

Myth of “becoming general”:
The history of computer business in
the U.S. and Japan electrical industries, 1950-1980

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The world-leading electronic manufacturers have diversified into a wide range of electrical machinery-related businesses over time, not necessarily with the intention of “becoming general” while pursuing wide diversification from the outset. Rather, they became the widely diversified corporation as a result of the accumulation of decisions taken over time. However, being diversified raises administrative challenges related to the company-wide strategy—corporate strategy—on how to manage multiple business divisions and develop new businesses. The new administrative challenge of company-wide strategy has created new requirements to align with the individual strategies of each business division of the company, such as product market strategy, function-based strategy (research development / production / sales strategies).

This presentation compares the development history of the computer business within the United States and Japan electric industries, to explain why GE was unable to successfully develop its computer business in attempting widely diversification, eventually leading to its withdrawal. In comparison, it explains why Hitachi / Toshiba were able to establish the computer business as a core business in their attempts at widely diversification. Specifically, we will examine how each company had perceived the field of computer business, that is, whether or not there existed marketability of computer products, availability of development resources and synergy between businesses in each company. We will also explore the changing of company-wide strategies of each company, such as policies affecting the allocation of resources by each company over time.