

Creating New Businesses Unbound by Existing Frameworks —MOL Incubation Bridge—



Introduced in September 2019, MOL Incubation Bridge is an internal system for proposing new businesses. It aims to provide opportunities for MOL Group employees to fully demonstrate their abilities and actively take on new challenges. The system also serves as an incubator of ideas for businesses and services that are not bound by existing frameworks and which match needs in a changing business environment. This special feature focuses on two employees who submitted proposals under the system in its inaugural year and have since launched businesses based on the proposals.



Case 1

Provide a “PLUS” in the form of new value for the marine transport industry by partnering with other industries

Takuya Sakamoto

Representative,
MOL PLUS Co., Ltd.

When an in-house announcement was made about a system for proposing new businesses, I immediately decided to take part. I made this decision because, based on my experience of working at MOL, I felt the Company's ability to develop and innovate in completely new fields was underdeveloped compared to companies in other industries. As the introduction of this new system gave me a sense of the Company's determination to transform itself in earnest, my aim was to seize the opportunity to create an example of a successful new business and thereby heighten momentum in-house.

Fortunately, my proposal was adopted, and after a nine-month preparation period I was able to launch MOL PLUS Co., Ltd. in April 2021. The company is a corporate venture capital entity that mainly invests in start-ups in the initial and intermediate stages of their development in Japan and overseas. We have included the word “plus” in both our name and mission because we want to be a company that adds new value, or a “plus,” to marine transport and society by combining the innovative ideas and technologies of start-ups with the MOL Group's expertise and network.

I love the marine transport industry and its long tradition. However, with the development of IT and changes in society, the industry and the MOL Group have reached a point where they must transform to reflect the needs of a new era. The mission of MOL PLUS is to drive such evolution. The experience of working in marine transport has left me feeling that there is still a great deal of potential for creating synergies with other fields. Backward calculation from the kind of society that is expected to take shape in five or 10 years reveals that we can take advantage of our marine transport know-how in a wide range of fields, including fields where we have not previously invested. When I meet start-up entrepreneurs, they tell me that while such business fields as marine transport, ports, and logistics represent large markets, creating new businesses in these fields is challenging because know-how is

concentrated in a limited number of companies. A great many people have commented that they expect a creative “chemical reaction” to occur when MOL—a company that has accumulated know-how on oceans, vessels, ports, and cargoes over more than 130 years—begins to explore partnerships with start-ups.

We have established three criteria for the selection of investees. First, the start-up must have the potential to grow into a new core business of the MOL Group from a medium- to long-term perspective. Second, we should be able to create a partnership based on mutually complementary strengths. Third, the start-up must have a business with the potential to realize our mission of adding new value, or a “plus,” to marine transport and society. By investing in companies that meet these criteria, we aim to grow together with investees. At the same time, we expect to gain “strategic returns” in the form of help with the creation of core businesses and the creation of business synergies, “financial returns” when exiting from investees, and “secondary returns,” such as personnel exchanges and knowledge sharing with investees and the incorporation of their organizational models.

MOL PLUS is one of the businesses developed during the first year of activities under the MOL Incubation Bridge system. In response to MOL's commitment to transformation, which led to the introduction of the system, and to serve as a good model for the future, I will devote myself to business management with a strong desire to achieve results.



MOL PLUS website
<https://en.molplus.net/>

Case 2

Address the problems of hunger and poverty through support for the mechanization of agriculture in Africa, while creating transport demand for ourselves

Mikio Oyama

Representative,
KiliMOL Ltd.



KiliMOL Ltd. (named after “Kilimo,” meaning agriculture in Swahili, and “MOL”), which I launched in May 2021, uses a cross-border e-commerce website to sell used agricultural machinery to customers in Africa and facilitates integrated transport of the machinery to local areas. As Africa is a region with an economy and population that are continuing to grow, I have been paying attention to it for some time as a market with significant potential. Against this backdrop, I got the idea for the business when I learned that, although the GDP per capita in certain regions of Africa is not much different from that of South Asia, Africa is far behind in the mechanization of agriculture. In addition, the use of an e-commerce website was based on an idea mentioned during an in-house training session when we were given an opportunity to envision and discuss the ideal profiles of each other's divisions in 10 years. As Africa's population grows, food security is expected to become an even more important issue in the region. Given this situation, I believe that development of a business aimed at advancing the mechanization of agriculture has great social significance because the business will help improve agricultural productivity throughout Africa and thereby address the problems of hunger and poverty.

Generally, transport providers cannot create demand by themselves. In this sense, transport can be called a passive industry. KiliMOL's business is innovative for MOL as a transport company

because the business creates transport demand for itself. Moreover, the business will establish a foothold for forays into Africa, which despite being a promising potential market is a region where we have had few contacts until now. I think entering the region could become an asset for the entire MOL Group from the perspective of acquiring a deep understanding of the situation in each country and developing business partners and a customer base.

Most of the small- and medium-sized agricultural machinery that KiliMOL carries has rarely been used in Africa. As we are creating a new market, there are various challenges. But if it can effectively stimulate demand, the company has the potential to develop into a large business. To begin, we are targeting Kenya in East Africa, which has thriving agriculture, many smallholder farmers, and conspicuous economic growth. When conducting investigative interviews and demonstrations before starting up full-scale operations, we were often well received. For example, the local media covered our efforts. If we succeed in Kenya, we may be able to expand the business throughout Africa. Therefore, we will continue to actively conduct demonstrations and seek new customers.

Submitting a proposal through the MOL Incubation Bridge system has given me a great opportunity to grow. Previously, I worked in the Corporate Planning Division and was in charge of the Company's work-style reform. While serving in this position, I came into contact with some start-ups and was greatly inspired by the many people who had set up their own companies at a young age and were actively developing businesses. The experience of starting up my own business—made possible by the MOL Incubation Bridge system—will definitely become a valuable asset for me. During the process from application through to selection, I had the strong impression that MOL is serious about supporting the development of new businesses. My business has just begun, but once I have accumulated enough experience I would like to share the lessons I have learned and the know-how I have garnered to benefit the entire MOL Group. I hope that the MOL Incubation Bridge system encourages even more employees to take on new challenges.



A demonstration of agricultural machinery in Kenya



KiliMOL website
https://kilimol.net/en/pages/about_kilimol