

A Commitment to Quality

An Interview with F. Mark Gumz,
President and Chief Executive Officer, Olympus Corporation of the Americas

EDITORS' NOTE Mark Gumz began his career with General Electric. He then held management positions with Marubeni America Corporation, served as Vice President of Olympus Camera Corporation, and was involved with several start-up companies before rejoining Olympus in January 2000 as President and COO of Olympus America Inc. In April 2008, he assumed his current position as the first American CEO of the holding company Olympus Corporation of the Americas. Gumz is a graduate of The Ohio State University.



F. Mark Gumz

COMPANY BRIEF Olympus Corporation of the Americas, headquartered in Center Valley, Pennsylvania, is a wholly-owned subsidiary of Tokyo-based Olympus Corporation (www.olympus-global.com), a precision technology leader, designing and delivering innovative solutions in its core business areas. The company's health care offerings include flexible endoscopes, EndoTherapy accessories, minimally invasive surgical products, and advanced clinical digital and research microscope imaging systems. Olympus' medical products account for about 50 percent of total sales. Further, Olympus Corporation is a maker of digital cameras and digital audio recorders and binoculars, as well as industrial microscopes and nondestructive testing instruments.

How much of an impact has the economic crisis had on the business of Olympus Corporation of the Americas?

We've had different situations with our various businesses. The consumer business has had challenges because of the continual erosion of the average selling price of digital cameras. However, we've been very fortunate that we have products that are in a slightly higher price range with our Tough Series, which is the shockproof, waterproof, freezeproof, and crush-proof line that Olympus pioneered.

Also, seven years ago, Olympus introduced its E-System line of interchangeable lens DSLR (digital single-lens reflex) cameras, which are now being expanded with mirrorless interchangeable lens cameras, an area in which Olympus leads with our Micro Four Thirds PEN series products.

In our medical businesses, we continue to have positive growth. The volume continues to

be strong, especially for our products used in areas for digestive disease management.

In our surgical imaging area, we're helping to advance minimally invasive procedures with LESS (Laparo-Endoscopic Single-Site surgery), in which doctors operate through a port inserted into a single incision in the navel. This port can hold up to four instruments, including a deflectable tip laparoscope. This builds upon laparoscopic procedures that have been in vogue for over 15 years. There is

a potential cosmetic advantage with successful LESS procedures, because instead of four incisions with traditional laparoscopic procedures, with LESS you only have one.

This is a brand that drives technological advancement and is a true innovator. How has the focus on innovation been kept over the 90-year history of the company?

It started with our founder who was working for a trading company in Japan and started a new business with the bonus he received. He determined there was a need for a Japanese-produced microscope because there was a market demand that had not been fulfilled. We haven't forgotten that. So there is no rest for our engineers and R&D staff in terms of trying to challenge the status quo.

Innovation may have a tendency to be applied to products or to technologies, but innovation has to also be manifested in other business areas. We're adamant about bringing innovative ideas to project management and process improvement. We don't want to end up adding people instead of changing the process that may free people up to do other important work.

We also have to focus innovation on human capital. For instance, we innovate in recruiting people directly out of college through our Olympus Fellows program: a two-year rotational program that provides a wonderful bridge for them to get used to the corporate environment. It's innovative and provides value back to our shareholders as well as to our customers as we develop our management team for the future.

This is a brand that also focuses heavily on community engagement. How critical is that to the culture of the company?

It is very important to us globally and certainly in the Americas. Our mission, translated into English, is "Social IN." It means we must

contribute to society in a positive way beyond just the products we produce and the work we do in the commercial side of our business.

How do we do that? We work to raise awareness of colorectal cancer screening. We also have an employee volunteer effort, which we began three years ago, and it's growing every year. We have an annual management meeting each May, and last year, I made the decision that it would be a day of volunteerism. Over 300 managers in Pennsylvania, and in our other facilities in the U.S. and Canada, did volunteer work in their communities. We also encourage our employees to participate in and select a program or organization that they want to donate their time to, and we make a financial contribution based upon the number of hours they commit to that cause.

We even encourage community service by our Olympus Fellows, who support the Wildlands Conservancy in the Lehigh Valley. And, if you were to go to Olympus in Europe, Japan, Australia, India, or China, you would find Olympus employees committed to trying to make the world a better place.

When you first joined Olympus, could you have imagined this being a place you would remain for this period of time?

I was with Olympus from late 1976 until 1983, when I made a decision to start my own business. I was successful in that for 15 years. Then, I was asked by our current Global President, who was the Chairman of Olympus America at the time, whether I would consider coming back to Olympus to be President. I was humbled by the opportunity and have not looked back on this decision.

The thing I most valued about Olympus at the time I originally joined was the important focus on the individual, and the fact that there was great access to senior leadership within the company, and how much the people liked each other and enjoyed working together.

The other reason why I could freely come back was I knew the commitment to quality Olympus has, I knew its ethics and high moral standards, and I recognized the important work we were doing in research and in the medical and surgical fields. It makes you proud to be associated with a company that is doing something good for people every day, whether we're helping to capture and preserve their memories or helping physicians to save lives by diagnosing or treating a disease early enough to prevent it from turning into a very serious illness. All of us are very proud of the fact that we work for Olympus. ●