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# Emerging Markets Seminar

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Head of Canon Consumer Imaging  
Former Head of Canon Emerging Markets  
Business Unit

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# Profile Rainer Fuehres



## **Rainer Fuehres**

Head of Canon  
Consumer Imaging (former  
Head of Canon Emerging  
Markets Business Unit)

- Previously, Rainer Fuehres was head of Canon Emerging Markets business unit which oversees the emerging markets of Russia, former CIS, Middle East and Africa
- Rainer Fuehres is now head of Canon Consumer Imaging EMEA
- Over 15 years of experience within Canon

***“The emerging markets are important areas of growth for Canon Europe and we are committed to making the most of the business opportunities they represent to further strengthen the Canon presence and expand our customer base.”***

- Introduction Canon
- Key challenges in Emerging Markets
- Canon's response to these challenges

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## Canon Profile



## Canon global strategy

- 1) Achieving the overwhelming no.1 position worldwide in all core businesses
- 2) Expanding business operations through diversification
- 3) Identifying new business domains and accumulating required technologies
- 4) Establishing new production systems to sustain international competitiveness
- 5) Nurturing truly autonomous individuals and promoting effective corporate reforms

## Products



- Photo and Video

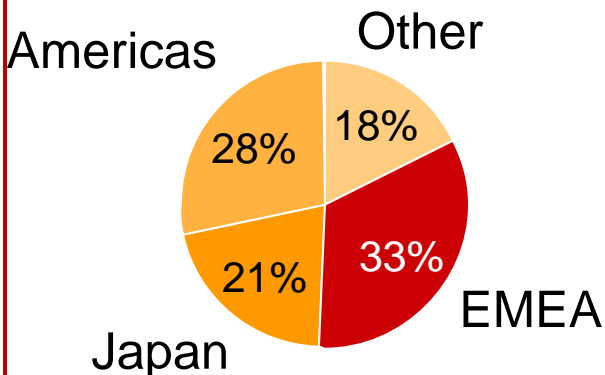


- Office Personal Products



- Canon Business Solutions

## Revenue FY 2008



## EMBU

More than 80 countries

11 key markets

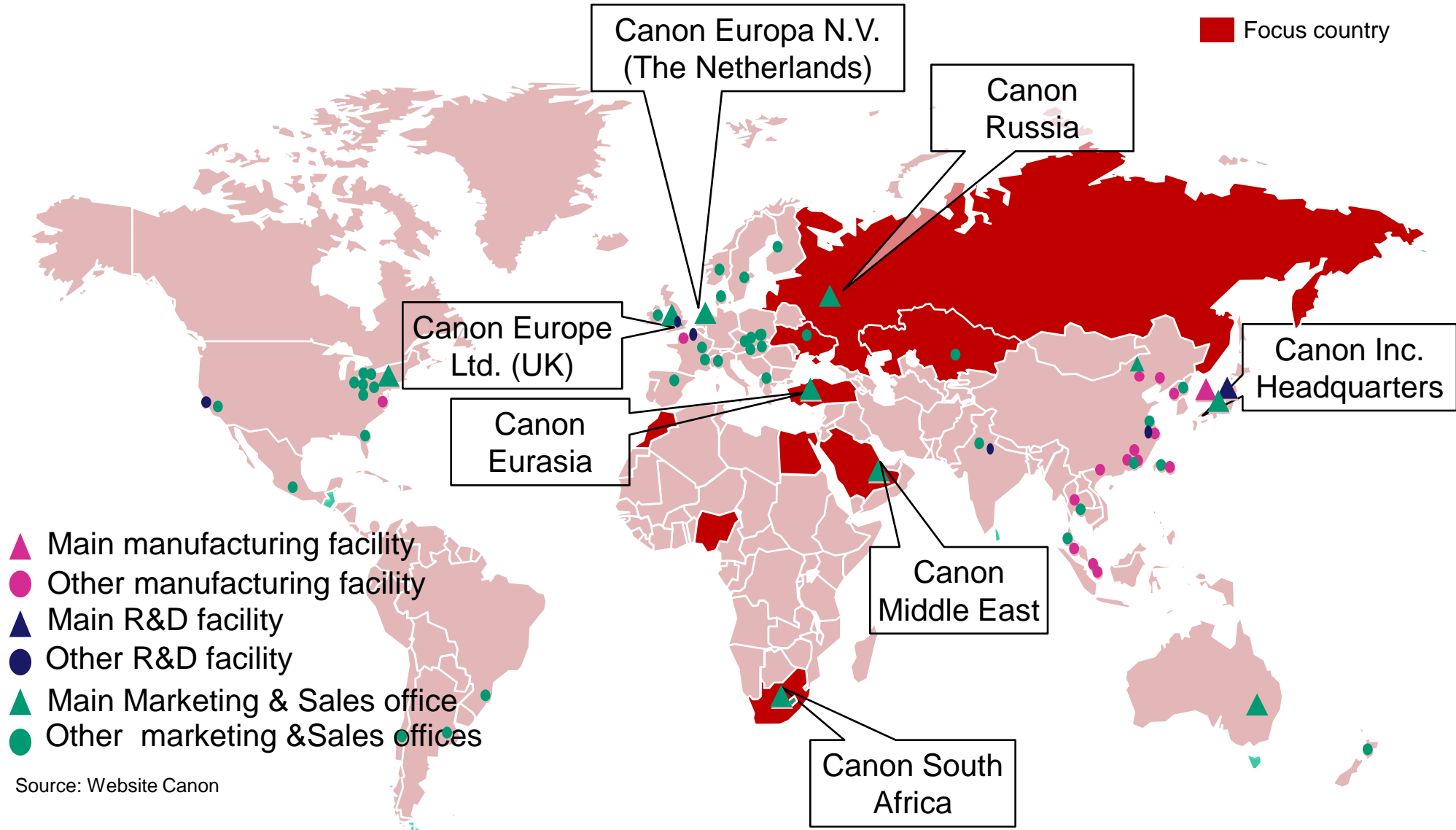
4 regional sales offices

600 employees

20% of EMEA sales

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Canon has its main production and R&D facilities centrally located in Japan/Asia and is in the other regions represented by marketing & sales offices



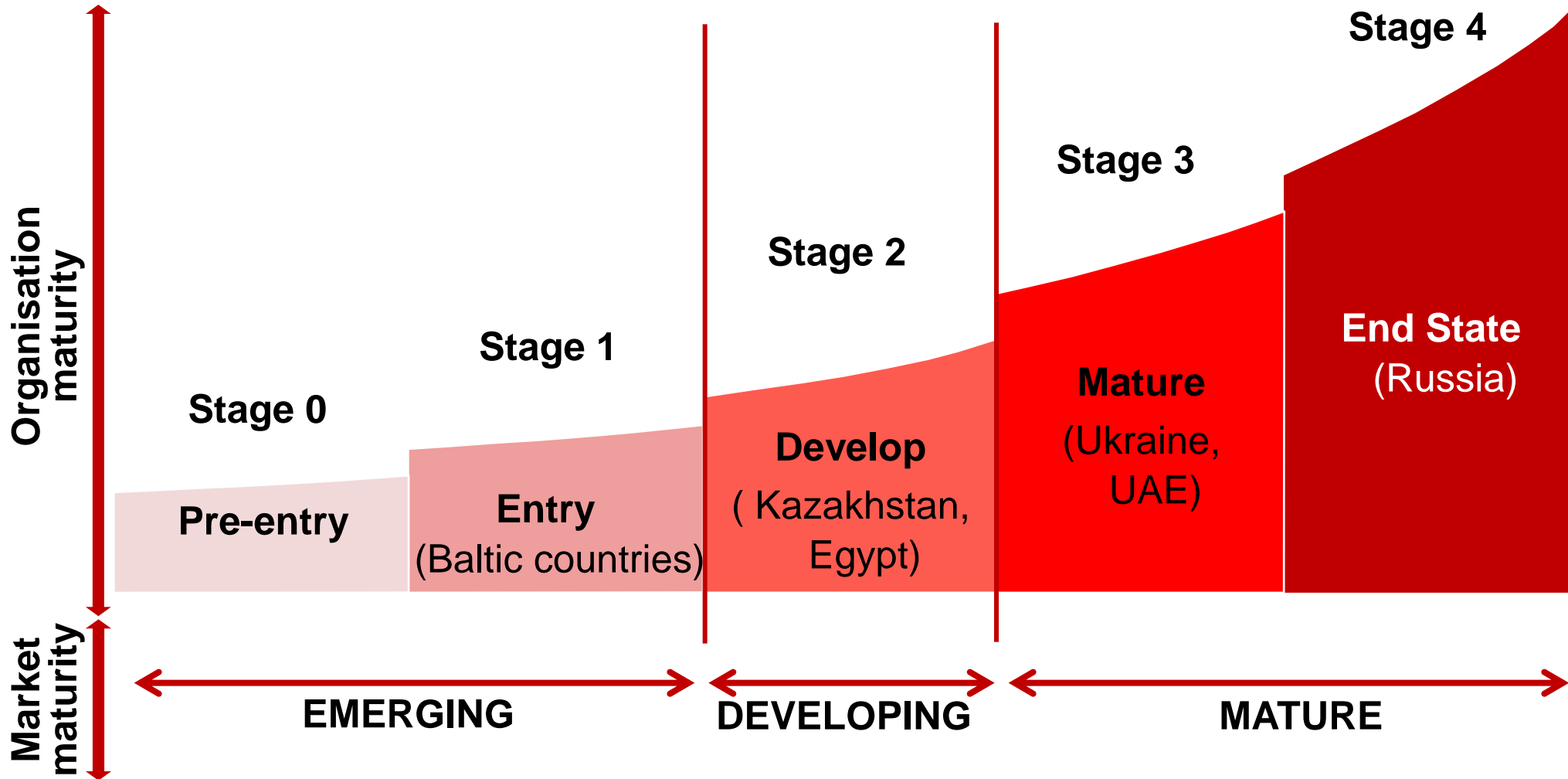
Source: Website Canon

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# Key Challenges in Emerging Markets



