which came in between 1.5-ton and 3-ton machines in our selection. Because it was a segment that no other competitor was addressing, people in my company were rather skeptical about the information. So, I visited China to hear what our customers had to say about the sales. In order to determine its business feasibility. After the most persistent efforts to find out the real intent of our customers, we were able to conclude that 2-ton machines had a latent market in China. We then explained to relevant departments what our customers were looking for, and we eventually saw the launch of 2-ton machines. I am happy to say that our 2-ton machines have since won favor with many customers in the Chinese market. This experience of thinking about what our customers really wanted helped me to form my basic approach as a Kubota person.
Developing Urban Infrastructure is Kubota’s Mission

Kubota’s construction machinery business proclaims its identity as a “manufacturer of construction machinery contributing to the creation and revitalization of a prosperous and comfortable living environment.” This resonates with SDG 11, “Sustainable Cities and Communities – Make cities and human settlements inclusive, safe, resilient, and sustainable.” Kubota’s overriding corporate mission is to develop urban infrastructure around the world. Featured in this issue, the U.S. market is the site of a set of challenges in urban infrastructure development that is unique to a developed country whose economy keeps growing. From a global perspective, however, development of urban infrastructure poses an urgent issue in Asian countries, where populations are exploding, and economic growth is accelerating. As people migrate from rural to urban areas in those countries, it is necessary to develop urban infrastructure to accommodate the swelling population in cities. It is safe to assume that this trend will spread to countries in Africa and Latin America in the coming days. Kubota now supplies its compact construction machinery around the world, but it intends to accelerate its outreach in this regard. If we can tap into the knowledge and knowhow that Kubota’s construction machinery business will have gained from the U.S. market to continue to fulfill our mission of developing the urban infrastructure of the world, Kubota will make a giant step toward its goal of becoming a “Global Major Brand.”

“GLOBAL INDEX” back numbers
Since it was first published in 1992, “GLOBAL INDEX” has covered social issues around the world. Listed below are some of the back numbers of this annual publication.

GLOBAL INDEX 2019
Previous issues (magazines and web contents) can be viewed from the special “GLOBAL INDEX” website. Please visit the special “GLOBAL INDEX” website for details.
https://www.kubota.com/globalindex/