

Nissan Management Way

Nissan knows that success comes from the quality of management as well as of the product—and that the company must act more globally. Addressing this is Nissan Management Way, intended to provide innovative thinking and faster decision-making abilities for the company.

Focus on the Quality of Management

To be among the world's best, not only the quality of the product but the quality of management is critical to compete.

During the Nissan Revival Plan, the foundations were created for the Nissan Management Way, a program to increase the quality of management and to increase decision-making speed. The program's two cornerstones are cross-functional teams (CFTs) and the Value-Up program.

Cross-Functional Teams

In 1999, nine CFTs, international teams bringing together people from different business areas within the company, were established. Each CFT was under the leadership of two Executive Committee members, each headed by a "pilot," and each given a topic to handle. There was one goal—to make proposals to develop Nissan's business and reduce costs—and one rule: no sacred cows, no taboos, no constraints. The NRP was planned based on these proposals.

Today there are 14 CFTs, and their role continues: to challenge the company to do better by addressing strategic and structural issues, and to propose breakthrough ideas to enhance the company's operations and profitability. The CFTs are expected to develop fresh, original ideas without being bound to past work practices or habits.

One CFT is specifically targeted at enhancing the quality of management—to maximize the company's target results using a minimum of management resources in the shortest possible time.



Employees at Nissan North America



Town hall meeting with President Ghosn at Nissan's Tokyo head office



President Ghosn with employees on the opening day of the Canton Plant, Mississippi, May 27, 2003

Cross-functional teams in North America also have been established to develop coordinated launch plans for the Maxima, Quest, Titan and a new full-size SUV. The launch team concept was applied very successfully for the launch of the 2002 Altima, a success attributed in part to the effective communications made possible by the CFTs' high priority on transparent communications.

Value-Up Program

The Value-Up Program is a tool for achieving the goals of NISSAN 180, using successful implementation of

developments obtained during the NRP. Like the CFTs, the Value-Up Program is cross-functional across different departments and is designed to produce quantifiable, measurable results through the use of effective tools.

A total of 300 V-Pilots—the leaders who set the issues to be resolved—and 4,000 crews have been trained, and some 1,200 Value-Up projects have been launched. The program has been in full implementation since April of 2003.

Employee Feedback Critical

These efforts at increasing quality and speed during NISSAN 180 are not simply top-down directives. The structure of both the CFTs and the Value-Up teams ensures that ideas are continuously being brought from within the company to management. Nissan is also keenly interested in receiving the constructive feedback that will shape management quality. During 2002, a NISSAN 180 survey of more than 20,000 employees representing all of Nissan activities worldwide was conducted.

A Focus on Corporate Governance

Corporate governance is a key responsibility of management. At Nissan, clear management objectives and policy are released for all stakeholders, both inside and outside the company—shareholders, customers and suppliers, the local community and, of course, employees. The achievement status and results of these goals and policies are disclosed early and with transparency.

Nissan has also adopted a number of corporate reforms. The board of director membership has been reduced from nine to seven members from the June 2003 shareholders' meeting, in order to improve management efficiency.

Auditing has been strengthened by adopting outside corporate auditors as three of the four corporate auditors. Nissan established the Japan Internal Audit Office to conduct internal audits of operations on a regular basis; the Chief Internal Audit Officer conducts global audits. Three-way auditing has been adopted through this combination of corporate auditors, auditing firms and internal audit functions.

Nissan has also set out the Nissan Global Code of Conduct and established the Global Compliance Committee, both intended to strengthen compliance with laws and ethics and avoid illegal and unethical conduct within the global Nissan group.