The EMBU countries can be classified into Emerging, Developing and Mature for the market maturity and the four corresponding organisation stages



# Challenges Canon Russia and former CIS regions



## Key Markets

- Russia
- Ukraine
- Kazakhstan

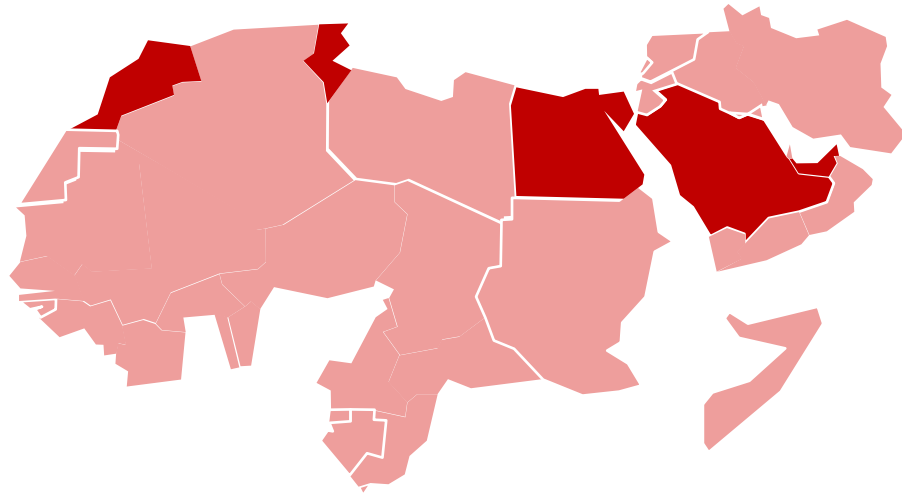
## Market Challenges

- Volatile political and economic situation
- Ongoing price erosion
- Grey import and counterfeited products
- Geographic coverage
- Business culture and corruption

## Organisational Challenges

- Sales coverage through sales offices and dealers
- Key account management
- Pricing and trade terms
- Talent Management
- Solid and flexible supply chain

# Challenges Middle East and North Africa



## Key Markets

- UAE
- Saudi Arabia
- Morocco
- Tunisia
- Egypt

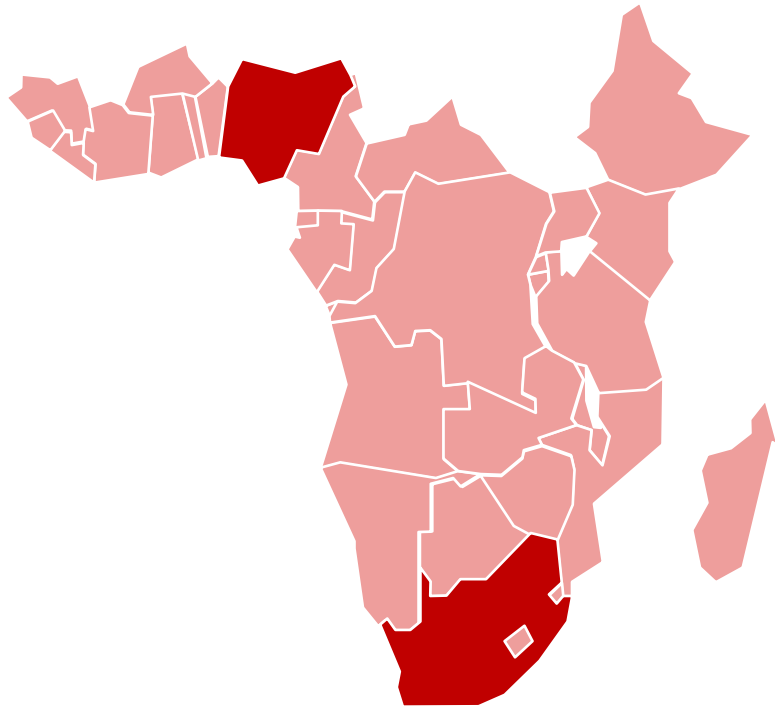
## Market Challenges

- Strong shift towards mature retailing (international retailers)
- Trading hubs
- High level of foreign investments
- Hand carry and grey import

## Organisational Challenges

- Sales channel structure (dealers/distributors/retail)
- Cultural difference between Africa and Middle East
- Local marketing & sales offices

# Challenges South and Middle Africa



## Key Markets

- South Africa
- Nigeria

## Market Challenges

- High price erosion and inflation
- Unstable political and economic climate
- Growing middle class
- Various maturity level
- Upcoming tourist business

## Organisational Challenges

- Organizational and operational complexity (regional offices vs. local offices)
- Selection suitable dealers/distributors
- Suitable product range (price)

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How to handle the challenges?

