
The Path to Development

Rauma-Repola Group
Development of Global Competitiveness
P500 - Part 2

Preparing the Development Program



Kari Tuominen

Rauma-Repola Group
Development of Global Competitiveness
P500 - Part 1

**Preparing the
Development Program**



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Instructions

The book presents idea presentation, contents, benchmarks, interviews and phases of the Development of Global Competitiveness Program based on Rauma Group Strategy 1991.

All four of the Rauma Group's main divisions operate worldwide. These business operations stem largely from acquisitions and restructuring carried out during the late 1980s.

In developing the business operations of the Rauma Group's divisions, particular emphasis will be placed on:

- Deriving full benefit from the synergistic and new business opportunities arising from the recent restructuring
- Deriving full benefit from the opportunities offered by global-scale business operations
- The efficient dissemination of the Rauma Group's knowledge, skills and experience within and between the divisions
- Full exploitation of the total quality concept throughout the Group's operations
- Increasing the contribution to total net sales from the profitable and steady service business.

1.

The Framework for Development of Global Competitiveness

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Development of global competitiveness

For the use of Rauma

The development concept that will be presented on the following pages has been composed particularly for the use of Rauma and its divisions.

The current situation of the divisions has been taken into consideration, the state of internationalization, current profitability requirements (P500) and development heritage in Rauma.

Further adaptation

The concept, however, is a general framework which requires further adaptation to the division's specific needs.

Links and interactions

The presentation also links together different development phases, illustrates their interactions and provides the overall framework necessary to manage and lead the development process.

Development of global competitiveness

Rauma Group has grown into a significant *global* industrial enterprise.

This has taken place by concentrating on businesses in which Rauma has achieved the leading position in the world. The basis has been the building up of areas of competence in Finland followed by *international acquisitions*.

Our divisions are *facing new challenges*; being competitive in the global environment requires new tools.

In addition to the traditional local responsiveness, we also need *global effectiveness*. These in turn requires global guidance of innovations and *global learning*.

In spite of some *differences*, the operating processes used by the divisions are very much alike. Also, the divisions are nearly at the same stage in their internationalization. On this basis there are good opportunities for *mutual learning*.

This booklet demonstrates basic elements needed to develop global competitiveness and to *transfer knowledge, skills and experience within and between the divisions*.

We must be good at "*doing*" but also at "*developing*"; *better and quicker than our competitors*.

Development capabilities must be developed

There are several specific reasons for improving development capabilities in systematic manners:

Fast globalisation of businesses and competition has brought new and tougher requirements as well as creating new opportunities.

Customers' needs are changing at an accelerating speed and the pressures are increasing for internal capabilities in the form of higher quality, speed, flexibility and productivity.

The development pace is a new challenge, also for the companies which have traditionally been skilful developers.

- By being first to develop products and processes, you gain the greatest benefits.
- It is not enough that you have the ability to develop. You have to be able to do it faster than your competitors. Not only catching up with them.

Without a systematic approach, you are not able to improve the organization's development capabilities necessary in global competition.

In addition to the above methodologies, you also need a set of new values to be established in order to turn traditional "doers" into "developers".

Development capabilities must be developed

**To achieve
a sufficient development pace
our ability to develop must be constantly
and systematically improved**

The basic structure is in order

The owner has played his part by financing our acquisitions, by defining the structure of our organization and by giving guidelines for business operations.

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