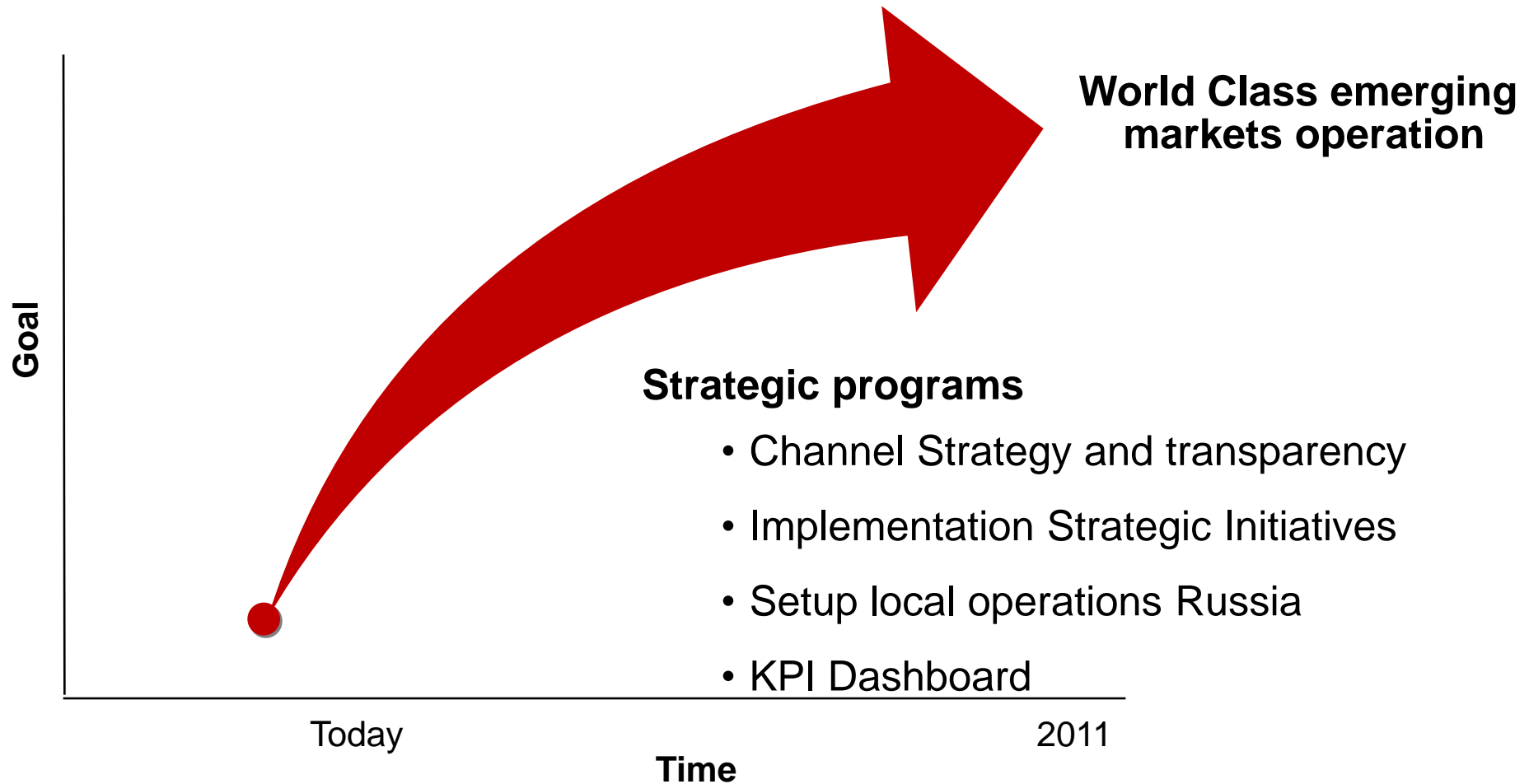


Overall, the challenges within EMBU countries can be summarized in the following 6 improvement areas





To realize a World Class Emerging Markets Operation, Canon has executed several strategic programs



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**THANK YOU**

February 5<sup>th</sup>, 2009